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Australian Securities Exchange

High Peak Royalties June 2014 Quarterly Activities Report

High Peak Royalties Limited (ASX : HPR) has royalties over 18 oil and gas projects in Australia and the Seychelles. Developments noted in this Quarterly Activities Report include the following:

- **High Peak's revenue will increase from its 1% overriding royalty over production from Central Petroleum's Surprise Oil Field;**
- **High Peak also has a 1% overriding royalty over the significant Helium discovery at Mt Kitty recently made by the Santos / Central Petroleum Joint Venture in the Amadeus Basin;**
- **Karoon Gas's announced sale of a 40% equity interest in the Browse Basin permits to Origin Energy for up to US\$800m will benefit High Peak's 0.1% overriding royalty over the northern portion of the Poseidon discovery (WA-315-P);**
- **High Peak has a 0.2% overriding royalty over the Carnarvon Basin permit (WA-482-P) in which Apache Corporation has farmed-in for ~US\$70M;**
- **High Peak does not anticipate that there will be any disruptions to royalty payments from the Longtom Gas Field arising from Nexus Energy being placed in administration;**
- **The Seychelles project (High Peak overriding royalty of 0.0375%) was progressed with a farm-out to Ophir Energy and commencement of a 3D Seismic Survey;**
- **The Tintaburra Oil Field (ATP 299ATP) operated by Santos increased production to 1,326 bopd in the June 2014 Quarter. High Peak has a 3.6%/4% Net Profit Revenue Interest over the Field.**



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 projects in the Amadeus Basin where it has project interests and where High Peak has royalty interests are set out below:

- Surprise West well commenced production in mid-March and production now at 200 bopd;
- Surprise East rig delayed due to availability commitments but may become available shortly;
- Mt Kitty exploration well reach programmed total depth in April 2014 and flowed gas at 500,000scf per day however evaluation incomplete due to rig incident;
- Mt Kitty preliminary gas composition results also indicated higher than expected helium at circa 9% and hydrogen at circa 11%;
- Given helium sells around \$100/mcf (nearly twenty times natural gas) Central Petroleum has been evaluating the prospect of helium extraction and sales at the well head through relatively portable membrane technology;
- GIIP thought to be between 50 and 400 BCF of up to 9% Helium (Central Petroleum's estimate)

High Peak anticipates its first royalty payment for its royalty interests from Surprise West to be received in the September quarter. Surprise West will be the fourth cash flow paying royalty in High Peak's portfolio.

Mt Kitty appears to be a world class Helium discovery and High Peak looks forward to further testing to be undertaken on the prospect.

100% owned exploration permit interests (EP156 and EP(A)155)

High Peak has entered into a non-binding Term Sheet to sell its 100% owned subsidiary Oilco Pty Ltd which holds High Peak's Northern Territory permit interests, being Exploration Permit EP156 and EP(A)155 in the Amadeus Basin. High Peak will retain a 2% overriding royalty over the permit areas as consideration for vending the shares in Oilco Pty Ltd and if completed this transaction would take the total royalty portfolio exposure to 20 projects.



Browse Basin

WA-314-P (operated by Karoon Gas (ASX:KAR))

WA-315-P (operated by ConocoPhillips)

0.1% Overriding Royalty Interest

Pertinent points from recent announcements by Karoon Gas (ASX:KAR) in relation to projects in the Browse Basin where it has project interests and where High Peak has royalty interests are set out below:

- The sale of Karoon Gas' 40% equity interest in WA-315-P and WA-398-P to Origin Energy (ASX : ORG) for up to US\$800M (plus additional milestone payments). (Source- KAR ASX Announcement- 2 June 2014);
- Processing and interpretation results from the Kraken 3D survey conducted over WA-314-P are expected over the coming months.

High Peak believes that the sale to Origin Energy highlights the attractiveness of the Poseidon gas discovery to an end user in the current gas market environment. High Peak has a royalty over WA-315-P which encompasses the Northern portion of the Poseidon gas discovery.

