



19 December 2014

Australian Securities Exchange

High Peak Royalties Mid Quarter Update

High Peak Royalties Limited (ASX: HPR) has royalties over 20 oil and gas projects in Australia and the Seychelles.

Due to the significant activity on many of these projects, the Company is providing this mid quarter update in addition to the Quarterly Activities Reports to inform investors of relevant events.

Highlights noted in this update include the following:-

- High Peak Royalties believes that the current dramatic correction in the oil price will continue to create numerous opportunities. High Peak Royalties has progressed to non-binding bid documentation on seven assets and is actively investigating a number of other potential royalty financing opportunities. These include hard rock royalties as well as energy.
- The Peat Gas Field over which High Peak Royalties has a 2.13% overriding royalty interest recommenced production on 17 November 2014, a month earlier than previously advised. In addition, a deep conventional test well is planned during 2015.
- The Tintaburra Oil Field over which High Peak Royalties has a 3.6/4.0% Net Profit Royalty Interest had an encouraging September quarter with a production rate of 1,595 bopd. Two well deepenings were successful in October 2014 and highlight the potential of the Tintaburra Oil Field.
- BG Group has sold the QCLNG pipeline to APA Group for US \$5 billion. Bloomberg is also reporting that the BG-owned tanker Methane Rita Andrea is heading for Gladstone and due to arrive on or about 20 December 2014. High Peak Royalties has a 2.5% overriding royalty over two permits that are 100% owned by the QCLNG Joint Venture.

New Opportunities

High Peak Royalties believes that the current dramatic correction in the oil price will continue to create numerous opportunities.

High Peak Royalties has experienced a marked increase in the number of royalty opportunities for consideration. We attribute this to the new market environment (both equity and debt) and a higher profile for the company amongst potential sellers / financing prospects.

Since relisting in May 2014, High Peak Royalties has reviewed over 40 potential transactions (existing royalties, royalty financings and corporate opportunities) with an aggregate deal value exceeding \$270M. Desk top due diligence was undertaken on 24 opportunities (aggregate deal value ~\$170M). High Peak Royalties has progressed to non-binding bid documentation on seven assets.

Commodity exposures have included oil and gas (Brent, WTI and Nat Gas in US and Aust), gold, copper, iron ore, mineral sands, tungsten, silver, nickel and uranium.

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Amadeus Basin

EP156 and EP(A)155 operated by Mosman Oil and Gas (AIM: MSMN)

2.0% Overriding Royalty Interest

Relevant points from recent announcements by Mosman Oil and Gas in relation to EP156 are set out below:

- Exploration which commenced in October 2014 achieved excellent results with hand held geophysical programme (gamma ray),
- Revealed presence of source, seal and reservoir targets, some productive elsewhere in the basin. (Source- Mosman Oil and Gas Presentation London- 5 November 2014)

Bowen Basin

Peat Gas Field (PL 101) operated by Origin Energy (ASX: ORG) on behalf of APLNG

2.13% Overriding Royalty Interest

High Peak Royalties has been advised by APLNG that Peat field production recommenced on 17 November 2014. This is nearly a month earlier than previously advised.

Relevant points from recent announcements by Origin Energy in relation to the Peat Gas Field are noted below:-

- A deep conventional test well is planned for the Peat Gas Field during 2015,
- Step-out appraisal drilling complete,
- CSG pilots on the flanks of the gas field are to be accelerated into 2016. (Source- Origin- Australia Pacific LNG Site Tour Presentation- 30 October 2014)

Cooper / Eromanga Basin

Tintaburra Oil Field (ATP 299P and Petroleum Leases PL29, PL38, PL39, PL52, PL57, PL95, PL169, PL170, PL293, PL294, PL295 and PL298) operated by Santos (60%) (ASX: STO) with Drillsearch Energy (40%) (ASX: DLS)

3.6/4.0% Net Profit Revenue Interest

Pertinent points from recent announcements by Drillsearch Energy in relation to the Tintaburra Oil Field are set out below:-

