

ASX ANNOUNCEMENT

23 May 2022

HELIUM WELL PERMITTING UPDATE GALACTICA/PEGASUS AND VOYAGER

Highlights

- First four helium well locations at Galactica/Pegasus set for approval hearing on 19 July 2022. Wells located to deliver rapid follow up appraisal and development of the helium discoveries (up to 3.14% helium).at Galactica/Pegasus announced last week.
- First two helium well locations at Voyager submitted. Wells offset recent breakthrough helium discovery (134 ft gas column with 8.8% helium concentration) at Voyager. Further three locations expected to be submitted in the next few weeks.
- Resource updates and facilities engineering progressing in parallel with proposed appraisal and development drilling.

Blue Star Helium Limited (ASX:BNL, OTCQB:BSNLF) (**Blue Star** or the **Company**) provides an update on helium well permitting at its Galactica/Pegasus and Voyager helium prospects in Las Animas County, Colorado.

Galactica/Pegasus

Notification has been received of a Colorado Oil and Gas Conservation Commission (**COGCC**) approval hearing date (Form 2A Oil and Gas Development Plan (**OGDP**)) for the four planned helium appraisal and development wells at Galactica/Pegasus. The approval hearing is set for 19 July 2022. The Company will lodge permits to drill (Form 2) in respect of each well after approval at the hearing.

These well locations are expected to deliver rapid follow-up appraisal and targeted development of the helium discoveries announced last week at the Galactica/Pegasus prospects with helium concentrations up to 3.14% (see BNL ASX release dated 17 May 2022, *Helium Discoveries at Galactica/Pegasus*). Subject to final permitting, Blue Star expects to drill all four of these wells at Galactica/Pegasus during H2 2022.

Blue Star recently engaged consulting engineers, SIGIT, to commence a second Front-End Engineering and Design (**FEED**) study (in addition to the one underway for the Voyager prospect) for a facility located in the east servicing the Galactica, Pegasus and Serenity prospects.

Independent resource consultant, Sproule, has also been engaged to undertake an update of the Galactica/Pegasus resource following the recent discoveries, with a declaration of at least contingent resources expected.

