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ASX ANNOUNCEMENT

22 December 2025

CAPITAL RAISING OF UP TO $8.2 MILLION TO ADVANCE HELIUM PRODUCTION AT GALACTICA

Blue Star Helium Limited (ASX:BNL, OTC:BSNLF) (**Blue Star** or the **Company**) is pleased to announce that it has successfully launched a capital raising, receiving firm commitments to raise A$2.72 million in gross proceeds via an institutional placement of 544,000,000 new ordinary shares (**New Shares**) to institutional and sophisticated investors at an issue price of A$0.005 per New Share (**Placement**).

In addition to the Placement, the Company will undertake a non-renounceable rights issue to eligible shareholders on the basis of 10 New Share for every 33 existing shares on issue to raise a further A$5.46 million (**Rights Issue**) at the same issue price as the Placement.

Together, the Placement and the Rights Issue are expected to raise new proceeds of up to A$8.2 million (before costs) (**Capital Raising**).

In addition to supporting general working capital requirements, these new proceeds will enable Blue Star to further advance the Galactica Project.

Blue Star Managing Director and CEO, Trent Spry, said,

"I wish to thank all participating shareholders for their strong support for this latest capital raising. This is a pivotal moment for Blue Star Helium as we transition to North America's newest helium producer. All key development workstreams at Galactica are now finished, with start-up of the Pinon Canyon processing facility successfully completed and refined helium gas being processed.

"The new proceeds from this capital raising provide us sufficient runway to continue advancing Galactica into the next stage of development. Once initial production is underway, we intend to immediately target increased helium production at Galactica and expanded plant throughput through the tying in and drilling of additional wells across the broader Galactica project. The greater Galactica-Pegasus development area possesses exceptional scalability based on already discovered resource with the greater portfolio having well defined exploration upside."

Placement details

The Placement will consist of the issuance of 544,000,000 New Shares utilising the Company's existing placement capacity under ASX Listing Rule 7.1 and 7.1A. Participants in the Placement will receive, one (1) free option for every two (2) New Shares issued, exercisable at $0.006 and expiring on 30 June 2026 (**New Options**).

The Placement was strongly supported by new and existing sophisticated, professional and institutional shareholders.

Blue Star's Managing Director and CEO, Trent Spry, has also committed to participate in the Placement for approximately $20,000 (**Director Participation**), which will be subject to shareholder approval at the next general meeting.

All New Shares issued under the Placement will rank equally in all respects with the existing fully paid ordinary shares in the Company. Settlement of New Shares is expected to occur on Monday, 29 December 2025, with quotation expected on Tuesday, 30 December 2025.

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Canaccord Genuity (Australia) Limited is acting as Lead Manager and Bookrunner to the Placement and Blackpeak Capital Pty Ltd is acting as a Corporate Advisor to the Placement.

Rights Issue details

Full details of the Rights Issue will be set out in the offer document, which is expected to be dispatched to all shareholders and lodged with the ASX on or around 22 December 2025.

The Rights Issue is expected to be available to eligible shareholders of the Company, named on its register of members, at 29 December 2025 (**Record Date**). The Record Date may be subject to change should the indicative timetable presented below change for any reason.

Eligible shareholders will be offered the opportunity to acquire fully paid ordinary shares at an issue price of A$0.005 per share (**Rights Issue Shares**) on the basis of 10 New Shares for every 33 existing shares held by eligible shareholders as at the Record Date to raise up to approximately A$5.46 million. In addition to being able to apply for Rights Issue Shares, eligible shareholders will also have the ability to apply for additional Rights Issue Shares under a top-up facility (**Top-up Facility**).

Rights Issue Shares not applied for under the Rights Issue and the Top-up Facility will be offered pursuant to a separate offer (**Shortfall Offer**). The Shortfall Offer will be on the same terms as the Rights Issue and will remain open for up to 3 months following closure of the Rights Issue. The allocation policy for the Shortfall Offer will be detailed in the offer document.

Use of proceeds

The Proceeds raised from the Capital Raising, together with existing cash, will be applied to the advancement of the Galactica project as well as general working capital.

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, OTC:BSNLF) is an independent helium exploration and production company focused on finding and developing new sources 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 with applications in high-tech industries such as MRI and semiconductor manufacturing, fibre optics, and space exploration. Helium is primarily sourced as a by-product of natural gas extraction.