

5 October 2017

Highlands Natural Resources plc ('Highlands' or 'the Company')
Extended Drilling Timelines at East Denver via Amended Farm-In Agreement

Highlands, the London-listed natural resources company, is pleased to announce that it has executed an Amendment ("Amendment") to the Farm-in Agreement originally announced on 16 December 2016 ("Farm-in Agreement") at its East Denver Niobrara shale oil and gas project in Colorado (the "East Denver Project" or "East Denver"). The Amendment provides Highlands with an extended timeline and greater operational flexibility to facilitate the full-field development of the East Denver opportunity, where fracking operations are currently underway at the Wildhorse and Powell wells.

The Amendment achieves the following changes to the Farm-in Agreement:

- Extends end date from 31 December 2018 to 31 December 2020, providing additional time for Highlands to fully develop the acreage
- The allowable timeline from drilling to completion of each well is extended from 180 to 270 days, which allows for more efficient pad-based drilling of multiple wells in batches as opposed to individual wells
- The allowable timeline between the completion of one well and the commencement of a subsequent well is extended from 90 days to 180 days, which also facilitates efficient phase-based operations

Today's Amendment follows Highlands' ongoing performance under the Farm-in Agreement, including the commencement of drilling prior to 1 September 2017, and directly benefits current and future workstreams.

In aggregate, the Amendment provides significant additional time and flexibility for Highlands to fully develop the East Denver project using the efficiency of pad-based operations. Drilling and completion of up to 24 wells remains subject to certain approvals including permitting, density applications, and other commercial and regulatory approvals typical of the Colorado oil and gas industry, many of which are already in process.

THIS RELEASE CONTAINS INSIDE INFORMATION.

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