Blue Star Helium Limited
And Controlled Entities

ABN: 49 623 130 987

HALF YEAR REPORT

For the Half Year Ended 30 June 2025

CONTENTS

DIRECTORS

Neil Rinaldi	Non-Executive Chairman
Trent Spry	Managing Director and Chief Executive Officer
Gregg Peters	Non-Executive Director

SECRETARY
Amanda Wilton-Heald

REGISTERED OFFICE
Level 8, London House
216 St Georges Terrace
Perth WA 6000

BUSINESS OFFICE
194 Hay Street
Subiaco WA 6008
Telephone: +61 8 9481 0389
Facsimile: +61 8 9463 6103

WEBSITE & EMAIL
www.bluestarhelium.com
info@bluestarhelium.com

SHARE REGISTRY
Automic Registry Services Pty Ltd
Level 5
191 St Georges Terrace
Perth WA 6000
Telephone: +61 8 9324 2099

AUDITORS
Stantons
Level 2
40 Kings Park Road
West Perth WA 6005

STOCK EXCHANGE LISTING
Australian Securities Exchange
ASX Code: BNL

OTC Markets
OTC:BSNLF

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Blue Star Helium Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2025 ('**H1 FY25**').

DIRECTORS

The following persons were Directors of Blue Star Helium Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Name	Title
Neil Rinaldi	Non-Executive Chairman
Trent Spry	Managing Director and Chief Executive Officer
Gregg Peters	Non-Executive Director

COMPANY SECRETARY

Name	Title
Amanda Wilton-Heald	Company Secretary

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the half-year ended 30 June 2025 were helium exploration. The Company is headquartered in Australia and its strategy is to provide its shareholders with exposure to multiple high-value helium projects in North America.

REVIEW OF RESULTS

The loss after tax for the half year ended 30 June 2025 was $3,330,733 (30 June 2024: loss of $10,348,222).

The earnings of the Consolidated Entity for the past financial periods are summarised below:

	30 June 2025 (6 months) $	31 December 2024 (12 months) $	30 June 2024 (6 months) $	31 December 2023 (12 months) $
Revenue (including other income)	7,441	35,795	25,516	68,947
EBITDA	(2,003,667)	(11,079,395)	(9,681,420)	(3,115,867)
EBIT	(2,493,074)	(11,840,242)	(9,961,243)	(3,125,607)
Loss after income tax	(3,330,733)	(13,063,172)	(10,348,222)	(3,125,659)

The factors that are considered to affect total shareholders return are summarised below:

	30 June 2025 $	31 December 2024 $	30 June 2024 $	31 December 2023 $
Share price at financial period end	0.005	0.004	0.007	0.022

Operating Review

Blue Star Helium Limited (ASX:BNL, OTC:BSNLF) (**Blue Star** or the **Company**) is pleased to provide an update on its activities for the half year period ending 30 June 2025.

Galactica-Pegasus Project – Las Animas

During the reporting period, Blue Star conducted a drilling program targeting six (6) helium development well locations at Galactica, within the highly prospective Lyons Formation. The program was designed to build on the success of the State 16 well drilled in 2024 (refer to ASX announcement dated 4 June 2024: *Significant Helium Discovery at State 16 Well*).

The completion of this six well development programme represents a key component of the Galactica-Pegasus Project development strategy aimed at progressing the helium and CO_2 discoveries to near-term commercial production.

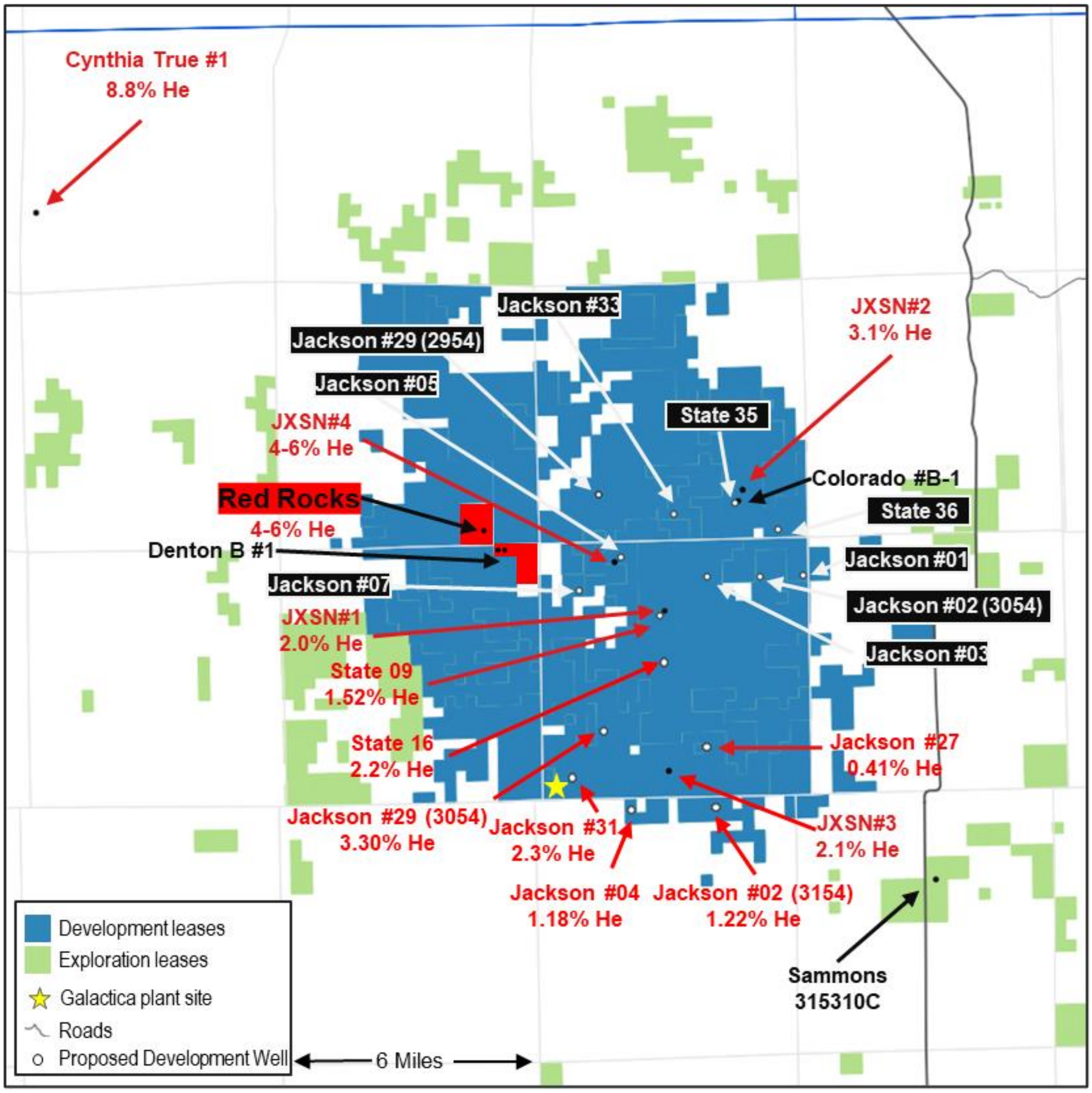

Figure 1: Recent successful development well locations at the Galactica/Pegasus and neighbouring Red Rocks Helium production area

Under its 50% JV farm-in agreement with Blue Star, Helium One Global Ltd (**Helium One**) agreed to fund the drilling of six development wells, covering the first US$450,000 cost of each well and thereafter sharing drilling costs equally with Blue Star (refer to ASX announcement dated 28 August 2024: *Helium One Farms into Galactica/Pegasus Project*). Following the drilling of these six wells, Helium One has satisfied its earn in obligations and now holds a 50% JV stake in the Galactica-Pegasus Project.

