ASX ANNOUNCEMENT
31 July 2026

ACTIVITIES REPORT
Quarter Ended 30 June 2026

Blue Star Helium Limited (**Blue Star** or **the Company**) (ASX: BNL, OTC: BSNLF) provides an update on its activities for the quarter ended 30 June 2026.

HIGHLIGHTS

Operations

- Early production commissioning and optimisation phase complete, with the plant now demonstrating routine runtime, shut-in and restart cycles more characteristic of the expected long-term operational profile.
- Initial three-month helium Offtake Agreement executed in June 2026 with a major US industrial gases purchaser, covering all helium output from the Pinon Canyon facility.
- First production tube trailer filled with refined helium gas during the quarter and sold at spot market pricing following the end of the quarter, as announced on 14 July 2026. A second trailer, delivered under the Offtake Agreement, was announced on 28 July 2026, with a further trailer now on site and being filled.
- Revenue ramp-up expected through H2 2026, with helium output growing toward the plant's full design capacity, as additional development wells are drilled and existing wells are deepened to increase flow and plant throughput.
- Commercial discussions for co-produced CO_2 continuing; commencement of liquefaction and sales, previously targeted for the June 2026 quarter, was not achieved during the quarter and remains subject to finalising commercial arrangements and completing additional plant modifications.

Corporate

- Cash balance of A$5.0 million (as at 30 June 2026) and zero debt.

OPERATIONS

Galactica/Pegasus Project – Las Animas County, Colorado

Pinon Canyon Plant

Since commissioning of the Pinon Canyon Plant in December 2025, Blue Star and its 50% joint venture partner, Helium One Global Ltd (**Helium One**), have steadily advanced the operational optimisation of the facility throughout the first half of 2026.

As part of planned post-commissioning optimisation, Blue Star worked with major leased plant contractors during the quarter to improve plant stability, fill rates and reliability. This work was materially more involved than routine commissioning and was directed at establishing the long-term operating integrity of the system.

Operating the Pinon Canyon Plant under a capital-light equipment lease model has materially reduced the Company's upfront capital requirement and preserved balance sheet flexibility through this development phase. A consequence of this is that plant operations depend on the coordinated performance of equipment supplied, maintained and in certain cases operated by several third parties. A significant proportion of the work undertaken during the quarter was directed at managing those interactions, including the scheduling of servicing, component change-outs and vendor support across both the plant and the gathering system. That work was necessary to establish the reliability and operating life of the system, and the Company is satisfied with the position now reached.

The plant has continued to see increased uptime and is now demonstrating routine runtime, shut-in, and restart cycles more characteristic of its expected long-term operational profile.

The plant has stabilised at current production levels. The Company's near-term focus is on regular helium sales and cash flow generation, alongside the further ramp-up activities.

At the end of the quarter, all six wells tied into the gathering system, being Jackson 2, Jackson 4, Jackson 29, Jackson 31, State 9 and State 16, were available for production.

Sales Update

During the initial production phase, as the Pinon Canyon Plant and gathering system were being optimised, a tube trailer was filled intermittently with refined helium for sale under an early production spot sales arrangement. With the improvement in recovery and uptime, fill rates increased and the first production tube trailer left site following the end of the quarter (announced on 14 July 2026), marking the Joint Venture's inaugural helium sale and demonstrating the Company's ability to produce, process and market helium into the domestic US supply chain.

Regular trailer exchanges have been scheduled, with new trailers commencing fill on arrival. Consistent with the Company's announcement of 28 July 2026, individual trailer exchanges will not be separately announced, and the Company will continue to announce significant operational milestones and commercial developments.

As the first sale completed after 30 June 2026, no helium sales revenue is recognised in the June 2026 quarter and no receipts from customers are reported in the accompanying Appendix 5B.

Strategic helium offtake agreement secured

In June 2026, the Company executed an initial short-term helium purchase and sales agreement with a major US industrial gases purchaser (**Offtake Agreement**). The Offtake Agreement covers all helium production from the Pinon Canyon Plant.

The Offtake Agreement is the Company's first formalised helium offtake commitment and establishes immediate commercial momentum at the Pinon Canyon Plant.

