



HPR AGM PRESENTATION

November 2015



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# INVESTOR VALUE PROPOSITION

The royalty model is about investing in production and generating annuity income from quality resource assets

## ● HOW DO WE DO THAT?

1. UTILISE A GROUP OF GLOBALLY CONNECTED, AND DIVERSELY SKILLED INDUSTRY VETERANS ON THE BOARD
2. UTILISE A ROYALTY STRUCTURE FOR INVESTMENTS - SMALL TEAM CAN MANAGE A LARGE PORTFOLIO – EXTREMELY SCALABLE BUSINESS MODEL
3. RAISE CAPITAL VIA ASX LISTING AND DEAL SPECIFIC EVENTS
4. CREATE AND GROW A DIVERSE PORTFOLIO OF ROYALTIES

## ● HOW BIG IS THE OPPORTUNITY?

1. MATURE ROYALTY COMPANIES INTERNATIONALLY HAVE MARKET CAPITALISATIONS IN THE \$ BILLIONS
2. HPR IS IN THE VERY EARLY GROWTH PHASE – LEADING THE SECTOR IN STH HEMISPHERE
3. THE MAJORS ALL KNOW HPR

## ● WHY DO INVESTORS NEED TO PAY ATTENTION NOW?

1. MARKET CONDITIONS HELPFUL FOR DEAL FLOW
2. NEW ACQUISITION (STEP)/ PORTFOLIO MOVING ALONG
3. SUBSTANTIAL SHAREHOLDER MOVING UP THE REGISTER.....
4. **HPR IN EARLY FORMATION BUT STILL 'GROUND FLOOR' FOR INVESTORS RIGHT NOW**



# INVESTOR VALUE PROPOSITION - CURRENT ACTIVITIES <sup>4</sup>

The HPR portfolio royalty model...this is a superior way for an investor to approach the current resources market.



**Annuity cash flow, exploration upside and oil price optionality**



# INVESTOR VALUE PROPOSITION CONDITIONS PROVIDING OPPORTUNITIES

**ASX 200 12 months – volatility**  
impacting energy companies raising capital



**12 months share prices for Cooper Basin Producers – i.e. growth needed for production companies**

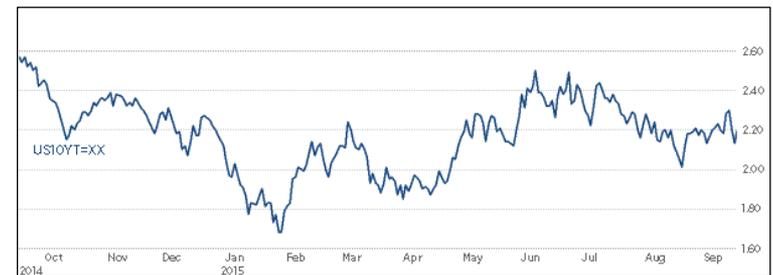


**CBX15 - Crude Oil Brent (ICE)**



**12 Months Brent Crude USD per bbl. - Bank Covenants Will Be Tested Once Hedges Run Out**

**US 10 year Bond Yield - Expectations Flat for Global Growth - Energy Asset Valuations Remain Flat – Assets for sale**



# INVESTOR VALUE PROPOSITION

## BOARD ASSISTS SIGNIFICANTLY IN DELIVERING VALUE<sup>6</sup>

Deal flow, fast response DD, transaction support, governance, fundraising

Anthony  
Wooles

### Non-Executive Chairman

- Wharton Finance MBA- extensive shareholder value advisory experience
- Founded and subsequently sold ASX listed Pearl Street to Campbell Bros. for \$108m
- Chairman of Bhagwan Marine – Australia's largest in shore oil and gas service company

Geoffrey  
King

### Non-Executive Deputy Chairman

- Lawyer with over 37 years international oil & gas experience
- Past Chairman of Cue Energy (ASX: CUE) & Advisor to PNG Govt.
- Legal coordinator ESSO in Weeks Royalty dispute with Bell Resources

Andy  
Carroll

### Non-Executive Director

- Engineer with over 30 years international oil & gas experience
- Technical Director of Mosman Oil and Gas (AIM: MSMN)

