

**BLUE STAR** | HELIUM

Corporate Presentation | October 2025

# AMERICA'S NEWEST HELIUM PRODUCER

First helium production from  
Galactica set for Dec 2025



ASX: BNL  
OTC: BSNLF

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The Board has authorised this announcement to be given to ASX. Security holders and other interested parties can contact Trent Spry, Managing Director and CEO at [info@bluestarhelium.com.au](mailto:info@bluestarhelium.com.au)

# DEVELOPING HIGH GRADE HELIUM AND NATURAL CO<sub>2</sub> FOR CRITICAL MARKETS



## **Experienced Board and management team**

Deep expertise in helium, CO<sub>2</sub> and O&G exploration, development and commercialisation with an operational edge in U.S. markets



## **High-quality asset base strategically located in the U.S.**

Projects located proximate to established infrastructure and key North American product markets



## **De-risked development portfolio**

Multiple helium and CO<sub>2</sub> discoveries. Successful development wells completed confirming high grade helium and strong flow rates for Stage 1 development project. 50% JV with Helium One Global Ltd (He1) providing funding and risk sharing



## **Defined pathway to near-term commercial value**

Stage 1 development at Galactica set for initial helium production during December 2025



## **Unlocking additional growth potential**

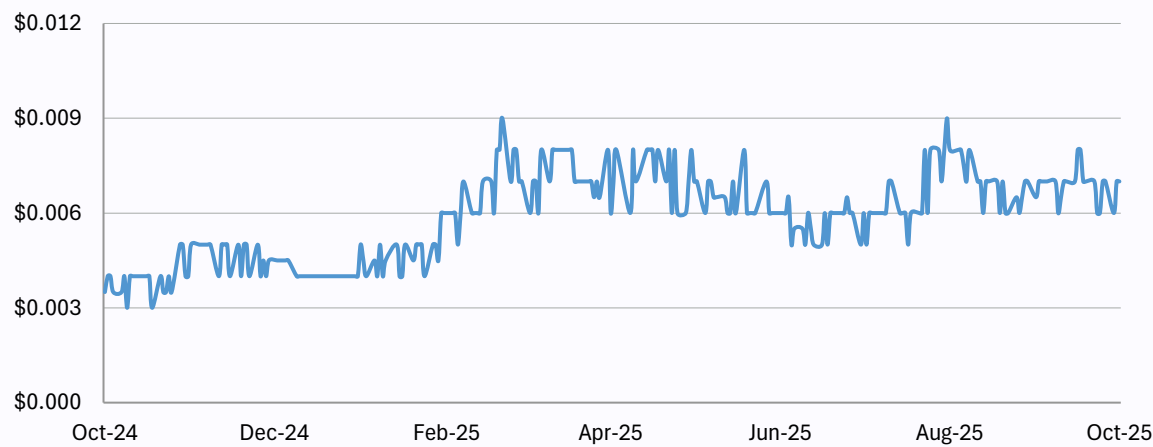
Advancing multi-stage development via expanding producing well count and unlocking CO<sub>2</sub> commercialisation across our discovered and exploration portfolio

# CORPORATE SNAPSHOT

## CLEAN CAPITAL STRUCTURE

|                                           |           |
|-------------------------------------------|-----------|
| ASX Ticker                                | BNL       |
| OTC Ticker                                | BSNLF     |
| Share price (ASX close, 15 October 2025)  | 0.7¢      |
| Issued share capital                      | 3,603 M   |
| Options                                   | 932 M     |
| Performance Rights                        | 14.2 M    |
| Basic market capitalisation               | A\$25.2 M |
| Cash per last quarterly (15 October 2025) | A\$1.9 M  |

## SHARE PRICE PERFORMANCE (1-YEAR)



## ALIGNED SHAREHOLDER BASE

|                    |        |
|--------------------|--------|
| Board & Management | 1.2 %  |
| Top 20             | 43.8 % |

As at 10 October 2025

## EXPERIENCED BOARD AND MANAGEMENT

### Neil Rinaldi – Non-Executive Chairman

Executive leader and finance professional with 20+ years in asset acquisitions and disposals, company structuring and growth strategy.

### Trent Spry – Managing Director & CEO

Experienced geoscientist with 20+ years in oil, gas and helium, exploration, development and new ventures. Skilled executive leader with a history of delivering growth and value.

### Gregg Peters – Non-Executive Director (US)

Established leader in the industrial gas sector, over 30 years' experience. Most recently managing all aspects of NA commercial operation as Helium Director for Linde PLC and previously as Director of Industrial Gases for Praxair Distribution, Inc.

### Ross Warner – Executive President, Commercial & Legal

Lawyer and corporate executive with 15+ years in oil and gas, more particularly in the United States, UK and Indonesia.

### Shane Gillespie – President (US)

Proven veteran with extensive experience leading acquisitions, divestitures, and asset development across the oil, gas, and helium industries. Scaled multiple companies and delivered strategic growth through disciplined leadership.

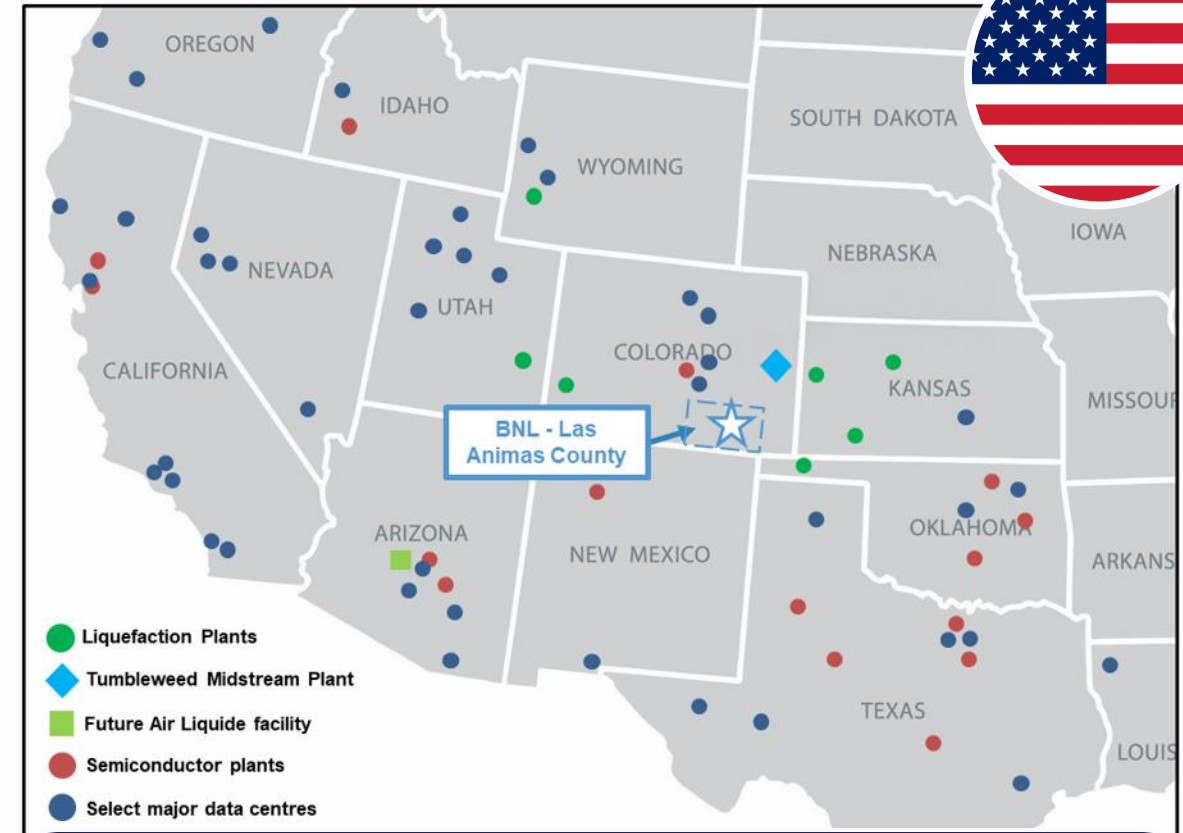
### Scott Fenoglio – Chief Financial Officer (US)

Seasoned executive and industry professional with 20+ years in the oil & gas and financial services industries. Scott was previously the CFO of Ossidiana Energy

# STRATEGIC ASSET PORTFOLIO IN COLORADO

Premium helium and CO<sub>2</sub> assets located in the heart of the largest markets in the world

- Our Las Animas acreage represents a high-quality, multi-commodity gas development opportunity to supply critical U.S domestic markets
- Favourable geology with high concentration helium and CO<sub>2</sub> with no (trace) hydrocarbons
- Situated within 100-150 miles by truck to several purification facilities
- Central location benefits transportation to distribution centres, commercial hubs and downstream helium consumers
- Helium market remains characterised by growing demand and structural undersupply
- New demand for helium underpinned by significant expansion of semiconductor manufacturing and proliferation of new data-center requirements
- Rising geopolitical tensions have created a strategic shift in the U.S. towards ensuring the sustainable manufacturing of critical and emerging technologies

