

ASX ANNOUNCEMENT

24 March 2025

JACKSON 4 WELL DRILLED TO TD WITH GAS CONFIRMED GALACTICA PROJECT

Highlights

- Jackson 4 well successfully drilled to total depth (TD).
- Well flowed naturally during drilling and at TD with gas confirmed by wireline logs.
- 62 feet of high-quality, gas-saturated Lyons Sandstone was penetrated.
- Samples sent to laboratory for analysis of helium and CO2 concentrations.
- Well head being installed ahead of surface pressure readings and flow testing.

Blue Star Helium Limited (ASX:BNL, OTC:BSNLF) (**Blue Star** or the **Company**) is pleased to announce that the Jackson 4 L4 3154 development well at its Galactica helium project in Las Animas County, Colorado has been successfully drilled to its final total depth (TD).



Air drilling the Lyons Sandstone (left) and open-hole logging of the Lyons at TD (right)

Blue Star Managing Director & CEO, Trent Spry, said

"We are pleased to have successfully completed the drilling of the second well in this current development well drilling campaign. The strong early results at Jackson 4 further expand the discovered resource at Galactica and support the impressive production potential of the Lyons Sandstone. This continued success further verifies the strength of our Galactica project and marks a significant step towards commercial production."

Jackson 4 Well Drilling and Initial Flow Testing Results

The well encountered the Lyons Formation at a depth of 1,198 feet and was completed deliberately 62 feet into the upper sand of the Lyons Formation at 1,260 feet (TD). The well exhibited strong naturally flow during drilling and at TD in line with the recent Jackson 31 observations.

Significantly, no water was encountered during drilling of the Lyons Formation. Wireline logs confirmed this. Based on offset wells we expect the entire upper Lyons to be gas saturated as well as a significant portion of the lower Lyons sand. This well targeted the highest quality sandstone at the top of the upper Lyons Formation which is well connected to the entire gas column.

During the natural flow of the well early gas samples were taken (note, these will be contaminated by air-drilling and will require air-correction) and are being delivered for laboratory analysis of helium and CO₂ concentrations.

The well head installation is being completed ahead of surface pressure readings, flow testing and further gas sampling.

It is anticipated that, upon successful testing at Jackson 4, the well will be completed, ready to be tied-in to production facilities.

The rig is currently planned to mobilise to the Jackson 29 SWNW 3054 well location where pad construction is underway.

Galactica/Pegasus Development

The Galactica project forms part of the broader Galactica/Pegasus development, discovered by Blue Star in 2022. This large-scale project offers multiple potential product streams. Four existing discoveries at Galactica/Pegasus (JXSN#1 to JXSN#4) have delivered gas flows of 125 - 412 mcf/d with high helium concentrations (2.0 - 6.1% He).

The Company further appraised the discovery with the State 16 well drilled in June 2024 and the Jackson 31 well drilled in February 2025.

Independent engineering consultants advised the company that State 16 is capable of a maximum rate of 441 Mcfd with more stabilised rates constrained for production optimisation projected to be between 250 Mcfd and 350 Mcfd.

Applying the same methodology, the Jackson 31 well is capable of a maximum rate of 500 Mcfd with more stabilised rates constrained for production optimisation projected to be between 300 Mcfd and 400 Mcfd.

The third-party owned Red Rocks helium production facility adjoins Blue Star's Galactica project (see map below). Production at Red Rocks further supports the successful commercialization of the Galactica project.

Blue Star has been advancing engineering work on Galactica related to CO₂ removal, purification and sale prior to helium processing via the IACX helium recovery unit. Engineering and market analysis continues to optimize development configurations, production forecasts, and cost estimates.

Blue Star is advancing the Galactica project in joint venture with Helium One Global Ltd. Under the farm-in agreement, Helium One will fund the first US\$450,000 of this well.

This ASX Announcement has been authorised for release by the Board of Blue Star Helium Limited.

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About Blue Star Helium:

Blue Star Helium Ltd (ASX:BNL, OTC:BSNLF) is an independent helium exploration company with operations and exploration in North America. Blue Star's strategy is to find and develop new supplies of low-cost, high-grade helium.

About Helium:

Helium is a unique industrial gas with applications in various high-tech industries, including MRI and semiconductor manufacturing, fiber optics, and space exploration. Helium is primarily sourced as a by-product of natural gas extraction.