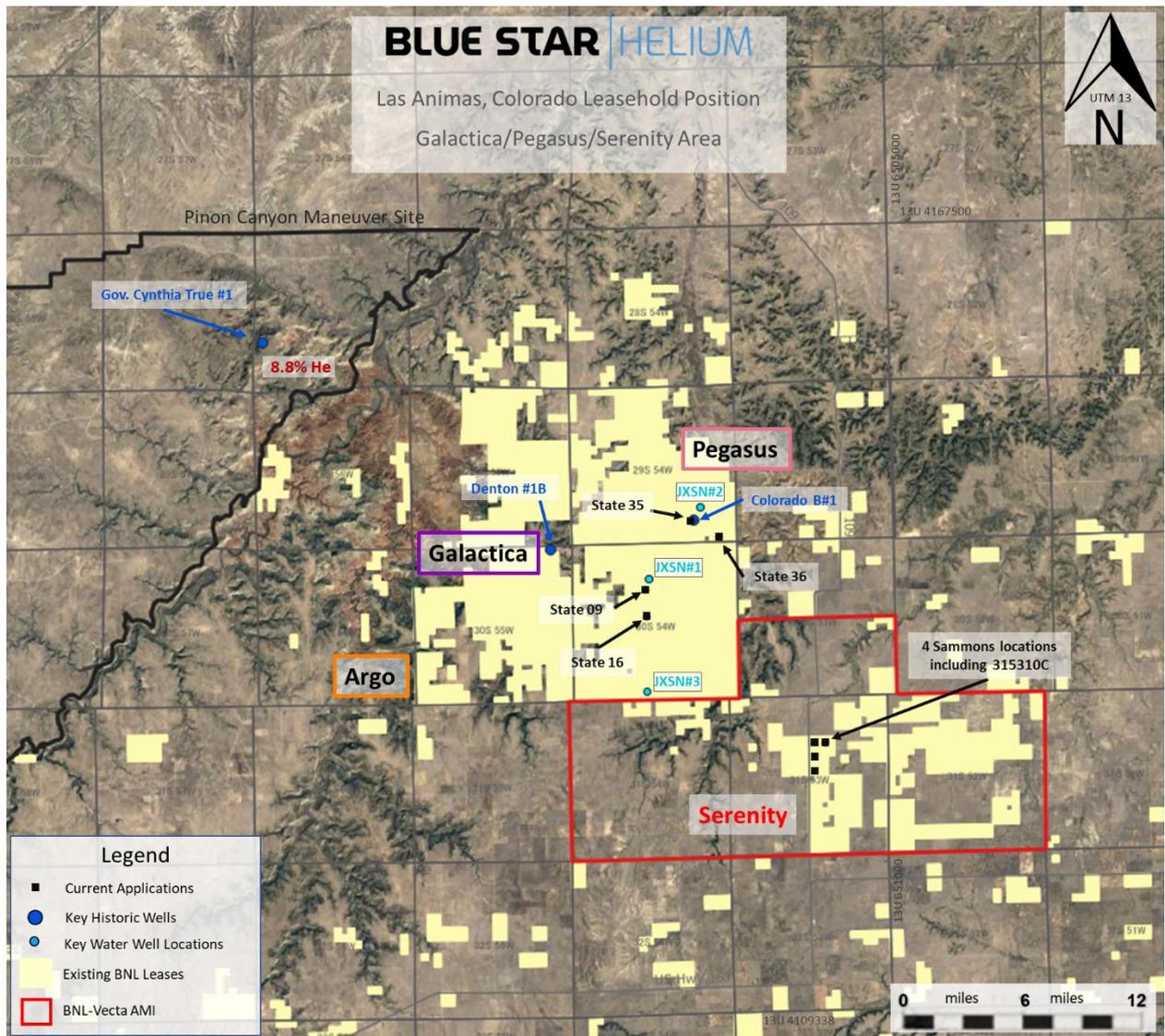


Figure 1: Blue Star’s lease holding and key wells – Galactica/Pegasus/Serenity area

Voyager

As also recently announced (see BNL ASX release dated 10 May 2022, *Plan of Development and Facility FEED Study Commenced*), the Voyager prospect is being fast tracked for development after the breakthrough success of BBB#1 exploratory water well, which returned a 134 ft gas column in the Lyons formation with a calculated air-free helium concentration of 8.8% (see BNL ASX releases dated 17 November 2021, 21 December 2021 and 5 April 2022).

Two appraisal and development well locations (Form 2A), offsetting the BBB#1 helium discovery, have now been submitted. Submission of a further three well location applications is expected to follow in the next few weeks.

These five Voyager wells represent the initial planned production wells of the field development plan. Blue Star is also currently finalising the planned location of Phase 2 development wells at Voyager. These well locations are being designed to deliver a substantial degree of flexibility and responsiveness with respect to progressive Phase 1 well outcomes.

Sproule has been engaged to prepare the first independent resource assessment for the Voyager prospect. Blue Star’s current Las Animas P50 net unrisks prospective helium resource of 13.4

Bcf does not include an estimate for the Voyager prospect (see BNL ASX releases dated 16 November 2020 and 10 June 2021).