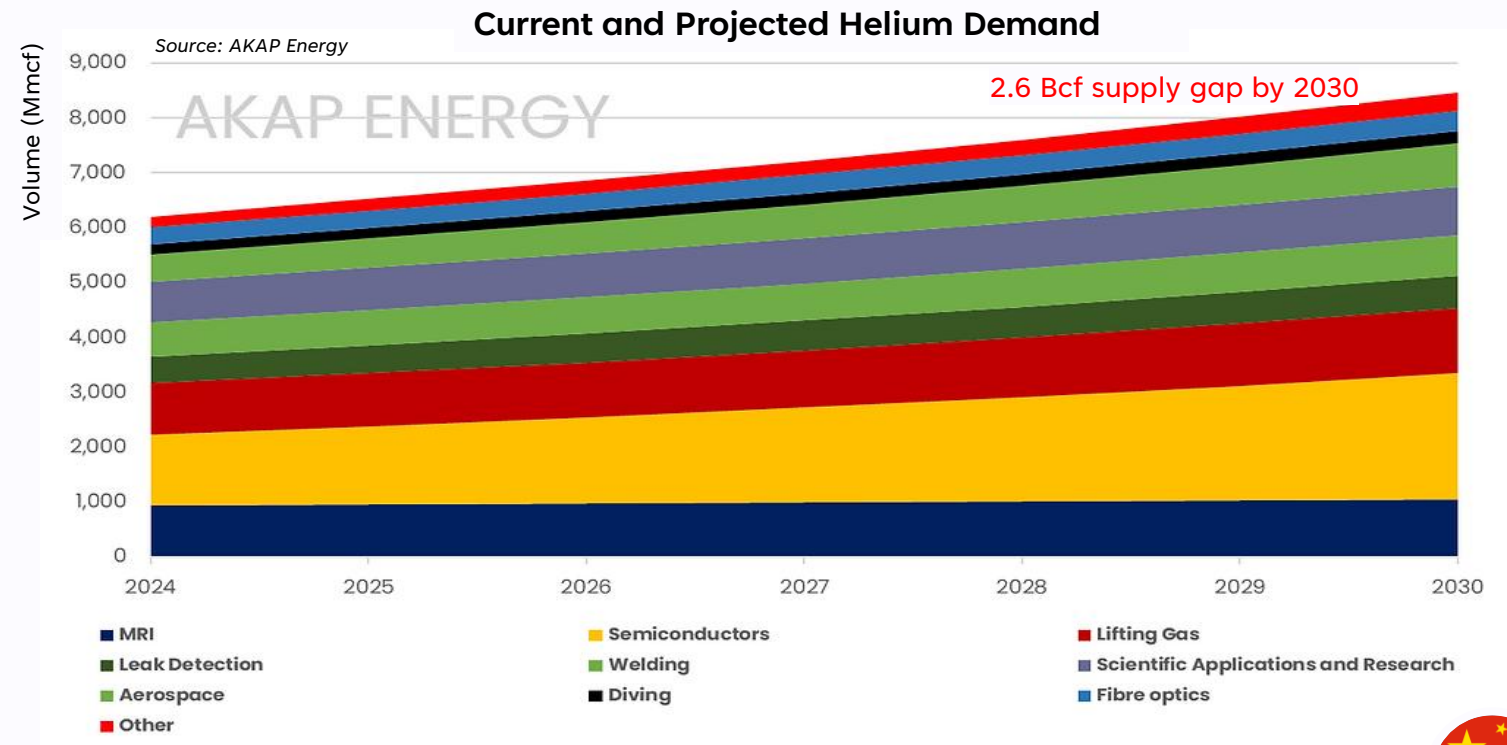


High-grade helium and natural CO<sub>2</sub> assets in close proximity to existing and underutilized key infrastructure

Source: <https://www.datacentermap.com/>

# PRESSING AMERICAN DEMAND FOR NEW HELIUM SUPPLY

Growing helium supply deficit amidst increasing global demand across several strategic industries



## Aerospace



## Fusion & Fission Energy



## Quantum Computing



## Artificial Intelligence



## Semiconductors



BBC

The world keeps running out of helium. There is now a race to prepare for the next shortage

1 April 2025

Callum Bains

Share Save

## China increases domestic helium reserves

4.07 billion cubic meters (145bcf)

China achieved significant breakthroughs in strategic emerging industrial minerals and noble gases. During the current 14th Five-Year Plan period (2021-25), China went from having no helium reserves to proving 4.07 billion cubic meters (145bcf) of geological helium reserves, reducing its reliance on imports, according to Xiong, according to Xiong Zili, director of the ministry's Geological Exploration Management Department.

AKAP ENERGY

# CARBON DIOXIDE

A critical path component in several key industrial sectors

## MARKET STATUS

- US carbon dioxide merchant demand is approximately 10.4 million tons per year
- Annual demand growth projected between 3.6% and 5.0% through 2030
- Market currently does not have sufficient, reliable new sources to support that growth
- The US merchant market is already experiencing shortage and unreliable supply

## PRIMARY APPLICATIONS

- In the US, 70% of high purity CO<sub>2</sub> currently used in F&B production and preservation with the remaining 30% used in processes for welding, EV battery production, agriculture and oil field services (enhanced oil recovery)
- Reliable supply of CO<sub>2</sub> is key to municipal waste-water treatment (used to reduce pH level), displacing the high cost and hazards of sulfuric acid in processing
- Increasing applications for CO<sub>2</sub> via conversion into a carbon neutral jet fuel
- Medical uses during surgeries (endoscopies)
- The Company understands that the current market price for merchant CO<sub>2</sub> ranges from US\$200 – 600 per ton (depending on final product quality, reliability and tenure of supply, regional destination, and other factors)

## USES

Food & beverage  
Agriculture  
Waste-water treatment  
EV battery production  
E-fuel development



# A DEFINED PATHWAY TO LONG-TERM VALUE

Implementing a scaled development approach

## STAGE 1: GALACTICA DEVELOPMENT

- Tie-in initial 5 wells from 7 existing development wells to Pinon Canyon plant
- Commission and first production from plant set for December 2025

## STAGE 2: GALACTICA/PEGASUS EXPANSION

- Expand Galactica production, advance Pegasus to commercial production
- Multiple-plants, additional 20+ wells (Galactica), 10+ wells (Pegasus)
- Potential for 3 additional processing plants across Galactica/Pegasus

## STAGE 3: CO<sub>2</sub> COMMERCIALISATION

- Unlock CO<sub>2</sub> by-product potential at Galactica/Pegasus
- Development of ultra high-grade CO<sub>2</sub> Serenity discovery immediately south

## STAGE 4: ACREAGE-WIDE EXPANSION

- Drilling to capture further resource upside across Las Animas portfolio
- New prospect development and installation of additional modular plants
- Advanced prospect inventory over 300,000 mineral acres under lease