The key commercial terms are set out in the Company's announcement of 4 June 2026. The Offtake Agreement has a fixed term expiring on 31 August 2026. The Company is in continuing negotiations with counterparties in relation to longer-term offtake arrangements and will update the market in accordance with its continuous disclosure obligations.

Figure 1: Tube trailers at Pinon Canyon plant

Near term production outlook

Alongside regular helium sales, Blue Star is focused on further enhancing production performance toward the plant's nameplate capacity. As plant and gathering system refinement continues, the Company is assessing the potential to deepen existing production wells to expose more reservoir and increase flow, and, subject to permitting approvals, plans to drill three new development wells for tie-in during H2 2026.

On current settings, output and sales cadence over the September 2026 quarter are expected to remain broadly consistent with current levels, with material increases weighted to completion of those activities. These expectations are subject to permitting, equipment availability, third-party service provider performance and reservoir performance.

Global Supply Constraints Support US Helium Demand

The North American helium market continues to exhibit strong pricing fundamentals, driven by sustained, structural demand across high-technology manufacturing sectors, particularly semiconductor fabrication, aerospace engineering, and advanced defence technologies. The global helium market continues to be affected by structural supply chain disruptions, rationing and surcharges, particularly resulting from prolonged instability in Middle Eastern supply routes, which the Company believes has increased demand for reliable, US-sourced domestic supply. With global inventory buffers tightening, pressure on the US domestic supply position supports the strategic positioning of Blue Star's asset base as a domestic source of supply.

CO_2 commercialisation update

The Company remains engaged in discussions with multiple parties. Securing a commercial solution for the significant CO_2 product would represent a valuable secondary revenue stream for the Company alongside helium sales. Commencement of CO_2 liquefaction and sales, previously targeted for the June 2026 quarter, was not achieved during the quarter and remains subject to finalising commercial arrangements and completing additional plant modifications to enable the product to be produced into trailer transport. The tie-in of the Jackson 27 well, which carries a CO_2 concentration of approximately 98.3%, remains timed to coincide with the commencement of CO_2 sales. The Company will update the market as commercial arrangements are finalised.

Galactica-Pegasus expansion

Up to 30 potential drilling locations have been identified within the greater Galactica-Pegasus Project area. To date, all production wells have been completed within the Upper Lyons sandstone. Future infill and expansion drilling will also consider strategies for accelerating and optimising production from the Lower Lyons formation, in conjunction with the Upper Lyons formation.

The joint venture parties will evaluate the sequencing and prioritisation of future drilling to maximise efficiency, production scalability, and gas recovery based on data from existing production wells and integrated data analysis and mapping.

In parallel and based on the performance of the Pinon Canyon Plant and ongoing appraisal drilling success, the joint venture parties will assess the potential for establishing further processing facilities at multiple new locations to develop the broader Galactica-Pegasus Project area.

All production forecasts and commissioning timelines remain subject to final engineering, regulatory approvals, equipment availability, and market conditions.