Blue Star now has seven (7) development wells at Galactica ready to be tied into production.

These wells comprise:

1. **State 16** SWSE 3054 (drilled prior to Helium One farm-in agreement)
2. **Jackson 31** SENW 3054
3. **Jackson 04** L4 3154
4. **Jackson 29** SWNW 3054
5. **Jackson 27** SESW 3054
6. **Jackson 02** L4 3154
7. **State 09** SWSE 3054

The results and current status of each development well are summarised below:

1. State 16

Re-Sampled Gas Analysis Results
State 16 is Blue Star's maiden helium development well at Galactica-Pegasus. The well was drilled in May 2024. During the reporting period, the Company took the opportunity to re-sample gas from the well and had the samples analysed by Gas Analysis Service.

In Blue Star's previously reported lab analysis in June 2024, the representative reservoir samples taken during flow testing contained an average helium percentage of 1.65% and up to 1.90% when air-corrected. The reservoir gas compositions were approximately 1.65% helium, 28.05% nitrogen and 70.29% CO_2 from the lab analysis and 1.90% helium, 28.54% nitrogen and 69.56% CO_2 when air-corrected.

The latest samples, taken from the well head, demonstrate a significant rise in helium concentration to 2.17% (not air-corrected). This increase is attributed to the reservoir's natural equilibration process near the well bore. This increase in helium content could be expected from all historic wells.
The recorded well head pressure of 10 psig is a positive indicator of reservoir connectivity and long-term flow potential.

The well is currently completed for tie-in to production facilities.

2. Jackson 31

Well Drilling and Flow Testing Results
The Jackson 31 well reached a total depth (**TD**) of 1,210 feet, encountering the Lyons Formation at 1,153 feet. As expected, no water was encountered during drilling of the Lyons. The well exhibited natural gas flow during drilling and at TD. Sandstone with wireline logs confirming the penetrated Lyons sands to be high-quality and gas saturated.

Flow testing since TD has revealed increasing natural flow rates, reaching approximately 250 Mcfd. Strong pressure build-up post-testing indicates high permeability and good reservoir communication. Based on previous engineering analysis, and the observed flow rates, the projected stabilised flow rates constrained for production optimisation are expected to be between 300-400 Mcfd, with a maximum of 500 Mcfd.

Initial laboratory analysis of gas samples from Jackson 31 showed a helium concentration of up to 2.2% (air corrected) (up to 1.90% not air corrected). Based on recent equilibrated samples from the State 16 well, which showed a helium concentration of 2.17% (not air corrected), the reservoir helium concentration at Jackson 31 could equilibrate to around 2.3% to 2.5%. On average from air correction of laboratory analysis results the remaining raw gas components are around 69% CO_2 and 29% nitrogen.

3. Jackson 04

Well Drilling and Flow Testing Results
The Jackson 4 well reached TD at 1,260 feet within the upper Lyons Formation, encountering the Lyons Sandstone at 1,198 feet. As expected, no water was encountered during drilling of the Lyons Sandstone with wireline logs confirming the penetrated Lyons sands to be high-quality and gas saturated.

Flow testing since TD revealed increasing natural flow rates, reaching approximately 190 Mcfd as at 1 April 2025. Strong pressure build-up post-testing indicates high permeability and good reservoir communication. Based on the previous engineering study described below, and the observed flow rates, the projected stabilised flow rates constrained for production optimisation are expected to be between 250 to 350 Mcfd, with a maximum of 450 Mcfd.

Initial laboratory analysis of gas samples from Jackson 4 showed a helium concentration up to 1.18% and 85.93% CO_2 (and 12.89% nitrogen) in line with expectations. Jackson 4 is one of the southernmost wells in the project and was expected to access higher CO_2 and lower helium than wells to the north and west.

Maintaining optimal plant throughput for beverage-grade CO_2 production requires a consistent CO_2 feed. High-CO_2 wells are crucial, enabling necessary blending of the input gas to achieve and maintain this optimal feed.

4. Jackson 29

Well Drilling and Flow Testing Results
The Jackson 29 well reached TD at 1,183 feet within the upper Lyons Formation, encountering the Lyons Sandstone at 1,122 feet. As expected, no water was encountered during drilling of the Lyons Sandstone with wireline logs confirming the penetrated Lyons sands to be high-quality and gas saturated.

Flow testing since TD has revealed increasing natural flow rates, reaching approximately 320 Mcfd so far. Strong pressure build-up post-testing indicates high permeability and good reservoir communication. Based on the previous engineering study described below, and the observed flow rates, the projected stabilised flow rates constrained for production optimisation are expected to be between 350 to 450 Mcfd, with a maximum of 550 Mcfd.

Initial laboratory analysis of gas samples from Jackson 29 showed a helium concentration up to 3.30% and 48.66% CO_2 (and 48.04% nitrogen) in line with expectations.

5. Jackson 27

Well Drilling and Flow Testing Results
The well reached TD at 1,183 feet within the upper Lyons Formation, encountering the Lyons Sandstone at 1,123 feet. As expected, no water was encountered during drilling of the Lyons Sandstone with wireline logs confirming the penetrated Lyons sands to be high-quality and gas saturated.

Flow testing since TD has revealed increasing natural flow rates, reaching approximately 320 Mcfd so far. Strong pressure build-up post-testing indicates high permeability and good reservoir communication. Based on the previous engineering study described below, and the observed flow rates, the projected stabilised flow rates constrained for production optimisation are expected to be between 350 to 450 Mcfd, with a maximum of 550 Mcfd.

Initial laboratory analysis of gas samples from Jackson 27 showed a helium concentration up to 0.41% and 98.31% CO_2 (and 1.27% nitrogen). The well has tested the far eastern extent of the Galactica project area. Understanding the flow potential and reservoir gas composition in this part of the field is key to defining the development going forward.

6. Jackson 02

Well Drilling and Flow Testing Results
The well reached TD at 1,232 feet within the upper Lyons Formation, encountering the Lyons Sandstone at 1,159 feet. As expected, no water was encountered during drilling of the Lyons Sandstone with wireline logs confirming the penetrated Lyons sands to be high-quality and gas saturated.

Flow testing since TD has revealed increasing natural flow rates, reaching approximately 250 Mcfd so far. Strong pressure build-up post-testing indicates high permeability and good reservoir communication. Based on the previous engineering study described below, and the observed flow rates, the projected stabilised flow rates constrained for production optimisation are expected to be between 300 to 400 Mcfd, with a maximum of 500 Mcfd.

Initial laboratory analysis of gas samples from Jackson 2 showed a helium concentration up to 1.22% and 77.77% CO_2 (and 20.61% nitrogen). The well has tested the far southeastern extent of the Galactica project area. Understanding the flow potential and reservoir gas composition in this part of the field is key to defining the development going forward.

7. State 09

Well Drilling and Flow Testing Results

The well reached TD at 1,225 feet within the upper Lyons Formation, encountering the Lyons Sandstone at 1,165 feet. As expected, no water was encountered during drilling of the Lyons Sandstone with wireline logs confirming the penetrated Lyons sands to be high-quality and gas saturated.

Flow testing since TD has revealed increasing natural flow rates, reaching over 360 Mcfd so far. Strong pressure build-up post-testing indicates high permeability and good reservoir communication. Based on the previous engineering study described below, and the observed flow rates, the projected stabilised flow rates constrained for production optimisation are expected to be between 400 to 500 Mcfd, with a maximum of 600 Mcfd.

Initial laboratory analysis of gas samples from State 9 showed a helium concentration up to 1.52% and 80.48% CO_2 (and 17.69% nitrogen). The well has tested the far eastern extent of the Galactica project area. Understanding the flow potential and reservoir gas composition in this part of the field is key to defining the development going forward.

