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Australian Securities Exchange
Companies Announcements Office

HPR Restructures to Aggressively Reduce Cash Costs

High Peak Royalties Limited (“HPR”) announces that the Board has taken a number of steps in order to restructure its administrative infrastructure, in light of continued very challenging oil & gas and capital markets conditions.

These changes will be applicable from July 1, 2016 and form a key component of preserving shareholders’ funds for future years.

Board Composition

The Board of HPR will be reduced to five Directors as a result of the resignation of Mr. John Theobald. This step will leave HPR with four domestic Directors.

The Board thanks Mr Theobald most sincerely for his commitment and contribution to HPR since joining the Board. Mr Theobald will remain available as a Senior Advisor to HPR and continue to provide deal flow originating in the UK and Europe.

Board Remuneration

From 1 July, the reduced Board have all agreed to have their Directors remuneration paid 100% in equity in lieu of cash payments.

Until further notice all Directors will be eligible to participate in a Performance Rights Plan, to be designed and presented for shareholder approval at the 2016 AGM.

Management Team Restructure

HPR will move forward into FY17 without a dedicated CEO role, following the acceptance by the Board of the resignation of Mr. Simon Fyfe.

Mr Fyfe joined HPR in 2015 and has unfortunately been faced with extremely challenging oil & gas and capital markets conditions during his short tenure. The Board thanks Simon most sincerely for his dedication, energy and commitment during this very challenging time.

Moving forward the Board will operate as a collective Executive Committee, combining very strong technical, legal and financial capabilities to identify, assess, close and manage royalty transactions, as and when they become available.

Mr. Jarrod White will remain in his role as contract Chief Financial Officer and Company Secretary.

The Board has confirmed that the current Chairman, Anthony Wooles, will remain as Chairman.



Total Cash Savings

These developments will further allow HPR to rationalise its administrative office infrastructure in Sydney and generate further costs savings.

As a combined result of these initiatives, HPR expects to maintain a net cash burn rate substantially below \$0.5M per annum, with the exception of transaction-specific costs.

Mr Wooles commented:

“Conditions remain extremely challenging for small cap firms in the oil & gas space. We are however very bullish with respect to our current royalty portfolio, particularly the PL 171 and ATP 574P CSM royalties in Queensland.

The strength of the royalty business model is clearly on display here as, despite these conditions, we are not subject to drilling commitments or cash calls. Hence, we look forward to stability, transparency and confidence returning to the oil & gas sector asset pricing environment.

As a result of these initiatives, we can be very confident of managing the company through to the commencement of strong royalty cash flows, without the need to raise equity to fund working capital.

We have been able to retain the significant capabilities and experience of the current Board in a lean and more nimble structure.

I remain very excited at the prospects for HPR moving forward, we are in the business of identifying, acquiring and managing long-term royalty financial instruments, linked directly to the very long-term oil & gas and resources sector.

A short-to-medium term period of pricing instability in no way impacts the underlying integrity of the royalty business model”.

For further information please contact:

A handwritten signature in blue ink, appearing to read "Jarrod White", is written over a light blue grid background.

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About High Peak Royalties:

High Peak Royalties is Australia's leading oil and gas royalties company, with exposure to 23 royalties in Australia, and the United States. High Peak Royalties' portfolio covers production, development and exploration projects and features high quality project operators, including some of the world's leading oil and gas companies.

The company's portfolio includes:

Permit / Location	Royalty Interest (%)	Operated By
PL 171 and ATP 574P	2.50	Queensland Gas / BG Group
ATP 299P Petroleum Leases: PL29, PL38, PL39, PL52, PL57, PL95, PL169, PL170, PL293, PL294, PL295 and PL298	3.6/4.0	Santos
Peat Gas Field (PL101)	2.13	Origin Energy
Surprise Oil Field (PL6)	1.00	Central Petroleum
Longtom Gas Field (VIC/L29 and VIC/P54)	0.30	Seven Group Holdings
WA-314-P	0.10	Karoon Gas
WA-315-P	0.10	ConocoPhillips
EP(A)111, EP115, EP(A)120 and EP(A) 124	1.00	Central Petroleum
EP112, EP115NM and EP125	1.00	Santos
PEL512	1.30	Discovery Energy
WA-482-P	0.20	Apache Corporation
WA-EP468	2.00	Paltar Petroleum
EP156 and EP(A)155	2.00	Mosman Oil and Gas
United States (East Texas, Permian and Texas Gulf Coast Basins)	0.20 to 0.40	Sabine Oil and Gas, Pioneer Natural Resources and Wagner Oil Company
Weeks Petroleum Royalty (Gippsland Basin) indirect interest via 19.99% shareholding in Royalco Resources (ASX: RCO)	0.005	ExxonMobil