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Highlands Natural Resources plc ('Highlands' or 'the Company')

Successful Permian Basin Deployment of DT Ultravert in Horizontal Well Protection

Highlands, the London-listed natural resources company, is pleased to announce the results of its most recent DT Ultravert deployment in a horizontal well in the Permian Basin. Highlands' patented parent well protection technology, DT Ultravert, was deployed in a one-mile horizontal well operated by a private upstream oil and gas company in one of the most active shale plays in the United States. The operations utilized both membrane and cryogenic Nitrogen gas injections to pressurize the parent well during the fracking of an offsetting child well. Operations were executed safely and efficiently, which resulted in the desired pressure increases and confirmed Highlands' expectations that DT Ultravert is capable of restoring and maintaining protective reservoir pressures in a horizontal wellbore. The DT Ultravert pressure shield is a proven technique for protecting parent wells against "bashing," which occurs when fracture fluids from offsetting child wells invade a partially depleted parent well.

Readers are encouraged to visit the Company's website for a brief animated explanation of bashing and parent well protection: <http://highlandsnr.com/technology/dt-ultavert/parent-well-protection/>

Importantly, nearby parent wells had been bashed by child wells, resulting in significant destruction of proved reserves in parent wells as well as underperformance of child wells. Relative to those neighboring bashed wells, DT Ultravert protected the parent well, and child wells completed during the DT Ultravert deployment are outperforming child wells completed without DT Ultravert.

Highlights:

- The reservoir pressure in the parent well was boosted by up to 400%, proving that DT Ultravert can restore reservoir pressure in horizontal wells just as effectively as previously observed in prior vertical well tests
- Elevated pressures were maintained above pre-treatment levels throughout the child well frac operation lasting approximately one week, demonstrating sustained, long-term pressure benefits
- The parent well has resumed production, and negative effects of bashing have been minimized relative to neighboring bashed parent wells
- New child wells fracked during the DT Ultravert deployment are significantly outperforming neighboring child wells fracked without DT Ultravert
- DT Ultravert will be displayed broadly at this week's North American Prospect Expo (NAPE) conference in Houston, which is among the industry's most widely attended trade shows
- Highlands has numerous issued and pending patents covering DT Ultravert technology

Highlands' Chairman and CEO Robert Price said, "The result of our Permian Basin operation marks a milestone for Highlands as it reaffirms our belief in DT Ultravert's ability to transform the shale industry. Successful parent well protection by DT Ultravert in a horizontal well in the highly active Permian Basin is a major step forward in the technology's commercialization process. This news should draw attention from many operators currently concerned by the threat of bashing. Horizontal wells represent the bulk of today's development activity in North America and therefore constitute the primary market for DT Ultravert. Highlands looks forward to arming the broader shale industry with our patented DT Ultravert technology as a way to protect existing production and enhance child well performance in shale plays. DT Ultravert will be prominently displayed at NAPE, and I look forward to personally sharing these test results with our industry colleagues at the conference in Houston this week.

"Beyond DT Ultravert, Highlands recently crossed the 100,000 barrels of cumulative production milestone at our East Denver Niobrara project, and also recently completed a promising gas production test at our 220,000-acre Helios Two project in Montana. All in all, 2018 is off to a fast start, and I look forward to updating the market with additional news in due course."

Technical Summary:

- The Operation's first stage consisted of injecting membrane-sourced Nitrogen into the parent well for a duration of 5 days prior to the commencement of fracking in the child well
- First stage injections resulted in parent well pressure rising from 1,000 psi to 1,600 psi
- Following the completion of first stage injections, the second stage of operations started with injection of cryogenic Nitrogen, which was carefully synchronized with commencement of frac operations in the child well
- Injections from the second stage raised the parent well pressure from 2,500 psi to 4,000 psi
- The third and final stage of the parent well protection operation started in the middle of the child well frac process, and entailed additional cryogenic nitrogen injection
- As a result, parent well pressure again rose from 2,500 psi to 4,000 psi

THIS RELEASE CONTAINS INSIDE INFORMATION.

****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 horizontal oil and gas project targeting the Niobrara shale formation in a well-delineated 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 additional wells in 2018.
- 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 developing opportunities with a range of oil and gas operators and service providers to commercialize DT Ultravert technology.
- Helios Two: a 220,000+ acre helium and natural gas discovery in SE Montana with gas production tests completed in the Eagle and Muddy Formations.