Blue Star Helium Limited
And Controlled Entities

ABN: 49 623 130 987

HALF YEAR REPORT

For the Half Year Ended 30 June 2026

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DIRECTORS

Neil Rinaldi	Non-Executive Chairman
Trent Spry	Managing Director and Chief Executive Officer
Gregg Peters	Non-Executive Director

SECRETARY
Amanda Wilton-Heald

REGISTERED OFFICE
Level 8, London House
216 St Georges Terrace
Perth WA 6000

BUSINESS OFFICE
194 Hay Street
Subiaco WA 6008
Telephone: +61 8 9481 0389
Facsimile: +61 8 9463 6103

WEBSITE & EMAIL
www.bluestarhelium.com
info@bluestarhelium.com

SHARE REGISTRY
Automic Registry Services Pty Ltd
Level 5
191 St Georges Terrace
Perth WA 6000
Telephone: +61 8 9324 2099

AUDITORS
Stantons
Level 2
40 Kings Park Road
West Perth WA 6005

STOCK EXCHANGE LISTING
Australian Securities Exchange
ASX Code: BNL

OTC Markets
OTC:BSNLF

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Blue Star Helium Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2026 ('**H1 FY26**').

DIRECTORS

The following persons were Directors of Blue Star Helium Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Name	Title
Neil Rinaldi	Non-Executive Chairman
Trent Spry	Managing Director and Chief Executive Officer
Gregg Peters	Non-Executive Director

COMPANY SECRETARY

Name	Title
Amanda Wilton-Heald	Company Secretary

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the half year ended 30 June 2026 were helium exploration, development and production. The Company is headquartered in Australia and its strategy is to provide its shareholders with exposure to multiple high-value helium projects in North America.

REVIEW OF RESULTS

The loss after tax for the half year ended 30 June 2026 was $7,892,926 (30 June 2025: loss of $3,330,733).

The earnings of the Consolidated Entity for the past financial periods are summarised below:

	30 June 2026 (6 months) $	31 December 2025 (12 months) $	30 June 2025 (6 months) $	31 December 2024 (12 months) $
Revenue (including other income)	12,198	11,537	7,441	35,795
EBITDA	(4,522,438)	(5,316,667)	(2,003,667)	(11,079,395)
EBIT	(5,834,812)	(6,483,749)	(2,493,074)	(11,840,242)
Loss after income tax	(7,892,926)	(8,503,178)	(3,330,733)	(13,063,172)

The factors that are considered to affect total shareholders return are summarised below:

	30 June 2026 $	31 December 2025 $	30 June 2025 $	31 December 2024 $
Share price at financial period end	0.005	0.006	0.005	0.004

Operating Review

Blue Star Helium Limited (ASX:BNL, OTC:BSNLF) (Blue Star or the Company) is pleased to provide an update on its activities for the half year period ending 30 June 2026.

The half year to 30 June 2026 marked Blue Star's transition from an exploration and development company to a helium producer. Following the achievement of first helium at the Pinon Canyon Plant in December 2025, the reporting period was devoted to bringing the facility through commissioning and optimisation to stable, integrated operation; completing the Stage 1 development programme with six wells tied into the gathering system; and establishing the commercial arrangements through which the Company's helium reaches the United States domestic market.

The Company executed its first formalised helium offtake commitment during the period, and the first production tube trailer was sold shortly after the end of the period. The Company also completed two capital raisings during the half year, closing the period with a cash balance of A$5.0 million and no borrowings.

The Galactica-Pegasus Project is undertaken in joint venture with Helium One Global Ltd (Helium One), which holds a 50% working interest in the project.

Galactica-Pegasus Project – Las Animas County, Colorado

Pinon Canyon Plant

The Pinon Canyon Plant is the processing facility for the Galactica Project and is the newest helium and CO_2 processing facility of its kind in the United States. Following first helium production test through the Helium Recovery Unit (HRU) in December 2025, the plant was shut in for integration with the amine unit, which removes gaseous carbon dioxide from the inlet gas stream.

In January 2026 the first helium tube trailer was delivered to site as the plant underwent planned final technical readiness checks, commissioning and optimisation. The amine unit was commissioned during February 2026, and in early March 2026 the plant commenced integrated operations, with raw gas processed through the amine unit to remove carbon dioxide and the resulting helium-enriched stream refined through the HRU before being pumped into a tube trailer.

Through the March quarter the facility operated during daylight hours in a maintenance and optimisation phase, producing intermittently into the onsite tube trailer. Following the completion of automation, maintenance and system upgrades in safety, automation and remote monitoring, the Company transitioned the facility to continuous operations in late March 2026.

As part of planned post-commissioning optimisation, Blue Star worked with major leased plant contractors during the June quarter to improve plant stability, fill rates and reliability. This work 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. 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 June 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, by the end of the reporting period, was 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.

Development Programme and Gathering System

The Company completed Stage 1 of the Galactica development campaign during the reporting period. Gathering system and well site facilities for the State 9 and State 16 wells were completed in February 2026, with construction of the gathering system to connect Jackson 2 commencing in the same month, including the T-section for the future connection of Jackson 27.

Installation and testing of well site equipment at the Jackson 4 and Jackson 2 wells was completed in March 2026. At the end of the reporting period, 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.

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.