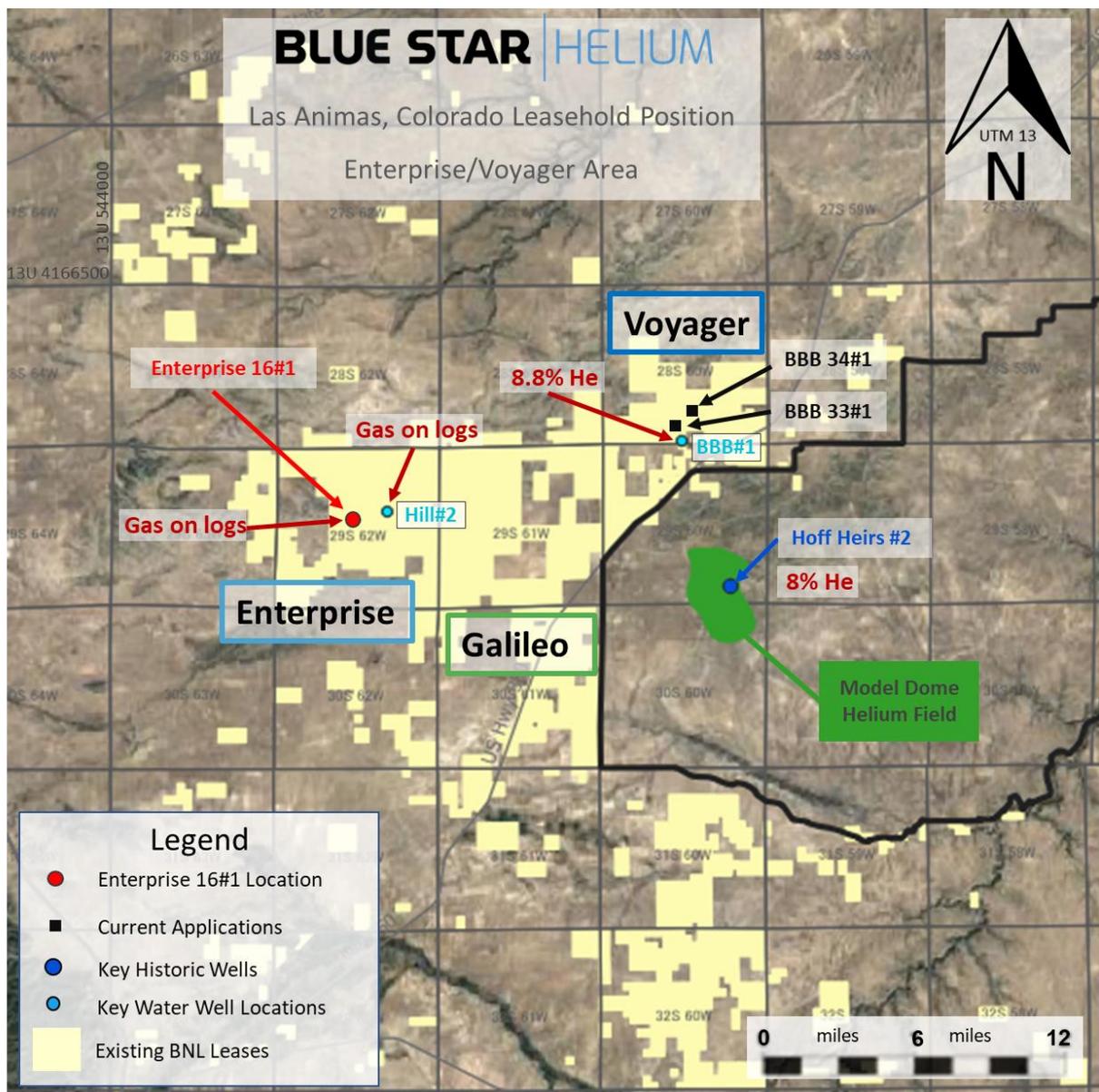


Figure 2: Blue Star's lease holding and key wells – Enterprise/Voyager area

Helium Well Permitting Summary

The table below outlines the current status of Blue Star's helium well permitting activities in Las Animas County. The principal progress has been made at Galactica/Pegasus, Voyager and Serenity.

Well Permitting Schedule								
Prospect	Location Selection	Survey	Permit Preparation	COGCC Review	COGCC Hearing	Form 2	Issued	Total
Enterprise	1	2	1				1	5
Galactica	6	7	2		2			17
Galileo			3					3
Pegasus		6	4		2			12
Serenity						3	1	4
Voyager	1		3	2				6
Total	8	15	13	2	4	3	2	47
Change since 5 April 22	-	-5	+3	-2	+4	-1	+1	

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

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About Blue Star Helium:

Blue Star Helium Ltd (ASX:BNL OTCQB:BSNLF) is an independent helium exploration and production company, headquartered in Australia, with operations and exploration in North America. Blue Star's strategy is to find and develop new supplies of low cost, high grade helium in North America. For further information please visit the Company's website at www.bluestarhelium.com

About Helium:

Helium is a unique industrial gas that exhibits characteristics both of a bulk, commodity gas and of a high value specialty gas and is considered a "high tech" strategic element. Due to its unique chemical and physical qualities, helium is a vital element in the manufacture of MRIs and semiconductors and is critical for fibre optic cable manufacturing, hard disc manufacture and cooling, space exploration, rocketry, lifting and high-level science. There is no way of manufacturing helium artificially and most of the world's reserves have been derived as a by-product of the extraction of natural hydrocarbon gas.