

6 February 2018

Highlands Natural Resources plc ('Highlands' or 'the Company')
East Denver Wells Hit 100,000 Barrels Production

Highlands, the London-listed natural resources company, is pleased to announce that cumulative oil production from the Powell and Wildhorse wells at its East Denver project in Colorado ('East Denver') reached a combined 100,000 barrels on 5 February 2018. Strong production rates and effective operations have contributed to reaching this landmark just 64 days after the announcement of Initial Production ('IP') rates.

In parallel with this milestone, the Company is also pleased to announce that the Company's increased density application (allowing up to eight wells in the Company's northern drilling unit) was approved by the Colorado Oil and Gas Conservation Commission ('COGCC') on 29 January 2018. Eight wells per unit represents full field development potential, and allows Highlands to maximize the value of its assets. With oil and gas prices rising significantly since IP, Highlands aims to replicate the success of its Powell and Wildhorse wells through additional drilling at East Denver during spring 2018. This approach is in line with the Company's strategy to fully develop the East Denver asset with up to 24 wells by using its combined commitment of up to US\$58.5 million from a leading US private equity oil and gas investment company and a leading oilfield services provider.

Highlands' Chairman and CEO Robert Price said, "Today's milestone highlights the success of our East Denver project as a technical and economic win for Highlands. The Wildhorse and Powell wells have generated and continue to generate significant revenue streams for Highlands. Moreover, strong results from our first two wells have only increased our confidence in the future development plans for East Denver, which continue to gain momentum with the recent approval of our increased density application."

THIS RELEASE CONTAINS INSIDE INFORMATION.

****ENDS****

For further information, please visit www.highlandsnr.com, or contact:

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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 advancing commercial tests 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.