

4 December 2017

Highlands Natural Resources plc ('Highlands' or 'the Company') Confirmed Initial Oil Production Rates for Powell and Wildhorse Wells

Highlands, the London-listed natural resources company, is pleased to announce that oil production rates from Powell and Wildhorse wells at its East Denver location ('East Denver') have stabilized at an Initial Production ('IP') rate of 1,771 BOEPD after a flow-back period of approximately one month. Besides rising oil and gas production rates, Highlands' East Denver project also benefits from rising oil prices.

Initial Production Summary

- Wildhorse and Powell combined oil production rate is 1,569 BOPD
- Wildhorse and Powell combined gas production rate is 1,212 MCFPD
- Combined IP production rate of both oil and gas is 1,771 BOEPD
- Overall, Highlands expects to greatly benefit from high production rates, rising oil prices and the quality of East Denver's oil due to its light, sweet properties
 - Strong realized sales price for the month of November – the NYMEX WTI spot price less US\$1.80

Highlands' Chairman and CEO Robert Price said, "Since commencing our operations at East Denver last year, we have been convinced that this project represents a great opportunity for Highlands. Yet, today's confirmation that our oil production generates more value vindicates our decision to prioritize East Denver for our shareholders. As revenues from our project here continue to build, we will be well positioned to further invest in additional East Denver wells, as well as our Helios Two project and DT Ultravert technology with a view to generating substantial returns for our shareholders."

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 horizontal oil and gas project targeting the Niobrara shale formation in a well-studied area of the Denver Julesburg Basin. The Company is currently producing oil and gas from its first two wells in the project, completed in late 2017, and is planning to drill more wells.
- DT Ultravert: a re-fracking and parent well protection technology with four patents allowed and additional patents pending in both the United States and internationally. Highlands is advancing commercial tests with a range of oil and gas operators and service providers to commercialize DT Ultravert technology.
- Helios Two: a 105,000+ acre helium and natural gas prospect in SE Montana with plans underway to test the Eagle formation with a nitrogen-based foam frack to assess potential production rates.