HIGHWOOD ASSET MANAGEMENT LTD.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
THREE AND SIX MONTHS ENDED JUNE 30, 2023
(unaudited)

Highwood Asset Management Ltd.
Condensed Interim Consolidated Statement of Financial Position

(all tabular amounts expressed in thousands of Canadian dollars)

(unaudited)

As at	Note	June 30, 2023	December 31, 2022
Assets			
Current assets			
Cash and cash equivalents	14(a)	**$ 2,279**	$ 6
Accounts receivable	3, 14(a)	**2,278**	2,493
Deposits and prepaid expenses		**530**	198
Deferred share issue costs		**728**	-
Reclamation deposits		**-**	123
Total current assets		**5,815**	2,820
Reclamation deposits		**18**	18
Exploration and evaluation assets	4	**1,357**	951
Property, plant and equipment	5	**13,333**	13,033
Right-of-use assets		**7**	19
Total assets		**$ 20,530**	$ 16,841
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**$ 4,114**	$ 2,390
Promissory note	16(b)	**2,800**	-
Current portion of decommissioning liabilities	7	**100**	-
Current portion of lease liabilities		**7**	19
Total current liabilities		**7,021**	2,409
Accounts payable and accrued liabilities	14(c)	**447**	666
Decommissioning liabilities	7	**2,302**	2,358
Deferred tax liability		**570**	711
Total liabilities		**10,340**	6,144
Shareholders' Equity			
Share capital	8	**16,564**	16,564
Contributed surplus	11	**3,049**	2,929
Deficit		**(9,423)**	(8,796)
Total equity		**10,190**	10,697
Total liabilities and shareholders' equity		**$ 20,530**	$ 16,841

Commitments (note 13, 18)

Subsequent events (note 5, 6, 8, 18)

See the accompanying Notes to the Condensed Interim Consolidated Financial Statements

Approved by the Board:

"[ ]", Stephen J Holyoake, Director

"[ ]", Ryan Mooney, Director

Highwood Asset Management Ltd.

Condensed Interim Consolidated Statement of Income (Loss) and Comprehensive Income (Loss)

(all tabular amounts expressed in thousands of Canadian dollars, except for earnings per share information)

(unaudited)

	Note	Three Months Ended, **June 30, 2023**	Three Months Ended, June 30, 2022	Six Months Ended, **June 30, 2023**	Six Months Ended, June 30, 2022
Revenue					
Oil sales	9	**$ 728**	$ 1,125	**$ 1,686**	$ 2,276
Royalties		**(213)**	(377)	**(518)**	(730)
Transportation pipeline revenues	9	**681**	847	**1,429**	1,644
Royalty and other income	9	**264**	-	**654**	-
		1,460	1,595	**3,251**	3,190
Realized loss on commodity contracts		**-**	(75)	**-**	(75)
Unrealized loss on commodity contracts		**-**	(67)	**-**	(44)
Total revenue, net of royalties and commodity contracts		**1,460**	1,453	**3,251**	3,071
Expenses					
Operating and transportation		**640**	545	**1,302**	1,080
General and administrative		**899**	825	**1,738**	1,390
Exploration and evaluation expenditures		**-**	109	**-**	109
Depletion and depreciation		**217**	67	**453**	161
Stock-based compensation	11	**61**	112	**120**	192
Total expenses		**1,817**	1,658	**3,613**	2,932
Operating income (loss)		**(357)**	(205)	**(362)**	139
Other income (expenses)					
Gain on disposal of assets		**-**	2,240	**54**	2,347
Gain on debt modification		**-**	-	**-**	122
Transaction costs	18	**(371)**	-	**(371)**	-
Finance expenses	10	**(43)**	(57)	**(89)**	(111)
Total other income (expenses)		**(414)**	2,183	**(406)**	2,358
Income (loss) before taxes		**(771)**	1,978	**(768)**	2,497
Deferred tax recovery (expense)		**171**	(491)	**141**	(554)
Income (loss) and comprehensive income (loss) for the period		**$ (600)**	$ 1,487	**$ (627)**	$ 1,943
Income (loss) per share:	8(c)				
Basic		**$ (0.10)**	$ 0.25	**$ (0.10)**	$ 0.32
Diluted		**$ (0.10)**	$ 0.24	**$ (0.10)**	$ 0.31

See the accompanying Notes to the Condensed Interim Consolidated Financial Statements

Highwood Asset Management Ltd.