Summary of Development Well Program

The program, undertaken in joint venture with Helium One, has delivered strong results, consistently encountering good helium concentrations in the target formation and demonstrating promising flow potential establishing a broad resource base across the Galactica development area. The Galactica production wells available for tie-in are summarised below:

Well Name	Results Announced	Helium Con. %	CO_2 Con. %	Projected Initial Stabilised Flow Rate Mcfd	Max Projected Flow Rate Mcfd
State 16 SWSE 3054	1 Jul 24	2.17*	61.56*	250 – 350	441
Jackson 31 SENW 3054	14 Mar 25	2.20	69.00	300 – 400	500
Jackson 4 L4 3154	1 Apr 25	1.18	85.93	250 – 350	450
Jackson 29 SWNW 3054	22 Apr 25	3.30	48.66	350 – 450	550
Jackson 27 SESW 3054	30 Apr 25	0.41	98.31	350 – 450	550
Jackson 2 L4 3154	15 May 25	1.22	77.77	300 – 400	500
State 9 SWSE 3054	9 Jun 25	1.52	80.48	400 – 500	600

**State 16 SWSE 3054 reported on 6 Mar 25*

Table 1: Summary of Galactica helium development well results

Plant Construction Permit

In April 2025, Blue Star achieved another key milestone for the development of the Galactica-Pegasus Project. The Company's wholly owned subsidiary, BNL (Enterprise) Inc (**BNLE**), has received approval for a "Major Facilities Permit" from the Board of County Commissioners of Las Animas County.

The approval, formalized through Resolution MF 2025-001 made on 15 April 2025, grants BNLE the necessary authorization to construct the Pinon Canyon Plant. This facility will be located Lot 6 of Section 31, Township 30 South, Range 54 West, 6th PM.

Next Steps

Following the successful conclusion of the 2025 drilling campaign, Blue Star and its joint venture partner, Helium One, are now focused on rapidly advancing the Galactica development (part of the broader Galactica-Pegasus Project) into initial commercial production from the Pinon Canyon Plant.

Stage 1: Initial Commercial Production from Galactica

Blue Star's primary objective is to commence initial commercial helium production in H2 2025 from the Pinon Canyon Plant. This is set to be achieved by tying in the initial group of producing wells at Galactica to this helium and CO_2 processing plant.

Key activities to achieve this H2 2025 production target include:

1. **Finalising Plant Design:** Engineering design studies for the Pinon Canyon Plant are advancing with flow data and gas analysis from the recently completed drilling campaign being integrated. The final design of the helium and CO_2 processing plant will be determined once all the gas analysis and flow modelling has been completed.
2. **Site Development:** Civil works are set to commence at the approved Pinon Canyon Plant location (refer to ASX announcement dated 22 April 2025: *Las Animas County Approves Plant Construction Permit*) once the final plant layout is determined.
3. **Equipment Mobilisation:** Following site preparations, mobilisation of the plant equipment to the Pinon Canyon site will be undertaken.
4. **Well Tie-Ins and Compression:** Tie-in of initial production wells, including any necessary well-site gas compression, is set to occur alongside plant site civil works.
5. **Commissioning:** Upon completion of the Pinon Canyon Facility and individual well tie ins, the plant is to be tested and commissioned. This is subject to standard operational permits, environmental compliance, and final readiness assessments.

Additionally, Blue Star is actively developing its marketing and offtake strategy with a view to establishing operating partners across the entire helium supply chain, securing distribution partners for transportation of both bulk liquid helium (LHe) and gaseous helium (GHe), pursuing direct sales to end-users, targeting buyers who prioritise continuity and security of supply and aiming for long-term agreements designed to navigate helium supply and price cycles effectively.

This initial production stage is designed to provide early cash flow and invaluable operational data, expected to be instrumental in optimising full-field development plans for both the Galactica development and the broader Galactica-Pegasus Project.

All production forecasts and commissioning timelines remain subject to final engineering, regulatory approvals, equipment availability, and market conditions.

Stage 2: Galactica-Pegasus Expansion

Following the successful commissioning and ramp-up of initial helium production from the Pinon Canyon Plant, Stage 2 is set to focus on increasing helium production at Galactica and across the broader Galactica-Pegasus Project.

Blue Star plans to focus on expanding the plant throughput at Pinon Canyon by drilling and tying in additional production wells from the Galactica development area. Beyond the wells planned for initial production, an initial additional 6 to 10 infill and expansion drilling locations have been identified at Galactica, based on recent results.

A further 20 to 30 potential drilling locations have been identified within the greater Galactica-Pegasus Project area. To date, all production wells have been completed within the Upper Lyons sandstone. Future infill and expansion drilling will consider strategies for accelerating and optimising production from the Lower Lyons formation, in conjunction with the Upper Lyons formation.

The joint venture parties will evaluate the sequencing and prioritisation of future drilling to maximise efficiency, production scalability, and resource recovery. This multi-staged approach allows for efficient capital deployment and leverages early operational learnings from the Pinon Canyon Plant.

In parallel, and based on the performance of the Pinon Canyon Plant and ongoing appraisal drilling success, the joint venture parties will assess the potential for establishing further processing facilities at multiple new locations to develop the extensive resources within the Galactica-Pegasus Project area.

Stage 3: CO_2 Monetisation

In parallel with its project development activities at Galactica-Pegasus, Blue Star intends to integrate CO_2 purification and liquefaction at the Pinon Canyon Plant to produce and commercialise the significant CO_2 resources within the acreage. This is expected to require minor additional plant modifications to enable the product to be produced into trailer transport.

In addition to realising this by-product potential at Galactica-Pegasus, Blue Star also plans to seek to unlock new super-rich CO_2 discoveries at its Serenity prospect.

Serenity represents a proven source of natural, high-grade CO_2 with a previous substantial discovery at Sammons 315310C returning raw gas concentrations approaching 99%[1] CO_2.

Up to 20 further locations have been identified and mapped within the Serenity prospect for a targeted expansion of commercialization potential.

[1] Combined average composition from both the upper and lower Lyons reservoirs: 98.77% carbon dioxide, 1.15% nitrogen, and 0.09% helium. The lower Lyons reservoir consistently shows higher CO_2 concentrations, up to 98.95%.

Stage 4: Acreage-Wide Expansion

Following the successful development of helium producing assets at Galactica-Pegasus, the Company plans to pursue regional drilling to capture further resource upside across its broader Las Animas acreage. This drilling is planned to target new prospect developments and the installation of additional modular plants outside of Galactica-Pegasus to complement and expand its existing operations.

Lincoln County – Great Plains Field, Colorado

Blue Star holds an option to acquire a portfolio of helium assets in Colorado (refer to ASX announcement dated 23 December 2024: *Strategic Helium Acquisition Option*). These assets include existing discovery wells with helium gas recoveries, infrastructure and a processing site – offering the potential for rapid and cost-effective development. The acquisition also provides access to the Tumbleweed gas gathering system and the Ladder Creek helium processing facility, creating further opportunities for expansion.

This proposed acquisition aligns with Blue Star's strategy to expand its helium resource base in North America and leverage its technical expertise to become a significant helium producer.