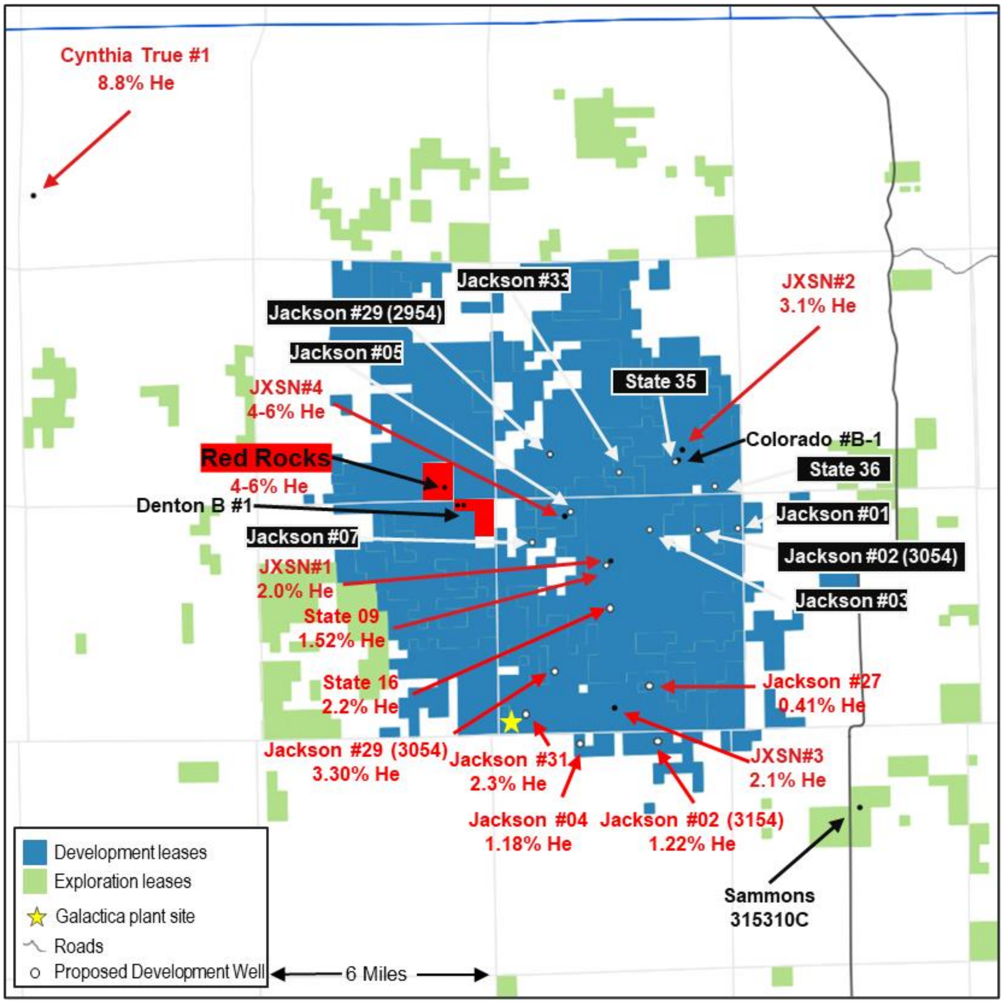

Figure 1: Plan overview of the Galactica/Pegasus project and neighbouring Red Rocks Helium production area

Helium Sales and Offtake

Initial Production and Spot Sales Arrangements

During the initial start-up 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 through the second quarter. The first tube trailer was filled during that phase and sold under the spot sales arrangement. The second tube trailer was the first filled under the Offtake Agreement described below.

As the first sale completed after 30 June 2026, no helium sales revenue is recognised in the half year ended 30 June 2026 and no receipts from customers are reported for the period. Details of sales completed subsequent to the reporting date are set out under Events Subsequent to Reporting Date below.

Offtake Agreement

On 4 June 2026, the Company executed an initial short-term helium purchase and sales agreement (Offtake Agreement) with a major United States industrial gases purchaser. The Offtake Agreement covers any and all of the helium produced at the Pinon Canyon Plant and represents the Company's first formalised helium offtake commitment.

The key commercial terms are set out in the Company's announcement of 4 June 2026. In summary:

- The counterparty is a publicly listed corporation in the United States with a multi-billion-dollar market capitalisation, holding a strong investment grade credit rating and a prominent position in the global industrial gases distribution sector. In accordance with standard industry practice, the identity of the purchaser and the agreed pricing remain confidential.
- The Offtake Agreement has a fixed term expiring on 31 August 2026.
- Pricing has been agreed at a fixed level for the duration of the agreement, broadly reflective of the United States helium spot market at the time of execution. The fixed-price structure is distinct from pricing structures customarily seen in longer term contracts.

The Offtake Agreement was entered into as a transitional arrangement, establishing a revenue pathway and complementing the trailer-by-trailer spot sales of initial production while the Company negotiates wider, longer-term offtake arrangements. The Company is continuing negotiations with counterparties in relation to longer-term offtake arrangements and will update the market in accordance with its continuous disclosure obligations.

The Offtake Agreement has since been extended to 31 March 2027. Refer to Events Subsequent to Reporting Date below.

Figure 2: Tube trailers at the Pinon Canyon Plant

CO_2 Commercialisation

The Pinon Canyon Plant co-produces carbon dioxide alongside helium. Securing a commercial solution for the CO_2 product would represent a valuable secondary revenue stream for the Company alongside helium sales.

The Company had previously indicated that CO_2 liquefaction and trailer loading components would be installed in the first half of 2026, with liquefaction and sales commencing in the June 2026 quarter. That did not occur during the reporting period. The commencement of CO_2 liquefaction and sales remains subject to finalising commercial arrangements and completing additional plant modifications to enable the product to be produced into trailer transport.

The Company remains engaged in discussions with multiple parties and will update the market as commercial arrangements are finalised.

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 the second half of 2026.

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. 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.

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

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% 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.

Helium Market Conditions

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 United States domestic supply position supports the strategic positioning of Blue Star's asset base as a domestic source of supply.

Corporate

Entitlement Offer

The Company's 10 for 33 non-renounceable entitlement offer, announced on 22 December 2025, closed on 23 January 2026. Applications were received for 212,741,476 new fully paid ordinary shares to raise approximately $1,063,707 before costs, including 72,650,272 new shares under the top-up facility. This represented an overall take up of approximately 20.0% of the Entitlement Offer and top up facility by eligible shareholders. New shares under the Entitlement Offer were allotted on 2 February 2026.

The shortfall under the Entitlement Offer, after deduction of top-up shares, was 879,041,948 new shares, representing approximately $4.395 million. The Board reserved the right to place any or all of the shortfall shares within three months of the closing date of the Entitlement Offer at a price no less than the offer price of $0.005 per new share. The shortfall shares were subsequently placed as part of the Placement described below.

Placement

On 30 March 2026, the Company announced that it had received firm commitments to raise A$10.0 million in gross proceeds via an institutional placement of 1,666,666,667 new ordinary shares at an issue price of A$0.006 per share (Placement). The Placement was oversubscribed and received support from institutional investors, high net worth individuals and existing shareholders. Canaccord Genuity (Australia) Limited acted as Lead Manager and Bookrunner to the Placement and Blackpeak Capital Pty Ltd acted as Corporate Advisor.