Condensed Interim Consolidated Statement of Changes in Shareholders' Equity

(all tabular amounts expressed in thousands of Canadian dollars)

(unaudited)

	Note	Share capital	Contributed surplus	Deficit	Total equity
Balance, January 1, 2022		$ 16,310	$ 2,692	$ (11,009)	$ 7,993
Stock-based compensation	11	-	192	-	192
Income and comprehensive income for the period		-	-	1,943	1,943
Balance, June 30, 2022		$ 16,310	$ 2,884	$ (9,066)	$ 10,128
Balance, January 1, 2023		**$ 16,564**	**$ 2,929**	**$ (8,796)**	**$ 10,697**
Stock-based compensation	**11**	**-**	**120**	**-**	**120**
Loss and comprehensive loss for the period		**-**	**-**	**(627)**	**(627)**
Balance, June 30, 2023		**$ 16,564**	**$ 3,049**	**$ (9,423)**	**$ 10,190**

See the accompanying notes to the Condensed Interim Consolidated Financial Statements

Highwood Asset Management Ltd.
Condensed Interim Consolidated Statement of Cash Flows

(all tabular amounts expressed in thousands of Canadian dollars) (unaudited)	Note	Three Months Ended, June 30, 2023	Three Months Ended, June 30, 2022	Six Months Ended, June 30, 2023	Six Months Ended, June 30, 2022
Cash provided by (and used in)					
Operating activities					
Income (loss) for the period		**$ (600)**	$ 1,487	**$ (627)**	$ 1,943
Items not involving cash:					
Unrealized loss on commodity contracts		**-**	67	**-**	44
Exploration and evaluation expenditures	4	**-**	109	**-**	109
Depletion and depreciation expense	5, 7	**217**	67	**453**	161
Finance expense	10	**30**	34	**64**	67
Deferred tax expense (recovery)		**(171)**	491	**(141)**	554
Stock-based compensation	11	**61**	112	**120**	192
Gain on disposal of assets	5	**-**	(2,240)	**(54)**	(2,347)
Gain on debt modification	14(c)	**-**	-	**-**	(122)
Transaction costs		**371**	-	**371**	-
Cash abandonment expenditures	7	**(36)**	-	**(42)**	-
Change in long-term accounts payable and accrued liabilities		**(126)**	(125)	**(252)**	276
Change in non-cash working capital	12	**1,328**	5	**858**	(891)
Net cash from (used in) operating activities		**1,074**	7	**750**	(14)
Financing activities					
Payments of lease obligations		**(6)**	(14)	**(12)**	(41)
Proceeds from promissory note	16(b)	**2,800**	-	**2,800**	-
Bank debt, net of repayments	6	**(350)**	(1,075)	**-**	(1,075)
Deferred share issuance costs paid		**(728)**	-	**(728)**	-
Changes in non-cash working capital	12	**421**	-	**421**	-
Net cash from (used) in financing activities		**2,137**	(1,089)	**2,481**	(1,116)
Investing activities					
Additions to property, plant and equipment	5	**(9)**	(5)	**(686)**	(143)
Additions to exploration and evaluation assets	4	**(419)**	(14)	**(427)**	(14)
Proceeds on dispositions of property, plant and equipment	5	**-**	2,239	**75**	2,346
Transaction costs	18	**(371)**	-	**(371)**	-
Change in non-cash working capital	12	**119**	(136)	**451**	(91)
Net cash from (used in) investing activities		**(680)**	2,084	**(958)**	2,098
Change in cash		**$ 2,531**	$ 1,002	**$ 2,273**	$ 968
Cash (bank overdraft), beginning of period		**(252)**	(158)	**6**	(124)
Cash (bank overdraft), end of period		**$ 2,279**	$ 844	**$ 2,279**	$ 844
Cash and cash equivalents in comprised of:					
Balances with banks		$ 279	$ 844	$ 279	$ 844
Unrestricted amounts held in lawyers' trust account		2,000	-	2,000	-
Cash and cash equivalents		**$ 2,279**	**$ 844**	**$ 2,279**	**$ 844**
Supplemental cash flow information	12				

