



Proactive Investors Presentation March 2019





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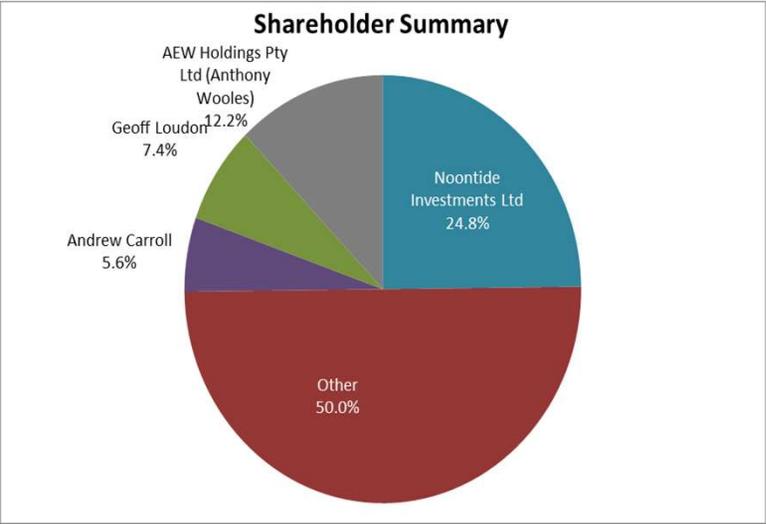
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Corporate Overview

Capital Structure – HPR.ASX

	As at 01 March 2019
Ordinary Shares on Issue	189m
Market Capitalisation at \$0.063/share	\$11.9m
Cash Balance	\$1.1m
Royalco Resources stake (ASX: RCO)	\$1.1m



Board

Andy Carroll	Non-Executive Chairman
Anthony Wooles	Non-Executive Director
Geoffrey King	Non-Executive Director

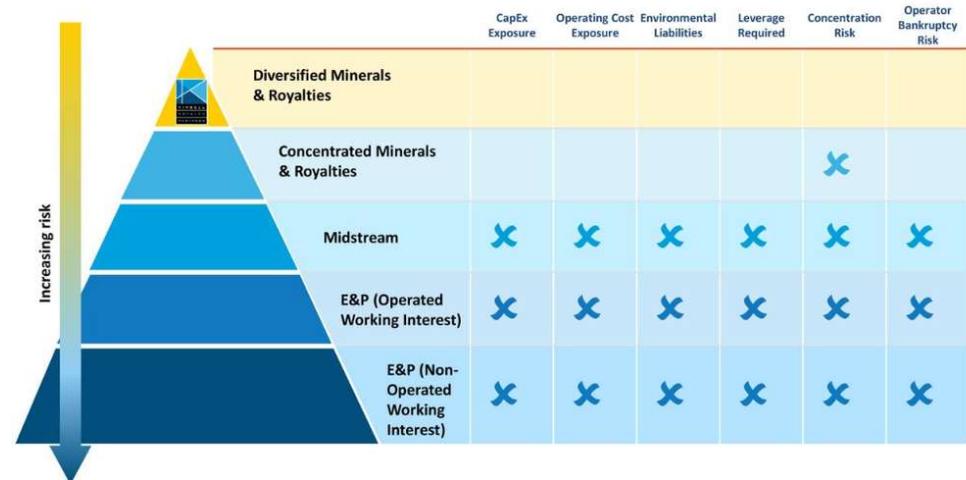




Why Royalties?

- Royalties provide a share (%) of the revenue
- No direct exposure to costs
- Registered on land title
- Typically long term
 - Exploration Licence
 - Production license
- Typically significant option value
 - Exploration Discovery
 - Development
 - Production increase
 - Price increase
 - Sale of Royalties

