

ASX ANNOUNCEMENT

11 January 2024

FOUR ADDITIONAL HELIUM WELL LOCATIONS APPROVED AT GALACTICA/PEGASUS

Highlights

- ECMC approves four new proposed helium development well locations (Jackson 05 SWNE, Jackson 07 NWNE, Jackson 29 SWSW and Jackson 33 SENE) at the Galactica/Pegasus project.
- These four wells are offset development wells to the JXSN#1, JXSN#2 and JXSN#4 helium discoveries and are expected to be production wells.
- Galactica/Pegasus drilling inventory comprises 11 permitted helium development well locations with 20 further well locations identified for permitting.
- Galactica/Pegasus development planning is advancing with a range of commercialisation pathways under consideration, including an initial leased plant and third party operated option with a potential CO₂ by-product stream.
- Helium production and sales from the neighbouring Red Rocks project demonstrates the viability of the Galactica/Pegasus prospect.

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

Next Galactica/Pegasus OGDG approved

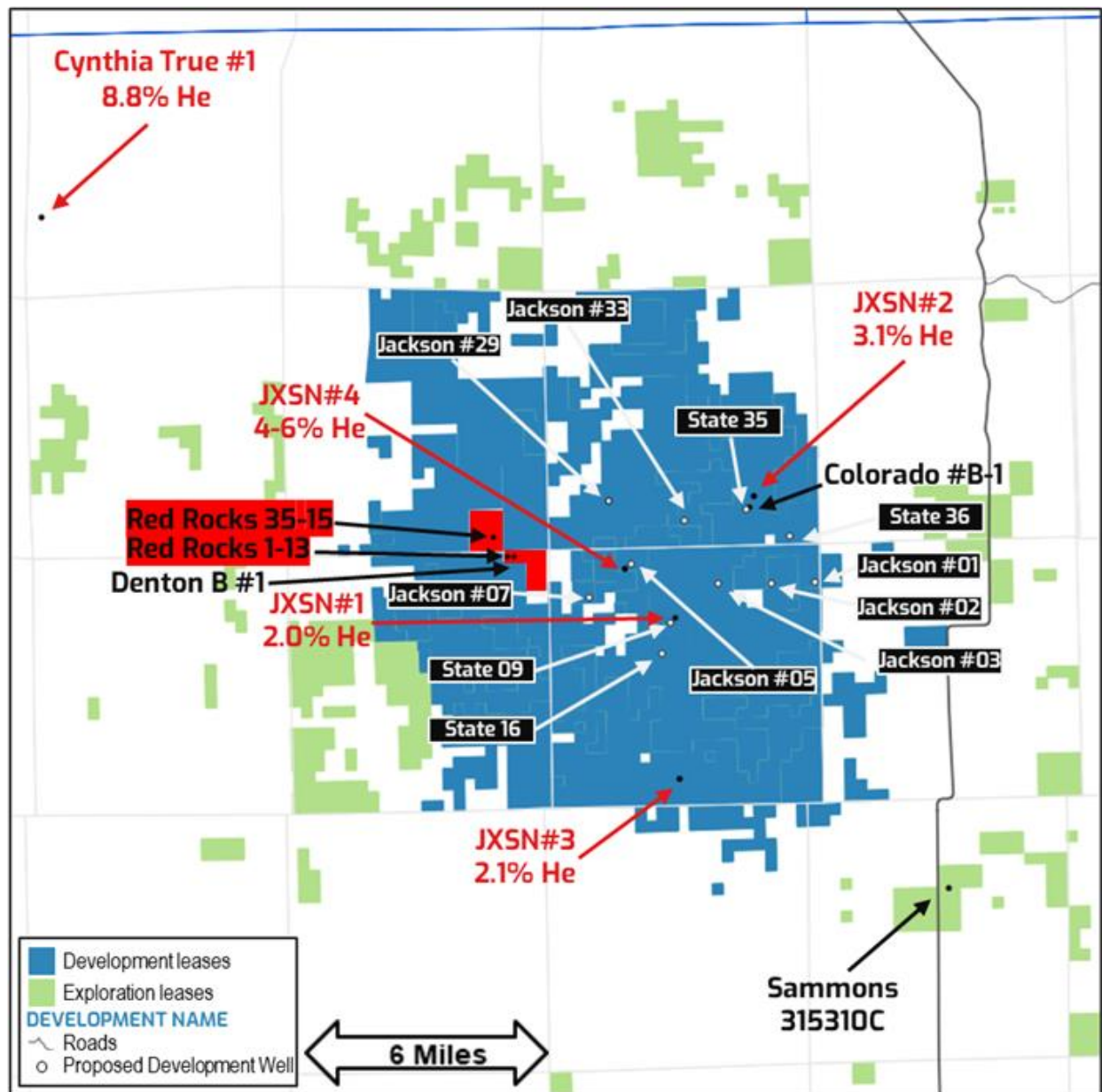
The Colorado Energy and Carbon Management Commission (**ECMC**) has approved the Oil and Gas Development Plan (**OGDP**) relating to four proposed helium development wells (Jackson 05 SWNE, Jackson 07 NWNE, Jackson 29 SWSW and Jackson 33 SENE) at the Galactica/Pegasus project. Following this approval, Blue Star will be able to submit the final drilling permit applications (Form 2) in respect of these wells.

This is the fourth OGDG to be approved at Galactica/Pegasus (see BNL ASX releases dated 1 September 2022, *COGCC Approves Four Development Wells* and 8 June 2023, *Three Well Helium Development OGDG Approved*).

The Jackson 05 SWNE, Jackson 07 NWNE, Jackson 29 SWSW and Jackson 33 SENE wells are offset development wells to the JXSN#1, JXSN#2 and JXSN#4 helium discoveries (see BNL ASX release of 5 October 2022).

The Company has an inventory of 11 helium development well locations approved at Galactica/Pegasus including Form 2 approvals for the drilling of the State 09, 16, 35 and 36 helium development wells (see BNL ASX release of 9 January 2023, *Helium Development Well Permits Approved*).

The locations of the development wells at Galactica/Pegasus are shown on the map below.



Galactica/Pegasus development planning

Blue Star had a successful exploration campaign at the Galactica and Pegasus prospects during 2022 with the four wells (JXSN#1 – JXSN#4) drilled across the two prospects resulting in four discoveries with gas bearing columns of up to 230 feet and helium content up to 6% and flow rates as high as 412 Mcf/d (see BNL ASX release of 5 October 2022).

There are currently a range of development pathways under consideration for Galactica/Pegasus, including an initial leased plant and third party operated option. The final development is expected to include a potential CO₂ by-product stream.

Blue Star will update the market further once it has arrived at a final development plan.

Helium development analogue and validation

The third-party owned Red Rocks helium project adjoins Blue Star's project in the Galactica prospect (see map above). Red Rocks produces raw gas into an IACX-operated helium recovery plant and sells helium gas into the market.

Development and operation of Red Rocks further supports the viability of the Galactica Pegasus prospect.

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.