See the accompanying Notes to the Condensed Interim Consolidated Financial Statements

1. REPORTING ENTITY

Highwood Asset Management Ltd. (the "Company") is a public company engaged in the ownership & oversight of various operations with a primary focus on upstream energy while also including midstream energy operations and metallic minerals. The Company incorporated in Alberta, Canada on August 24, 2012. The Company conducts its operations in Western Canada, primarily in the province of Alberta. The Company's principal place of business is located at Suite 202, 221 10th Avenue SE, Calgary, Alberta, T2G 0V9.

The Company's common shares trade on the TSX Venture Exchange ("TSX-V") under the symbol "HAM".

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries at June 30, 2023, Cataract Creek Environmental Ltd., Renewable EV Battery Cleantech Corp. and 2339364 Alberta Ltd.

These condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors on August 28, 2023.

2. BASIS OF PREPARATION

(a) Statement of compliance

These condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards (IAS) 34, "Interim Financial Reporting", using accounting policies consistent with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Certain information and disclosures normally included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted.

The condensed interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements as at and for the year ended December 31, 2022 and the notes thereto.

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except as detailed in the accounting policies disclosed in note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2022. All accounting policies and methods of computation followed in the preparation of these condensed interim consolidated financial statements are consistent with those of the previous financial year, except those disclosed in note 2(c).

(b) Use of estimates and judgments

The timely preparation of the Condensed Interim Consolidated Financial Statements requires management to make judgments, estimates and assumptions based on currently available information that affect the application of accounting policies and reported amounts of assets and liabilities at the date of the statement of financial position and the reported amounts of income and expenses during the reporting period. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

A full list of significant estimates and judgments can be found in note 2(d) of the Company's annual consolidated financial statements for the year ended December 31, 2022. There have been no changes during the three and six months ended June 30, 2023 related to significant estimates and judgments used in the preparation of the financial statements.

(all tabular amounts expressed in thousands of Canadian dollars, except for earnings per share information)

(c) Accounting policies

Share issue costs

Costs, such as, but not limited to, professional, consulting, regulatory that are directly attributable to financing transactions are recorded as deferred share issue costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred share issue costs relating to financing transactions that are not completed are charged to expenses.

Cash and cash equivalents

Cash and cash equivalents includes amounts on deposit with banks and unrestricted amounts held in lawyers' trust accounts. Amounts held in lawyer's trust are expected to be settled within three months and therefore have been included as a cash equivalent.

3. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

	June 30, 2023	December 31, 2022
Oil marketers	**$ 713**	$ 754
Joint interest partners	**835**	977
Road use receivable	**402**	409
Royalty and other income	**36**	143
Other	**292**	210
Balance, end of period	**$ 2,278**	$ 2,493

4. EXPLORATION AND EVALUATION ASSETS

Evaluation and evaluation assets is comprised of the following:

	June 30, 2023			December 31, 2022		
	Upstream	**Metallic Minerals**	**Total**	Upstream	Metallic Minerals	Total
Balance, beginning of period	**$ 758**	**$ 193**	**$ 951**	$ 540	$ 198	$ 738
Additions	**427**	**-**	**427**	403	-	403
Dispositions	**(21)**	**-**	**(21)**	(185)	-	(185)
Land lease expiries	**-**	**-**	**-**	-	(5)	(5)
Balance, end of period	**$ 1,164**	**$ 193**	**$ 1,357**	$ 758	$ 193	$ 951

Exploration and evaluation assets include undeveloped lands, mineral permits, unproved properties and seismic costs where management has not fully evaluated for technical feasibility and commercial viability.