Royalties Provide Favourable Risk Profile

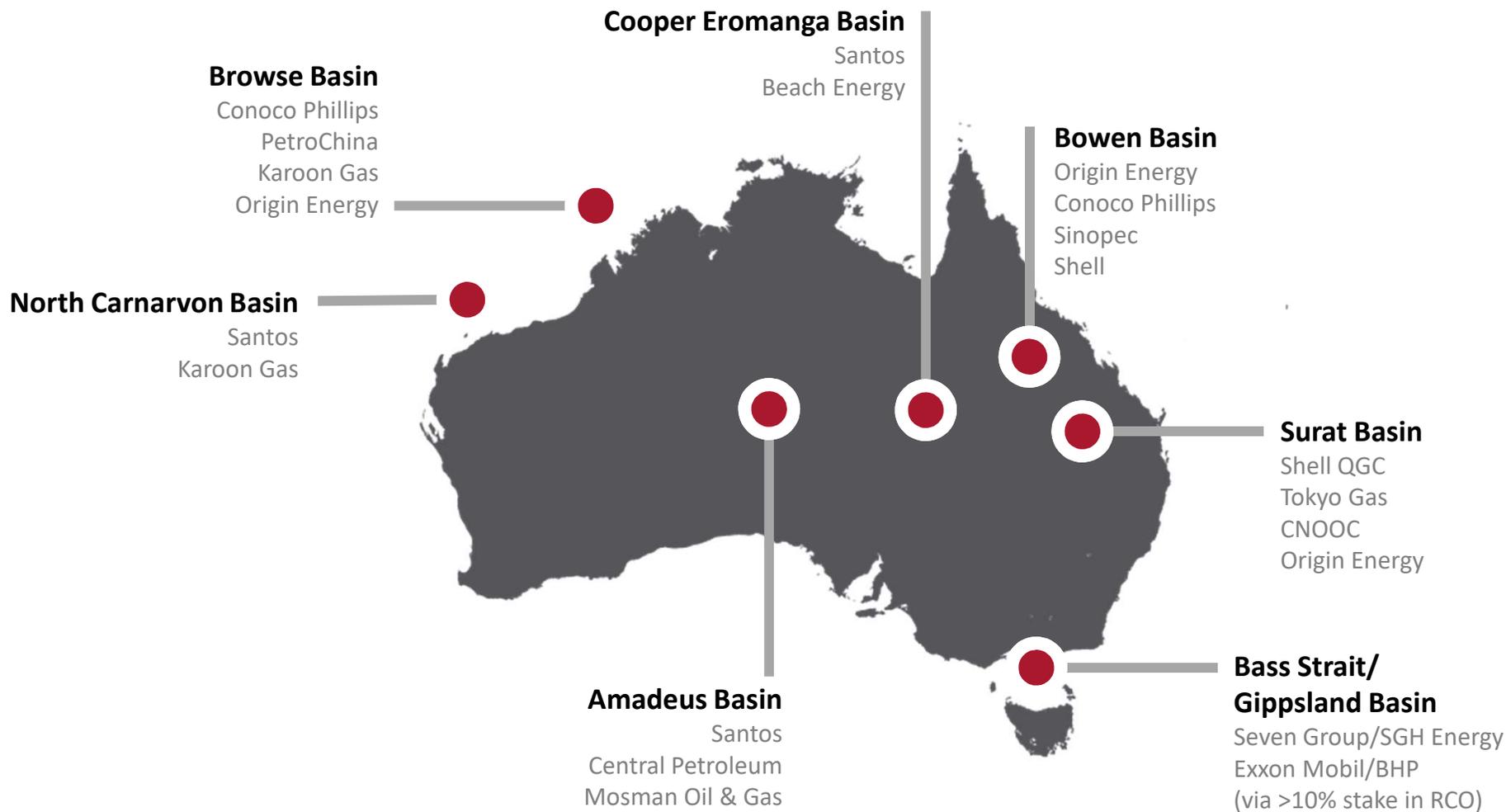


A diversified mineral and royalty portfolio provides a favorable risk profile compared to other investments with oil and gas capture





