



BIG STAR ENERGY

ASX ANNOUNCEMENT

22 August 2019

FIRST LEASE SECURED OVER “ENTERPRISE” HELIUM PROSPECT

- Initial lease of 1,800 gross acres acquired on favourable terms at Big Star’s first helium prospect “Enterprise” in the USA. Leasing continues at Enterprise over a targeted 5,000 gross acres
- Enterprise is situated in a known helium producing province and is updip and within 15 miles of a field that produced helium in concentrations between 5% and 10%
- Big Star has 100% working interest and is the operator
- 30 helium prospects and leads identified within the initial focus area in addition to the Enterprise prospect and 4 of these are currently targeted for leasing

Big Star Energy Ltd (“Big Star” or the “Company”) (ASX:BNL) is pleased to announce that it has completed the acquisition of its first oil and gas lease in an area prospective for helium in the USA. The area was identified as part of the Company’s on-going prospect generation programme which is targeting helium-rich prospects in the Mountain States region of North America.

Big Star Managing Director, Joanne Kendrick, commented “Onshore USA is a great location for helium exploration with a long history of high concentration helium production going back to the 1920s and a well developed supply chain and market. A helium discovery in the Mountain States region could potentially be brought onto production within 6 months using modular, off-the-shelf technology.

“Leasing at our Enterprise prospect and our inventory of 30 additional prospects in this initial focus area give us a significant first mover advantage in a very prospective area where production has historically had very high helium concentrations. We intend to continue adding to the leasing position over Enterprise and several other prospects over the next several months.”

Enterprise Prospect Description

The Enterprise prospect is situated in the Four Corners States area and is updip and within 15 miles of a field that produced helium in concentrations between 5% and 10%. The initial lease is the first in a series of oil and gas leases over the prospect where the Company is seeking to acquire up to 5,000 gross acres. The rights are currently unleased and are being

sought through direct negotiation with the mineral owners. The prospect is easily accessible with good local infrastructure and the target horizons are shallow.

The initial lease of 1,800 gross acres is for an initial term of 5 years, with an option to renew for a further 5 years, and a 12.5% royalty. It does not include any minimum work commitments. Big Star has 100% working interest in the lease and is the operator. The Company is seeking to lease the remainder of the mineral rights at the Enterprise prospect on the same terms.

Helium Prospect Generation Programme

Big Star has an on-going helium prospect generation programme in the Mountain States region in the USA. The area contains helium production and well tests confirming high helium concentrations between 2-10% of the raw gas stream, at multiple reservoir levels.

In its regional analysis, the Company has used existing gravity and aero-magnetics data combined with surface and target mapping utilising historical geological studies and well data. This analysis has identified 30 unleased prospects and leads (including the Enterprise prospect) in the initial focus area. A recent field trip by the Big Star executive team across the targeted area in the US confirmed the surface geological interpretation and structures identified in the regional analysis and provided valuable scoping data for the leasing and future work programmes.

The technical programme is well underway at Enterprise and surrounding prospects including the reprocessing of aero-magnetics and gravity data and an in-field geochemical survey. Big Star is targeting having several prospects ready for drilling permitting 1Q2020.

For further information, please contact:

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About Big Star:

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

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.