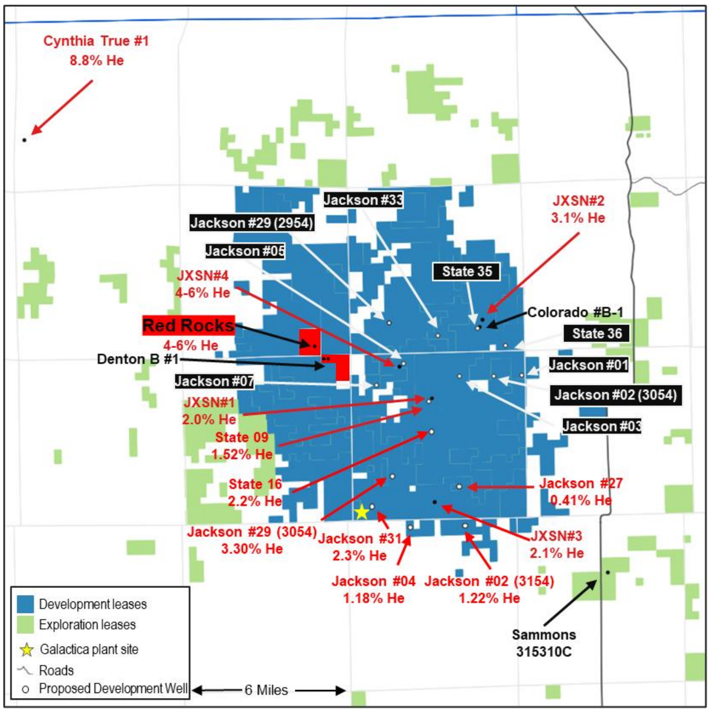

Figure 2: Plan overview of the Galactica/Pegasus project and neighbouring Red Rocks Helium production area

Regional Growth Strategy – Las Animas County, Colorado

Serenity CO_2 prospect

In addition to the by-product potential at Galactica-Pegasus, the Company plans to progress the high-grade CO_2 discovery at its Serenity prospect. Serenity is a demonstrated source of natural, high-grade CO_2 with the previous discovery at Sammons 315310C returning raw gas concentrations of approximately 98.8%[1] CO_2.

Up to 20 further locations have been identified within the Serenity prospect for a targeted expansion of CO_2 volumes and commercialisation potential.

Exploration potential

Upon the successful development of helium producing assets at Galactica-Pegasus, the Company plans to pursue regional drilling to capture further resource upside across its broader Las Animas acreage. This drilling is planned to target new prospect developments and the installation of additional modular plants outside of Galactica-Pegasus to complement and expand its existing operations.

The scope, timing and funding of any further processing facilities remain at a conceptual stage. Any progression is subject to further exploration, drilling and appraisal results, engineering and regulatory approvals, and the availability of funding.

[1] Combined average composition from both the upper and lower Lyons reservoirs: 98.77% carbon dioxide, 1.15% nitrogen, and 0.09% helium. The lower Lyons reservoir consistently shows higher CO_2 concentrations, up to 98.95%.

CORPORATE

Annual General Meeting

On 29 May 2026, Blue Star held its Annual General Meeting (**AGM**) at Level 8, London House, 216 St Georges Terrace, Perth. All resolutions put to shareholders were carried by poll, including approval of the issue of Tranche 2 shares under the Company's placement, adoption of the new Employee Incentive Securities Plan, and approval of the issue of performance rights to Directors.

Cash and funding

During the quarter, the Company received A$10.0 million in gross proceeds from the settlement in two tranches of the placement announced on 30 March 2026, comprising Tranche 1 of A$6.0 million (settled 7 April 2026) and Tranche 2 of A$4.0 million (settled following shareholder approval at the AGM). The Company also received total proceeds of A$536,871.57 on the exercise of options at $0.006 per share. Details of these issues and of the performance rights issued to Directors are set out in the table below.

Details	**No. Shares**	**No. Options**	**No. Performance Rights**
Balance: 31-Mar-26	4,392,769,775	1,164,771,401	14,200,000
Placement securities issued	1,670,666,667	2,000,000	-
Option exercises	89,478,595	(89,478,595)	-
Option expirations	-	(145,378,405)	-
Incentive securities issued	-	-	108,000,000
Balance: 30-Jun-26	6,152,915,037	931,914,401	122,200,000

The Company closed the June 2026 quarter with a cash balance of A$5.0 million and zero debt.

The Company's funding requirements over the coming period include its share of the planned well deepening and development drilling programme, the additional plant modifications associated with CO_2 processing, and ongoing operating and equipment lease costs at the Pinon Canyon Plant. The Company expects to fund these activities from existing cash reserves, and as required, cash flow from helium sales as sales cadence builds. The Company will continue to align the pace of the development programme with available funding.

Events subsequent to the end of the quarter

On 14 July 2026, the Company announced the first production tube trailer had been sold and was leaving the Pinon Canyon Plant, under the early production spot sales arrangement.

On 28 July 2026, the Company announced delivery of a second tube trailer to the offtaker under the Offtake Agreement.

The Offtake Agreement expires on 31 August 2026. Negotiations in relation to longer-term offtake arrangements are continuing.

