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Australian Securities Exchange

High Peak Royalties 2014 September Quarterly Activities Report

High Peak Royalties Limited (ASX: HPR) has royalties over 20 oil and gas projects in Australia and the Seychelles. Highlights noted in this Quarterly Activities Report include the following:-

- High Peak Royalties has experienced an encouraging level of deal flow in both the oil and gas and mining sectors. Potential transactions are being reviewed in both Australia and the United States. The current challenging market conditions, especially the recent drop in oil prices, are expected to provide additional opportunities for royalty financing and the acquisition of existing royalties.
- High Peak Royalties has a 1% overriding royalty over the significant helium and hydrocarbon discovery at Mt Kitty where Santos has recently committed to Stage 2 with an additional 1300km of seismic to infill Stage 1 and further delineate leads;
- Further royalty exposure to the Amadeus Basin has been acquired by retaining a 2% overriding royalty interest over EP 156 and EP(A) 155. The new operator Mosman Oil and Gas has commenced a Gamma ray survey, Gamma ray logging and outcrop mapping and sampling in EP 156;
- High Peak Royalties' 2.5% overriding royalty interests in the Surat Basin will now be over permits 100% owned by the QGC Joint Venture following an asset swap undertaken with Senex Energy.
- A new website has been launched at www.highpeak.com.au and investors and interested parties are invited to visit to access the latest information on the company including all ASX releases.

New Opportunities

High Peak Royalties continues to review new opportunities to acquire or create royalties over promising resource projects with a focus on near term cash flow. High Peak Royalties has experienced an encouraging level of deal flow during the September Quarter in both the oil and gas and mining sectors. Potential transactions are being reviewed in both Australia and the United States. The current challenging market conditions, especially the recent drop in oil prices, are expected to provide additional opportunities for royalty financing and the acquisition of existing royalties.

Amadeus Basin

Surprise Oil Field (PL6) operated by Central Petroleum (ASX: CTP)

Mt Kitty prospect (EP125) operated by Santos (ASX: STO)

1.0% Overriding Royalty Interest

Key points from recent announcements by Central Petroleum (ASX:CTP) in relation to projects in the Amadeus Basin over which High Peak Royalties has royalty interests are set out below:

- Surprise West well production now at 180 bopd;

- Depending on production performance at Surprise West and no further softening of oil prices, Central Petroleum expects to be drilling Surprise East in 2015;
- Southern Amadeus Stage 2 with Santos is proceeding following Mt Kitty's confirmation of hydrocarbons being present, with 1300 km future seismic acquisition agreed to infill Stage 1 and further delineate leads;
- At least 200km of the seismic will be acquired in EP 125;
- Sidewall cores confirmed that the Heavitree Quartzite is absent in the well and that the previously reported gas flows were from granitic basement which is extensively fractured which generally enhances productivity;
- Full evaluation of well results and integration with seismic may result in a decision to drill an oriented sidetrack in future aiming to maximize intersection with observed fracturing. (Source- Central Petroleum Market Update / Company Presentation 9 September 2014 / Company Interview 28 October 2014)

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

2.0% Overriding Royalty Interest

High Peak Royalties has completed the sale of its 100% owned subsidiary Oilco Pty Ltd which holds Exploration Permit EP156 and EP(A)155 in the Amadeus Basin. High Peak Royalties has retained a 2% overriding royalty over the permit areas as consideration for vending the shares in Oilco Pty Ltd.

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

- Exploration has commenced with a Gamma ray survey, Gamma ray logging, and Outcrop mapping and sampling.
- To assist with this task Mosman has retained Mr T Marshall, the principal consultant of Vibrante Solutions Pty Ltd. (Source- Mosman Oil and Gas September Update- 10 September 2014 / Annual Report 2014)

Bowsen 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 on 25 August 2014 the Peat field was shut in. This occurred following APLNG's review of results from a recent Hazardous Area Audit, following which a decision was made to move the plant to a safe state whilst a scope of work is developed to remediate the action items identified in the audit.

APLNG further advised that mobilisation to the site is currently in progress with a planned work commencement date of 13 December 2014. The current estimate of time required to complete the work is 6 weeks. A progress update will be provided by APLNG in early November.

Carnarvon Basin

WA-482-P (Operated by Apache)

0.2% Overriding Royalty Interest

Pertinent points from a recent announcement by Karoon Gas (ASX:KAR) in relation to the project in the Carnarvon Basin where High Peak Royalties has a royalty interest are set out below:

- Apache's first exploration well (Levitt-1) is expected to be drilled during the June Half of 2015;
- Levitt-1 is well positioned to receive migrating hydrocarbons from the oil mature Early Jurassic source kitchen; and
- Gross unrisked prospective resource of 220mmmbbls. (Source- Karoon Gas Corporate and Operational Review, AGM, 27 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.

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.

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 has a royalty interest are set out below:

- The 1500km² Junon 3D seismic survey over the Juron trend was acquired without incident in June-July 2014 ;
- Interpretation of fast track 3D seismic volume now underway;
- Final PreSTM volume expected late November;
- An initial interpretation of the Junon 3D is expected to be completed in December following receipt of the fully processed PreSTM dataset; and
- Current focus is Junon area prospect maturation and late 2015/2016 drilling. (Source- Good Oil Conference Presentation September 2014 / WHL Energy September 2014 Quarterly Activities Report)

**(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 ***2.5% Overriding Royalty Interest***

Senex Energy (ASX: SXY) announced on 10 September 2014 that it had agreed to transfer its minority interest in eastern Surat Basin permits PL 171 and ATP 574P to the QGC JV in return for 100% owned western Surat Basin permits (ATP 795, ATP 767 and ATP 889).

Senex Managing Director Ian Davies commented that, "the arrangement also enables QGC and its partners to focus on the eastern Surat assets to the benefit of the greater QCLNG project".

High Peak Royalties believes that the wholly owned status of the permits will now ensure that the permits are developed as part of the QCLNG project on a timely basis.

New Website

A new website has been launched at www.highpeak.com.au and investors and interested parties are invited to visit to access the latest information on the company including all ASX releases.

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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's royalty 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	
ATP 574P		Queensland Gas / BG Group
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	Nexus Energy
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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