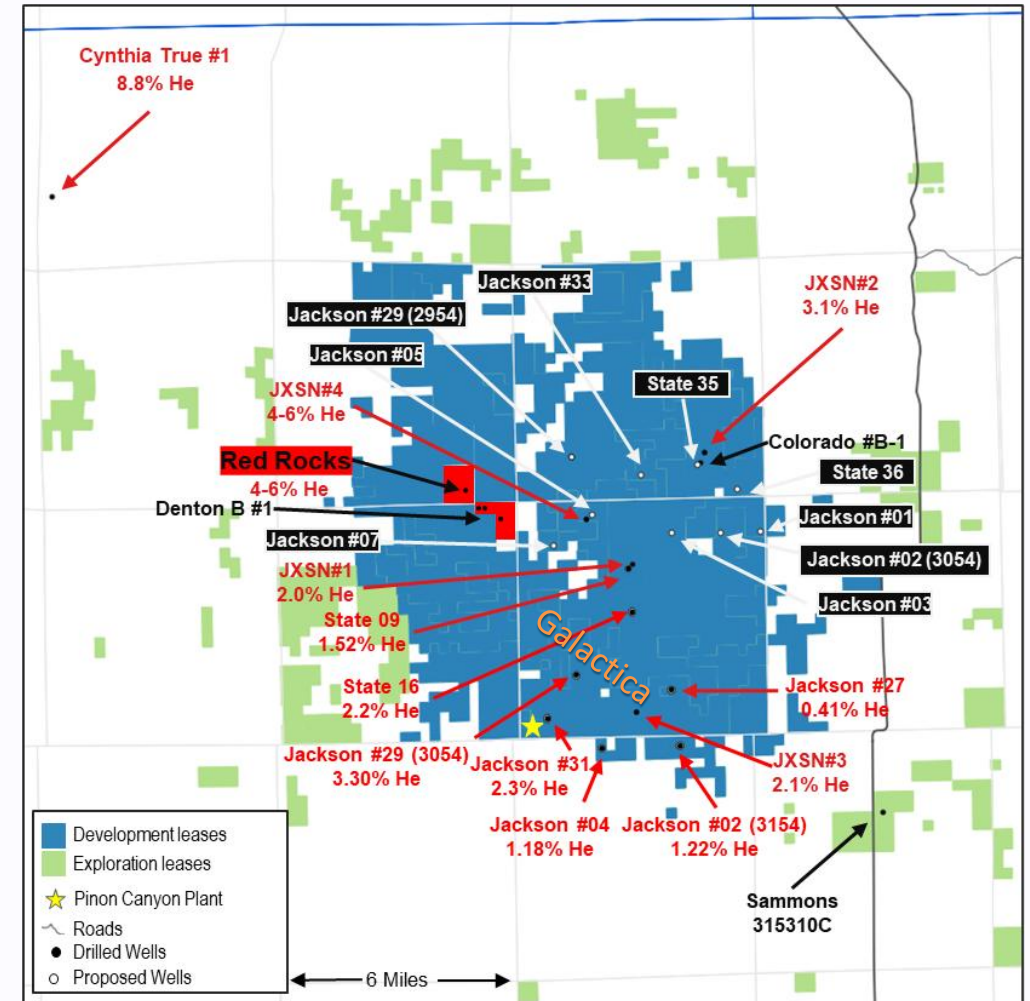


# STAGE 1: GALACTICA DEVELOPMENT

De-risked with validated proof of concept

- **Successful seven (7) development well drilling program completed in H1 2025** returned consistently high helium and CO<sub>2</sub> concentrations and demonstrable flow
- Pinon Canyon plant approved and secured via execution of long-term leases; mobilization, installation and commissioning by Dec 2025
- **Strongly supported by JV partner Helium One Global (LSE: HE1)**, which holds a 50% working interest in the project
- Technical derisking and commercialisation pathway validated by adjacent Red Rocks helium processing operation

| Well Name            | Results Announced | Helium Con. % | CO <sub>2</sub> Con. % | Projected Initial Stabilised Flow Rate Mcfd | Max Projected Flow Rate Mcfd |
|----------------------|-------------------|---------------|------------------------|---------------------------------------------|------------------------------|
| State 16 SWSE 3054   | 6 Mar 25          | 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                          |



7 wells ready for tie-in to production; 5 wells for immediate tie-in and 2 for additional expansion

# STAGE 1: GALACTICA DEVELOPMENT

Pinon Canyon Plant: Blue Star’s first helium & CO<sub>2</sub> processing hub

## Initial well tie-ins and commercial production set for Dec 2025

- All permits in place and equipment selected for leased plant installation and tie-in of development wells via gas gathering system
- Production site approved by Las Animas County under a Major Facilities Permit
- Final engineering design complete with integration of flow data and gas analysis from recent drilling
- First helium production (5 wells) set for Dec 2025
- Full plant capacity to be achieved in H1 2026 (6-8 wells)
- Gaseous helium fetching US\$350-US\$600 coming off recent lows
- Merchant CO<sub>2</sub> ranges from US\$200-US\$600 per ton

| Plant metrics                                                | Unit      | Value  |
|--------------------------------------------------------------|-----------|--------|
| Raw gas input                                                | MMcf/d    | 4.2    |
| Output at full capacity                                      | Unit      | Value  |
| Tailgate helium product gas output (98% He Grade)            | Mcf p.a.  | 32,100 |
| Tailgate CO <sub>2</sub> product gas output (Beverage Grade) | Tons p.a. | 37,000 |

IMPORTANT INFORMATION

The figures presented in the table are based on a set of specific assumptions. These assumptions include, but are not limited to, the plant operating continuously at 100% of its design capacity for a full calendar year and a constant raw gas input composition of 2% helium and 50% carbon dioxide. No provision has been made for scheduled or unscheduled downtime, maintenance periods, or other operational interruptions.

All figures are presented on a gross basis before the deduction of any government fees, taxes, or the economic interests of any third parties, including, but not limited to, Helium One Global Limited and royalty owners.

Actual plant performance and output may differ materially from these figures if the actual operating conditions, gas composition, or plant availability deviate from these assumptions. These figures should not be construed as a guarantee of future performance.

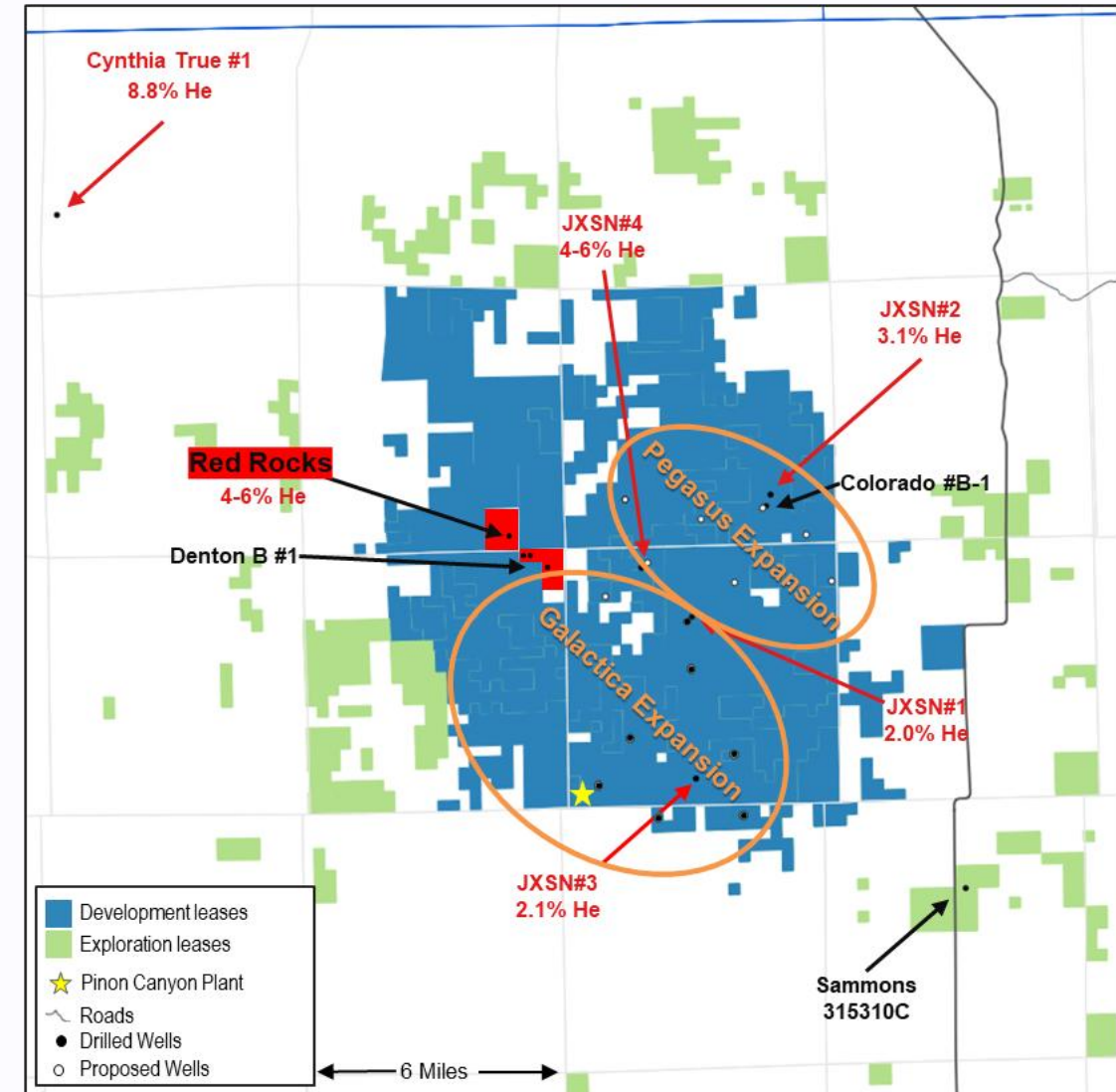
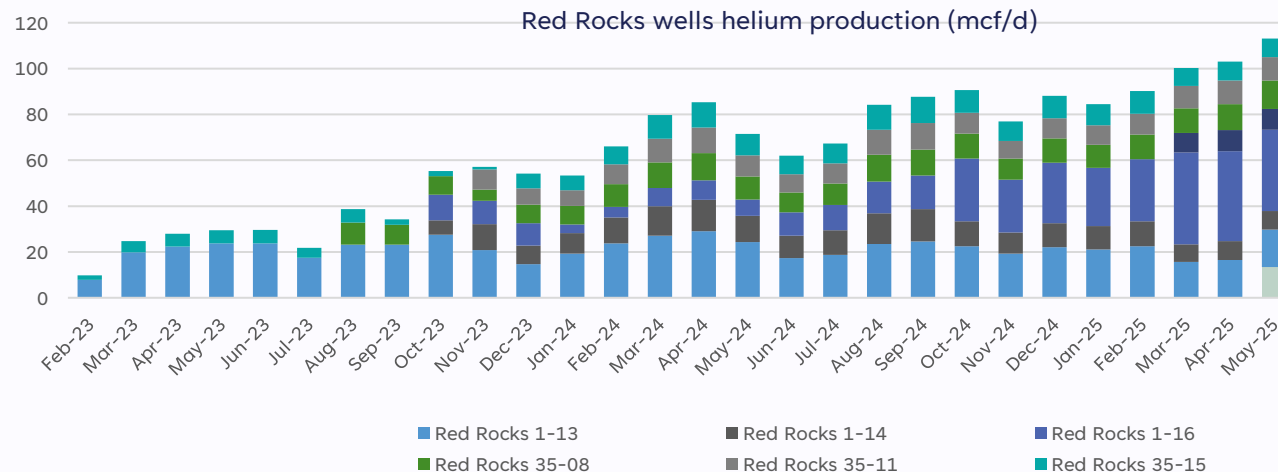


