

21 August 2018

**Highlands Natural Resources plc ('Highlands' or 'the Company')**  
**AGM Statement**

Highlands, the London-listed natural resources company, is holding its Annual General Meeting ("AGM") today. Robert Price, the Company's Chairman and CEO, will make the following statement at the commencement of the meeting:

"I am delighted to welcome our shareholders to our AGM and update you on some of the great progress we have recently made.

"Namely, fracking has just commenced at our six new wells at the East Denver Project, which is one of two projects within our Colorado Shale division. We expect operations to be completed in October, with flowback from the new wells in November. The total number of producing wells at East Denver will increase to eight following successful flowback. This, together with the construction of a gas pipeline, which is expected to commence in September, will substantially increase our revenues from this scalable project which is being entirely funded by our partners.

"On top of that, I am pleased to inform you that Highlands has increased its acreage position at the West Denver Project to 3,617 acres and has entered into a surface access agreement. We have already identified the potential to drill at least 48 horizontal wells. We continue to increase our land position with an ongoing leasing campaign. As previously highlighted, discussions are underway with potential joint venture partners to finance this project.

"Progress is also being made across our Enhanced Oil Recovery portfolio, and we are expanding our nitrogen project at low cost. The Barrett well nitrogen flow rates delivered so far indicate that our existing acreage could deliver enough feedstock for our DT Ultravert technology, and in turn make it more economic for future customers. Given that the nitrogen market in the US is valued at \$4.1 billion annually, we are building exposure to the array of potential customers and applications for this product. Discussions with various potential end users continue.

"The Barrett well generated traces of both helium and argon and we are researching the isotopic composition and potential for these.

"Elsewhere, at our Montana Project, we expect to open Stage #1 at the Helios 5-52 16-22 well shortly. This stage targeted the Eagle Formation, which has been soaking for over eight months, and we look forward to further testing when we drill out the bridge plug.

"As shareholders can see, we have a lot to look forward to across our various business segments over the coming months. I hope Highlands shareholders will share in our enthusiasm for these plans and for what the future will bring."

Robert Price will also give a presentation at the AGM summarising the progress Highlands has made this year. A copy of that presentation will be available on the Company's website, [www.highlandsnr.com](http://www.highlandsnr.com), following the conclusion of the meeting.

**\*\*\*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:

- 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 3,617-acre shale project in the Denver Julesburg Basin west of Denver.
- 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 its own 800-acre low-cost nitrogen discovery in Kansas.

- Helios Two: a 220,000+ acre helium and natural gas prospect in SE Montana with drilling and assessment operations ongoing.