John  
Theobald

### Non-Executive Director

- Engineer with honours in geology
- Former CEO of LSE listed royalty group Anglo Pacific
- Extensive hard rock experience and London market connections

Nigel  
Hartley

### Non-Executive Director

- Over 25 years experience in the oil & gas sector
- Previously served as CFO of Oil Search for 12 years
- Director ROC Oil Ltd

Howard  
McLaughlin

### Non-Executive Director

- Geologist with extensive experience in international hydrocarbons
- Former VP-Global Exploration for BHP Billiton
- Extensive oil and gas E&P experience and USA/Texas market connections

Simon  
Fyfe

### Chief Executive Officer

- Grad Dip App Finance and Investment
- Previously Executive Director of international explorer, Bight Petroleum & ASX listed oil and gas company, Verus Investments Ltd
- Extensive experience in growth companies

Jarrod  
White

### CFO & Co-Company Secretary

- Chartered Accountant
- Director of private accounting firm Traverse Accountants
- Long history with HPR valuation models



# TODAY

## CAPITAL STRUCTURE

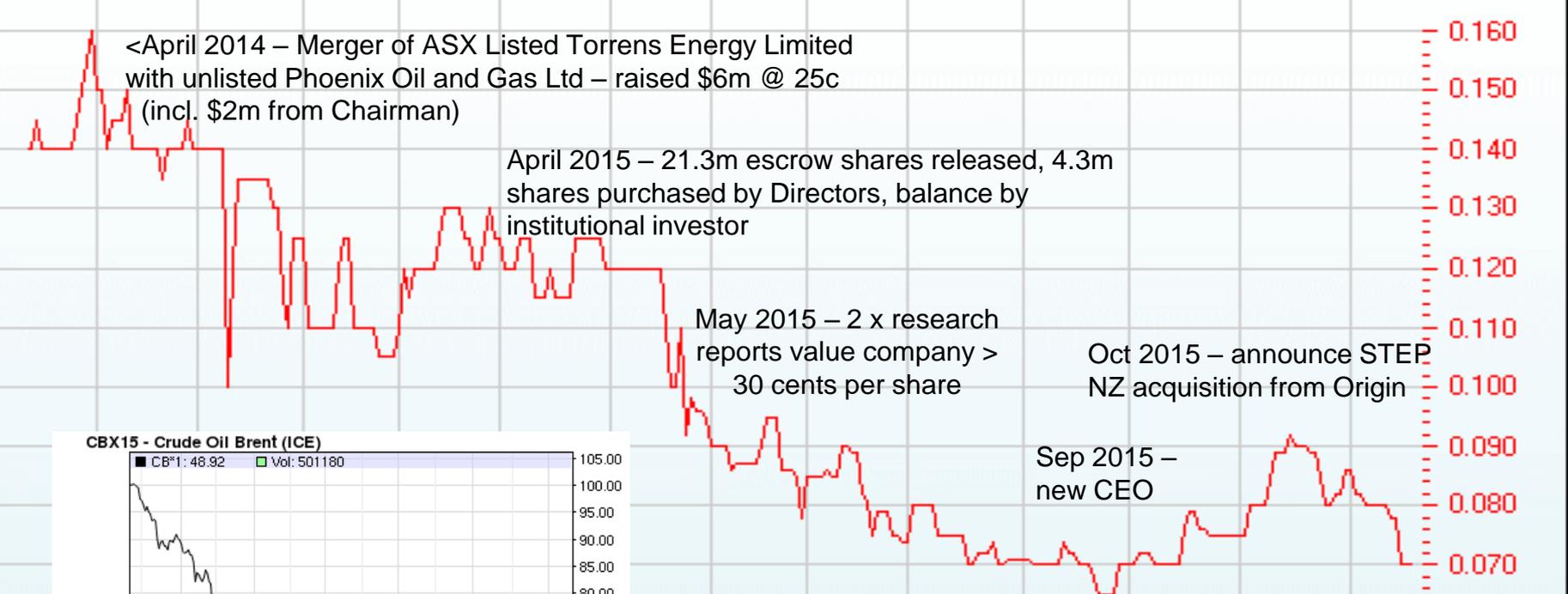
Capital Structure	
Shares on Issue (ASX: HPR)	166.8m
<b>Market Capitalisation (@ 7c)</b>	<b>\$11.6m</b>
Cash (Sept app 5B)	\$2.25m
Debt	\$0.0m
Net Cash	\$2.25m
<b>Enterprise Value</b>	<b>\$9.35m</b>