The Placement was completed in two tranches:

- Tranche 1 comprised 997,674,493 new shares issued pursuant to the Shortfall Offer and the Company's existing issuance capacity under ASX Listing Rule 7.1, raising A$6.0 million. Tranche 1 settled on 7 April 2026, with quotation on 8 April 2026.
- Tranche 2 comprised 668,992,174 new shares issued following shareholder approval at the Annual General Meeting, raising A$4.0 million. Tranche 2 settled in June 2026.

Proceeds raised from the Placement, together with existing cash, are being applied to the advancement of the Galactica and Pegasus projects and to general working capital.

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, Western Australia. All resolutions put to shareholders were carried by poll, including approval of the issue of Tranche 2 shares under the Placement, adoption of the new Employee Incentive Securities Plan, and approval of the issue of performance rights to Directors.

Cash and Funding

The Company closed the half year ended 30 June 2026 with a cash balance of A$5.0 million and no borrowings.

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, cash flow from helium sales as sales cadence builds and, if required, further capital raisings. The Company will continue to align the pace of the development programme with available funding. Refer to Note 2(b).

Capital Structure

The movement in the Company's securities on issue during the half year is set out below:

Details	No. Shares	No. Options	No. Performance Rights
Balance: 31-Dec-25	4,142,885,299	1,201,914,401	14,200,000
Entitlement securities issued	212,741,476	-	-
Placement securities issued	1,666,666,667	-	-
Director placement securities issued	4,000,000	2,000,000	-
Option exercises	126,621,595	(126,621,595)	-
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

Movements in Securities

- On 24 March 2026 the Company issued 5,000,000 shares at \$0.006 each as a result of the exercise of options
- On 30 March 2026 the Company issued 32,143,000 shares at \$0.006 each as a result of the exercise of options
- On 14 April 2026 the Company issued 2,657,095 shares at \$0.006 each as a result of the exercise of options
- On 12 May 2026 the Company issued 56,000,000 shares at \$0.006 each as a result of the exercise of options
- On 5 June 2026 the Company
    - issued 4,000,000 shares at \$0.005 each and 2,000,000 options exercisable at \$0.006 each expiring 30 June 2026 to a Director participating in the prior year placement
    - issued 5,571,500 shares at \$0.006 as a result of the exercise of options
- On 22 June 2026 the Company issued 1,250,000 shares at \$0.006 as a result of the exercise of options
- On 25 June 2026 the Company issued 22,000,000 shares at \$0.006 as a result of the exercise of options
- On 26 June 2026 the Company granted 46,000,000 Tranche A-D performance rights expiring 26 June 2029 to Directors as approved by shareholders at the 29 May 2026 annual general meeting (refer to Note 16 for the terms of the performance rights)
- On 30 June 2026 the Company
    - issued 2,000,000 shares at \$0.006 as a result of the exercise of options
    - advised that 145,378,405 options exercisable at \$0.006 each expired

- granted 62,000,000 Tranche A-D performance rights expiring 30 June 2029 to key management personnel and employees under the Company's Employee Incentive Securities Plan

SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS AND CONVERSION OF PERFORMANCE RIGHTS

- 126,621,595 shares were issued for total proceeds of $759,730 as a result of the exercise of options during the period and as at the date of this report.
- Nil shares were issued as a result of the conversion of performance rights during the period and as at the date of this report. 14,200,000 performance rights have vested but remain unconverted as at the date of this report.

EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances that have arisen since the end of the half year which will significantly affect, or may significantly affect, the state of affairs or operations of the Consolidated Entity in future financial years other than the following:

- On 14 July 2026, the Company announced that the first production tube trailer had been sold and was leaving the Pinon Canyon Plant under the early production spot sales arrangement, marking the Joint Venture's inaugural helium sale and concluding the early production commissioning and optimisation phase. Subsequent deliveries under the Offtake Agreement were announced on 28 July 2026, 11 August 2026 and 31 August 2026. Regular trailer exchanges have been scheduled, with new trailers commencing fill on arrival. The Company does not intend to announce individual trailer exchanges and will continue to announce significant operational milestones and commercial developments.
- On 14 July 2026, 6,000,000 unquoted performance rights expiring 30 June 2029 were cancelled.
- Subsequent to the reporting period the Company has entered into an agreement to extend the Offtake Agreement to 31 March 2027. Details can be found on the Company announcement of 31 August 2026.

AUDITOR'S DECLARATION OF INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporation Act 2001.

Trent Spry
Managing Director and Chief Executive Officer

11 September 2026

Stantons

PO Box 1908
West Perth WA 6872
Australia

Level 2, 40 Kings Park Road
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

11 September 2026

Board of Directors
Blue Star Helium Limited
Level 8, London House
216 St Georges Terrace
Perth WA 6000

Dear Sirs

RE: BLUE STAR HELIUM LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Blue Star Helium Limited.

As Audit Director for the review of the financial statements of Blue Star Helium Limited for the half-year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Samir Tirodkar
Director

	Note	Consolidated Entity 30 June 2026 $	Consolidated Entity 30 June 2025 $
Revenue	3	**3,990**	2,896
Cost of goods sold	4	**-**	-
Gross profit / (loss)		**3,990**	2,896
Other income	3	**8,208**	4,545
Other expenses	4	**(437,770)**	(155,634)
Depreciation, depletion, amortisation & accretion	8, 9	**(1,312,374)**	(489,407)
Exploration and evaluation expense	10	**(179,459)**	(162,508)
Impairment of exploration and evaluation assets	10	**(2,000,000)**	-
Write-off of exploration and evaluation expenditure		**(568,682)**	-
Rehabilitation costs		**-**	13,680
Impairment: right of use assets	10	**-**	(730,869)
Employment expenses		**(1,299,436)**	(909,659)
Foreign exchange		**21,564**	(33,244)
Interest expense		**(2,066,322)**	(842,205)
Share based payment expense	17	**(1,404)**	60,000
Business development expenses		**(55,003)**	(67,891)
Legal expenses		**(6,238)**	(20,437)
(Loss) before tax		**(7,892,926)**	(3,330,733)
Income tax expense		**-**	-
Net (loss) for the half year from operations		**(7,892,926)**	(3,330,733)
Other comprehensive income			
Exchange differences on translation of foreign entities		**(220,621)**	(418,676)
Total comprehensive loss for the half year		**(8,113,547)**	(3,749,409)
Basic and diluted loss per share (cents)		**(0.16)c**	(0.12)c

