



BIG STAR ENERGY

31 October 2018

Activities Report Quarter Ended 30 September 2018

HIGHLIGHTS

BIG STAR PROJECT

- Workover of Esmond #20-1 terminated early due to technical issues with the well-bore.

NEW VENTURES

- Several upstream oil and gas opportunities identified and screened. Due diligence underway on high-graded opportunities.

CORPORATE

- Change of share registry to Automic Registry Services.
- Cash on hand at end of quarter was ~\$0.8million.

OPERATIONS

Big Star Project – Midland Basin, Texas

Production Wells – Production and Operations

During the quarter, production continued from the Simmons well and Stuart was shut in pending a pump repair. Operational efforts focused on the transition to the new management team and cost reduction at the Big Star Project.

Production Wells – Bypassed Oil Study

During the quarter, Big Star completed a petrophysical study and identified bypassed oil pay in the Upper Spraberry Formation on the well logs of all four of its wells in Dawson County, Texas. The Upper Spraberry has not been tested or produced previously in any of the Big Star wells but is known to be productive in other wells in the region.

Production Wells – Workover Operations

During the quarter, the Company planned the Esmond #20-1 workover whose objective was to test the bypassed oil pay in the Upper Spraberry Formation. The cost of the workover was estimated to be US\$140,000.

Subsequent to the end of the September quarter, Big Star conducted the workover at Esmond #20-1. Unfortunately, the tubing and pump rods were found to have been severely corroded at approximately 4500feet depth and parted at this same depth when removed from the wellbore. As a consequence, the remaining length of tubing and pump rods remain in place in the wellbore which is preventing access to the Upper Spraberry

Formation at approximately 7000feet preventing further access to conduct testing of this zone.

The well has currently been suspended for a final estimated cost of US\$65,000 and the Company is evaluating its options to test the Upper Spraberry Formation in other wells.

Exploration Acreage and Portfolio Management

Petrophysical and analogue studies during the quarter concluded that horizontal drilling opportunities within its acreage did not meet its risk-reward and other financial hurdles. As a result, the exploration acreage was not renewed upon its expiry.

New Ventures

The Company is actively pursuing upstream oil and gas acquisition opportunities that fit its strategy, as outlined in the prospectus dated 11 April 2018. During the quarter, a number of these opportunities were identified and screened. Due diligence is underway on opportunities which have been high-graded in the screening process.

CORPORATE

On 6 August 2018, Big Star changed its shareholder registry services provider from Security Transfer Australia Pty Limited to Automic Registry Services.

Big Star's cash at the end of the September 2018 quarter was approximately \$0.8 million.

Subsequent to the end of the quarter, on 29 October 2018, the Company established a share sale facility for holders of less than a marketable parcel of the Company's shares.

TENEMENT TABLE

Tenements held at the end of the quarter and changes thereof:

Permit	Acreage held at the beginning of the Quarter	Acreage held at the end of the Quarter	Acreage acquired (disposed/lapsed)
Held By Production Acreage, Big Star Project, Texas, USA	240 acres	240 acres	-
Exploration Acreage, Big Star Project, Texas, USA	1013 net acres	160 net acres	(853 net acres)

For further information, please contact:

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About Big Star:

Big Star Energy Ltd ("Big Star" or the "Company") (ASX:BNL) is an independent oil and gas exploration and production company, headquartered in Australia, with operations in the Permian Basin in Dawson County, Texas. For further information, please visit the Company's website at www.bigstarenergy.com.au