

JUNE 2014 QUARTERLY SHAREHOLDER UPDATE

ASX Release

31 July 2014

BLACK STAR PETROLEUM LIMITED

Level 1 / 330
Churchill Avenue, Subiaco
Western Australia 6008
Tel: +61 8 9200 4493
Fax: +61 8 9200 4469

Contact

Matthew Wood
Executive Chairman

E-mail

info@blackstarpetroleum.com.au

For the latest news

www.blackstarpetroleum.com.au

Directors / Officers

Matthew Wood
Greg Wood
Brian McMaster
Mark Reilly

Issued Capital

114.1million shares
95.3 million listed options

ASX Codes: BSP, BSPO

During the quarter Black Star Petroleum Limited reduced all non critical expenditure and continued to source funding to commercialise the Niobrara oil discovery.

The Company plans to complete a third Well on its leases further testing the Niobrara and Codell Formations with a full core test. This Well is currently permitted and can commence in the coming months. This will enable Black Star to fracture stimulate a total of three Wells with initial production anticipated soon after.

Black Star has previously confirmed the potential for a major oil discovery in the Niobrara Formation within Banner County, south western Nebraska and has successfully drilled two Wells that have not to date been fracture stimulated.

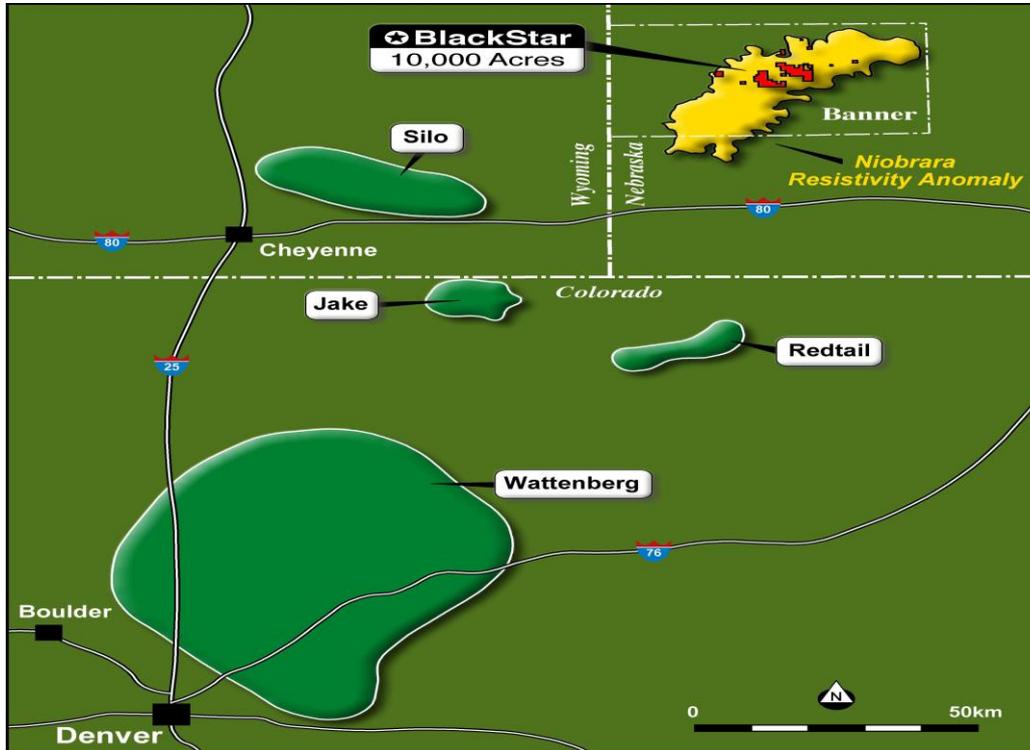
Post Quarter

- Black Star announced that the board had resolved to withdraw the fully underwritten renounceable rights issue as announced on the 10th of June. The withdrawal resulted from share price weakness which triggered a breach of one of the conditions within the underwriting agreement.
- Mr Mark Reilly was appointed as a Non-Executive Director following the resignation of Mr Polglase. Mr Reilly is a Chartered Accountant and has over 15 years experience as a public company director and in advisory capacity with extensive experience in mining, banking and finance industries.
- As announced on the 10th March the Company entered into a Share Exchange Agreement with Global Resources Investment Trust Plc (GRIT). Black Star are pleased to announce the commencement of sale of these shares which will provide the company with much needed funding over the coming weeks.
- The Board are currently assessing funding arrangements and expect to make an announcement early August 2014.

About Black Star

Black Star has a 73.07% working interest in approximately 10,000 acres in Banner County (*Figure 1*), Nebraska USA under the Joint Venture with Bayswater Exploration where it is targeting oil production in the prolific Niobrara and Codell Formations. The Nebraska Oil Project represents outstanding potential for growth through both vertical and horizontal fracture stimulated wells.

Figure 1: Banner County



Greg Wood

Chief Executive Officer

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: - 28 petroleum exploration leases	Banner County, Nebraska	73.07%	73.07%	-	-
Nebraska Oil Project: - 86 petroleum exploration leases	Banner County, Nebraska	73.07%	0.00%	-	73.07%

Appendix 2 – Summary of Expenditure Incurred Per Project

Project	A\$'000
EPM 14346	5
EPM 18368	7
MDL 107	6
Nebraska	598
Total	616