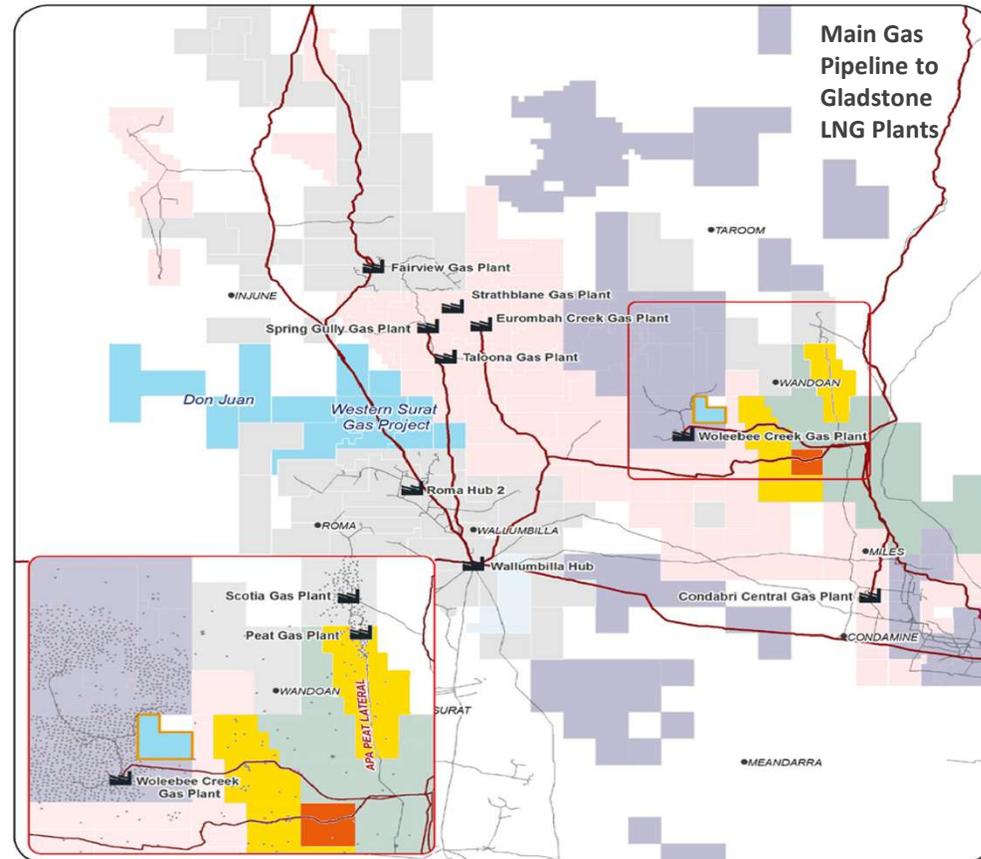
HPR Royalty Portfolio - Australia's Major Basins





Queensland Coal Seam Gas and Deep Gas Potential

- Origin Energy / APLNG pays HPR 2.25% royalty on **Peat gas field**
- Capex increased to \$16.8m due to drilling of **South Burunga-2** (“SB2”) and preparation for Peat 3D seismic survey noted in October Origin Energy Quarterly Production Report
- SB2 is a deep conventional well and during the quarter reached total depth of 3,608 mRT. **Hydrocarbons confirmed** with the well now cased and suspended for **further testing to determine flow rates**
- HPR also has a **2.5% royalty on nearby QGC (Shell) operated permits**



Wells	Arrow Energy
Gas Plant	QLNG
Pipelines	Senex Energy
Major Pipelines	GLNG
Central Petroleum permit	APLNG
High Peak Royalty permits	



Dukas – Drilling to test hydrocarbons and helium

HPR has 1% Royalty

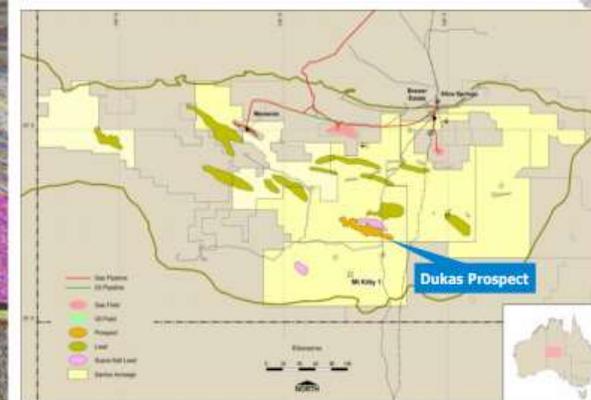
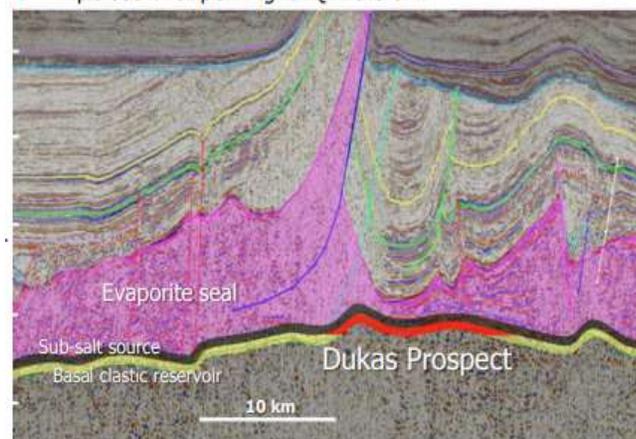
Amadeus Basin exploration