At June 30, 2023, there were no indicators of impairment.

(all tabular amounts expressed in thousands of Canadian dollars, except for earnings per share information)

5. PROPERTY, PLANT AND EQUIPMENT

June 30, 2023								
COSTS		**Oil and natural gas properties (Upstream)**		**Midstream**		**Corporate**		**Total**
Balance, January 1, 2023	**$**	**10,860**	**$**	**8,942**	**$**	**1,182**	**$**	**20,984**
Change in decommissioning liabilities (note 11)		**16**		**2**		**-**		**18**
Additions		**-**		**686**		**-**		**686**
Balance, June 30, 2023	**$**	**10,876**	**$**	**9,630**	**$**	**1,182**	**$**	**21,688**
ACCUMULATED DEPLETION, DEPRECIATION AND IMPAIRMENT								
Balance, January 1, 2023	**$**	**(6,470)**	**$**	**(1,451)**	**$**	**(30)**	**$**	**(7,951)**
Depletion and depreciation		**(193)**		**(181)**		**(30)**		**(404)**
Balance, June 30, 2023	**$**	**(6,663)**	**$**	**(1,632)**	**$**	**(60)**	**$**	**(8,355)**
Net book value, June 30, 2023	**$**	**4,213**	**$**	**7,998**	**$**	**1,122**	**$**	**13,333**

December 31, 2022								
COSTS		Oil and natural gas properties (Upstream)		Midstream		Corporate		Total
Balance, January 1, 2022	$	11,104	$	8,535	$	-	$	19,639
Change in decommissioning liabilities (note 11)		(268)		(29)		-		(297)
Additions		24		436		1,182		1,642
Balance, December 31, 2022	$	10,860	$	8,942	$	1,182	$	20,984
ACCUMULATED DEPLETION, DEPRECIATION AND IMPAIRMENT								
Balance, January 1, 2022	$	(6,016)	$	(1,152)	$	-	$	(7,168)
Depletion and depreciation		(454)		(299)		(30)		(783)
Balance, December 31, 2022	$	(6,470)	$	(1,451)	$	(30)	$	(7,951)
Net book value, December 31, 2022	$	4,390	$	7,491	$	1,152	$	13,033

Future development costs of $3.19 million (December 31, 2022 - $3.19 million) associated with the development of the Company’s proved plus probable reserves were included in the calculation of depletion for the period ended June 30, 2023. Future development costs are only included for CGUs with production.

The Company assesses many factors when determining if an impairment test should be performed. At June 30, 2023, the Company conducted an assessment of impairment indicators for the Company’s CGUs. In performing the review, management determined that the continued strength in commodity pricing from December 31, 2022 to June 30, 2023, and the impact this has on the economic performance of the Company’s CGUs resulted in no indicators of impairment at June 30, 2023.

Subsequent to June 30, 2023, the Company listed its Corporate assets for sale.

(all tabular amounts expressed in thousands of Canadian dollars, except for earnings per share information)

6. BANK DEBT

The Company has a $1.0 million operating facility, of which no amounts were drawn at June 30, 2023. This operating facility bears interest at the Bank's prime rate of bankers acceptance discount rates plus an applicable margin of 300bps to 550bps on prime rate loans and 400bps to 650bps on stamping fees related to bankers acceptances, determined by reference to the Company's net debt to cash flow ratio (as defined in the credit facility agreement). Interest on the credit facility is due monthly. This credit facility is secured by a $100.0 million debenture with a fixed and floating charge over all the assets of the Company. The operating facility matures October 31, 2023.