TENEMENT TABLE

Tenements held at the end of the quarter and changes thereof. **Project Name**	Acreage held at the beginning of the Quarter	Acreage held at the end of the Quarter	Acreage acquired (disposed/lapsed)
Helium Project, Las Animas, Colorado, USA*	Circa 303,544 gross (186,153 net) acres	Circa 276,355 gross 158,964 (net) acres	Circa (27,188) gross and net acres

5B COMMENTARY

Description of Selected Items in Appendix 5B

Appendix 5B Reference		Commentary
1.2 (a)	Expensed exploration and evaluation costs	Expenditures associated delay rentals and G&G studies.
1.2 (c)	Payments for production	Expenditures associated with the production of company operated wells and the operation of the Pinon Canyon Plant site.
2.1 (b)	Payments to acquire tenements	Costs associated with the acquisition of helium leases in Colorado, USA including land management fees.
2.1 (d)	Capitalised exploration and evaluation costs	Capitalised expenditures associated with exploration, evaluation, and development of the Company's helium acreage in Colorado USA. Includes drilling, permitting, and facility construction costs.
6.1 and 6.2	Payments to Related Parties	Includes directors' fees and superannuation paid to directors.

The Board has authorised the release of this announcement to ASX.

For further information, please contact:

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Managing Director & CEO

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About Blue Star Helium:

Blue Star Helium Ltd (ASX: BNL) is an independent helium exploration and production company, headquartered in Australia, with operations and exploration in North America. Blue Star's strategy is to provide its shareholders with exposure to multiple high-value helium projects in North America. For further information please visit the Company's website at www.bluestarhelium.com

Cautionary Statement

This announcement contains forward-looking statements. Forward-looking statements are subject to known and unknown risks and uncertainties that may cause Blue Star's actual results, performance, or achievements, to differ materially from those expressed or implied in any of the forward-looking statements, which are not guarantees of future performance. Actual results may differ materially from those in the statements in this announcement. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made.

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 manufacturing 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.




Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity
Blue Star Helium Limited

ABN	Quarter ended ("current quarter")
75 009 230 835	30 June 2026

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (6 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	2	4
1.2	Payments for		
	(a) exploration & evaluation	(67)	(233)
	(b) development	-	-
	(c) production	(1,170)	(1,361)
	(d) staff costs	(650)	(1,158)
	(e) administration and corporate costs	(524)	(764)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	8
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(2,403)**	**(3,504)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements / leases	(29)	(30)
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(1,875)	(3,309)
	(e) investments	-	-
	(f) other non-current assets	-	-

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (6 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements / leases	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (farmin share of well drilling costs)	-	-
2.6	**Net cash from / (used in) investing activities**	**(1,904)**	**(3,339)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	9,563	11,309
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	537	760
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(270)	(354)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(1,354)	(1,985)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**8,476**	**9,730**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	880	2,165
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,403)	(3,504)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,904)	(3,339)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8,476	9,730

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.5	Effect of movement in exchange rates on cash held	44	41
4.6	**Cash and cash equivalents at end of period**	**5,093**	**5,093**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	5,093	880
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (outstanding cheques)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**5,093**	**880**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	204
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,403)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,875)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(4,278)
8.4	Cash and cash equivalents at quarter end (item 4.6)	5,093
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	5,093
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.2

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: This quarter saw significant operating cash outflows as the plant was optimised. Having now stabilised at current production levels and with helium being sold under contract, outflows will start to be offset by revenues. This will be further offset when CO_2 revenue starts and as production continues to ramp up in the second half of the year. In addition, timing of joint interest billing payments related to this quarter will be received in the subsequent quarter.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Other than through existing option exercises, no. The Company expects to fund activities from existing cash reserves, and as required, cash flow from increasing helium and CO_2 sales. The Company will continue to align the pace of the development programme with available funding.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

- Answer: Yes. With existing cash and with the completion of a period of significant operational optimisation work resulting in the stable plant run times and increased of fill rates and revenue, plus planned ramp up of production and addition of CO_2 revenue, the Company expects to be able to meet its business objectives.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2026

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.