Santos

- **Dukas** is the **largest onshore target (520 km² closure)** in **Australia**
- **Santos** announced **drilling H1 2019**. CTP say **“April”**
- **2.4 tcf gas and 493 bcf Helium** (CTP)
- **Helium has very high value** (>10 x gas pricing)

Frontier sub-salt play – Multi-TCF gas potential

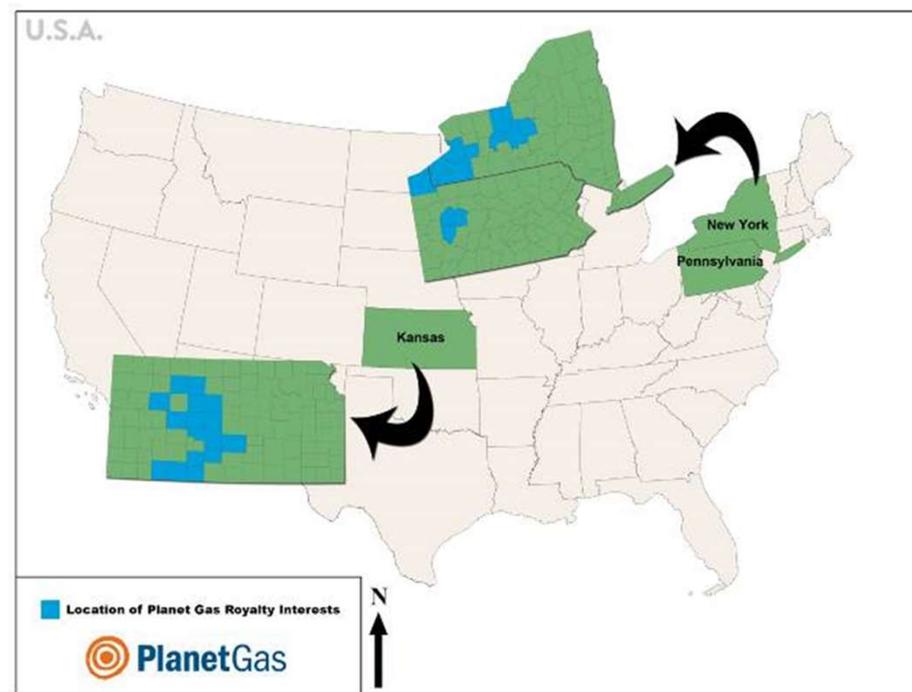
- + 2D seismic acquisition Dec17/Jan18 to supplement multiple phases of regional reconnaissance seismic (2014 and 1H 2017 campaigns) – prospect delineation
- + Geologic concept on farm-in - regional sub-salt central basin arch hosting large sub-regional closures – validated: Dukas Prospect ~520 km² closure
- + On discovery, elemental He and H gas stream contents represent high value liquids proxies
- + Exploration well planning for Q1 2019 drill





Planet Gas – Delivering Long Term Cash Flow

- Acquisition of Planet Gas USA Inc completed December 2018
- Revenues from October 2018
- Key terms of the acquisition:
 - 3% royalty on properties in USA
 - 2,400 producing wells
 - Long life production
 - Demonstrated cash flow currently circa **\$500,000 pa**
- Acquisition cost:
 - Purchase of Planet Gas USA Inc. for \$1
 - Assumption of US \$2.75m drawn from a US \$15m debt facility with Macquarie Bank



Source: <http://www.planetgas.com.au/index.cfm/reports/annual-report/>



HPR Post Planet Gas Completion

- **Revenue** generation from multiple royalties
- **US \$15m facility with Macquarie Bank**
- Significant upside from **near term exploration**
 - **Deep gas discovery by Origin in Qld**
 - **DUKAS well to be drilled in April**
- **Longer term value in development projects**
 - **Shell developing CSM in Qld**
- Empire Energy Group Limited, the operator of the **Planet Gas Royalty** wells, announced on 06 March 2019 “they are pleased to advise that the Kansas **Production Enhancement** Program has continued to generate strong results. The total **production rates achieved from the program have continued to increase as new wells have been brought online.**
- **Zero exposure** to capital or operating expenditure
- HPR highly regarded having worked through the oil price downturn with very close attention to cost base and a strong balance sheet
- **Undervalued** compared to other junior oil and gas vehicles – new and existing institutional investors followed their money in PG equity raise
- HPR regarded widely as the largest, and most legitimate, active and experienced player in the Royalty sector in Australia
- Recently commissioned Breakaway Research – **Core Valuation 6.5 cps** on a DCF basis & **21.0 cps on risked NAV basis (not including DUKAS!)**