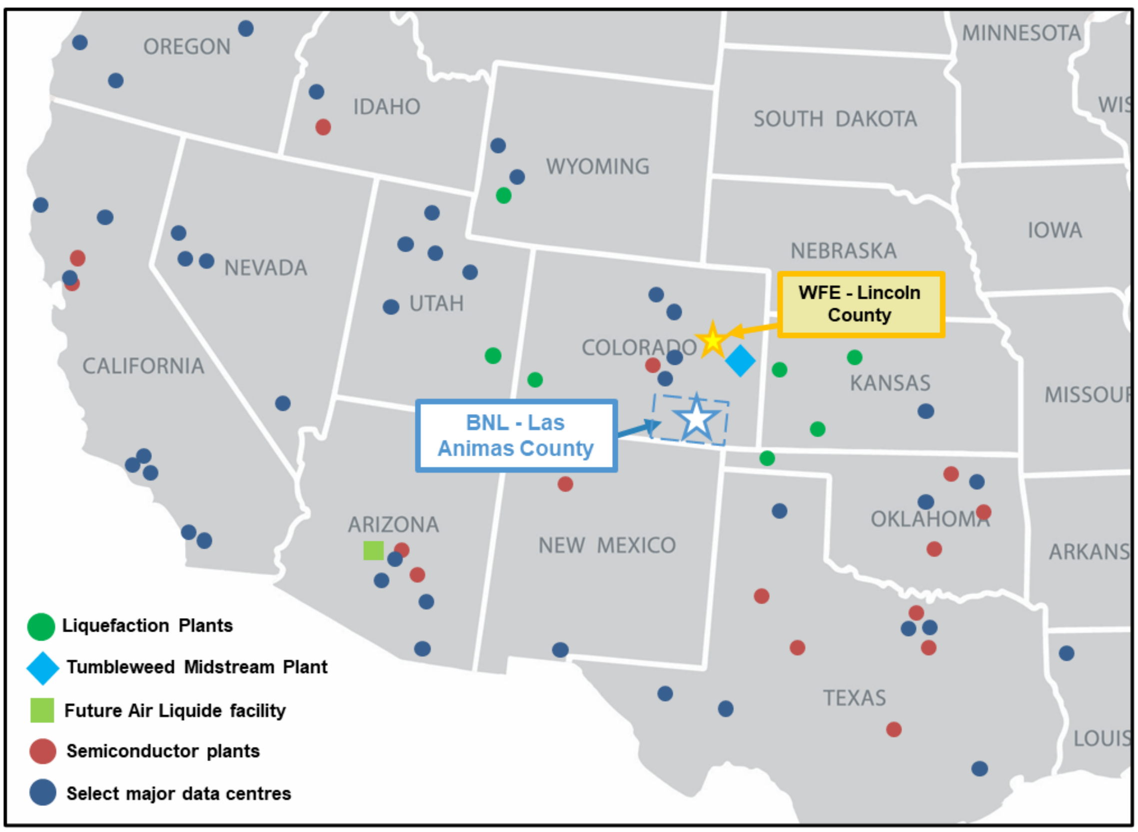

Figure 2: Location of key liquefaction plants, semiconductor plants and select major data centres across the western United States, including Blue Star's Las Animas project area and WFE's Lincoln County asset portfolio in Colorado.

In February 2025, Blue Star commenced well testing activities in the Great Plains field in Lincoln and Cheyenne Counties in Colorado. The tests were designed to reassess the strategic value of existing wellbores that historically have produced between 1.36% to 2.02% raw helium and produced raw gas flow rates of 5,000 to 10,000 Mcfd.

During the reporting period, Blue Star tested two initial wells at Ma State 16 and Bubba State 3. Testing involved downhole operations to prepare the V11 or Keyes formations, measuring helium concentrations, flow rates and pressures in order to establish gas well type curves, and estimating expected ultimate recoveries (**EUR**) for the assessment of development commerciality.

The results and current status of these two initial wells are summarised below.

1. Ma State 16

Flow Test Summary
Blue Star concluded flow testing and gas sampling operations at Ma State 16 with results released on 19 March 2025. The well demonstrated strong performance, flow testing at a constrained constant rate 2.5 MMcfd (2,500 Mcfd) for around 12 hours as planned, with only 60 psi drawdown. The reservoir pressure is estimated to be 1,464 psig and permeability is interpreted to be high, approximately 700 mD.

A modelled 8-hour Absolute Open Hole Flow (**AOF**) of 33 MMcfd (33,000 Mcfd) is in line with the original choked well test of 10 MMcfd (10,000 Mcfd) previously reported and supports the interpretation of strong well performance. Note that production flow rates will be optimized for the development and that the AOF numbers are more a reflection of the reservoir and well connectivity performance.

Early observations show no obvious boundaries are indicated within approximately 500' of the well. Further analysis of reservoir parameters, production curves, reservoir boundaries and estimations of recoverable gas are underway. These results will be used to assess commerciality and guide option exercise and development decisions.

Gas Analysis
Gas analysis of samples taken during flow testing confirms previously tested helium content of 1.32-1.36% helium. These concentrations are high for this area and in line with expectations. The other raw gas components are 49.48% nitrogen; 33.66% methane; 14% CH_4+; 1.27% CO_2;

2. Bubba State 3

Flow Test Summary
The well has demonstrated strong performance for the Keyes formation, flow testing at a sustained constant rate 740 Mcfd for around 12 hours as planned. The reservoir pressure is estimated to be 1,625 psia at 7797' (mid Perfs).

A modelled AOF of 885 Mcfd has been determined with a stabilised production rate after 30 days forecasted to be 700 Mcfd. Permeability is modest at 9.2 md or 0.083 darcy-ft as reflected in the flow rates, which are still considered robust and high potential for the development.

Early observations show no obvious boundaries are indicated within approximately 500' of the well and that the radius of investigation was approximately 900'. Further analysis of reservoir parameters, production curves, reservoir boundaries and estimations of recoverable gas are underway. These results will be used to assess commerciality and guide option exercise and development decisions.

Gas Analysis

Gas analysis of samples taken during flow testing confirms previously tested helium content of 2.01% helium. These concentrations are high for this area and in line with expectations.

The other significant raw gas components are 77.25% nitrogen; 15.72% methane; 3.57% CH_4+; 1.06% CO_2.

Post-end of the reporting period

Following the flow testing and gas sampling operations at Ma State 16 and Bubba State 3, Blue Star intended for Big Wampum 4 to be the third well tested under its four well program. Site preparations at the Big Wampum 4 well were nearing completion when a scheduling conflict prevented completion of operations.

Subsequent rains and muddy conditions at the well site informed Blue Star's decision to direct the rig to Aloha Mula 12. Results from flow testing and gas analysis at this well were received on 31 July 2025.

3. Aloha Mula 12

Flow Test Summary

The well demonstrated strong performance, flow testing at a constrained rate of 3 MMcfd (3,000 Mcfd) for around 12 hours as planned, with only minimal drawdown. The reservoir pressure is estimated to be 1,500 psia and permeability is interpreted to be high.

A modelled AOF of 9 MMcfd (9,000 Mcfd) is in line with the original well test of 15 MMcfd (15,000 Mcfd) previously reported and supports the interpretation of strong well performance. Note that production flow rates will be optimized for the development and that the AOF numbers are more a reflection of the reservoir and well connectivity performance.

Early observations show no obvious boundaries are indicated within approximately 1,000' of the well. Further analysis of reservoir parameters, production curves, reservoir boundaries and estimations of recoverable gas are underway. These results will be used to assess commerciality and guide option exercise and development decisions.

Gas Analysis

Gas analysis of samples taken during flow testing returned a helium content of 1.41% helium. These concentrations are high for this area and in line with expectations. The other raw gas components are 55.42% nitrogen; 28.53% methane; 13.27% CH_4+; 1.16% CO_2.

Corporate

Successful Capital Raising Activities

Subsequent to end of the reporting period, Blue Star announced it had successfully completed an institutional placement to raise A$4.5 million (before costs). The placement involved the issue of 908,000,000 new ordinary shares (**New Shares**) to institutional and sophisticated investors at an issue price of A$0.005 per New Share (**Placement**).

Participants in the Placement will receive one free attaching option for every two New Shares issued, exercisable at A$0.01 and expiring two years from the date of issue (**New Options**). The New Options are to be unlisted and their issue is subject to shareholder approval at a general meeting to be held in September 2025.