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	Consolidated Entity 30 June 2026 $	Consolidated Entity 31 December 2025 $
ASSETS			
Current Assets			
Cash and cash equivalents	5	**5,092,806**	2,164,502
Trade and other receivables	6	**2,660,222**	1,592,450
Other assets	7	**178,743**	130,299
Total Current Assets		**7,931,771**	3,887,251
Non-Current Assets			
Other assets	7	**760,662**	789,641
Plant and equipment	8	**1,541**	150
Right of use asset	9	**23,077,053**	22,404,373
Exploration and evaluation assets	10	**6,604,023**	13,550,730
Helium properties	11	**5,207,366**	-
Total Non-Current Assets		**35,650,645**	36,744,894
Total Assets		**43,582,416**	40,632,145
LIABILITIES			
Current Liabilities			
Trade and other payables	12	**4,450,179**	5,608,200
Lease liability	13	**1,424,902**	1,177,807
Provisions	14	**413,976**	285,876
Total Current Liabilities		**6,289,057**	7,071,883
Non-Current Liabilities			
Lease liability	13	**26,080,370**	25,400,117
Provisions	14	**267,721**	247,323
Total Non-Current Liabilities		**26,348,091**	25,647,440
Total Liabilities		**32,637,148**	32,719,323
Net Assets		**10,945,268**	7,912,822
EQUITY			
Contributed equity	15	**55,150,830**	44,006,241
Reserves	16	**485,725**	704,942
Accumulated losses		**(44,691,287)**	(36,798,361)
Total Equity		**10,945,268**	7,912,822

The accompanying notes form part of these financial statements.

Consolidated Entity	Contributed Equity $	Foreign Currency Translation Reserve $	Share Option Reserve $	Share Based Payments Reserve $	Accumulated Losses $	Total $
Balance at 1 January 2026	**44,006,241**	**(173,346)**	**-**	**878,288**	**(36,798,361)**	**7,912,822**
Loss for the half year	-	-	-	-	(7,892,926)	(7,892,926)
Other comprehensive income:						
Foreign exchange on translation of operations	-	(220,621)	-	-	-	(220,621)
Total comprehensive loss for the half year	-	(220,621)	-	-	(7,892,926)	(8,113,547)
Transactions with owners in theircapacity as owners:						
Equity issues	11,843,438	-	-	-	-	11,843,438
Equity issue expenses	(698,849)	-	-	-	-	(698,849)
Share based payments (net)	-	-	-	1,404	-	1,404
Balance at 30 June 2026	**55,150,830**	**(393,967)**	**-**	**879,692**	**(44,691,287)**	**10,945,268**

Consolidated Entity	Contributed Equity $	Foreign Currency Translation Reserve $	Share Option Reserve $	Share Based Payments Reserve $	Accumulated Losses $	Total $
Balance at 1 January 2025	**36,110,610**	**412,455**	**1,377,561**	**938,288**	**(28,413,588)**	**10,425,326**
Loss for the half year	-	-	-	-	(3,330,733)	(3,330,733)
Other comprehensive income:						
Foreign exchange on translation of operations	-	(418,676)	-	-	-	(418,676)
Total comprehensive loss for the half year	-	(418,676)	-	-	(3,330,733)	(3,749,409)
Transactions with owners in theircapacity as owners:						
Equity issues	-	-	-	-	-	
Equity issue expenses	-	-	-	-	-	
Share based payments (net)	-	-	-	(60,000)	-	(60,000)
Balance at 30 June 2025	**36,110,610**	**(6,221)**	**1,377,561**	**878,288**	**(31,744,321)**	**6,615,917**

The accompanying notes form part of these financial statements.

	Note	Consolidated Entity 30 June 2026 $	Consolidated Entity 30 June 2025 $
Cash flows from operating activities			
Receipts from customers		**3,987**	2,882
Payments to suppliers and employees		**(3,282,896)**	(1,132,893)
Interest received		**8,245**	4,546
Interest paid		**-**	(901)
Net cash (used in) operating activities		**(3,270,664)**	(1,126,366)
Cash flows from investing activities			
Payment for plant and equipment		**-**	(44,061)
Exploration, evaluation and development expenditure (including license acquisition costs)		**(3,571,853)**	(4,500,265)
Proceeds from farmin to helium assets		**-**	4,637,024
Net cash provided from / (used in) investing activities		**(3,571,853)**	92,698
Cash flows from financing activities			
Proceeds from share issues		**12,068,358**	-
Payment for costs of equity issues		**(353,505)**	-
Repayment of borrowings (leases)		**(1,985,192)**	(749,064)
Net cash provided from / (used in) financing activities		**9,729,661**	(749,064)
Net increase / (decrease) in cash held		**2,887,144**	(1,782,732)
Cash and cash equivalents at beginning of the period		**2,164,502**	2,691,224
Foreign exchange effect on cash and cash equivalents		**41,160**	(43,305)
Cash and cash equivalents at period end	5	**5,092,806**	865,187

The accompanying notes form part of these financial statements.

1. *Corporate information*

This half year report covers Blue Star Helium Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2026 (the "Consolidated Entity"). The presentation currency of the Consolidated Entity is Australian Dollars ("$"). A description of the Consolidated Entity's operations is included in the review and results of operations in the Directors' Report. The Directors' Report is not part of the financial statements. The Consolidated Entity is a for-profit entity and limited by shares incorporated in Australia whose shares are traded under the ASX code "BNL". The financial statements were authorised for issue on 11 September 2026 by the Directors. The Directors have the power to amend and reissue the financial statements. The principal accounting policies adopted in the preparation of the financial statements are set out below.