Carnarvon Basin

WA-482-P (to be operated by Apache)

0.2% Overriding Royalty Interest

Relevant points from recent announcements by Karoon Gas (ASX:KAR) in relation to projects in the Carnarvon Basin where it has a project interest and where High Peak has a royalty interests are set out below:

- Apache's first exploration well is scheduled for the June half 2015;
- New Chrysalids 3D seismic survey preliminary interpretation is encouraging, highlighting additional leads (not included in the current un-risked prospective resource estimates) (Source- KAR Corporate Review- 2 June 2014).

The Apache farm-in is a strong validation of High Peak's assessment of the prospectivity of the Block and also provides an additional layer of optionality to the royalty portfolio.



Cooper / Eromanga Basin

ATP 299P (Operated by Santos)

3.6%/4% Net Profit Revenue Interest

Key points from the June Quarterly Report for Drillsearch Energy (ASX:DLS) which has a 40% Working Interest in the Tintaburra Oil Field and where High Peak has a royalty interests are set out below:

- Oil production averaged 1,326bopd as the operator Santos started up four of the successful wells (Ipunda-18, -19 and -20 and Ipunda North-14) drilled earlier in 2014, and as the recent water flood benefitted daily production rates;
- Tintaburra-8, Toobunya-10 and -11 are expected to be ready for connection in the September quarter.

(Source- Drillsearch Energy Quarterly Report June 2014).

The increase in production being achieved at Tintaburra should enhance the economics of High Peak's NPRI based on information we have to hand.

Gippsland Basin

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

0.3% Overriding Royalty Interest

Pertinent points from recent announcements by Nexus Energy (ASX:NXS) in relation to projects in the Gippsland Basin where it has a project interest and where High Peak has royalty interests are set out below:

- Nexus Energy Limited (ASX : NXS) appointed Administrators on 12 June 2014 following the non-approval of a scheme of arrangement with Seven Group Holdings Limited;
- The boards of directors of the NXS subsidiaries will be working with the Voluntary Administrators (McGrath Nicol) and Seven Group Holdings Limited to put in place funding arrangements to enable the Longtom, Crux and Echuca projects to continue with minimal interruption.

(Source- McGrath Nicol Media Release- 12 June 2014)

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 and the subsidiaries have not been placed into liquidation.



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

Relevant 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:

- Ophir Energy has contracted Dolphin Geophysical to undertake the 1500km² Junon 3D seismic survey over the Junon trend;
- The survey is targeted to commence on 28 June and will take 30 – 40 days to complete;
- The Junon 3D seismic survey is designed to mature a number of prospects for drilling on the Junon trend in the east of the acreage, an area high graded by WHL Energy's geological studies;
- As part of the farm-in agreement Ophir Energy will fully fund the initial 1,500km² 3D seismic acquisition programme up to a total of US\$17M and 90% of the costs of the first well capped at US\$30M (if exercises the option to proceed to drill).

The Ophir Energy farm-in is a strong validation of High Peak's assessment of the prospectivity of the Seychelles. The 3D seismic survey should provide a drilling target that will be attractive enough to Ophir Energy.

Subsequent to end of the June 2014 quarter, WHL Energy announced that the Junon 3D seismic survey had been completed. The data will now be processed with the objective of maturing a number of prospects for drilling.

Geothermal Operations

High Peak is continuing to maintain its exploration commitments as part of a revised strategy to sell the permits to a geothermal operator in return for consideration which would ideally include a royalty over any geothermal energy produced from the permits.

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.

Schedule of Tenements

As at 30 June 2014

Ministry ID	Holder	Ownership	Project, Location
EP156	OilCo Pty Ltd	100%	Amadeus Basin
GEL 571	Torrens Energy (SA) Pty Ltd	100%	Port Pirie
GEL 572	Torrens Energy (SA) Pty Ltd	100%	Parachilna
GEL 573	Torrens Energy (SA) Pty Ltd	100%	Adelaide
GEL 574	Torrens Energy (SA) Pty Ltd	100%	Port Augusta
GEL 559	Torrens Energy (SA) Pty Ltd	100%	Mulgaria

Number disposed during the quarter

Nil

Number acquired during the quarter

Nil

For further information please contact:

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About High Peak Royalties (www.highpeak.com.au):

High Peak is Australia's leading oil and gas royalty company, with 18 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	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
Seychelles(PEC-5B/1, PEC-5B/2 and PEC-5B/3)	0.04	Ophir Energy
WA-EP468	2.00	Paltar Petroleum