Key Shareholders	
Board and Management	21.2%
Noontide Investments Ltd	13.7%



# RECENT KEY EVENTS

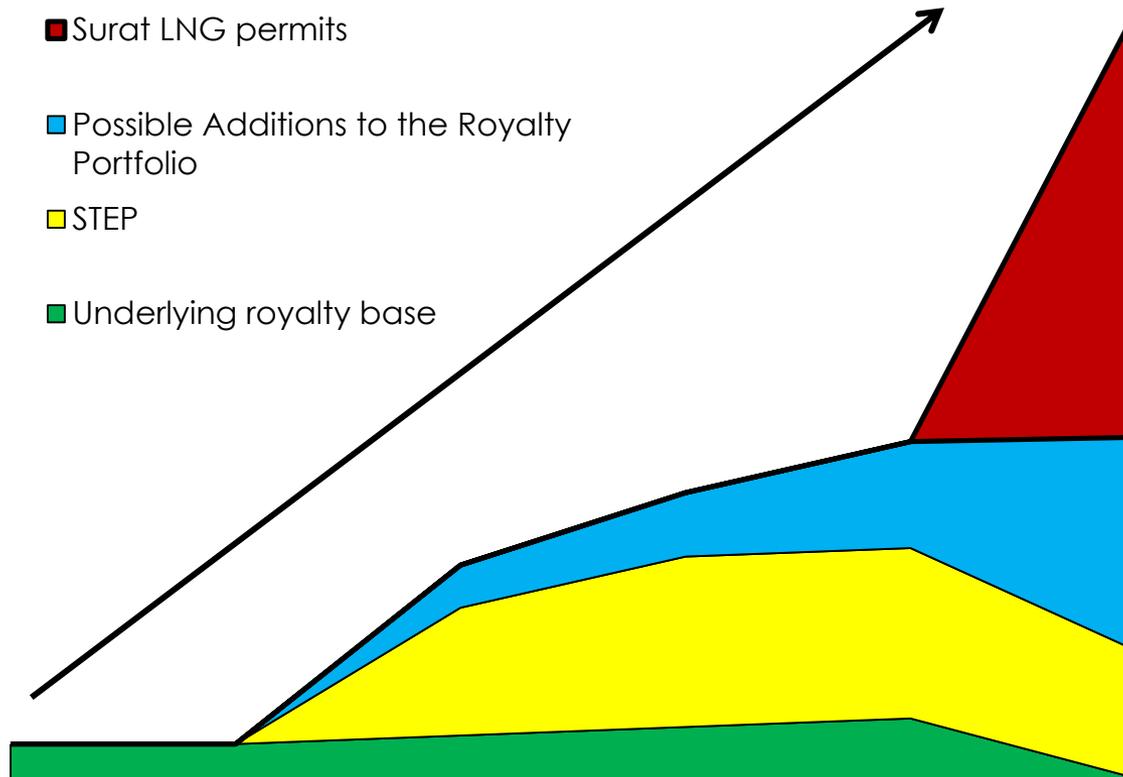
HPR - Daily Line Chart [Close]



CBX15 - Crude Oil Brent (ICE)