The Placement will be completed in two tranches:

- **Tranche 1:** 673,000,000 New Shares have been issued pursuant to the Company's existing issuance capacity under ASX Listing Rule 7.1 and Listing Rule 7.1A.
- **Tranche 2:** 235,000,000 New Shares and 454,000,000 New Options are to be issued subject to shareholder approval being received at a general meeting to be held in September 2025.

The Placement was strongly supported by existing sophisticated, professional and institutional shareholders.

Proceeds raised from the Placement, together with existing cash, will be applied to general working capital to advance plant site construction/civils, acquisition and installation of gathering system and production facilities at the Galactica development.

Annual General Meeting

On 23 May 2025, Blue Star held its Annual General Meeting (**AGM**) at Level 8, London House, 216 St Georges Terrace, Perth Western Australia 6000. All resolutions put to shareholders were carried by poll.

SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS AND CONVERSION OF PERFORMANCE RIGHTS

- Nil shares were issued as a result of the exercise of options were issued during the period and as at the date of this report.
- Nil shares were issued as a result of the conversion of performance rights during the period and as at the date of this report. 14,200,000 performance rights have vested but remain unconverted as at the date of this report.

Effective risk management is crucial to our long-term success. We regularly review our cyber security measures in relation to sensitive data. Our ongoing focus on risk management enables us to safeguard our stakeholders' interests and maintain operational resilience.

EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances that have arisen since the end of the half year which will significantly affect, or may significantly affect, the state of affairs or operations of the Consolidated Entity in future financial years other than the following:

- Subsequent to end of the reporting period, Blue Star announced it had successfully completed an institutional placement to raise A$4.5 million (before costs). The placement involved the issue of 908,000,000 New Shares to institutional and sophisticated investors at an issue price of A$0.005 per New Share. Participants in the Placement will receive one free attaching option for every two New Shares issued, exercisable at A$0.01 and expiring two years from the date of issue. The New Options are to be unlisted and their issue is subject to shareholder approval at a general meeting to be held in September 2025. The Placement will be completed in two tranches:
  - Tranche 1**:** 673,000,000 New Shares have been issued pursuant to the Company's existing issuance capacity under ASX Listing Rule 7.1 and Listing Rule 7.1A.
  - Tranche 2**:** 235,000,000 New Shares and 454,000,000 New Options are to be issued subject to shareholder approval being received at a general meeting to be held in September 2025.

AUDITOR'S DECLARATION OF INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporation Act 2001.

____

Trent Spry
Managing Director and Chief Executive Officer

12 September 2025

PO Box 1908
West Perth WA 6872
Australia

Level 2, 40 Kings Park Road
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

12 September 2025

Board of Directors
Blue Star Helium Limited
Level 8,London House
216 St Georges Terrace
Perth WA 6000

Dear Sirs

RE: BLUE STAR HELIUM LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Blue Star Helium Limited.

As Audit Director for the review of the financial statements of Blue Star Helium Limited for the half-year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Samir Tirodkar
Director

	Note	Consolidated Entity 30 June 2025 $	Consolidated Entity 30 June 2024 $
Revenue	3	**2,896**	3,895
Cost of goods sold	4	**-**	(36,171)
Gross profit / (loss)		**2,896**	(32,276)
Other income	3	**4,545**	21,621
Other expenses	4	**(997,839)**	(1,056,210)
Depreciation, depletion & amortisation	8, 9, 10	**(489,407)**	(279,823)
Exploration and evaluation expense	10	**(162,508)**	(824,255)
Impairment of exploration and evaluation assets	10	**-**	(6,720,589)
Rehabilitation costs		**13,680**	57,137
Impairment of right of use assets	9	**(730,869)**	(1,442,912)
Employment expenses		**(909,659)**	(893,391)
Foreign exchange		**(33,244)**	227,065
Share based payment expense	15	**60,000**	694,400
Business development expenses		**(67,891)**	(81,591)
Legal expenses		**(20,437)**	(17,398)
Loss before tax		**(3,330,733)**	(10,348,222)
Income tax expense		**-**	-
Net loss for the half year from operations		**(3,330,733)**	(10,348,222)
Other comprehensive income			
Exchange differences on translation of foreign entities	15	**(418,676)**	(32,617)
Total comprehensive loss for the half year		**(3,749,409)**	(10,380,839)
Basic and diluted loss per share (cents)		**(1.2)c**	(0.53)c

The accompanying notes form part of these financial statements.

	Note	Consolidated Entity 30 June 2025 $	Consolidated Entity 31 December 2024 $
ASSETS			
Current Assets			
Cash and cash equivalents	5	**865,187**	2,691,224
Trade and other receivables	6	**1,789,752**	202,650
Other assets	7	**142,998**	344,646
Total Current Assets		**2,797,937**	3,238,520
Non-Current Assets			
Other assets	7	**148,013**	156,473
Plant and equipment	8	**1,191,769**	1,196,354
Right of use asset	9	**7,163,287**	9,023,395
Exploration and evaluation assets	10	**9,870,926**	9,126,526
Total Non-Current Assets		**18,373,995**	19,502,748
Total Assets		**21,171,932**	22,741,268
LIABILITIES			
Current Liabilities			
Trade and other payables	11	**3,492,923**	472,016
Lease liability	12	**481,589**	423,413
Provisions	13	**265,655**	231,166
Total Current Liabilities		**4,240,167**	1,126,595
Non-Current Liabilities			
Lease liability	12	**10,103,119**	11,025,689
Provisions	13	**212,729**	163,658
Total Non-Current Liabilities		**10,315,848**	11,189,347
Total Liabilities		**14,556,015**	12,315,942
Net Assets		**6,615,917**	10,425,326
EQUITY			
Contributed equity	14	**36,110,610**	36,110,610
Reserves	15	**2,249,628**	2,728,304
Accumulated losses		**(31,744,321)**	(28,413,588)
Total Equity		**6,615,917**	10,425,326

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2025

Consolidated Entity	Contributed Equity	Foreign Currency Translation Reserve	Share Option Reserve	Share Based Payments Reserve	Accumulated Losses	Total
	$	$	$	$	$	$
Balance at 1 January 2025	**36,110,610**	**412,455**	**1,377,561**	**938,288**	**(28,413,588)**	**10,425,326**
Loss for the half year	-	-	-	-	(3,330,733)	(3,330,733)
Other comprehensive income:						
Foreign exchange on translation of operations	-	(418,676)	-	-	-	(418,676)
Total comprehensive loss for the half year	-	(418,676)	-	-	(3,330,733)	(3,749,409)
Transactions with owners in their capacity as owners:						
Equity issues	-	-	-	-	-	
Equity issue expenses	-	-	-	-	-	
Share based payments (net)	-	-	-	(60,000)	-	(60,000)
Balance at 30 June 2025	**36,110,610**	**(6,221)**	**1,377,561**	**878,288**	**(31,744,321)**	**6,615,917**

Consolidated Entity	Contributed Equity	Foreign Currency Translation Reserve	Share Option Reserve	Share Based Payments Reserve	Accumulated Losses	Total
	$	$	$	$	$	$
Balance at 1 January 2024	**33,411,947**	**32,617**	**1,377,561**	**2,068,200**	**(14,970,578)**	**21,919,747**
Loss for the half year	-	-	-	-	(10,348,222)	(10,348,222)
Other comprehensive income:						
Foreign exchange on translation of operations	-	(32,617)	-	-	32,617	-
Total comprehensive loss for the half year	-	(32,617)	-	-	(10,348,222)	(10,380,839)
Transactions with owners in their capacity as owners:						
Equity issues	-	-	-	-	-	-
Equity issue expenses	(2,640)	-	-	-	-	(2,640)
Share based payments (net)	-	-	-	(694,400)	-	(694,400)
Balance at 30 June 2024	**33,409,307**	**-**	**1,377,561**	**1,373,800**	**(25,286,183)**	**10,874,485**

The accompanying notes form part of these financial statements.

