ASX ANNOUNCEMENT

9 January 2023

HELIUM DEVELOPMENT WELL PERMITS AWARDED
GALACTICA/PEGASUS

Highlights

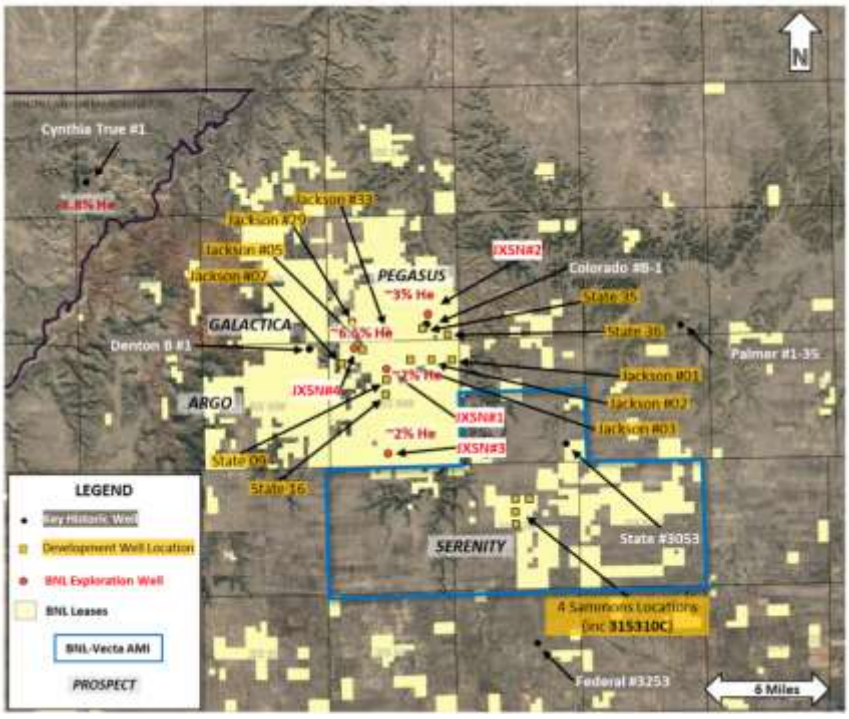
- COGCC awards final approval for drilling of four development wells at Galactica/Pegasus.
- These four wells are to be drilled as offset development wells to the JXSN#1 and JXSN#2 helium discoveries and are expected to be production wells.

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.

Galactica/Pegasus development well update

The Colorado Oil and Gas Conservation Commission (**COGCC**) has approved the Forms 2 relating to each of the State 09, State 16, State 35 and State 36 development wells. These wells relate to the "State 09 & 16 3054" and "State 35 & 36 OGDP" oil and gas development plans. This is the final COGCC approval required to drill these wells.

These four wells are to be drilled as offset development wells to the JXSN#1 and JXSN#2 helium discoveries made earlier this year (see ASX announcement of 17 May and 7 June 2022) and are expected to be production wells. These wells will be scheduled for drilling with the currently proposed development wells at Galactica/Pegasus shown on the map below.



Galactica/Pegasus development plan

Sproule is currently finalising a resource update for Galactica/Pegasus, which is expected to result in the declaration of contingent helium and CO_2 resources.

The Galactica/Pegasus development is larger-scale project with multiple potential product streams. Further engineering and market work is underway to refine the initial planned development configuration and forecast helium and CO_2 production and cost estimates.

There are currently a range of development pathways under consideration, including a leased plant and third party operated option. The final development is expected to include a CO_2 extraction route and by-product stream.

The Galactica/Pegasus facilities are planned to be permitted in parallel with the Voyager development described in the ASX announcement of 19 December 2022.

A final decision on the initial Galactica/Pegasus plant configuration is expected in H1 CY2023.

Las Animas Helium Project Well Permitting

The table below outlines the current status of Blue Star's helium development well permitting activities in Las Animas County, Colorado.

Well Permitting Schedule								
Prospect	**Location Selection**	**Survey**	**Permit Preparation**	**COGCC Review**	**COGCC Hearing**	**Form 2**	**Issued**	**Total**
Enterprise	1	2	1				1	**5**
Galactica	4	3	5	3			2	**17**
Galileo			3					**3**
Pegasus			6	1	3		2	**12**
Serenity						3	1	**4**
Voyager	10		3		2			**15**
Total	**15**	**5**	**18**	**4**	**5**	**3**	**6**	**56**

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.