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11 July 2018

Highlands Natural Resources plc ('Highlands' or 'the Company')
Completes acquisition of leases prospective for CO₂

Highlands is pleased to announce that, further to the announcement made on 25 June 2018, the grant of leases covering over 46,000 acres of land prospective for commercial volumes of carbon dioxide (CO₂) in north-eastern Arizona has been approved by the State of Arizona.

The Company is now ideally positioned to commence discussions with a range of potential end users with a view to exploring the opportunity to secure funding for future drilling. CO₂ is used in a broad range of applications, and of particular relevance to Highlands, it can be used in the oil and gas industry to extract in-place oil from pressure depleted wells.

Robert Price, Highlands' Chairman and CEO, said: "We are increasingly galvanising our reputation as an innovator in the well protection and productivity space. We are delighted to have the leases in hand and look forward to capitalising on the resource potential."

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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:

- **Colorado Shale:** having developed a horizontal oil and gas project targeting the East Denver Niobrara shale formation, Highlands retains a 7.5% carried interest in the project, which is fully funded and operated by Highlands' partners. East Denver is currently producing from two wells, with six additional wells currently drilling, and up to 24 wells can be drilled in total. Highlands is now developing plans to advance its 2,721-acre shale project in the Denver Julesburg Basin west of Denver.
- **Enhanced Oil Recovery:** DT Ultravert: a re-fracking and parent well protection technology with four patents allowed and additional patents pending in the United States and internationally. Highlands is advancing commercial conversations with a range of oil and gas operators and service providers to commercialize DT Ultravert technology, potentially supported by Highlands' 800-acre low-cost nitrogen discovery in Kansas and its 46,000 landholding which is prospective for CO₂ in Arizona
- **Helios Two:** a 220,000+ acre helium and natural gas prospect in SE Montana with drilling and assessment operations ongoing.