**ASX ANNOUNCEMENT**

17 May 2024

# UPDATE: STATE 16 DRILLING SPUD

# GALACTICA PROJECT

## Highlights

- State 16 SWSE 3054 well spudded at the Company's Galactica project.
- The Company anticipates that the projected total drilling depth (**TD**) will be reached in 5-7 days, followed by wireline logging and testing of the Lyons helium reservoir.

Blue Star Helium Limited (ASX:BNL, OTCQB:BSNLF) (**Blue Star** or the **Company**) is pleased to announce that it has spudded the State 16 SWSE 3054 development well at its Galactica helium project in Las Animas County, Colorado.

The shallow conductor section of the hole has been completed to a depth of 38 feet with casing cemented. Forward operations are drilling out of conductor into the intermediate hole section. At the base of the intermediate hole section the well will be cased before drilling the Lyons formation target section where the well's planned total drilling depth (**TD**) is within the upper Lyons gas reservoir.

Forward drilling operations to TD in the Lyons reservoir target section are projected to take 5 to 7 days. At TD the well will be wireline logged after which the well will be flow and pressure tested for at least an additional 5 days.

It is anticipated that upon successful testing at State 16 SWSE 3054 the well will be completed, ready to be tied-in to production facilities.

## Galactica/Pegasus Discovery

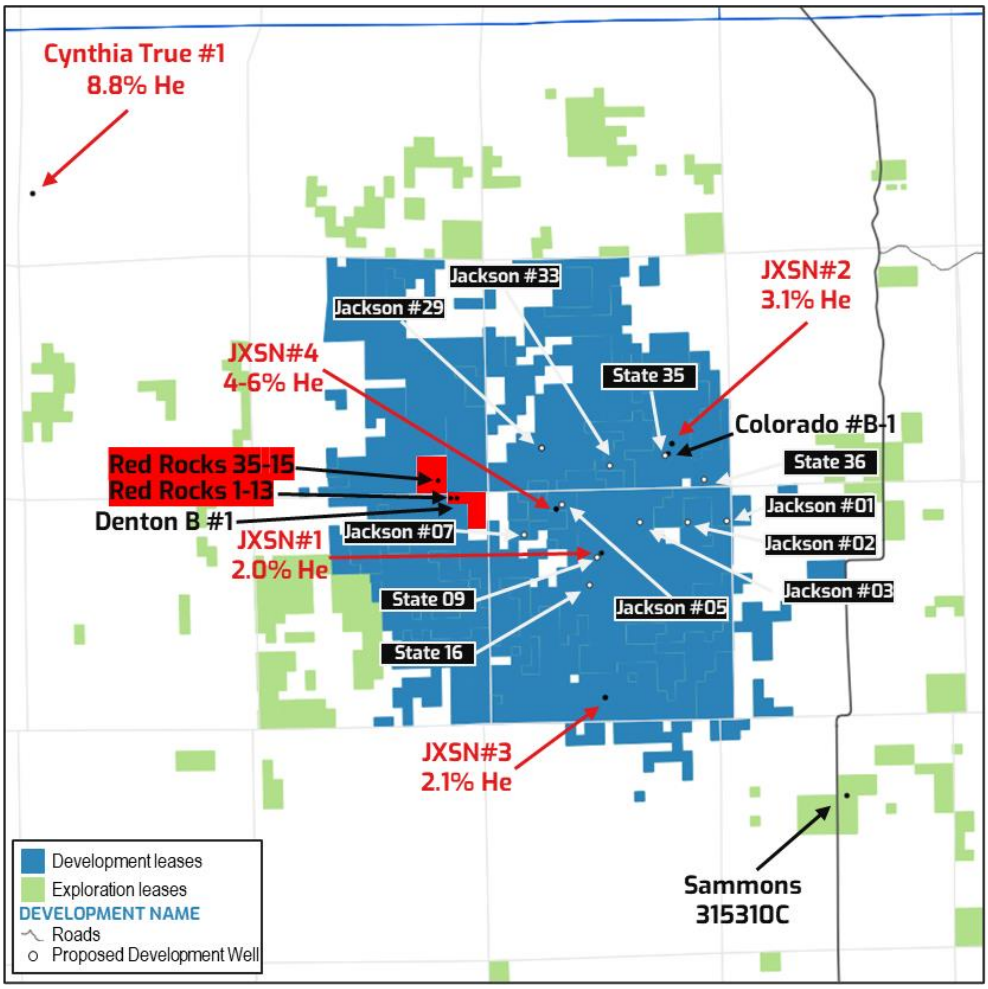
The Galactica project is part of the greater Galactica/Pegasus development, discovered by Blue Star in 2022. The Galactica/Pegasus development is a large-scale project with multiple potential product streams. Four existing Blue Star discoveries at Galactica/Pegasus via exploration wells JXSN#1 to JXSN#4 delivered gas flowing at 125 - 412 mcf/d and high air-corrected concentrations of 2.0 - 6.1% He (see Table 1).

***Table 1: Key results from recent Galactica/Pegasus exploratory wells***

| Key parameters | JXSN#1 | JXSN#2 | JXSN#3 | JXSN#4 |
|---|---|---|---|---|
| Helium concentration (%) | 1.98 | 3.14 | 2.14 | 4.20 & 6.06 |
| Gas column in Lyons formation (ft) | 217.5 | 101+ | 230 | 233.5 |
| Net pay in Lyons formation (ft) | 143.5 | 101 | 153.4 | 133.5 |
| Stabilized initial flow rate (Mcfd) | 412 | 202 | 412 | 125 |

This data also proved the Company's previous interpretations of gas on logs at historic wells, Denton B #1 and Colorado #B-1, also located on the greater Galactica/Pegasus structure. The Galactica/Pegasus development is further de-risked by the successful third-party commercialisation of adjoining Red Rocks helium project, via an IACX midstream leased process facility arrangement.

There are currently a range of development and commercialisation pathways under review, including a leased plant and third party operated option. The final development is expected to include a $CO_2$ production stream, in addition to helium revenues. Engineering and market work continues to refine the development configurations, forecast production and cost estimates.




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

**For further information, please contact:**
Trent Spry
Managing Director & CEO
info@bluestarhelium.com
+61 8 9481 0389

**About Blue Star Helium:**

Blue Star Helium Ltd (ASX:BNL, OTCQB:BSNLF) is an independent helium exploration 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.