	Note	Consolidated Entity 30 June 2025 $	Consolidated Entity 30 June 2024 $
Cash flows from operating activities			
Receipts from customers		**2,882**	3,895
Payments to suppliers and employees		**(1,132,893)**	(1,569,366)
Interest received		**4,546**	21,621
Interest paid		**(901)**	(1,109)
Net cash (used in) operating activities		**(1,126,366)**	(1,544,959)
Cash flows from investing activities			
Payment for plant and equipment		**(44,061)**	(233,925)
Exploration, evaluation and development expenditure (including license acquisition costs)		**(4,500,265)**	(3,435,908)
Proceeds from farmin to helium assets		**4,637,024**	-
Net cash provided from / (used in) investing activities		**92,698**	(3,669,833)
Cash flows from financing activities			
Payment for costs of equity issues		**-**	(2,640)
Repayment of borrowings (leases)		**(749,064)**	(408,695)
Net cash (used in) financing activities		**(749,064)**	(411,335)
Net (decrease) in cash held		**(1,782,732)**	(5,626,127)
Cash and cash equivalents at beginning of the period		**2,691,224**	6,869,070
Foreign exchange effect on cash and cash equivalents		**(43,305)**	(18,009)
Cash and cash equivalents at period end	5	**865,187**	1,224,934

The accompanying notes form part of these financial statements.

1. *Corporate information*

This half year report covers Blue Star Helium Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2025 (the "Consolidated Entity"). The presentation currency of the Consolidated Entity is Australian Dollars ("$"). A description of the Consolidated Entity's operations is included in the review and results of operations in the Directors' Report. The Directors' Report is not part of the financial statements. The Consolidated Entity is a for-profit entity and limited by shares incorporated in Australia whose shares are traded under the ASX code "BNL". The financial statements were authorised for issue on 12 September 2025 by the Directors. The Directors have the power to amend and reissue the financial statements. The principal accounting policies adopted in the preparation of the financial statements are set out below.

2. *Accounting policies*

a. Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 30 June 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

b. Going concern

For the half year ended 30 June 2025 the consolidated entity incurred a total comprehensive loss of $3,749,409 (30 June 2024: total comprehensive loss of $10,380,839) and had a working capital deficit of $1,442,230 (31 December 2024: $2,111,925). The Directors considered the subsequent events, reviewed the cash flow forecasts and working capital requirements of the Consolidated Entity in view of the Consolidated Entity's existing cash resources of $865,187 (31 December 2024: $2,691,224). On this basis, the Directors consider there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable, and therefore the going concern basis of preparation is considered to be appropriate for the 30 June 2025 half year financial report. On 31 July 2025 the Company announced an institutional placement of which A$3.36 million had been received on 7 August 2025 and the remaining A$1.14 million had not been received by the date of this report but the Company has received firm commitments for this amount. Participants in the Placement will receive, subject to Shareholder approval, one free option for every two New Shares subscribed for and issued, exercisable at $0.01 and expiring two years from the date of issue. In the event that the Consolidated Entity is not able to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the normal course of business and perhaps at amounts different to those stated in its financial report.

2. *Accounting policies (continued)*

c. Exploration and evaluation assets

Expenditure on exploration and evaluation is accounted for in accordance with the "area of interest" method. Exploration licence acquisition costs are capitalised and subject to half-yearly impairment testing. All exploration and evaluation costs, including general permit activity, geological and geophysical costs and new venture activity costs are expensed as incurred except where:

- The expenditure relates to an exploration discovery where, at balance date, an assessment of the existence or otherwise of economically recoverable reserves is not yet complete and significant operations in, or in relation to, the area of interest are continuing; or
- An assessment has been made and it is expected that the expenditure will be recouped through successful exploitation of the area of interest, or alternatively, by its sale.

The costs of drilling exploration wells are initially capitalised pending the results of the well. Costs are expensed where the well does not result in the successful discovery of economically recoverable hydrocarbons or helium. Areas of interest may be recognised at either the field or the well level, depending on the nature of the project. Subsequent to the recognition of an area of interest, all further costs relating to the area of interest are capitalised. Each potential or recognised area of interest is reviewed half-yearly to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support the continued carry forward of capitalised costs. Upon approval for the commercial development of an area of interest, accumulated expenditure for the area of interest is transferred to oil, gas and helium properties. The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Impairment

At each reporting date, the Consolidated Entity assesses whether there is any indication that an asset may be impaired. If any such indication of impairment exists, or when annual impairment testing for an asset is required, the Consolidated Entity makes a formal estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases, the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cashgenerating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, an assessment is made as to whether the Company intends to make substantive expenditures on the asset and the carrying amount of the assets is assessed against the market capitalisation of the Company.

2. *Accounting policies (continued)*

Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease). Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit).

d. Right of use asset and lease liability

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

e. Accounting Standards that are mandatorily effective for the current reporting year

The Consolidated Entity has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period.

New and Amended Accounting Policies Adopted by the Consolidated Entity

AASB 2020-3: *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments*

The Consolidated Entity adopted AASB 2020-3 which makes some small amendments to a number of standards including the following: AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141. The adoption of the amendment did not have a material impact on the financial statements.

AASB 2021-7a: *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*

AASB 2020-7a makes various editorial corrections to a number of standards effective for reporting periods beginning on or after 1 January 2022. The adoption of the amendment did not have a material impact on the financial statements

New and Amended Accounting Policies Not Yet Adopted by the Entity

The Consolidated Entity has considered the implications of new and amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

	Consolidated Entity 30 June 2025 $	Consolidated Entity 30 June 2024 $
3. *Revenue and other income*		
Royalty	**2,896**	3,895
Interest income	**4,545**	21,621
	7,441	25,516
4. *Cost of goods sold and other expenses*		
Cost of sales: other production costs	**-**	(36,171)
	-	(36,171)
Other expenses: compliance costs	**260,162**	279,703
Other expenses: operating expenses[2]	**(471,273)**	-
Other expenses: interest expense	**842,205**	408,601
Other expenses: other	**366,745**	367,906
	997,839	1,056,210

	Consolidated Entity 30 June 2025 $	Consolidated Entity 31 December 2024 $
5. *Cash and cash equivalents*		
Cash at bank and on hand	**865,187**	2,691,224
	865,187	2,691,224
6. *Trade and other receivables*		
GST refunds	**11,390**	18,359
Other receivables (Helium One partner contributions)	**1,778,362**	184,291
	1,789,752	202,650

There are no receivables that are past due.

[2] The credit balance is a result of partner contributions and timing of receipt.

	Consolidated Entity 30 June 2025 $	Consolidated Entity 31 December 2024 $
7. *Other assets*		
Current		
Inventory	**18,901**	57,740
Prepaid expenses	**124,097**	286,906
	142,998	344,646
Non-Current		
Bonds	**148,013**	156,473
	148,013	156,473
8. *Plant and equipment*		
Computer equipment and asset under construction		
- At cost	**1,222,313**	1,226,088
- Accumulated amortisation and impairment	**(30,544)**	(29,734)
	1,191,769	1,196,354
Balance at beginning of period	**1,196,354**	931,718
Additions	**61,157**	205,406
Disposals	**-**	(644)
Depreciation	**(1,165)**	(7,529)
Exchange difference translation: depreciation	**355**	514
Exchange difference translation: cost	**(64,932)**	66,889
Balance at end of period	**1,191,769**	1,196,354
9. *Right of use asset*		
Right of use asset		
- At cost	**10,687,954**	11,495,523
- Accumulated depreciation	**(1,205,285)**	(786,418)
- Provision for impairment	**(2,319,382)**	(1,685,710)
	7,163,287	9,023,395