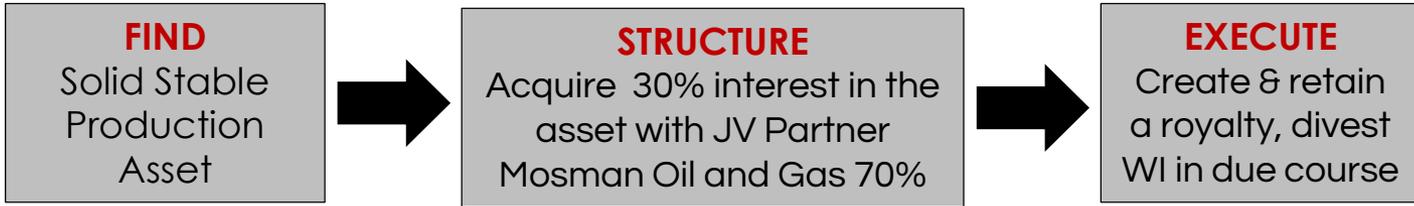


# THE FUTURE VALUE DRIVERS - indicative

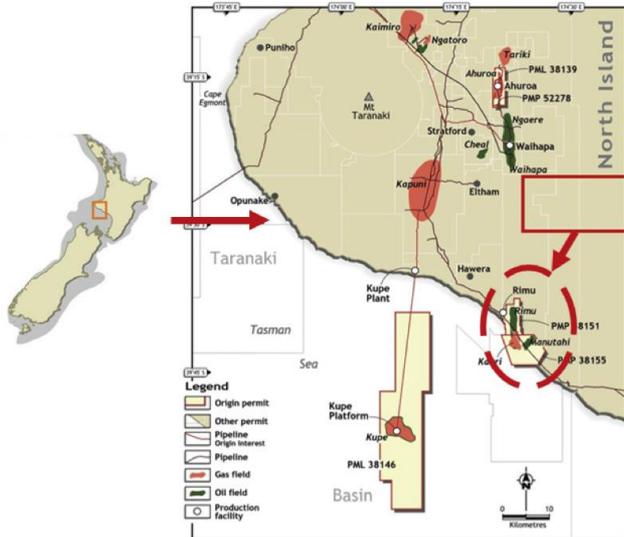


# ACQUISITION – STEP NZ\$10m Case Study

HPR not waiting for recovery in oil and equity markets...adding key assets RIGHT NOW



- South Taranaki Energy Project “STEP” acquired from ORIGIN
- Attracted ORIGIN to purchase it in 2008 – now focussing funding on LNG project



Participation agreement (completion est. Q1 2016)	✓
Historical Production 10.9PJ gas, 1.58MMbbls oil	✓
Production Plant – Oil, Gas, LPG, Electricity	✓
3 Producing Fields, 39 wells, 33km pipelines	✓



# STEP – THE RIMU PRODUCTION STATION

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- Supports RIMU, KAURI & MANUTAHI fields
- 3 oil storage and loading facilities,
  - capacity 8,250bbls/day oil/condensate
- Gas processing & export pipelines
  - 24TJ/day gas;
- LPG processing, storage & loading
- 2 x 640kW gas fired power generation, supplying plant and connection to the grid



\* A flyover video filmed by a drone can be found at <http://brrmedia.co.uk/event/embed/140237/width/620/header/false>



