

March 2016 Quarterly Activities Report

18 April 2016

BLACK STAR PETROLEUM LIMITED

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Directors / Officers

Matthew Wood
Brian McMaster
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Issued Capital

530.0 million shares
95.3 million listed options

ASX Codes: BSP, BSPO

Black Star Petroleum Limited (**BSP**) is pleased to provide shareholders with a summary of its activities for the quarter ended 31 March 2016.

As previously announced, during the quarter the Company focussed on resolving issues concerning its financial position. Consistent with that, BSP announced on 5 April 2016 that Black Star Petroleum USA Inc (**BSP USA**), reached an agreement with STA Resources LLC (**STA**) in relation to the amount owed by BSP USA and STA (**Agreement**). Following the end of the quarter, the Company settled this agreement in full.

Also, following the quarter end, BSP announced that as part of a restructuring process it had isolated those assets not effected by the STA Agreement in a 100% owned subsidiary called Constellation Resources LLC.

Additionally, during the quarter the Company continued discussions with parties interested in recapitalising the Company. These discussions have not concluded as yet.

Yours faithfully

MATTHEW WOOD

Chairman

BLACK STAR PETROLEUM LIMITED

Appendix 1 – Interests in Leases held

| Tenure Reference | Location | Interest at beginning of quarter | Interest at end of quarter | Acquired during the quarter | Disposed of during the quarter |
|---|-------------------------|----------------------------------|----------------------------|-----------------------------|--------------------------------|
| Nebraska Oil Project: 13 leases totalling approximately 5,250 acres held in Constellation Resources LLC | Banner County, Nebraska | 73.07% | 73.07% | - | - |
| Nebraska Oil Project: 1 lease totalling approximately 730 acres under the STA Resources LLC agreement | Banner County, Nebraska | 73.07% | 73.07% | - | - |

Appendix 2 – Summary of Expenditure Incurred Per Project

| Project | A\$'000 |
|----------------------|-----------|
| Nebraska Oil Project | 26 |
| Total | 26 |