The Company was required to maintain an adjusted working capital ratio of not less than 1.0:1.0, and such ratio is to be tested at the end of each fiscal quarter. Current ratio is defined as the ratio of (i) current assets, excluding financial derivatives to (ii) current liabilities, excluding financial derivatives, any amounts drawn under the bank facility and any current liabilities related to lease contracts. At June 30, 2023, the Company's current ratio was 0.97:1.0 (December 31, 2022 – 2.40:1:00). The Company was required to maintain a net debt to cash flow ratio no greater than 2.0:1.0 for each quarter. At June 30, 2023 the Company's net debt to cash flow ratio is 1.56:1.0 (December 31, 2022 – 0.16:1.0). For the purposes of the covenant, net debt is defined by the agreement as working capital deficit (excluding financial derivatives) plus bank debt and cash flow is defined as cash flow from operating activities before changes in non-cash working capital normalized for extraordinary and nonrecurring earnings, gains, and losses. Cashflows are determined as the trailing four quarters. The Company is allowed to enter into notional commodity contracts whose terms do not extend more than one month past the operating facility maturity date of October 31, 2023 and cannot exceed 60% of gross production volumes (by commodity) for the three month trailing period, at the time the contracts are entered into.

Subsequent to June 30, 2023, the operating facility was repaid and extinguished. In addition, the Company entered into New Credit Facilities as detailed in note 18.

7. DECOMMISSIONING LIABILITIES

The Company's decommissioning liabilities result from its ownership interest in oil and natural gas properties including well sites and facilities. The total decommissioning liability is estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years. The Company has estimated the net present value of the decommissioning liabilities to be $2.40 million as at June 30, 2023 (December 31, 2022 - $2.36 million) based on an undiscounted total future liability of $3.93 million (December 31, 2022 - $4.04 million) and discounted using a long-term risk-free rate of 3.09% (December 31, 2022 – 3.28%) and an inflation rate of 2.00% (December 31, 2022 – 2.09%). The expected timing of decommissioning expenditures extends to 2053.

The following table summarizes changes in the decommissioning liabilities:

	June 30, 2023	December 31, 2022
Balance, beginning of period	**$ 2,358**	$ 3,059
Change in discount rate	**38**	(564)
Change in cash flow estimates	**17**	(63)
Government subsidy for abandonment expenditures	**-**	420
Abandonment expenditures	**(42)**	(536)
Accretion expense (note 10)	**31**	42
Balance, end of period	**$ 2,402**	$ 2,358

The carrying value of certain oil and natural gas properties of the Company is $nil. Accordingly, the change in discount rate and cash flow estimates related to these properties was recorded as an increase to depletion and depreciation expense for the three and six month period ending June 30, 2023 of $10 thousand and $37 thousand, respectively (three and six month periods ended June 30, 2022 – reduction of $122 thousand and $252 thousand, respectively).

(all tabular amounts expressed in thousands of Canadian dollars, except for earnings per share information)

8. SHARE CAPITAL

a) Authorized

Unlimited number of voting common shares and unlimited number of preferred shares issuable in series.

b) Issued and outstanding common shares

	Number of Shares (000's)	Stated Value
Balance, December 31, 2022 and June 30, 2023	6,037	$ 16,564

c) Net Income (Loss) per share

	Three months ended June 30, 2023			Three months ended June 30, 2022		
	Loss	**Common shares (000's)**	**Loss per share**	Net income	Common shares (000's)	Income per share
Income (loss) - basic	**$ (600)**	**6,037**	**$ (0.10)**	$ 1,487	6,014	$ 0.25
Dilutive effect of options	**-**	**-**	**-**	-	179	-
Income (loss) - diluted	**$ (600)**	**6,037**	**$ (0.10)**	$ 1,487	6,193	$ 0.24

