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31 July 2017

**Highlands Natural Resources plc**  
**("Highlands" or the "Company")**  
**Result of Fundraising and General Meeting**

On 6 July 2017, Highlands, the London-listed natural resources company, announced a conditional Subscription, Placing and Open Offer at 12 pence per share with the primary use of proceeds being to drill the first well of the up to 24 well drill programme at its East Denver Niobrara Project ("East Denver"), in Q3 2017. A drill rig has already been selected ahead of the commencement of drilling targeted for August.

Under the Open Offer, up to 6,783,734 New Ordinary Shares ("Open Offer Shares") were offered at a price of 12 pence per New Ordinary Share. Qualifying Shareholders were able to subscribe for Open Offer Shares on the basis of 1 Open Offer Share for every 10 Ordinary Shares held on the record date (being 5 July 2017). The Open Offer closed for acceptances at 11.00 a.m. on 27 July 2017.

Highlands has now received valid acceptances in respect of 5,343,149 Open Offer Shares from Qualifying Shareholders. This represents approximately 78.8 per cent. of the Open Offer Shares offered. Qualifying shareholders who validly applied for Open Offer Shares will receive the full amount of Open Offer Shares they applied for.

Highlands is also pleased to announce that, at its General Meeting held today, all of the resolutions as set out in the Prospectus dated 6 July 2017 were duly passed. Highlands has therefore raised aggregate gross proceeds of £3.25 million through the Subscription, Placing and Open Offer.

Highlands has issued an aggregate of 27,067,735 New Ordinary Shares pursuant to Fundraising, including settling certain professional fees by the issue of 166,666 New Ordinary Shares at the Issue Price. Application has been made to the London Stock Exchange for these New Ordinary Shares to be admitted to trading on the Official List of the UK Listing Authority by way of a Standard Listing and to trading on the London Stock Exchange's Main Market for listed securities. It is expected that such admission will occur at 8.00 a.m. on 1 August 2017.

Following Admission, the New Ordinary Shares will rank pari passu in all respects with the existing ordinary shares of 5 pence each in issue including the right to receive all dividends and other distributions declared. Following the Fundraising, the total number of ordinary shares in Highlands with voting rights will be 94,905,084. This figure may be used by Highlands shareholders as the denominator for calculations to determine if they have a notifiable interest in Highlands under the Disclosure and Transparency Rules, or if such interest has changed.

Unless otherwise defined, capitalised terms shall have the meaning as those set out in the Prospectus. Further terms of the Fundraising are set out in the Prospectus.

Following the issue of the above New Ordinary Shares, although the holding of Robert Price, Executive Chairman of Highlands, has not changed, with effect from Admission his existing holding of 12,000,000 ordinary shares now represents 12.6 per cent. of the Company's total voting rights.

Also with effect from Admission Renegade Oil & Gas Company LLC 's existing holding of 3,500,000 ordinary shares now represents 3.7 per cent. of the Company's total voting rights.

Robert Price, Chairman and CEO of Highlands, commented:

*"We are delighted with the level of support received from our current shareholders and I am pleased to welcome our new shareholders to Highlands. With our drilling rig already selected, the fundraising allows us to commence drilling at East Denver and we expect to do so in the coming weeks. Success will be transformational for Highlands, marking our first oil and gas production. I look forward to updating our shareholders in the coming months."*

**\*\*ENDS\*\***

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#### **Notes to Editors**

Highlands (LSE: HNR.L) is a London-listed natural resources company with a portfolio of high-potential oil, gas and helium assets and technologies. The company's core projects include:

- East Denver Niobrara: a farm-in opportunity for horizontal oil and gas wells targeting the Niobrara shale formation in a well-studied area of the Denver Julesburg Basin.
- DT Ultravert: a re-fracking and parent well protection technology with one patent granted and additional patents pending in the United States and internationally. Highlands is advancing commercial conversations with a range of oil and gas operators to create revenue-sharing opportunities for DT Ultravert applications.
- Helios Two: a 105,000+ acre helium and natural gas prospect in SE Montana with drilling and assessment operations ongoing.