# STEP STRATEGY

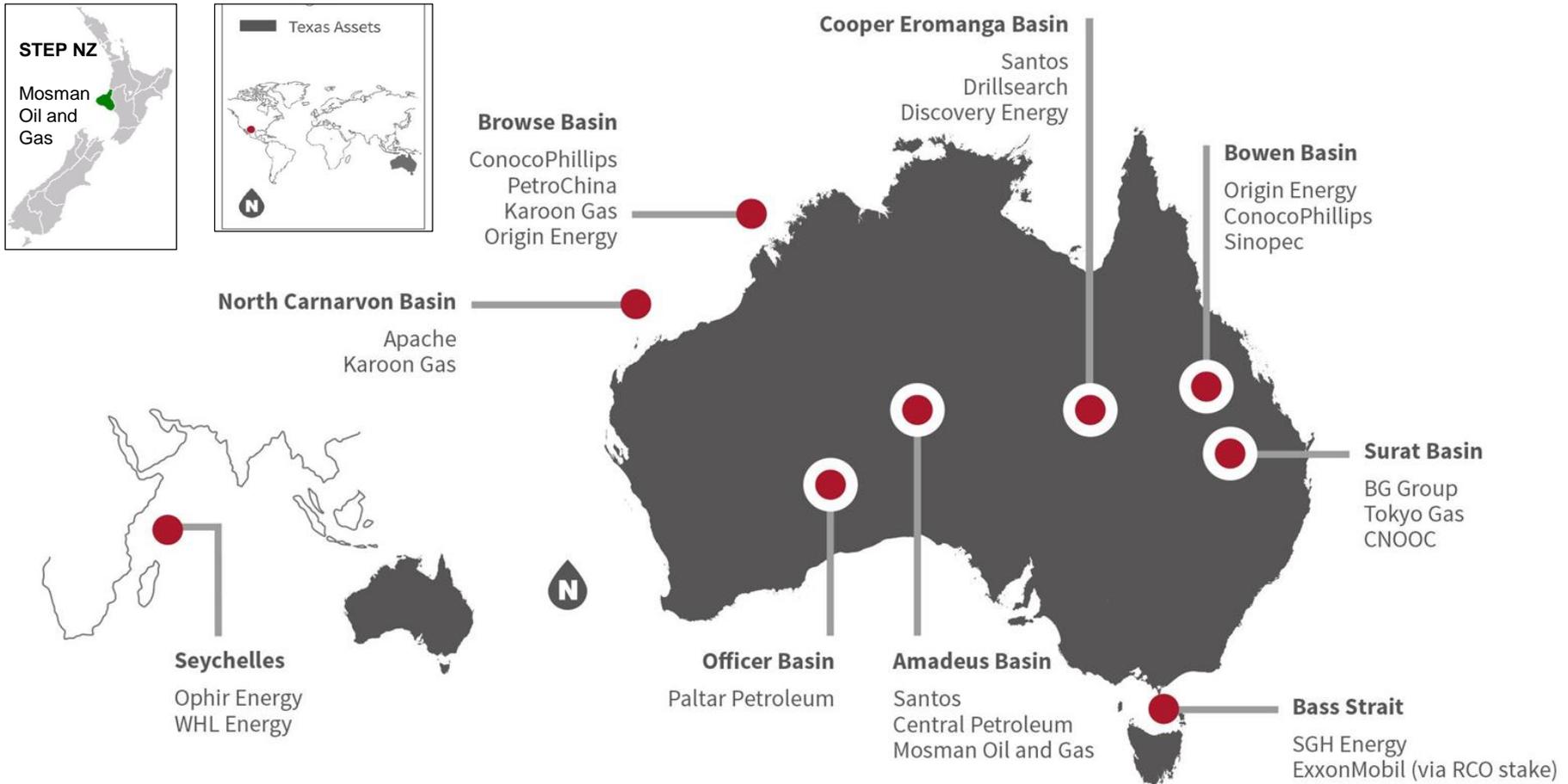
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- Obtain non operated project interest of 30%
- Mosman Oil and Gas operator and joint venture partner
- Phase 1:
  - Establish HPR NZ, complete acquisition
  - Mosman undertake 12 de-bottlenecking initiatives to lift production
  - Review data (incl. 3D seismic over Manutahi acquired by Origin )
  - Develop upside case
- Phase 2:
  - ~30m bbls oil in place of “heavy oil”
  - (Pilot horizontal well and injector already working)
  - Drill next stage to unlock value
  - HPR to retain royalty and transfer asset