	Six months ended June 30, 2023			Six months ended June 30, 2022		
	Loss	**Common shares (000's)**	**Loss per share**	Net income	Common shares (000's)	Income per share
Income (loss) - basic	**$ (627)**	**6,037**	**$ (0.10)**	$ 1,943	6,014	$ 0.32
Dilutive effect of options	**-**	**-**	**-**	-	182	-
Income (loss) - diluted	**$ (627)**	**6,037**	**$ (0.10)**	$ 1,943	6,196	$ 0.31

For the three and six months ended June 30, 2023 all options and RSU's were excluded as they were anti dilutive. For the three and six months ended June 30, 2022, 85,033 options were excluded as they were anti dilutive.

Subsequent to June 30, 2023, the Company issued equity through the Offering and Private Placement as detailed in note 18.

9. REVENUE

Oil sales:

The Company sells its production pursuant to variable-price contracts. The transaction price for variable price contracts is based on the commodity price, adjusted for quality, location or other factors, whereby each component of the pricing formula can be either fixed or variable, depending the contract terms. Commodity prices are based on market indices that are determined on a monthly or daily basis. Revenue is recognized when a unit of production is delivered to the customer and control of the product transferred.

Revenues are typically collected on the 25th day of the month following production.

The following table summarizes the Company's product sales.

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2023	2022	**2023**	2022
Oil	**$ 728**	$ 1,125	**$ 1,686**	$ 2,276

(all tabular amounts expressed in thousands of Canadian dollars, except for earnings per share information)

Transportation pipeline revenues:

The Company charges a tariff on oil that is sold through the Company's crude transmission pipeline. The transaction price is fixed and based on a publicly posted tariff. Revenue is recognized when a unit of production is delivered to the customer and control of the product transferred.

Revenues are typically collected on the 25th day of the month following production.

The following table summarizes the Company's transportation pipeline revenues.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	**2023**	2022
Transportation pipeline revenues	**$ 681**	$ 847	**$ 1,429**	$ 1,644

Royalty and other income:

The following table summarizes the Company's royalty and other income.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	**2023**	2022
Butane Blending	**$ 167**	$ -	**$ 369**	$ -
Royalty Income	**62**	-	**198**	-
Other Income	**35**	-	**87**	-
Total	**$ 264**	$ -	**$ 654**	$ -

10. FINANCE EXPENSES

Finance expenses is comprised of:

	Three months ended		Six months ended	
	June 30, 2023	June 30, 2022	**June 30, 2023**	June 30, 2022
Interest on bank debt	**$ 13**	$ 23	**$ 25**	$ 44
Accretion of decommissioning liabilities (note 7)	**14**	13	**31**	24
Accretion of lease liabilities	**-**	-	**-**	1
Accretion of long-term accounts payable and accrued liabilities	**16**	21	**33**	42
Total	**$ 43**	$ 57	**$ 89**	$ 111

(all tabular amounts expressed in thousands of Canadian dollars, except for earnings per share information)

11. SHARE-BASED PAYMENTS

The Incentive Plans of the Company limit the total number of Common Shares that may be issued on exercise of Options, RSU's and DSU's outstanding at any time under the specific Incentive Plans to 10% of the number of Common Shares issued and outstanding (less the number of Common Shares reserved for issuance under any other share based compensation arrangement of the Company).

Options

The Company has a stock option plan for officers, directors, employees and consultants "the Option Plan". Under the Option Plan, the Board of Directors sets the exercise price, expiry date and vesting terms for each option grant provided that no options will be granted at a discount to market prices and no option will have a term exceeding ten years.

A summary of the stock options issued and outstanding as at June 30, 2023 are as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, December 31, 2022	176	$ 11.58
Expired	(19)	5.30
Outstanding, June 30, 2023	157	12.34
Exercisable, June 30, 2023	127	$ 12.12

The weighted average contractual term of all outstanding options at June 30, 2023 is 1.61 years.

