

26 September, 2017

**Highlands Natural Resources plc ('Highlands' or 'the Company')**  
**Commencement of Hydraulic Fracturing Operations at Two East Denver Wells**

Highlands, the London-listed natural resources company, is pleased to announce that it has commenced fracking operations for the Wildhorse 5-64 15-16-1BHZ ("Wildhorse") and Powell 5-64 15-16-1CHZ ("Powell") wells at the East Denver Niobrara Project in Colorado ("East Denver"). This milestone represents a further acceleration in the East Denver operations timeline in advance of what the Company has previously announced.

Highlands will implement an efficient completions process known as 'zipper fracking', wherein two wells are completed in a coordinated parallel process. Zipper fracking maximises the efficiency of surface operations and reduces costs compared to single-well operations.

Wildhorse and Powell, both of which were drilled in summer 2017, will be completed simultaneously using this zipper fracking technique. The hydraulic fracturing process is expected to last several weeks. Assuming successful completion of this phase, the Company will begin the flow-back and production processes, with a view to delivering definitive oil and gas production results, which the Company will release to the market.

**Highlands' Chairman and CEO Robert Price said,** "The commencement of fracking operations marks the beginning of the final major phase of sub-surface operations on the Wildhorse and Powell wells. We look forward to executing this advanced zipper fracking programme in concert with our third-party capital partners, who have collaborated with Highlands to optimise the operations plan over the past several months. Highlands aims to conclude hydraulic fracturing operations in several weeks, and to then commence the flow-back and production phase of operations, which will lead to the announcement of each well's initial production or 'IP.'

"I believe Highlands is now on the cusp of achieving first oil, first gas, and first revenue, and that the results of these first two wells, if successful, will transform the Company by achieving significant oil and gas production in a prominent U.S. shale play and laying the foundation of Highlands' long-term growth."

THIS RELEASE CONTAINS INSIDE INFORMATION.

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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.