

High Peak Royalties Ltd

10:53 17 Oct 2018

High Peak Royalties raises \$1.25 million to pay down acquisition debt

High Peak Royalties Ltd (ASX:HPR) has received commitments from sophisticated and professional investors to subscribe for up to 25 million share at an issue price of 5 cents a share.

The \$1.1 million capital raising will be used to pay down a portion of debt assigned to the company as part of its acquisition of Planet Gas USA Inc as well as to strengthen the High Peak's balance sheet.

Directors of the company have also committed to subscribe for 2.9 million shares at the same issue price for a total of \$145,000.

Hartley's Limited acted as lead manager to the placement.

Potential additional acquisition opportunities

High Peak chairman Andy Carroll said: "I am very pleased with the support of long-term shareholders and investors shown in this capital raise, which confirms the attractiveness of the HPR royalty portfolio for investors.

"The strong balance sheet is appropriate for the acquisition of Planet Gas USA Inc with the associated US\$15 million finance facility with Macquarie Bank.

"This combination of balance sheet strength and a finance facility positions HPR to manage capital allocation and consider additional acquisition opportunities."

READ: High Peak Royalties halts after announcing snap-up of Planet Gas USA and Macquarie Bank funding

The placement will be undertaken in a single tranche for a total of \$1,105,000 and settlement is scheduled for October 24.

Directors' commitment shares are expected be issued after obtaining shareholder approval at the company's annual general meeting, scheduled for November 29..

The Planet Gas acquisition includes 3% royalties on more than 2,000 producing wells in Kansas, Pennsylvania and New York State.

The properties are expected to be producing oil and gas for more than 20 years and are mainly operated by Empire Energy Group (ASX:EEG).

High Peak believes there is future revenue potential in an associated Utica shale play which may be developed when the current moratorium in New York State is lifted.

Price: 0.057

Market Cap: \$10.77 m

1 Year Share Price Graph



Share Information

Code: HPR

Listing: ASX

52 week High Low
0.11 0.053

Sector: Exploration & Production

Website: www.highpeak.com.au

Company Synopsis:

High Peak Royalties Ltd (ASX:HPR) is building a portfolio of diversified high value resource royalties around the world.

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