

**30 April 2018**

## **Changing Oil Price Creates Positive Outlook for Royalty Portfolio**

### **ACTIVITY AND PORTFOLIO REVIEW**

HPR is well positioned to benefit from rising oil prices, the East Coast gas market, and the increased activity in the Northern Territory. In the meantime, HPR continues to enjoy income from Queensland and USA royalties.

Importantly, Santos have announced their intention to drill the very large Dukas project in NT within 12 months, on an area where HPR has a 1% royalty.

HPR has royalties on several permits in the Amadeus Basin in the NT. The NT gas pipeline expected to be in operation by the end of 2018, connecting the NT to the Eastern Australian gas market. This, together with the lifting of the fracking ban in the NT has led to increased drilling activity by Origin and Central Petroleum.

In Queensland, HPR has royalties on acreage operated by Origin/APLNG and Shell (formerly QGC). Origin/APLNG is paying HPR royalties on the Peat gas field and has plans for a large seismic survey to prepare for drilling larger deep conventional gas targets that could result in significant reserves and production, and thence income for HPR.

Shell continues to expand the Coal Bed Methane (CBM) production to include adjacent areas south and west of those where HPR has a royalty; if the development extends to the permits where HPR has a royalty then that would result in substantial income.

Following Qld government identified CBM potential in an adjacent area to the east, Central Petroleum (in partnership with Incitec) were recently awarded a permit and this suggests the CBM development of the HPR royalty areas is only a matter of time.

In the Bass Strait, HPR has a royalty over the Longtom gas condensate field. The Seven Group has announced the Longtom field repairs are complete and the field is ready to resume production.

### **ON-MARKET SHARE BUYBACK**

In line with the ASX Listing Rules volume acquired through share buyback has been limited as buy back price is limited to 105% of 5 day VWAP and only a few shares were periodically available to purchase at this price level.

High Peak continued the share buyback commenced in the December quarter, which resulted in 1,402,111 shares bought back in the quarter (2,702,785 shares to date).

As of today, the share buyback has ceased.



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## **ABOUT HIGH PEAK ROYALTIES LIMITED**

High Peak Royalties Ltd (ASX:"HPR") is building a portfolio of diversified high value resource royalties around the world. In the current climate, High Peak is looking to partner with capable operators to secure royalties over high value producing assets and leverage our capital and structuring expertise.

The company's portfolio includes:

<b>Permit / Location</b>	<b>Royalty Interest (%)</b>	<b>Operated By</b>
PL 171 and ATP 574P	2.50	Queensland Gas/BG Group/Shell
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
WA-482-P	0.20	Quadrant Energy
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
United States (East Texas)	1.00	Silver Tusk and New Century Operating
Weeks Petroleum Royalty (Gippsland Basin) indirect interest via 10.68% shareholding in Royalco Resources (ASX: RCO)	0.0025	ExxonMobil