# ROYALTY LOCATIONS AND PROJECT OPERATORS

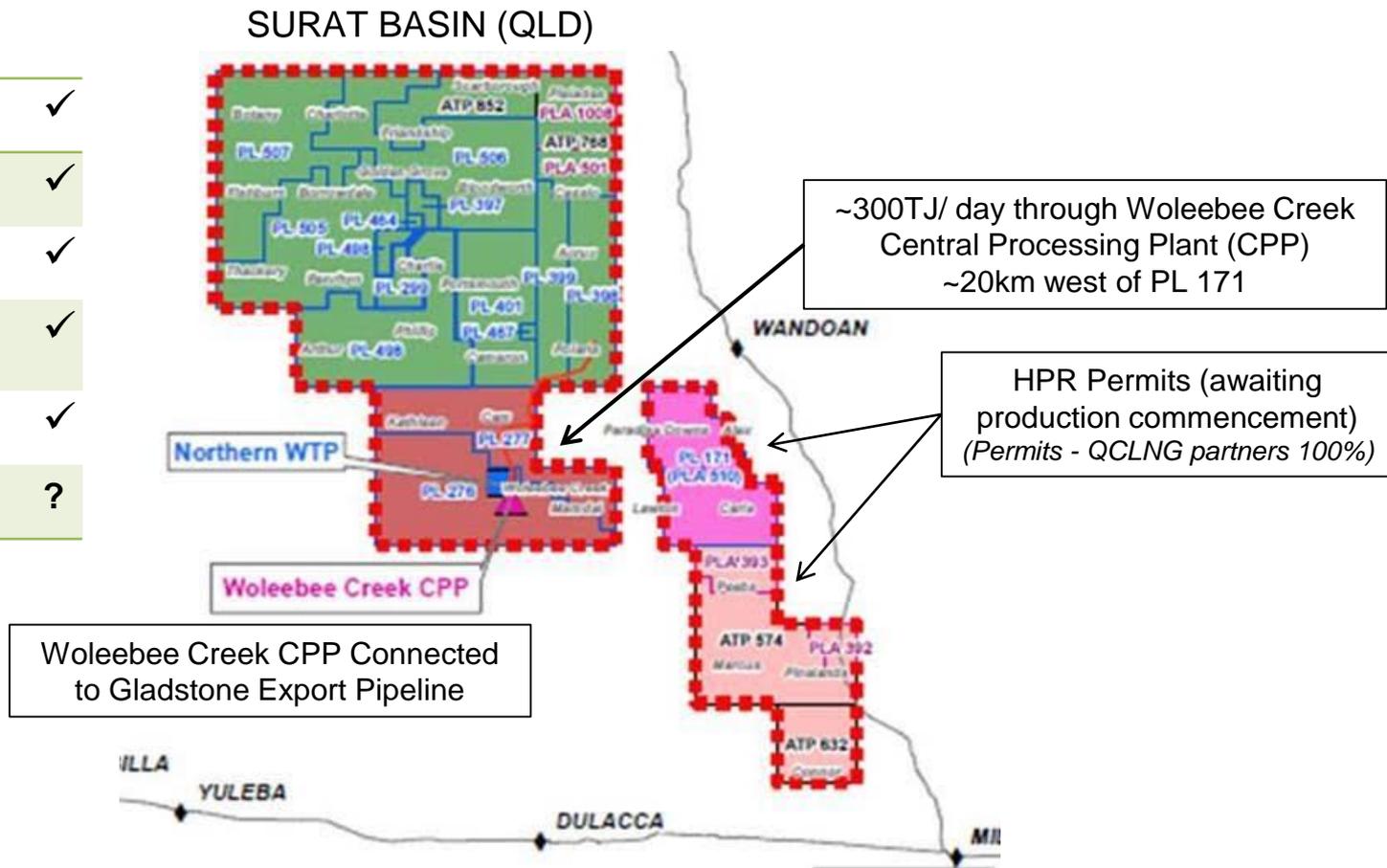


\* A detailed description of each royalty can be found on our website [www.highpeak.com.au](http://www.highpeak.com.au)



# \*\*\*\*\*KEY ASSET\*\*\*\*\* QCLNG Permits PL 171, ATP 574 2.5% Royalty Interest

Royalty agreement	✓
Appraisal/ pilot production	✓
Infrastructure nearby	✓
QCLNG Train 2	✓
Est. royalty >\$10m p.a.*	✓
Timing for production	?



\* Research reports published by Edison and Argonaut in May 2015 suggests potential royalty income from production of a ~600PJ resource on the 400km<sup>2</sup> > \$15m p.a. (copies of the reports available at [www.highpeak.com.au](http://www.highpeak.com.au))



# HPR PORTFOLIO APPROACH

## EXPLORATION

- Not the focus today (little steps right now for the future e.g. NEGI)
- Quality JV partners

## DEVELOPMENT

- QCLNG project
- Material value to HPR
- Large Investment by QGC underway right now

## PRODUCTION

- Focus today is here
- Capitalise on weak market prices
- Addition of STEP project

## MULTIPLE VALUE UPLIFT OPPORTUNITIES FOR INVESTORS

- Further acquisitions of attractive assets
- Exploration/ development progress
- Turnaround in oil prices



# SUMMARY

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- VALUE PROPOSITION
  - Royalty model beneficial for investors
  - Current conditions favourable for deal flow
  - Company has potential large scale opportunity
- CURRENT SITUATION
  - Current activities and deal flow evidenced by STEP transaction
  - Ground floor opportunity for investors
- FUTURE
  - Further potential acquisitions of attractive assets
  - Exploration/ development progress within the portfolio
  - Additionally a potential turnaround in oil prices will deliver upside