- The Tintaburra Joint Venture completed two well deepening in October 2014,
- Ipunda North-5 and Ipunda North-7 were successfully deepened through the Murta formation where they intersected pay,
- Both wells have been cased and suspended as future Murta producers
- For the September Quarter, Drillsearch Energy reported a production rate of 1,595 bopd (up from 1,327 bopd in the June quarter) as the Tintaburra-8, Toobunyah-10 and Toobunyah-11 wells came online. (Source- Drillsearch Energy October Drilling Report- 6 November 2014 and September 2014 Quarterly Report- 29 October 2014)

Gippsland Basin

Longtom Gas Field (VIC/L29 and VIC/P54) operated by Nexus Energy (ASX:NXS)

0.3% Overriding Royalty Interest

At the second creditors' meeting on 11 August 2014 Seven Group Holdings' bid of \$180M for Nexus Energy was approved.

ASIC has granted in-principle relief for the transaction. The bid is subject to a Supreme Court of NSW hearing scheduled for Tuesday 16 December 2014.

High Peak Royalties continues to receive royalty payments over the Longtom Gas Field and does not anticipate that there will be any interruption to royalty payments as the Longtom Gas Field is operated by a subsidiary of NXS.

continued

Seychelles

Seychelles Exploration Blocks (PEC-5B/1, PEC-5B/2 and PEC-5B/3) operated by Ophir Energy (LSE : OPHR) **0.04% Overriding Royalty Interest***

Key points from recent announcements by WHL Energy (ASX: WHN) in relation to a project in the Seychelles where High Peak Royalties has a royalty interest are set out below:

- WHL Energy received an interim PreSTM data set for the Junon 3D seismic survey in mid-November and has commenced interpretation,
- The initial interpretation indicates that potentially large structures are present at Junon East, Junon Central (approximately 20km²) and Junon South (higher risk),
- Scale of structures similar to that previously mapped on the earlier 2D seismic data,
- Additional possible new leads have also been mapped in the central graben area (though more modest size),
- The final PreSTM processed volume is expected at the beginning of 2015 (Source- WHL Energy Reports Initial Interpretation of Seychelles 3D Seismic Survey- ASX Release on 9 December 2014)

**(the royalty interest is only in respect of WHL Energy's 25% equity position, that is, High Peak Royalties is entitled to a 0.15% overriding royalty interest over WHL Energy's 25% equity position in the permits)*

Surat Basin

PL 171 and ATP 574P operated by QGC / BG Group Plc

2.5% Overriding Royalty Interest

BG announced on 9 December 2014 that it had agreed to sell its wholly owned QCLNG Pipeline Pty Ltd subsidiary to APA Group (ASX: APA) for US\$5 billion.

The deal is expected to be completed in the first half of 2015 and is conditional on the start of commercial LNG deliveries from the QCLNG export facility at Gladstone and on partner consent.

Bloomberg is reporting that the BG-owned tanker Methane Rita Andrea is heading for Gladstone and due to arrive on or about 20 December 2014.

Geothermal Permits

100% Owned Geothermal Permits (SA GELs 571, 572, 573, 574 and 559, GELA 266 and NT GEPA 27824)

High Peak Royalties is currently in discussion with the Department for Manufacturing, Innovation, Trade, Resources and Energy, South Australia with respect to work commitments and renewals of the geothermal permits.

As previously advised the current intention is to vend the geothermal permits and to retain a royalty as was achieved with the wholly owned petroleum exploration permit interests in the NT.

Further Information

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continued

About High Peak Royalties

High Peak Royalties is Australia's leading oil and gas royalty company, with royalties covering 20 producing areas and high potential exploration areas in Australia and the Seychelles. 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:-

Royalty	Overriding Royalty Interest (%)	Operated By
PL171	2.50	Queensland Gas / BG Group
ATP 574P		
ATP 299P	3.6/4.0	Santos
Petroleum Leases: PL29, PL38, PL39, PL52, PL57, PL95, PL169, PL170, PL293, PL294, PL295 and PL298		
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	Nexus Energy VICP54 Pty Ltd
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
Seychelles (PEC-5B/1, PEC-5B/2 and PEC-5B/3)	0.04	Ophir Energy
WA-EP468	2.00	Paltar Petroleum
EP156 and EP(A)155	2.00	Mosman Oil and Gas

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