2. *Accounting policies*

<u>a. Basis of preparation</u>
These general purpose financial statements for the interim half-year reporting period ended 30 June 2026 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

<u>b. Going concern – material uncertainty</u>
The consolidated financial statements of the Consolidated Entity have been prepared on a going concern basis, which indicates continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business. For the half year ended 30 June 2026 the consolidated entity incurred a total comprehensive loss of $8,113,547 (30 June 2025: total comprehensive loss of $3,749,409), had working capital of $1,642,714 (31 December 2025: $3,184,632 working capital deficit), operating cash outflows of $3,270,664 (30 June 2025: $1,126,366) and investing cash outflows of $3,571,853 (30 June 2025: $92,698 inflow). To undertake exploration and appraisal activities in existing exploration assets and to continue to ramp up activities at the Company's projects, the Consolidated Entity requires regular injection of funds. The continuing ability of the Consolidated Entity to continue as a going concern and to undertake ramp up production activities and repay lease liabilities and other liabilities is dependent upon the Consolidated Entity achieving revenues from helium production in line with budgets and/or raising further working capital. As a result of these matters, there is a material uncertainty related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

2. *Accounting policies (continued)*

The Directors considered the subsequent events, reviewed the cash flow forecasts and working capital requirements of the Consolidated Entity in view of the Consolidated Entity's existing cash resources of $5,092,806 (31 December 2025: $2,164,502). On this basis, the Directors consider there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable, and therefore the going concern basis of preparation is considered to be appropriate for the 30 June 2026 half year financial report. Helium sales commenced after the end of the reporting period, with the first production tube trailer sold in July 2026, and the offtake agreement with a major United States industrial gases purchaser has been extended to 31 March 2027. The Consolidated Entity is able to defer or reduce discretionary exploration and development expenditure and to align the pace of the development programme with available funding, and to undertake further capital raisings. At this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 30 June 2026. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Consolidated Entity not continue as a going concern.

c. Exploration and evaluation assets
Expenditure on exploration and evaluation is accounted for in accordance with the "area of interest" method. Exploration licence acquisition costs are capitalised and subject to half-yearly impairment testing. All exploration and evaluation costs, including general permit activity, geological and geophysical costs and new venture activity costs are expensed as incurred except where:

- The expenditure relates to an exploration discovery where, at balance date, an assessment of the existence or otherwise of economically recoverable reserves is not yet complete and significant operations in, or in relation to, the area of interest are continuing; or
- An assessment has been made and it is expected that the expenditure will be recouped through successful exploitation of the area of interest, or alternatively, by its sale.

The costs of drilling exploration wells are initially capitalised pending the results of the well. Costs are expensed where the well does not result in the successful discovery of economically recoverable helium or carbon dioxide. Areas of interest may be recognised at either the field or the well level, depending on the nature of the project. Subsequent to the recognition of an area of interest, all further costs relating to the area of interest are capitalised. Each potential or recognised area of interest is reviewed half-yearly to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support the continued carry forward of capitalised costs. Upon approval for the commercial development of an area of interest, accumulated expenditure for the area of interest is transferred to helium properties. The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

2. *Accounting policies (continued)*

Impairment

At each reporting date, the Consolidated Entity assesses whether there is any indication that an asset may be impaired. If any such indication of impairment exists, or when annual impairment testing for an asset is required, the Consolidated Entity makes a formal estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases, the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cashgenerating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, an assessment is made as to whether the Company intends to make substantive expenditures on the asset and the carrying amount of the assets is assessed against the market capitalisation of the Company. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease). Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit).

<u>d. Helium properties</u>

Helium properties

Helium properties are usually single helium fields being developed for future production or are in the production phase. Where several helium fields are to be produced through common facilities, the individual helium field and the associated production facilities are managed and reported as a single helium asset.

Assets in development

Where the technical and commercial feasibility of an undeveloped helium field has been demonstrated and approval of commercial development occurs, the helium field enters its development phase from the exploration and evaluation phase. Expenditure on the construction, installation or completion of infrastructure facilities, such as platforms, pipelines and the drilling of development wells, as well as exploration and evaluation costs are capitalised as tangible assets within helium properties. When commercial operation commences, the accumulated costs are transferred to helium producing assets.

Producing assets

The costs of helium properties are separately accounted for as tangible assets and include past exploration and evaluation costs, pre-production development costs and the ongoing costs of continuing to develop reserves for production and expansion or replacement of plant and equipment.

2. *Accounting policies (continued)*

Depletion
Depletion charges are calculated to amortise the depreciable value of carried-forward exploration, evaluation and development expenditure over its useful life. Useful life is generally determined based on the life of the estimated Proved plus Probable (2P) reserves for a helium or carbon dioxide reserve, together with future subsurface costs necessary to develop the respective reserve, unless an alternative method is considered a better representation of useful life.

e. Right of use asset and lease liability
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

f. Accounting Standards that are mandatorily effective for the current reporting year
The Consolidated Entity has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period. There was no new material impact on the adoption of these standards therefore the company has not disclosed impact on financial report.

New and Amended Accounting Policies Not Yet Adopted by the Consolidated Entity
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2026. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements
This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes.

2. *Accounting policies (continued)*

The Consolidated Entity will adopt this standard from 1 January 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

	Consolidated Entity 30 June 2026 $	Consolidated Entity 30 June 2025 $
3. *Revenue and other income*		
Royalty	**3,990**	2,896
Interest income	**8,208**	4,545
	12,198	7,441

On 4 June 2026 the Consolidated Entity executed an initial short-term helium purchase and sales agreement with a major United States industrial gases purchaser, covering helium produced at the Pinon Canyon Plant, for a fixed term expiring on 31 August 2026. The agreement has since been extended to 31 March 2027. Helium sales commenced after the end of the reporting period.

4. *Cost of goods sold and other expenses*		
Cost of sales: other production costs	**-**	-
	-	-
Other expenses: compliance costs	**319,419**	260,162
Other expenses: operating expenses[1]	**(1,570,926)**	(471,273)
Other expenses: other	**1,689,277**	366,745
	437,770	155,634

	Consolidated Entity 30 June 2026 $	Consolidated Entity 31 December 2025 $
5. *Cash and cash equivalents*		
Cash at bank and on hand	**5,092,806**	2,164,502
	5,092,806	2,164,502

[1] The credit balance is a result of partner contributions and timing of receipt in the prior period and a result of the lease accounting for equipment in the current period.

	Consolidated Entity 30 June 2026 $	Consolidated Entity 31 December 2025 $
6. *Trade and other receivables*		
Other receivables (Helium One partner receivables and other)	**2,594,800**	1,533,689
GST refunds	**65,422**	58,761
	2,660,222	1,592,450

There are no receivables that are past due.