# STAGE 2: GALACTICA/PEGASUS EXPANSION

Ready, scalable expansion of commercial operations

## Galactica/Pegasus holds the potential to be a 30+ well development

- Previous exploration success at Pegasus with the JXSN #2 discovery (3.0% He tested at 202 Mcfd) and offset well JXSN #4 returned up to 6% He and 412 Mcfd
- Additional wells targeting infill and expansion drilling at Galactica, and Pegasus
- Up to four processing plants similar to Pinon Canyon plant required to develop all currently defined Galactica/Pegasus resources
- Scalable development pathway validated by neighbouring Red Rocks operation



# STAGE 3: CO<sub>2</sub> COMMERCIALISATION

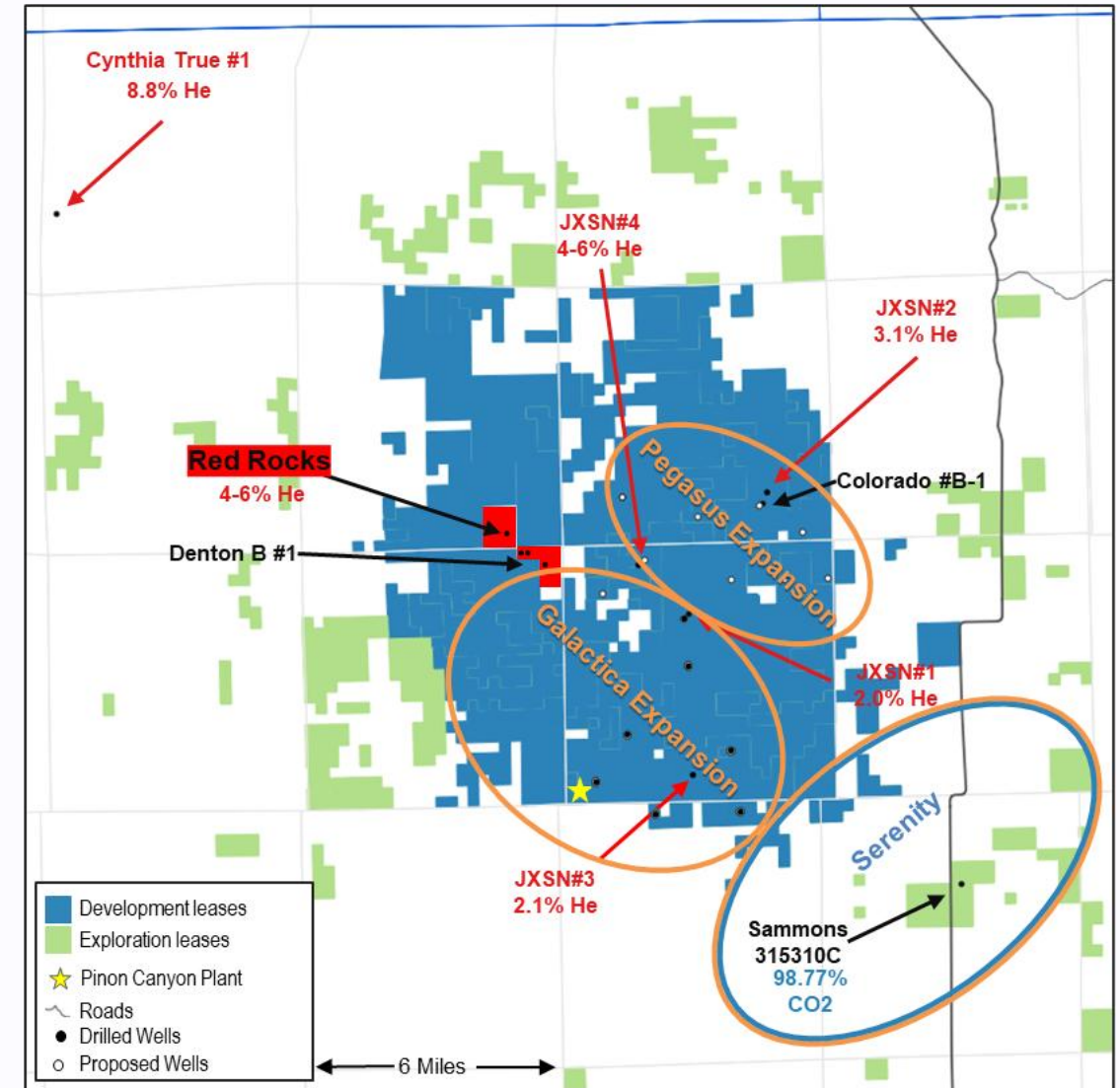
High-grade, natural CO<sub>2</sub> product opportunity for premium markets

## Realisation of Galactica/Pegasus CO<sub>2</sub> commercialisation potential

- Blue Star continues to advance CO<sub>2</sub> purification solutions for incorporation into processing plant design at Galactica/Pegasus
- Potential complementary product stream with delivery of high-grade CO<sub>2</sub> in addition to helium
- Merchant CO<sub>2</sub> ranges in price from US\$200-600/ton
- Steady, reliable, sustainable supply to end users in critical, under supplied markets

## Unlocking super-rich CO<sub>2</sub> discovery at Serenity

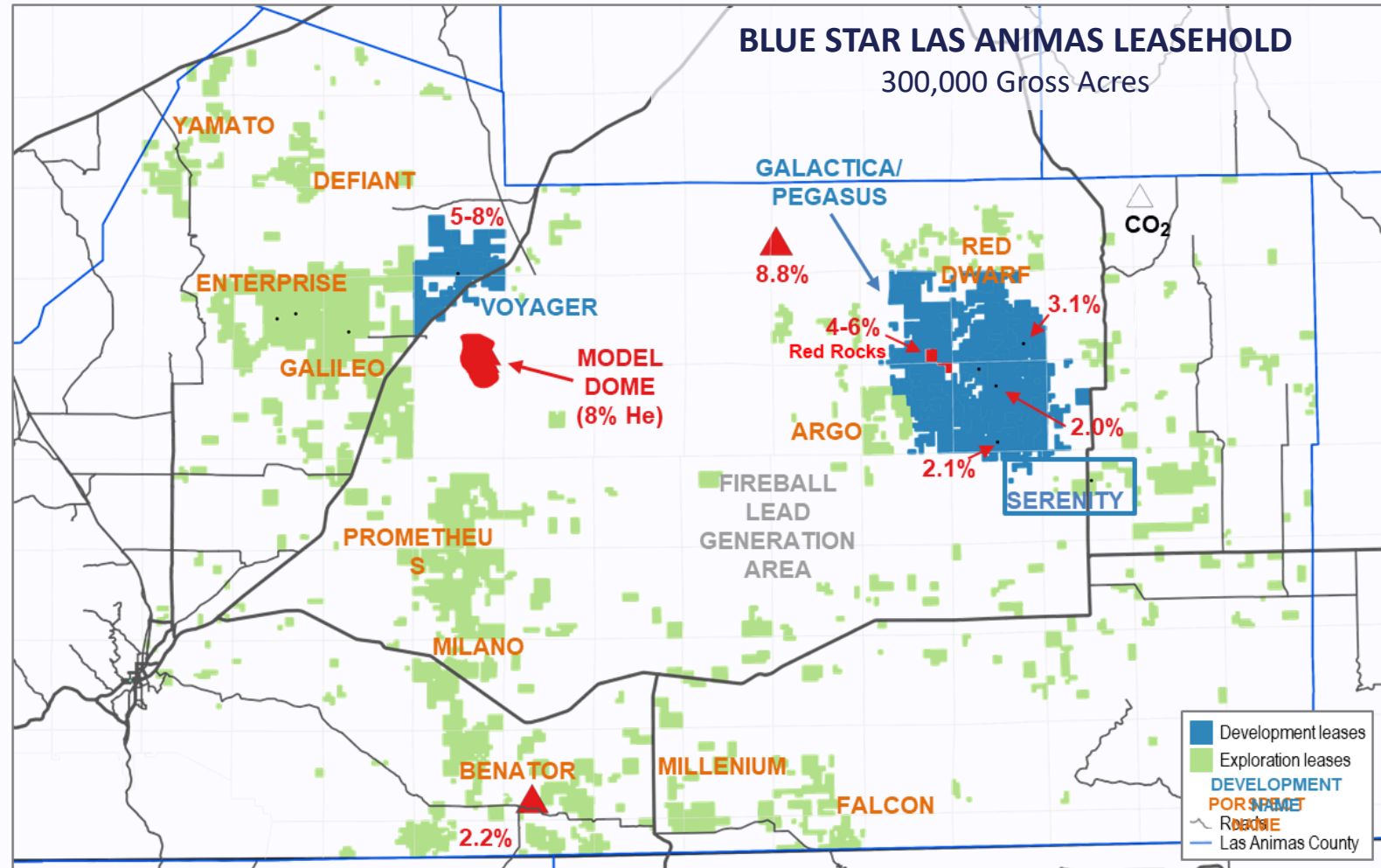
- Serenity represents a proven source of natural, high-grade CO<sub>2</sub>
- Substantial discovery at Sammons 315310C well with raw gas concentrations approaching 99%\* CO<sub>2</sub>
- Up to 20 further locations identified within the mapped Serenity resource for expanded commercialization