	Consolidated Entity 30 June 2025 $	Consolidated Entity 31 December 2024 $
9. *Right of use assets (continued)*		
Balance at beginning of period	**9,023,395**	-
Recognition[3] / adjustments	**(186,087)**	11,495,523
Depreciation	**(476,824)**	(786,418)
Exchange difference translation: depreciation	**57,957**	32,586
Exchange difference translation: cost	**(524,285)**	(32,586)
Exchange difference translation: impairment	**18,195**	-
Provision for impairment	**(749,064)**	(1,685,710)
Balance at end of period	**7,163,287**	9,023,395
10. *Exploration and evaluation assets*		
Capitalised expenditure		
- At cost	**10,364,333**	8,848,778
- Accumulated amortisation and impairment		-
- Exchange difference translation	**(493,407)**	277,748
	9,870,926	9,126,526
Balance at beginning of period	**9,126,526**	14,098,072
Exploration and evaluation expenditure incurred during the period	**1,400,315**	2,228,156
Impairment and abandonment of exploration and evaluation assets	**-**	(6,739,082)
Write-off of exploration and evaluation assets	**(162,508)**	(738,368)
Exchange difference translation	**(493,407)**	277,748
Balance at end of period	**9,870,926**	9,126,526
11. *Trade and other payables*		
Trade creditors and other accruals	**3,492,923**	472,016
	3,492,923	472,016

[3] Relates to right of use asset, being the Gas Processing Services Agreement with a third-party midstream company based in the US, Cimarron Midstream (formerly known as IACX Energy LLC).

	Consolidated Entity 30 June 2025 $	Consolidated Entity 31 December 2024 $
12. *Lease liability*		
Current		
Lease liability[4]	**481,589**	423,413
	481,589	423,413
Non-Current		
Lease liability[4]	**10,103,119**	11,025,689
	10,103,119	11,025,689
13. *Provisions*		
Current		
Employee benefits	**265,655**	231,166
	265,655	231,166
Non-Current		
Employee benefits	**25,080**	21,971
Restoration	**187,649**	141,687
	212,729	163,658

[4] The lease is for the Cimarron Midstream (formerly known as IACX Energy) processing plant with an initial term of 3 years with the option to extend for a further 7 years using an interest rate of 1.25%.

	Consolidated Entity 30 June 2025 No.	Consolidated Entity 30 June 2025 $	Consolidated Entity 31 December 2024 No.	Consolidated Entity 31 December 2024 $
14. *Contributed equity*				
Balance at beginning of year	**2,694,885,299**	**36,110,610**	1,942,265,281	33,411,947
Share issue from performance rights conversion: 28-Jun-24	**-**	**-**	2,620,018	-
Share issue from placement: 16-Sep-24	**-**	**-**	486,221,323	1,944,885
Share issue from placement: 30-Oct-24	**-**	**-**	263,778,677	1,055,115
Share issue costs	**-**	**-**	-	(301,337)
Balance at end of period	**2,694,885,299**	**36,110,610**	2,694,885,299	36,110,610

	Consolidated Entity 30 June 2025 $	Consolidated Entity 31 December 2024 $
15. *Reserves*		
Foreign currency translation reserve		
Balance at beginning of period	**412,455**	32,617
Foreign exchange on translation of operations	**(418,676)**	379,838
Balance at end of period	**(6,221)**	412,455
Options reserve		
Balance at beginning of period	**1,377,561**	1,377,561
Balance at end of period	**1,377,561**	1,377,561

	Consolidated Entity 30 June 2025 $	Consolidated Entity 31 December 2024 $
15. *Reserves (continued)*		
Share based payments reserve		
Balance at beginning of period	**938,288**	2,068,200
Options granted	**-**	78,888
Performance rights expired	**(60,000)**	-
Performance rights cancelled	**-**	(120,000)
Revaluation of performance rights	**-**	(1,088,800)
Balance at end of period	**878,288**	938,288
Total reserves	**2,249,628**	2,728,304

15. *Reserves (continued)*

Inputs	Director Performance Rights	Employee Performance Rights	Employee Performance Rights	Employee Performance Rights
Number of performance rights at year end	28,400,000	2,000,000	2,000,000	Nil
Exercise price	$Nil	$Nil	$Nil	$Nil
Expiry date	Varies between 7 July 2024 & 7 January 2025	Varies between 7 July 2024 & 7 January 2025	Varies between 18 November 2024 & 18 May 2025	Expires 7 January 2025, cancelled 12 April 2024
Grant date	7 July 2022	7 July 2022	18 November 2022	27 October 2023
Vesting date	Upon vesting conditions being met	Upon vesting conditions being met	Upon vesting conditions being met	Upon vesting conditions being met
Vesting conditions	Tranche 1: vest and be convertible upon: the Company publicly reporting two (2) independently certified helium discoveries; and the Company's achieving a 20-day VWAP of $0.10 or more, within 18 months after issue of the performance right Tranche 2: vest and be convertible upon the Company publicly reporting: Independently certified helium reserves; and Independently certified helium reserves and resources including net recoverable helium meeting at least one of the following metrics: (i) P90 greater than 10 Bcf; or (ii) P50 greater than 20 Bcf; or (iii) P10 greater than 30 Bcf, within 18 months after issue of the performance right	Tranche 1: vest and be convertible upon: the Company publicly reporting two (2) independently certified helium discoveries; and the Company's achieving a 20-day VWAP of $0.10 or more, within 18 months after issue of the performance right Tranche 2: vest and be convertible upon the Company publicly reporting: Independently certified helium reserves; and Independently certified helium reserves and resources including net recoverable helium meeting at least one of the following metrics: (i) P90 greater than 10 Bcf; or (ii) P50 greater than 20 Bcf; or (iii) P10 greater than 30 Bcf, within 18 months after issue of the performance right	Tranche 1: vest and be convertible upon: the Company publicly reporting two (2) independently certified helium discoveries; and the Company's achieving a 20-day VWAP of $0.10 or more, within 18 months after issue of the performance right Tranche 2: vest and be convertible upon the Company publicly reporting: Independently certified helium reserves; and Independently certified helium reserves and resources including net recoverable helium meeting at least one of the following metrics: (i) P90 greater than 10 Bcf; or (ii) P50 greater than 20 Bcf; or (iii) P10 greater than 30 Bcf, within 18 months after issue of the performance right	Tranche 1: vest and be convertible upon: the Company publicly reporting two (2) independently certified helium discoveries; and the Company's achieving a 20-day VWAP of $0.10 or more, within 18 months after issue of the performance right Tranche 2: vest and be convertible upon the Company publicly reporting: Independently certified helium reserves; and Independently certified helium reserves and resources including net recoverable helium meeting at least one of the following metrics: (i) P90 greater than 10 Bcf; or (ii) P50 greater than 20 Bcf; or (iii) P10 greater than 30 Bcf,

	Tranche 3: vest and be convertible upon the Company having drilled five (5) separate prospects within two (2) years after issue of the performance right Tranche 4: vest and be convertible upon the Company making a Final Investment Decision (FID) in relation to the development of a facility for the development of a helium project within 2 years after issue of the performance right Tranche 5: vest and be convertible upon the Company selling helium within 30 months after issue of the performance right	Tranche 3: vest and be convertible upon the Company having drilled five (5) separate prospects within two (2) years after issue of the performance right Tranche 4: vest and be convertible upon the Company making a Final Investment Decision (FID) in relation to the development of a facility for the development of a helium project within 2 years after issue of the performance right Tranche 5: vest and be convertible upon the Company selling helium within 30 months after issue of the performance right	Tranche 3: vest and be convertible upon the Company having drilled five (5) separate prospects within two (2) years after issue of the performance right Tranche 4: vest and be convertible upon the Company making a Final Investment Decision (FID) in relation to the development of a facility for the development of a helium project within 2 years after issue of the performance right Tranche 5: vest and be convertible upon the Company selling helium within 30 months after issue of the performance right	within 18 months after issue of the performance right Tranche 3: vest and be convertible upon the Company having drilled five (5) separate prospects within two (2) years after issue of the performance right Tranche 4: vest and be convertible upon the Company making a Final Investment Decision (FID) in relation to the development of a facility for the development of a helium project within 2 years after issue of the performance right Tranche 5: vest and be convertible upon the Company selling helium within 30 months after issue of the performance right
Share price at grant date	$0.03	$0.03	$0.03	$0.02
Risk free interest rate	2.725%	2.725%	3.053%	4.282%
Volatility	85%	85%	85%	80%
Performance rights value (total)	$Nil (Tranche 1 and 2 did not vest and Tranche 4 expired subsequent to the period end and the fair value has been adjusted to reflect updated probabilities)	$Nil (Tranche 1 and 2 did not vest and Tranche 4 expired subsequent to the period end and the fair value has been adjusted to reflect updated probabilities)	$Nil (Tranche 1 and 2 did not vest and Tranche 4 expired subsequent to the period end and the fair value has been adjusted to reflect updated probabilities)	$Nil