	Consolidated Entity 30 June 2026 $	Consolidated Entity 31 December 2025 $
7. *Other assets*		
Current		
Prepaid expenses	**119,892**	111,739
Parts inventory[2]	**18,962**	18,560
Helium inventory	**39,889**	-
	178,743	130,299
Non-Current		
Bonds	**140,008**	145,342
Leased equipment deposit	**620,654**	644,299
	760,662	789,641
8. *Plant and equipment*		
Computer equipment and asset under construction		
- At cost	**32,620**	31,146
- Accumulated amortisation and impairment	**(31,079)**	(30,996)
	1,541	150

[2] Parts inventory relates to spare parts and other sundries to be used in future drilling programs.

	Consolidated Entity 30 June 2026 $	Consolidated Entity 31 December 2025 $
8. *Plant and equipment (continued)*		
Balance at beginning of period	**150**	1,196,354
Additions	**1,697**	-
Reclassification to exploration and evaluation assets	**-**	(1,109,506)
Depreciation	**(306)**	(1,729)
Exchange difference translation: cost	**-**	(84,969)
Balance at end of period	**1,541**	150
9. *Right of use asset*		
Right of use asset		
- At cost	**28,503,747**	26,797,659
- Accumulated depreciation	**(2,958,513)**	(1,831,074)
- Provision for impairment	**(2,468,181)**	(2,562,212)
	23,077,053	22,404,373
Balance at beginning of period	**22,404,373**	9,023,395
Recognition[3] / adjustments	**2,790,246**	16,119,872
Amortisation	**(1,295,339)**	(1,100,598)
Exchange difference translation: amortisation	**63,363**	55,942
Exchange difference translation: cost	**(983,458)**	(817,735)
Exchange difference translation: impairment	**97,868**	119,913
Provision for impairment	**-**	(996,416)
Balance at end of period	**23,077,053**	22,404,373
10. *Exploration and evaluation assets*		
Capitalised expenditure		
- At cost	**7,101,327**	14,199,946
- Accumulated amortisation and impairment	**-**	-
- Exchange difference translation	**(497,304)**	(649,216)
	6,604,023	13,550,730

[3] Relates to equipment leases accounted for according to AASB 16.

	Consolidated Entity 30 June 2026 $	Consolidated Entity 31 December 2025 $
10. *Exploration and evaluation assets (continued)*		
Balance at beginning of period	**13,550,730**	9,126,526
Exploration and evaluation expenditure incurred during the period	**1,326,645**	5,198,572
Reclassification from plant and equipment	**-**	1,109,506
Reclassification to helium properties	**(5,207,366)**	-
Write-off and impairment of exploration and evaluation expenditure	**(2,568,682)**	(1,234,658)
Exchange difference translation	**(497,304)**	(649,216)
Balance at end of period	**6,604,023**	13,550,730
11. *Helium properties*		
Helium properties		
- At cost	**5,207,366**	-
- Accumulated impairment	**-**	-
	5,207,366	-
Cash generating unit		
Galactica	**-**	-
	-	-

The Galactica assets (including the Galactica Helium Properties of $5,207,366) are assessed for impairment on a CGU basis. This CGU contains the associated Helium Properties, right of use assets, lease liabilities and working capital balances. A CGU is the smallest grouping of assets that generates largely independent cash inflow and generally represents helium fields that are being produced through a common facility. Individual assets within a CGU may become impaired if their ongoing use changes or if the benefits to be obtained from ongoing use are likely to be less than the carrying value of the individual asset. An impairment loss is recognised in the profit or loss statement whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. A reversal of impairment losses is recognised in the profit and loss statement when the recoverable amount of an asset or CGU exceeds it’s carrying amount. An impairment loss is only reversed to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised

	Consolidated Entity 30 June 2026 $	Consolidated Entity 31 December 2025 $
12. *Trade and other payables*		
Trade creditors and other accruals	**4,450,179**	5,608,200
	4,450,179	5,608,200
13. *Lease liability*		
Current		
Lease liability[4]	**1,424,902**	1,177,807
	1,424,902	1,177,807
Non-Current		
Lease liability[4]	**26,080,370**	25,400,117
	26,080,370	25,400,117
14. *Provisions*		
Current		
Employee benefits	**413,976**	285,876
	413,976	285,876
Non-Current		
Employee benefits	**-**	28,358
Restoration	**267,721**	218,965
	267,721	247,323

[4] Consists of the lease for the IACX Energy processing plant with an initial term of 3 years with the option to extend for a further 7 years using an interest rate of 15% in the prior year along with other equipment leases accounted under AASB 16 entered into during 2025 and 2026. Refer to Note 17. During 2025 and 2026 as the Company constructed the Galactica processing facilities and gathering system it leased various equipment which have been accounted for as a lease in accordance with AASB 16. Some of the equipment includes but is not limited to the amine tower, power generation, compression and fuel storage tanks.

	Consolidated Entity 30 June 2026		Consolidated Entity 31 December 2025	
	No.	**$**	**No.**	**$**
15. *Contributed equity*				
Balance at beginning of year	**4,142,885,299**	**44,006,241**	2,694,885,299	36,110,610
Share issue from placement: 07-Aug-25	**-**	**-**	673,000,000	3,365,000
Share issue from placement: 25-Sep-25	**-**	**-**	235,000,000	1,175,000
Share issue from placement: 30-Dec-25	**-**	**-**	540,000,000	2,700,000
Adjustments[5]	**-**	**-**	-	1,259,156
Share issue from entitlements: 02-Feb-26	**212,741,476**	**1,063,707**	-	-
Share issue from options exercise: 24-Mar-26	**5,000,000**	**30,000**	-	-
Share issue from options exercise: 30-Mar-26	**32,143,000**	**192,858**	-	-
Share issue from placement: 08-Apr-26	**997,674,493**	**5,986,047**	-	-
Share issue from options exercise: 14-Apr-26	**2,657,095**	**15,943**	-	-
Share issue from options exercise: 12-May-26	**56,000,000**	**336,000**	-	-
Share issue from placement: 05-Jun-26	**4,000,000**	**20,000**	-	-
Share issue from placement: 05-Jun-26	**668,992,174**	**4,013,954**	-	-
Share issue from options exercise: 05-Jun-26	**5,571,500**	**33,429**	-	-
Share issue from options exercise: 22-Jun-26	**1,250,000**	**7,500**	-	-
Share issue from options exercise: 25-Jun-26	**22,000,000**	**132,000**	-	-
Share issue from options exercise: 30-Jun-26	**2,000,000**	**12,000**	-	-
Share issue costs	**-**	**(698,849)**	-	(603,525)
Balance at end of period	**6,152,915,037**	**55,150,830**	4,142,885,299	44,006,241

[5] Arising from options granted in prior financial years, expired in prior years being reversed during current financial year.