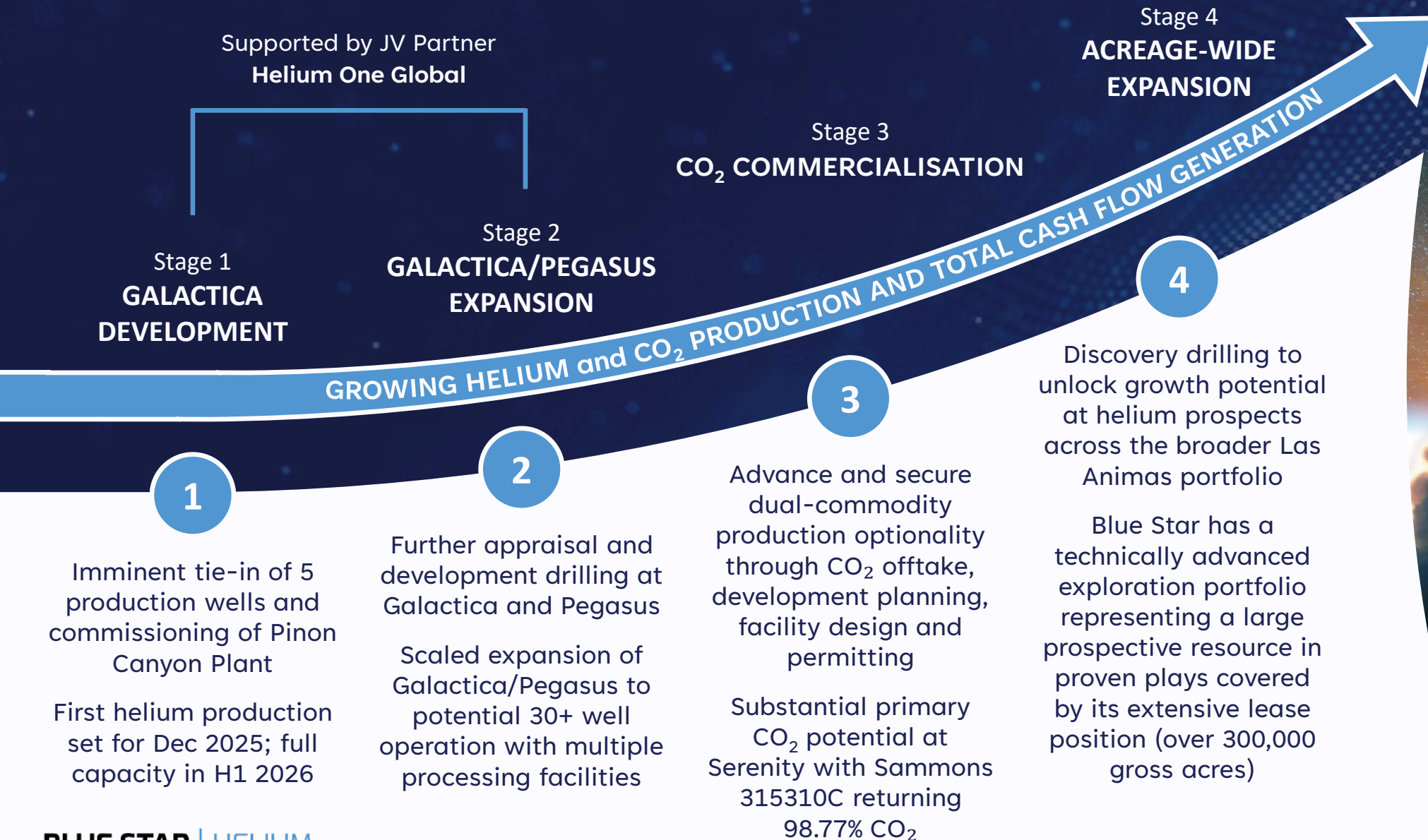
# STAGE 4: ACREAGE-WIDE EXPANSION

Rapidly grow well inventory across Blue Star's broader existing acreage in Las Animas

- Large, existing resource portfolio in proven plays across broader Las Animas acreage (Galactica / Pegasus represents only 68,000 gross acres of 300,000 gross acres total gross Blue Star acreage)
- Highly active region with other operators drilling or in production
- Blue Star's historic regional exploration success rate is high confirming prospectivity. Area has multiple historic wells with gas on logs and flows of gas
- Blue Star has a technically advanced exploration portfolio representing a large prospective resource in proven plays covered by its extensive lease position (over 300,000 gross acres)
- Planned portfolio optimisation under a flexible business development plan
- Assessment of potential farm-in partners to accelerate exploration, share risk and conserve capital



