



24 September 2014

Australian Securities Exchange

Mid Quarter Market 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 market update in addition to the Quarterly Activities Reports to inform investors of relevant events.

Developments noted in this update include the following:

- **High Peak has a 1% overriding royalty over the significant Helium 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 will fund a Gamma ray survey, Gamma ray logging and outcrop mapping and sampling commencing in EP 156 in October 2014;**
- **The gas plant at the Peat Gas Field over which High Peak has a 2.13% overriding royalty has been shut in to remediate action items identified in an Audit. APLNG is currently identifying the scope of the work that will address those action items and will allow restart of the gas plant in the shortest possible time;**
- **High Peak's 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.**

Amadeus Basin

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

Mt Kitty prospect (EP115) operated by Santos (ASX: STO)

1.0% Overriding Royalty Interest

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

- Surprise West well production now at 180 bopd;
- Central Petroleum has optimised the well design for Surprise East;
- Southern Amadeus Stage 2 JV 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 aiming to maximize intersection with observed fracturing.

(Source- CTP Market Update and CTP Company Presentation both 9 September 2014)

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

2.0% Overriding Royalty Interest

High Peak 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 has retained a 2% overriding royalty over the permit areas as consideration for vending the shares in Oilco Pty Ltd.

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

- Exploration will commence in October 2014 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- MSMN September Update- 10 September 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 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 is currently identifying the scope of the work that will address those action items and allow restart of the gas plant in the shortest possible time.

Browse Basin

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 it has a project interest and where High Peak has a royalty interest are set out below:

- Apache's first exploration well (Levitt-1) is expected to be drilled during the next two quarters;
- Levitt-1 is well positioned to receive migrating hydrocarbons from the oil mature Early Jurassic source kitchen

(Source- KAR Melbourne Mining Club Presentation – September 2014)

Gippsland Basin

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

0.3% Overriding Royalty Interest

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

High Peak 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 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 it has a project interest and where High Peak has royalty interests are set out below:

- The 1500km² Junon 3D seismic survey over the Juron trend was acquired without incident in June-July 2014 ;
- Onboard processed fast track volume expected late September;
- Final PreSTM volume expected December;
- Current focus is Junon area prospect maturation and late 2015/2016 drilling

(Source- Good Oil Conference Presentation September 2014)

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 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 Opportunities

High Peak continues to review new opportunities to acquire or create royalties over promising resource projects with a focus on near term cash flow.

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About High Peak Royalties:

High Peak is Australia's leading oil and gas royalty company, with 20 royalties covering 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 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	Nexus Energy VICP54 Pty Ltd)
WA-314-P and 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
12,856km ² of permits (PEC-5B/1, PEC-5B/2 and PEC-5B/3) - Seychelles	0.04	Ophir Energy
WA-EP468	2.00	Paltar Petroleum
EP156 and EP(A)155	2.00	Mosman Oil and Gas