15. *Reserves (continued)*

Non-performance based options

Inputs	Director Options	Broker Options
Number of options	9,000,000	93,914,401
Exercise price	$0.028	$0.01
Expiry date	11-Sep-27	30-Oct-26
Grant date	10-Sep-23	30-Oct-24
Vesting date	3,000,000 – 10-Sep-24 3,000,000 – 10-Sep-25 3,000,000 – 10-Sep-26	N/A
Share price at grant date	$0.025	$0.004
Risk free interest rate	3.85%	3.99%
Volatility	251%	80%
Option value	$0.025	$0.00084

	Consolidated Entity 30 June 2025 No.	Consolidated Entity 31 December 2024 No.
15. *Reserves (continued)*		
Unlisted options		
Balance at beginning of period	**477,914,401**	26,194,726
Options granted	**-**	93,914,401
Options free-attaching	**-**	375,000,000
Options expired	**-**	(17,194,726)
Balance at end of period	**477,914,901**	477,914,401
Unlisted performance rights		
Balance at beginning of period	**32,400,000**	101,000,000
Performance rights granted	**-**	-
Performance rights expired	**(18,200,000)**	(59,979,982)
Performance rights cancelled	**-**	(6,000,000)
Performance rights converted	**-**	(2,620,018)
Balance at end of period	**14,200,000**	32,400,000

16. *Operating segments*

For management purposes, the Company is organised into one main operating segment, which involves helium (including oil and gas) exploration, development and production in the USA. All the Company's activities are interrelated, and discrete financial information is reported to the Chairman and the management team as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as two segments. The financial results from this segment are equivalent to the financial statements of the Consolidated Entity as a whole. The Consolidated Entity derives its revenue from the sale of gas and NGL's produced in the USA. During the interim half-year reporting periods ended 30 June 2025 and 30 June 2024 external sales of gas and NGL's were made to customers solely located in the USA.

	US	Corporate	Total
30 June 2025			
Segment revenue	2,896	4,545	**7,441**
Segment assets	20,392,989	778,943	**21,171,932**
Segment liabilities	(14,115,885)	(440,130)	**(14,556,015)**
31 December 2024			
Segment assets	20,169,978	2,571,290	**22,741,268**
Segment liabilities	(11,927,634)	(388,308)	**(12,315,942)**
30 June 2024			
Segment revenue	3,895	21,621	**25,516**

17. *Events after the end of the reporting period*

There are no matters or circumstances that have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the Consolidated Entity in future financial years other than the following:

- Subsequent to end of the reporting period, Blue Star announced it had successfully completed an institutional placement to raise A$4.5 million (before costs). The placement involved the issue of 908,000,000 New Shares to institutional and sophisticated investors at an issue price of A$0.005 per New Share. Participants in the Placement will receive one free attaching option for every two New Shares issued, exercisable at A$0.01 and expiring two years from the date of issue. The New Options are to be unlisted and their issue is subject to shareholder approval at a general meeting to be held in September 2025. The Placement will be completed in two tranches:
    - Tranche 1**:** 673,000,000 New Shares have been issued pursuant to the Company's existing issuance capacity under ASX Listing Rule 7.1 and Listing Rule 7.1A.
    - Tranche 2**:** 235,000,000 New Shares and 454,000,000 New Options are to be issued subject to shareholder approval being received at a general meeting to be held in September 2025.

	Consolidated Entity 30 June 2025 $	Consolidated Entity 31 December 2024 $

18. *Commitments and contingencies*

The commitments relating to operating and exploration expenditure are as follows:

< 1 year	**317,983**	510,891
1 – 5 years	**1,767,010**	1,918,317
> 5 years	**111,849**	119,636
	2,196,842	2,548,844

On 30 June 2023 the Company announced that it had entered into a Gas Processing Services Agreement with a third-party midstream company based in the US, IACX Energy LLC (now known as Cimarron Midstream). The Company sought out the opinion of a third-party consulting firm as to the accounting treatment for this agreement. The agreement is accounted for as a lease in accordance with AASB 16 requirements now that payments have commenced.

a. Contingent assets

There are no contingent assets as at 30 June 2025.

b. Contingent liabilities

There are no contingent liabilities as at 30 June 2025.

19. *Interests in controlled entities*

Company Name	Entity Type	Place of Incorporation	Place of Tax Residency	30 June 2025 % Ownership	30 June 2024 % Ownership
Controlled by Blue Star Helium Limited:					
BNL (USA Helium) Pty Ltd	Company	Australia	Australia	100%	100%
Controlled by BNL (USA Helium) Pty Ltd:					
Blue Star USA Holdings Inc[5]	Company	USA	USA	100%	100%
BNL (Enterprise) Inc	Company	USA	USA	0%	100%
Las Animas Leasing Inc	Company	USA	USA	0%	100%
Controlled by Blue Star USA Holdings Inc:					
BNL (Enterprise) Inc	Company	USA	USA	100%	0%
Las Animas Leasing Inc	Company	USA	USA	100%	0%

Blue Star Helium Limited (the "parent entity") and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

20. *Related party transactions*

There were no transactions with related parties during the half year ended 30 June 2025 other than the compensation to key management personnel.

[5] Blue Star USA Holdings Inc was incorporated 21 November 2023.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and correct view of the Consolidated Entity's financial position as at 30 June 2025 and of its performance for the financial half year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Consolidated Entity Disclosure Statement prepared in accordance with subsection 295(3A) of the Corporations Act 2001(Cth) and included in the financial report is true and correct.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

____

Trent Spry
Executive Director & Chief Executive Officer

12 September 2025

Stantons

PO Box 1908
West Perth WA 6872
Australia

Level 2, 40 Kings Park Road
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
BLUE STAR HELIUM LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Blue Star Helium Limited, which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that causes us to believe that the accompanying half-year financial report of Blue Star Helium Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of Blue Star Helium Limited's financial position as at 30 June 2025 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 12 September 2025.

Responsibility of the Directors for the Financial Report

The directors of Blue Star Helium Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Stantons

Material Uncertainty Relating to Going Concern

Without modifying our audit opinion expressed above, attention is drawn to the following matter.

As referred to in Note 2(b) to the financial statements, the consolidated financial statements have been prepared on a going concern basis. At 30 June 2025, the Group had cash and cash equivalents of $865,187 and incurred a loss before income tax of $3,330,733 .Cash outflows from operating were $1,126,366.

The ability of the Group to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the Group raising further working capital and/or successfully exploiting its mineral assets. In the event that the Group is not successful in raising further equity or successfully exploiting its mineral assets, the Group may not be able to meet its liabilities as and when they fall due and the realisable value of the Group's current and non-current assets may be significantly less than book values.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 30 June 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

Samir Tirodkar
Director

West Perth, Western Australia
12 September 2025