# BUILDING A PREMIUM DOMESTIC U.S. HELIUM AND CO<sub>2</sub> SUPPLIER



# APPENDICES

BLUE STAR | HELIUM



# HELIUM RECOVERY UNIT (HRU)

Cimmaron Midstream Solution

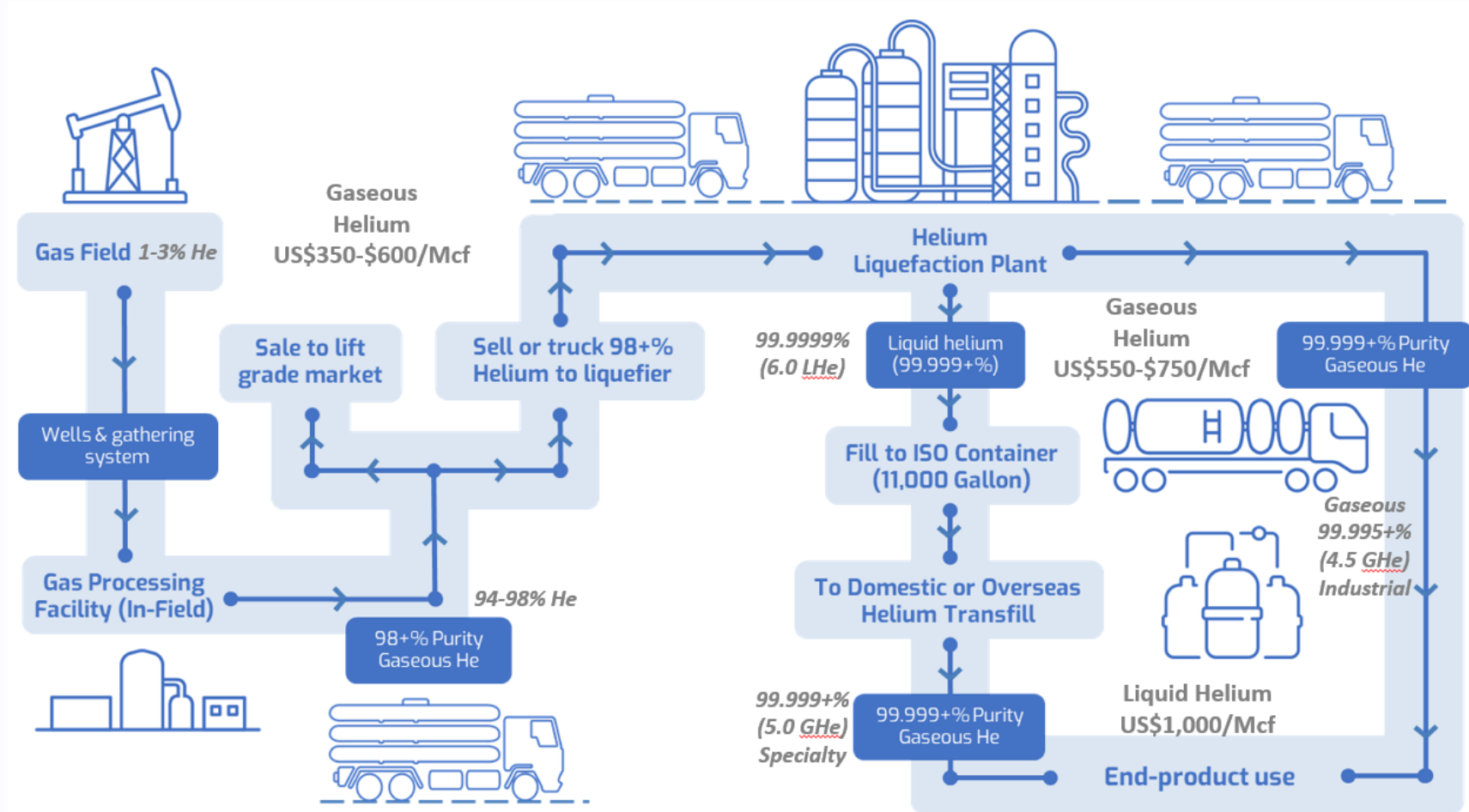


# MARKETING STRATEGY

## Ongoing offtake discussions across the value chain

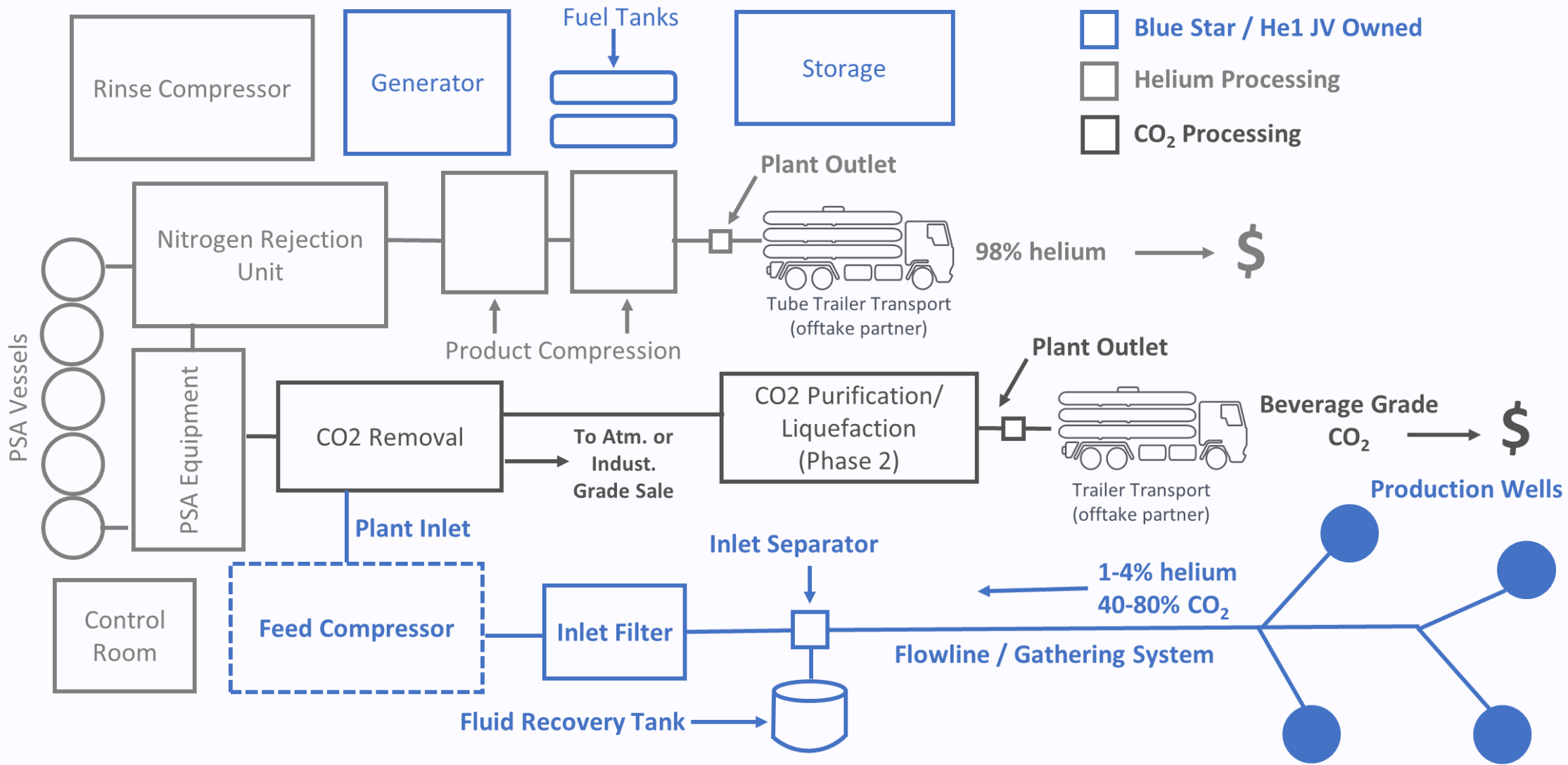
- Develop geographically diverse portfolio of high-quality projects
- Develop operating partners across the entire supply chain:
  - Strategic partners to leverage geographic supply flexibility
  - Distribution partners for Bulk LHe and GHe transportation
- Pursue direct end-user buyers who prioritise continuity and security of supply
- Market to buyers with supply continuity as a priority
- Pursue long-term agreements to navigate helium supply and price cycles effectively
- Replicate the strategy for our high-quality CO<sub>2</sub> assets

## HELIUM REFINING AND SUPPLY CHAIN



# THE GALACTICA HELIUM & CO<sub>2</sub> DEVELOPMENT

Plan of development schematic



## USES

Healthcare  
Electronics  
Aerospace  
Research  
High-tech  
manufacturing



# HELIUM

A modern technology enabler with a structural supply deficit

## MARKET STATUS

- Existing helium production is declining at around 2-3% per annum compared to demand growth at CAGR 6% to 8.7 Bcf in 2030 (from 6.1 Bcf in 2023)
- Average term pricing US\$350-\$750/Mcf; short supply pushes spot prices to over US\$1,000/Mcf

## SUPPLY

- Global helium supply has been constrained for the past decade and highly concentrated in the LaBarge Field (USA) and the North Field (Qatar)
- US Federal Helium Reserve is near depletion and was privatised in 2024
- Rising geopolitical tensions have prohibited access to Russian helium supply sources
- US market is suffering from significant decline, reliability and sustainability of supply

## DEMAND

- Used in several high-tech and high growth applications (Electronic, Aerospace/Defence, Science/Research, Medical, Industrial)
- Production of semiconductor chips, flat panel display and optical fibre manufacturing in Eastern & Southeast Asia increase helium demand
- CHIPS Act expected to significantly increase domestic demand in USA

# CURRENT HELIUM USES

Helium is a modern technology enabler

## AEROSPACE/AIRCRAFT

### Space flight

NASA (and private space organisations) uses helium as an inert purge gas for hydrogen systems and a pressurising agent for ground and flight fluid systems. Helium is also used throughout the agency as a cryogenic agent for cooling various materials and in precision welding applications

### Controlled atmosphere

Helium's use as an inert, non-toxic gas makes it ideal in controlled atmosphere environments

## HEALTHCARE

### Heliox breathing mixtures

Helium in breathing mixtures assists with breathing and improves oxygenation in medicine and diving. Potentially reducing inflammation for COVID-19 patients with acute respiratory distress syndrome

### Magnetic Resonance Imaging (6% annual growth)

MRI technology is essential in modern medicine. The superconductive magnets inside MRI machines reach extreme temperatures and rely on helium for cooling. A single MRI machine uses 700 litres of helium per year

## ELECTRONICS/SEMICONDUCTORS

### Fibre optics

Used in the manufacturing process and for cooling systems during use. High speed networks such as internet rely on helium

### LCD panels

Helium is essential in the manufacture of LCD panels to cool the glass and to etch internal components

### Hard disk technology

The use of helium in hard disk drives reduces friction between disk platters, increasing speed, longevity and storage potential

### Lithium batteries

Helium is used in the quality assurance process of lithium battery manufacturing, to test every battery for leakage

## ADVANCED SCIENCE

### Quantum computing

Helium exists in liquid form at temperatures below -269C (4K); this enables its use as the ideal coolant for quantum computing research

### Research / Large Hadron Collider

Helium has been essential to numerous Nobel Laureates and their advanced research; more than 5,200 patents relying on liquid helium have been awarded since 1975 in the U.S. alone

## DEFENCE

### High-end thermographic cameras

Used as a coolant in thermographic quantum detectors

### Missile propulsion systems

A purge gas and fuel pressurising agent

### Submarine detection

Liquid helium is used to clean noisy sound signals

## RENEWABLES/LOW CARBON TECH

### Energy/Transport

Essential in nuclear fusion and ideal for nuclear fission cooling

Small modular nuclear reactors (SMRs)

High speed Mag-Lev transport

Lithium-ion battery testing and quality assurance

# PRESSING AMERICAN DEMAND FOR NEW HELIUM SUPPLY

Current North American supply levels are not sufficient to cover growing helium requirements in key industries



**Elon Musk**  
@elonmusk

There isn't even enough helium produced on Earth to supply a high flight rate Starship

9:51 AM · Nov 4, 2024 · 37.4K Views

**BBC**

The world keeps running out of helium. There is now a race to prepare for the next shortage

1 April 2025

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Callum Bains

Jul 4 · 1 min read



US Semiconductor Tax Boost Signals Rising Helium Demand

The US has increased its semiconductor manufacturing tax credit from 25% to 35% under a new budget bill, aiming to accelerate domestic chip production.