	Consolidated Entity 30 June 2026 $	Consolidated Entity 31 December 2025 $
16. *Reserves*		
Foreign currency translation reserve		
Balance at beginning of period	**(173,346)**	412,455
Foreign exchange on translation of operations	**(220,621)**	(585,801)
Balance at end of period	**(393,967)**	(173,346)
Options reserve		
Balance at beginning of period	**-**	1,377,561
Adjustments[6]	**-**	(1,377,561)
Balance at end of period	**-**	-
Share based payments reserve		
Balance at beginning of period	**878,288**	938,288
Performance rights granted[7]	**1,404**	-
Performance rights expired	**-**	(60,000)
Balance at end of period	**879,692**	878,288
Total reserves	**485,725**	704,942

[6] Arising from options granted in prior financial years, expired in prior years being reversed during current financial year.

[7] A total of 108,000,000 tranche A-D unlisted performance rights expiring 26 June 2029 to 30 June 2029 were granted to Directors as approved by shareholders at the 29 May 2026 annual general meeting and to key management personnel and other employees under the Company's Employee Incentive Securities Plan.

BLUE STAR HELIUM

16. *Reserves (continued)*

Inputs	Director Tranche A Performance Rights	Director Tranche B Performance Rights	Director Tranche C Performance Rights	Director Tranche D Performance Rights
Number of performance rights	12,500,000	12,500,000	8,500,000	12,500,000
Exercise price	N/A	N/A	N/A	N/A
Expiry date	26-Jun-29	26-Jun-29	26-Jun-29	26-Jun-29
Grant date	26-Jun-26	26-Jun-26	26-Jun-26	26-Jun-26
Issue date	26-Jun-26	26-Jun-26	26-Jun-26	26-Jun-26
Vesting date	26-Jun-27	26-Jun-27	26-Jun-27	26-Jun-27
Vesting conditions	Vesting on the date on which the Director completes 12 months' continuous service.	Vesting upon: (a) the Director completing 12 months' continuous service; and (b) the Company's 20-day volume weighted average price per share (VWAP) being equal to or exceeding a 50% premium calculated using the 20 trading days preceding the date of the Notice (being $0.013).	Operational expansion milestones, vesting upon the Director completing 12 months' continuous service, and 1/3 on each of: (a) an updated portfolio of reserves and resource report; (b) Galactica recording 10 development wells; and (c) initial production from the Pegasus project or a Farmout/Joint Venture agreement entered into for the Serenity project.	Vesting upon: (a) the Director completing 12 months' continuous service; and (b) the Company's 20-day VWAP being equal to or exceeding a 150% premium calculated using the 20 trading days preceding the date of this Notice (being $0.0217).
Share price at grant date	$0.005	$0.005	$0.005	$0.005
Risk free interest rate	3.7%	3.7%	3.7%	3.7%
Volatility	94.2%	94.2%	94.2%	94.2%
Performance rights value (total)	$62,500	$25,332	$42,500	$18,802

16. *Reserves (continued)*

Inputs	Employee Tranche A Performance Rights	Employee Tranche B Performance Rights	Employee Tranche C Performance Rights	Employee Tranche D Performance Rights
Number of performance rights	15,500,000	15,500,000	15,500,000	15,500,000
Exercise price	N/A	N/A	N/A	N/A
Expiry date	30-Jun-29	30-Jun-29	30-Jun-29	30-Jun-29
Grant date	30-Jun-26	30-Jun-26	30-Jun-26	30-Jun-26
Issue date	30-Jun-26	30-Jun-26	30-Jun-26	30-Jun-26
Vesting date	30-Jun-27	30-Jun-27	30-Jun-27	30-Jun-27
Vesting conditions	Vesting on the date on which the employee completes 12 months' continuous service.	Vesting upon: (a) the employee completing 12 months' continuous service; and (b) the Company's 20-day volume weighted average price per share (VWAP) being equal to or exceeding a 50% premium calculated using the 20 trading days preceding the date of this Notice (being $0.013).	(i) The employee having been continuously employed by the Company or its subsidiaries for a period of 12 months after issue of the Performance Right; and (ii) in respect of first third of the tranche, the Company publishing an independent assessment of helium and carbon dioxide reserves and resources associated with the Galactica, Pegasus, Voyager and Serenity projects and its exploration prospects in Las Animas County, Colorado; in respect of second third of the tranche, the Company having tied in a total of ten wells (inclusive of the existing production wells) to the Pinon Canyon Plant; (iii) in respect of the final third of the tranche, either: (a) the Board making a final investment decision to develop the Pegasus project; or the Company entering into a joint venture or farm out agreement in respect of the Serenity prospect or the Board making a final investment decision to develop it.	Vesting upon: (a) the employee completing 12 months' continuous service; and (b) the Company's 20-day VWAP being equal to or exceeding a 150% premium calculated using the 20 trading days preceding the date of this Notice (being $0.0217).
Share price at grant date	$0.005	$0.005	$0.005	$0.005
Risk free interest rate	3.7%	3.7%	3.7%	3.7%
Volatility	94.2%	94.2%	94.2%	94.2%
Performance rights value (total)	$77,500	$31,412	$77,500	$23,314

16. *Reserves (continued)*

Non-performance based options

Inputs	Director Options	Free-attaching Placement Options	Broker Options	Free-attaching Placement Options
Number of options	9,000,000	375,000,000	93,914,401	454,000,000
Exercise price	$0.028	$0.01	$0.01	$0.01
Expiry date	11-Sep-27	30-Oct-26	30-Oct-26	25-Sep-27
Grant date	10-Sep-23	30-Oct-24	30-Oct-24	25-Sep-25
Vesting date	3,000,000 – 10-Sep-24 3,000,000 – 10-Sep-25 3,000,000 – 10-Sep-26	30-Oct-24	30-Oct-24	25-Sep-25
Share price at grant date	$0.025	$0.004	$0.004	$0.007
Risk free interest rate	3.85%	N/A	3.99%	N/A
Volatility	251%	N/A	80%	N/A
Option value	$0.025	$Nil	$0.00084	$Nil

	Consolidated Entity 30 June 2026 No.	Consolidated Entity 31 December 2025 No.

