



BIG STAR ENERGY

30 April 2019

Activities Report Quarter Ended 31 March 2019

HIGHLIGHTS

NEW VENTURES

- Land management services engaged to secure high-graded prospect in helium-rich area
- Subsequent to the end of the quarter, farmin and drilling option agreement executed over 5,228 acres across 4 prospects in Carbon County, Wyoming, USA.

CORPORATE

- Subsequent to the end of the quarter, Mr Trent Spry was appointed to the Board.
- Cash on hand at end of quarter was \$0.29million.

OPERATIONS

Big Star Project – Midland Basin, Texas

During the quarter, production continued from the Simmons well. Esmond and Stuart wells were shutin pending economic evaluation of further workover operations. Operational efforts focused on cost reduction.

New Ventures – Percy Creek

During the quarter, the Company conducted technical and legal due diligence on the Percy Creek opportunity in Wyoming, USA. The Company signed a farmin and drilling option to ultimately secure 100% working interest in 5,228 leased acres.

The leases at Percy Creek contain 75mmbbl of unrisks best case prospective resources* in 4 stacked oil prospects which can all be evaluated in a single vertical well.

As announced on 29 April 2019, a farmin and drilling option agreement was executed over the Percy Creek leases subsequent to the end of the quarter. The Company currently holds nil interest and intends to acquire 2D and 3D seismic in the September quarter to earn 20% working interest and an overriding royalty interest in the leases. Subject to the seismic results confirming the structure and drilling location, and further funding, Big Star currently plans to exercise the drilling option and secure 100% working interest with a well in the December quarter.

*The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. The prospective resources were calculated using the deterministic method at an evaluation date of 26 April 2019 and announced on 29 April 2019.

New Ventures – Other

The Company continues to actively pursue upstream oil and gas opportunities in accordance with its stated strategy.

During the quarter, Big Star developed its helium gas exploration initiative with detailed prospect generation work and a geological site visit to areas of interest in USA. Helium is a product often associated and produced with hydrocarbon gases. It is of particular interest to Big Star due, in large part, to its current pricing of US\$280/mcf compared to the current Henry Hub methane gas price of circa US\$2.60/mcf.

Big Star is focusing on regions where helium has previously produced to surface in high concentrations; between 2%-10% of the raw gas stream. During the site visit, five targets were high-graded from the Company's portfolio of thirty prospects and leads and land management services have been engaged to begin securing acreage.

CORPORATE

Big Star's cash at the end of the March 2019 quarter was approximately \$0.29million.

Subsequent to the end of the quarter, on 29 April 2019, Mr Trent Spry was appointed to the Board as an Executive Director. Mr Spry brings to the Board substantial ASX corporate experience, expertise in geoscience and exploration as well as significant recent experience in the USA. The Company has granted Mr Spry 16,875,000 options to subscribe for ordinary shares in the Company at an exercise price of 1 cent. The options expire on 30 June 2020.

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 | 160 acres | (80 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 Hanna Basin in Carbon County, Wyoming and the Permian Basin in Dawson County, Texas. For further information, please visit the Company’s website at www.bigstarenergy.com.au

Competent Persons Statement:

The estimates of prospective resources in this announcement are based on and fairly represent information and supporting documentation prepared by, or under the supervision of, Mr Trent Spry who is employed as an Executive Director of Big Star Energy Limited and a member of the American Association of Petroleum Geologists (AAPG) and the Petroleum Exploration Society of Australia (PESA). Mr Spry meets the requirements of qualified petroleum reserves and resources evaluator as defined in Chapter 19 and rule 5.41 of the ASX Listing Rules and consents to the inclusion of this information in the form and context in which it appears in this announcement. The estimates of prospective resources have been prepared in accordance with the Petroleum Resources Management System (PRMS) sponsored by the Society of Petroleum Engineers (SPE) and American Association of Petroleum Geologists (AAPG).