Helium demand to double by 2035, tracking chip production boom, report says

By Reuters

September 9, 2024 9:10 PM GMT+8 · Updated September 9, 2024



GROWING SUPPLY DEFICIT

AMIDST INCREASING GLOBAL DEMAND

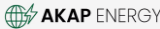
ACROSS SEVERAL STRATEGIC INDUSTRIES

Jan 27 · 1 min read



China increases domestic helium reserves 4.07 billion cubic meters (145bcf)

China achieved significant breakthroughs in strategic emerging industrial minerals and noble gases. During the current 14th Five-Year Plan period (2021-25), China went from having no helium reserves to proving 4.07 billion cubic meters (145bcf) of geological helium reserves, reducing its reliance on imports, according to Xiong, according to Xiong Zili, director of the ministry's Geological Exploration Management Department.



## Aerospace



## Fusion & Fission Energy



## Quantum Computing



## Artificial Intelligence



## Semiconductors



# MINERAL RIGHTS IN THE UNITED STATES

1. The system of mineral ownership and development in the USA is substantially different to the system in Australia. The following is a general description of the system that commonly applies in the oil and gas producing states. It is important to note that local variations may apply.
2. The owner of land owns the surface and all oil, gas and other minerals beneath his/her tract, unless a severance has occurred that creates two distinct estates: the surface estate and the mineral estate. A severance of the mineral estate results from a conveyance or reservation of all, or a portion, of the oil, gas and other minerals in and to a specific tract.
3. The oil, gas and other minerals beneath a tract of land are a part of the realty until produced and become personal property when brought to the surface. Because the mineral estate is considered real property, it may be acquired, divested, encumbered, devised and inherited, thereby resulting in the possibility that an unlimited number of persons ("mineral owners") may own undivided interests in a tract's minerals.
4. Accordingly, the mineral estate in a tract may be owned by one or more distinct owners and each distinct owner may comprise one or more persons. The mineral estate may be divided amongst distinct owners by depth or geological formation. Where there is more than one distinct owner of a mineral estate, each such owner will own a percentage share of that mineral estate. The percentage shares of that mineral estate need not be equal. Therefore, each such distinct owner owns its percentage share of an undivided share in the mineral estate in that tract. In addition, private individuals may own the mineral rights directly beneath public surface owners or users, eg the mineral rights beneath a public road. This is commonly summarised by referring to the lessor's "net acreage" in a tract. This means the lessor's percentage share of the undivided total area of the tract's minerals ("gross acres") net of the percentage share of other mineral owners in the same tract. For example, assume the mineral rights in a tract of 100 acres are owned by 4 mineral owners in equal shares. If one of those mineral owners leases its mineral interests to a lessee, the lessee will have an interest in 100 gross acres and 25 net acres. If a second mineral owner leases its mineral interests to the same lessee, the lessee will then have an interest in 100 gross acres and 50 net acres.
5. If an owner of a mineral estate, whether severed or intact with the surface, chooses to pursue development of and production from the minerals beneath the ground, such owner may exercise its rights and may generate revenue through one or more of these methods: (1) the "right to develop" the mineral estate by contracting directly with a drilling and operating company and directly selling the minerals; (2) the "right to lease" the mineral estate to a third party, specifying the terms of the lease and defining the minerals that may be produced; (3) the "right to receive a bonus payment" for leasing the mineral estate, usually calculated per acre, from the lessee for leasing the mineral estate; (4) the "right to receive delay rentals" when the mineral estate is leased but not being produced; and (5) the "right to receive royalty payments" based on a percentage of minerals produced by the lessee. Given the inherent risk, cost of development and required technology to produce oil and gas, most mineral owners do not independently develop their minerals, and as a result, rely on their ability to lease to a third party.
6. The oil and gas lease serves as both a conveyance and a contract which establishes the parties' rights and obligations. There is no "standard form" of lease. The details within the lease are the contract which defines the rights and obligations of the parties.
7. An oil and gas lease creates rights in relation to the mineral estate only and does not grant surface rights to the lessee. Surface rights must be negotiated separately with the surface right owners. This process is facilitated by legislation.
8. The execution of an oil and gas lease that reserves a royalty to the lessor creates the leasehold estate and a royalty interest. The lessee acquires the working interest, or the cost bearing interest, which provides the lessee the right to develop the oil and gas the subject of the lease at its sole risk and expense ("working interest" or "WI"). The lessee may keep and sell its proportionate share of the oil and gas produced from the lease until the lease expires ("net revenue interest" or "NRI"). The NRI is the lessee's share of production derived from the lease after royalties and other burdens. The leasehold estate created by the oil and gas lease may be conveyed, assigned and encumbered similar to any other real estate, and it is common for the original lessee to assign undivided working interests to numerous parties, who share the burden of costs in developing the mineral estate. Generally, a lease will include a provision that allows the lessee to continue to produce the lease as long as it is economically producing a minimum amount of oil and gas. Such a lease is said to be "held by production" or "HBP".
9. The identity of the mineral ownership in respect of any tract may not be maintained in any single definitive register. The landman establishes the title of the mineral owner by ascertaining the chain of transfers from the original date of grant to the present day. It is customary before drilling a well on a leased property to obtain a drilling title opinion, by which the lessor(s) in question are determined to have the required authority to grant the right to explore, exploit and to assign the minerals in a specific tract of land based on a thorough examination of the chain of title. If errors are found in the course of that examination, it is customary for the lessor and lessee to conduct "Title Curative," which involves, but is not limited to, executing instruments, affidavits, conveyances and filing previously unrecorded documents to resolve any disputes, ambiguities or errors so that the operator has substantial support for its claims prior to undertaking the expense of drilling.
10. All of the major US oil and gas producing states other than California and Kansas have adopted some kind of mandatory pooling scheme to facilitate the development of oil and gas resources owned by more than one stakeholder. These rules provide a process to compel all mineral estate owners in a drilling area to contribute or pool their mineral estate to the drilling of a well in relation to that mineral estate.

# GLOSSARY AND UNITS

| Term                            | Description                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1U (P90), 2U (P50) and 3U (P10) | In a probabilistic resource distribution, 1U (P90), 2U (P50), 3U (P10) estimates represent the 90% probability, 50% probability and 10% probability respectively that the quantity recovered will equal or exceed the estimate assuming a success case in the prospect                                                                                                                                  |
| gross acres and net acres       | The minerals in a tract of land may be owned by one or more owners. Each owner may lease its respective percentage share of the minerals. The gross area of the tract of land is referred to as the "gross acres" of a lease. The "net acres" refers to the lessor's percentage share of the gross acres.                                                                                               |
| lead                            | A project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation to be classified as a Prospect. A project maturity sub-class of Prospective Resources.                                                                                                                                                                         |
| net revenue interest or NRI     | A share of production after all burdens, such as royalty and overriding royalty, have been deducted from the working interest. It is the percentage of production that each party actually receives.                                                                                                                                                                                                    |
| oil and gas lease               | An agreement between a mineral owner (lessor) and an oil and gas company (lessee) permitting the lessee to explore, drill and produce oil and gas from the tract of property. Typically, the lease provides that lessee will pay a Royalty to the lessor. Also referred to as a "mineral lease" or a "lease".                                                                                           |
| operator                        | The owner of the right to drill or produce a well, or the entity contractually charged with drilling of a test well and production of subsequent wells.                                                                                                                                                                                                                                                 |
| overriding royalty              | A percentage share of production, or the value derived from production, which is free of all costs of drilling and producing, and is created by the lessee or working interest owner and paid by the lessee or working interest owner.                                                                                                                                                                  |
| PRMS                            | The Petroleum Resources Management System of the Society of Petroleum Engineers, World Petroleum Council, American Association of Petroleum Geologists and Society of Petroleum Evaluation Engineers as revised in June 2018.                                                                                                                                                                           |
| prospect                        | A project associated with an undrilled potential accumulation that is sufficiently well defined to represent a viable drilling target. A project maturity sub-class of Prospective Resources.                                                                                                                                                                                                           |
| royalty                         | A percentage share of production, or the value derived from that production, paid from a producing well.                                                                                                                                                                                                                                                                                                |
| working interest or WI          | A percentage of ownership in an Oil and Gas Lease. Working Interest owners are obliged to pay a corresponding percentage of the cost of leasing, drilling and producing and operating a well or unit. After payment of Royalties, the working interest also entitles its owner to a share in production revenues with other working interest owners, based on the percentage of working interest owned. |

| Unit | Measure            | Unit | Measure             |
|------|--------------------|------|---------------------|
| B    | Prefix - billions  | Bcf  | Billion cubic feet  |
| MM   | Prefix - millions  | MMcf | Million cubic feet  |
| M    | Prefix - thousands | Mcf  | Thousand cubic feet |
| /d   | Suffix - per day   | \$MM | Million dollars     |