16. *Reserves (continued)*

Unlisted options		
Balance at beginning of period	**1,201,914,401**	477,914,401
Options free-attaching	**2,000,000**	724,000,000
Options expired	**(145,378,405)**	-
Options exercised	**(126,621,595)**	-
Balance at end of period	**931,914,401**	1,201,914,401
Unlisted performance rights		
Balance at beginning of period	**14,200,000**	32,400,000
Performance rights granted	**108,000,000**	-
Performance rights expired	**-**	(18,200,000)
Balance at end of period	**122,200,000**	14,200,000

17. *Operating segments*

For management purposes, the Company is organised into one main operating segment, which involves helium (including oil and gas) exploration, development and production in the USA. All the Company's activities are interrelated, and discrete financial information is reported to the Chairman and the management team as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as two segments. The financial results from this segment are equivalent to the financial statements of the Consolidated Entity as a whole. The Consolidated Entity derives its revenue from the sale of gas and NGL's produced in the USA. During the interim half-year reporting periods ended 30 June 2026 and 30 June 2025 external sales of gas and NGL's were made to customers solely located in the USA.

	US	Corporate	Total
30 June 2026			
Segment revenue	3,990	8,208	**12,198**
Segment assets	39,091,490	4,490,926	**43,582,416**
Segment liabilities	(31,992,188)	(644,960)	**(32,637,148)**
31 December 2025			
Segment assets	37,744,285	2,887,860	**40,632,145**
Segment liabilities	(32,112,828)	(606,495)	**(32,719,323)**
30 June 2025			
Segment revenue	2,896	4,545	**7,441**

18. *Events after the end of the reporting period*

There are no matters or circumstances that have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the Consolidated Entity in future financial years other than the following:

- On 14 July 2026, the Company announced that the first production tube trailer had been sold and was leaving the Pinon Canyon Plant under the early production spot sales arrangement, marking the Joint Venture’s inaugural helium sale and concluding the early production commissioning and optimisation phase. Subsequent deliveries under the Offtake Agreement were announced on 28 July 2026, 11 August 2026 and 31 August 2026. Regular trailer exchanges have been scheduled, with new trailers commencing fill on arrival. The Company does not intend to announce individual trailer exchanges and will continue to announce significant operational milestones and commercial developments.
- On 14 July 2026, 6,000,000 unquoted performance rights expiring 30 June 2029 were cancelled.
- Subsequent to the reporting period the Company has entered into an agreement to extend the Offtake Agreement to 31 March 2027. Details can be found on the Company announcement of 31 August 2026.

19. *Commitments and contingencies*

The commitments relating to operating and exploration expenditure are as follows:

	Consolidated Entity 30 June 2026 $	Consolidated Entity 31 December 2025 $
< 1 year	**65,504**	286,521
1 – 5 years	**773,293**	964,830
> 5 years	**220,577**	56,743
	1,059,374	1,308,094

On 30 June 2023 the Company announced that it had entered into a Gas Processing Services Agreement with a third-party midstream company based in the US, IACX Energy LLC. The Company sought out the opinion of a third-party consulting firm as to the accounting treatment for this agreement. The agreement is accounted for as a lease in accordance with AASB 16 requirements now that payments have commenced. During 2025 and 2026 as the Company constructed the Galactica processing facilities and gathering system it leased various equipment which have been accounted for as a lease in accordance with AASB 16. Some of the equipment includes but is not limited to the amine tower, power generation, compression and fuel storage tanks.

19. *Commitments and contingencies (continued)*

a. Contingent assets

There are no contingent assets as at 30 June 2026.

b. Contingent liabilities

There are no contingent liabilities as at 30 June 2026.

20. *Interests in controlled entities*

Company Name	Entity Type	Place of Incorporation	Place of Tax Residency	30 June 2026 % Ownership	30 June 2025 % Ownership
Controlled by Blue Star Helium Limited:					
BNL (USA Helium) Pty Ltd	Company	Australia	Australia	100%	100%
Controlled by BNL (USA Helium) Pty Ltd:					
Blue Star USA Holdings Inc[8]	Company	USA	USA	100%	100%
Controlled by Blue Star USA Holdings Inc:					
BNL (Enterprise) Inc	Company	USA	USA	100%	100%
Las Animas Leasing Inc	Company	USA	USA	100%	100%

Blue Star Helium Limited (the "parent entity") and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

21. *Related party transactions*

There were no transactions with related parties during the half year ended 30 June 2026 other than the compensation to key management personnel, the 4,000,000 shares at $0.005 with 2,000,000 free-attaching options under the approval given at the annual general meeting which were subscribed and paid for, and 46,000,000 performance rights granted to Directors, as disclosed in the Directors' Report and Note 16.

[8] Blue Star USA Holdings Inc was incorporated 21 November 2023.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2026 and of its performance for the financial half year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Trent Spry
Managing Director and Chief Executive Officer

11 September 2026

PO Box 1908
West Perth WA 6872
Australia

Level 2, 40 Kings Park Road
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
BLUE STAR HELIUM LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Blue Star Helium Limited ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of material accounting policies and other explanatory information, and the directors' declaration..

Based on our review, which is not an audit, we have not become aware of any matter that causes us to believe that the accompanying half-year financial report of Blue Star Helium Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of Blue Star Helium Limited's financial position as at 30 June 2026 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 11 September 2026.

Material Uncertainty Relating to Going Concern

We draw attention to Note 2 of the financial statements, which indicates that the Group has incurred a total comprehensive loss of $8,113,547, operating cash outflows of $3,270,664 and investing cash outflows of $3,571,853 for the half-year ended 30 June 2026. The Group has a working capital of $1,642,714 at period end. As stated in Note 2, the events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of Blue Star Helium Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2026 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

Samir Tirodkar
Director

West Perth, Western Australia
11 September 2026