# RISK FACTORS

The exploration for, and development of, natural resources is a highly speculative activity which involves a high degree of risk. Accordingly, the Company’s ordinary shares should be regarded as a highly speculative investment and an investment in the Company should only be made by those with the necessary expertise to evaluate the investment fully.

In addition to the other relevant information set out in this document, the Directors consider that the following risk factors, which are not set out in any particular order of priority, magnitude or probability, are of particular relevance to Blue Star’s activities and to any investment in the Company. It should be noted that additional risks and uncertainties not presently known to the Directors or which they currently believe to be immaterial may individually or cumulatively also have a material adverse effect on Blue Star’s operating results, financial condition and prospects. Any one or more of these risk factors could have a materially adverse impact on the value of the Blue Star’s shares and/or its business, financial condition, results of operations or prospects and should be taken into consideration when assessing the Company.

There can be no certainty that Blue Star will be able to implement successfully the strategy set out in this document. No representation is or can be made as to the future performance of Blue Star and there can be no assurance that Blue Star will achieve its objectives. It should be noted that the factors listed below are not intended to be exhaustive and do not necessarily comprise all the risks to which Blue Star is or may be exposed or all those associated with an investment in it. In particular, Blue Star’s performance is likely to be affected by changes in market and/or economic conditions, political, judicial and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates. There may be additional risks and uncertainties that the Directors do not currently consider to be material, or of which they are currently unaware, that may also have an adverse effect upon Blue Star.

If any of the risks occur, Blue Star’s business, financial condition, results or future operations could be materially adversely affected. In such case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment.

**RISKS RELATING TO THE OPERATIONS OF BLUE STAR**

**Extraction, exploration and development risks**

There can be no guarantee that any helium or carbon dioxide discovered will be developed into profitable production, or that helium or carbon dioxide will be discovered in commercial quantities or developed to profitable production. The business of exploration, development and exploitation of helium and carbon dioxide deposits is speculative and involves a high degree of risk, which even a combination of careful evaluation, experience and knowledge may not eliminate. Helium and/or carbon dioxide deposits assessed by Blue Star may not ultimately contain economically recoverable volumes of resources and even if they do, delays in the construction and commissioning of production projects or other technical difficulties may result in any projected target dates for production being delayed or further capital expenditure being required.

Historical facts, information gained from previous experience, present facts, circumstances and information, and assumptions from all or any of these are not a guide to the future. Aims, targets, plans and intentions referred to herein are no more than that and do not imply forecasts.

**Licences, permits and leases**

The operations of Blue Star require licences, permits and leases from various governmental

authorities, as well as private land owners. There can be no assurance that Blue Star will be able to obtain (either through a new application, a renewal as a result of expiry, or conversion) all necessary licences, permits and leases that are required to carry out exploration and development at its properties. Regulations and policies relating to licences, permits and leases may change, be implemented in a way that the Company does not currently anticipate or take significantly greater time to obtain. These licences, permits and leases are subject to numerous requirements, including compliance with environmental regulations. Revocation or suspension of Blue Star’s environmental and operating permits could have a material adverse effect on its business, financial condition and results of operations. In particular, the Company will need to obtain a drilling permit from the Colorado Energy & Carbon Management Commission (ECMC) ahead of its proposed drilling activities at its prospects. The Company may also need to obtain certain easements from land owners in order to gain access and undertake its proposed development activities.

**Title to properties and renewal of Leases**

Although Blue Star has taken steps to verify title to the properties on which it is proposing to conduct exploration activities and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee its title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, caveats on title with limited information which may encumber rights contemplated in the title / lease documents, instruments submitted for filing against the properties which remain pending for registration and therefore unavailable for review, indigenous claims, and non-compliance with regulatory and environmental requirements. Blue Star’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and currency exchange fluctuations and restrictions.

**Changes in commodity prices**

Blue Star’s possible future revenues may be derived mainly from helium and carbon dioxide production or from royalties gained from potential joint ventures or other arrangements. Consequently, its potential future earnings will likely be closely related to the price of those commodities. The prices of these commodities fluctuate and are affected by numerous industry factors including demand for the resource, forward selling by producers, production cost levels in major producing regions and macroeconomic factors including, but not limited to, inflation, interest rates, currency exchange rates and global and regional demand for, and supply of, them. If Blue Star is producing helium and/or carbon dioxide and the market price of the commodity were to fall below the costs of production and remain at such a level for any sustained period, Blue Star would experience losses and could have to curtail or suspend some or all of its proposed activities. In such circumstances, the Company would also have to assess the economic impact of any sustained lower commodity prices on recoverability.

**Reserves and resource estimates**

Estimating helium and carbon dioxide reserves and resources is subject to significant uncertainties associated with technical data and the interpretation of that data, future commodity prices, and development and operating costs. There can be no guarantee that the Company will successfully produce the volume of helium and/or carbon dioxide that it estimates as reserves or that resources will be successfully converted to reserves. Expected helium and/or carbon dioxide content may not be present or it might be too small to warrant commercial exploitation. Estimates may alter significantly or become more uncertain when new information becomes available as a result of additional drilling or production tests. As estimates change, development and production plans may also vary. Downward revision of reserves and resources estimates may adversely affect Blue Star’s operational or financial performance.

Helium and/or carbon dioxide resource and reserve estimates may require revisions and/or changes (either up or down) based on actual production experience and in light of the prevailing market price of helium and carbon dioxide. A decline in the market price for these commodities could render reserves uneconomic to recover and may ultimately result in a reclassification of reserves as resources. There are uncertainties inherent in estimating the quantity of resources and reserves and in projecting future rates of production, including factors beyond Blue Star’s control. Estimating the amount of helium and/or carbon dioxide resources and reserves is an interpretive process and, in addition, results of drilling, testing and production subsequent to the date of an estimate may result in material revisions to original estimates.

If the assumptions upon which the estimates of Blue Star’s resources have been based prove to be incorrect, Blue Star (or the operator of an asset in which Blue Star has an interest) may be unable to recover and produce the estimated levels or quality of helium and/or carbon dioxide set out in this document and Blue Star’s business, prospects, financial condition or results of operations could be materially and adversely affected.

**Environmental risks**

Many aspects of the helium and carbon dioxide business present environmental risks and hazards, including the risk that Blue Star may be in non-compliance with an environmental law, regulation, permit, licence, or other regulatory approval, possibly unintentionally or without knowledge. Such risks may expose the Company to fines or penalties, third party liabilities or to the requirement to remediate, which could be material.

**Future Capital Requirements**

The exploration, development and continued operations of Blue Star’s projects (or any other project acquired by the Company in the future) may require additional financing. Failure to obtain sufficient financing may result in a delay or indefinite postponement of exploration, development or production on the Company’s projects or even a loss of a property interest. There can be no guarantee that the Company will be able to access either debt or equity funds necessary to finance its future activities and successfully achieve all of the objectives of the Company’s overall business strategy on terms acceptable to the Company, or at all. Further, any additional equity financing may be dilutive to shareholders and any debt financing, if available, may involve restrictive covenants, which may limit the Company’s operations and business strategy. The Company’s failure to raise capital, if and when needed, could delay or suspend the Company’s business strategy and could have a material adverse effect on the Company’s activities.

**Currency risks**

The Company is exposed to foreign exchange risk as the Company’s operating costs will be primarily in US dollars. The Company’s reporting currency is Australian dollars. Hence, any fluctuation of the US dollar in relation to these currencies may affect the value of the Company’s assets and liabilities. Any strengthening of other currencies against the US dollar or any other currency in which the Company transacts and where the foreign exchange risk is not hedged could have an adverse effect on the Company’s business, results of operations and financial condition.

In this statement of risk factors, references to Blue Star or the Company are references to Blue Star Helium Ltd and its subsidiaries.

# CONTACT US

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