Below is a summary of outstanding stock options:

Grant Date	Term	Number of Options ('000)	Exercise Price
January 23, 2019	5 Years	72	$ 9.00
October 31, 2019	5 Years	21	$ 18.00
August 27, 2020	5 Years	37	$ 16.50
May 30, 2022	5 Years	27	$ 11.00

During the three and six months ended June 30, 2023, the Company recorded stock-based compensation expense relating to options of $23 thousand and $45 thousand, respectively (three and six months ended June 30, 2022 - $40 thousand and $69 thousand, respectively) with a corresponding increase to contributed surplus.

Restricted Share Units ("RSU's")

The Company has a RSU plan, for officers, directors, employees and consultants " the RSU Plan". The RSU Plan is administered by the Board of Directors (or a committee thereof) which has the power, subject to the limits imposed by the RSU Plan, to: (i) award RSUs; (ii) determine the terms under which RSUs are granted; (iii) interpret the RSU Plan and adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the RSU Plan; and (iv) make all other determinations and take all other actions in connection with the implementation and administration of the RSU Plan. The RSU Plan is a fixed plan which reserves for issuance a maximum of 240,000 Common Shares.

	Number of RSU's
Outstanding, December 31, 2022 and June 30, 2023	61
Exercisable, June 30, 2023	43

The weighted average contractual term of all outstanding RSU's at June 30, 2023 is 0.66 years.

(all tabular amounts expressed in thousands of Canadian dollars, except for earnings per share information)

Below is a summary of outstanding RSU's.

Grant Date	Expiry Date	Number of RSU's (000's)
August 27, 2020	December 31, 2023	34
May 30, 2022	December 31, 2024	27

During the three and six month period ended June 30, 2023, the Company recorded stock-based compensation expense relating to RSUs of $38 thousand and $75 thousand, respectively (three and six months ended June 30, 2022 - $72 thousand and $123 thousand, respectively) with a corresponding increase to contributed surplus.

Performance Share Units ("PSUs")

The Company has a PSU plan, for officers, employees and consultants "the PSU Plan". The PSU Plan is administered by the Corporate Governance and Compensation Committee, subject to the limits imposed by the PSU Plan. Under the PSU Plan, the Board of Directors sets the vesting terms for each PSU grant. As at June 30, 2023, there were no PSUs granted.

Deferred Share Units ("DSUs")

The Company has a DSU plan for directors "the DSU Plan". The DSU Plan is administered by the Corporate Governance and Compensation Committee. The Corporation Governance and Compensation Committee authorizes the amounts of DSUs to be granted to each of the participants for each calendar year, and the date that the grant becomes effective, with DSUs vesting one year following grant date. The DSU Plan is a fixed plan which reserves for issuance a maximum of 1% of the currently issued and outstanding Common Shares. As at June 30, 2023, there were no DSUs granted.

12. SUPPLEMENTAL CASH FLOWS INFORMATION

Changes in non-cash working capital is comprised of:

	Three months ended		Six months ended	
Source/(use) of cash	**June 30, 2023**	June 30, 2022	**June 30, 2023**	June 30, 2022
Accounts receivable	**$ 569**	$ 45	**$ 215**	$ (73)
Deposits and prepaid expenses	**(102)**	(193)	**(332)**	(160)
Reclamation deposits	**123**	-	**123**	-
Accounts payable and accrued liabilities	**1,278**	17	**1,724**	(749)
Changes in non-cash working capital	**$ 1,868**	$ (131)	**$ 1,730**	$ (982)

	Three months ended		Six months ended	
	June 30, 2023	June 30, 2022	**June 30, 2023**	June 30, 2022
The above figure relates to:				
Operating activities	**$ 1,328**	$ 5	**$ 858**	$ (891)
Financing activities	**421**	-	**421**	-
Investing activities	**119**	(136)	**451**	(91)
Changes in non-cash working capital	**$ 1,868**	$ (131)	**$ 1,730**	$ (982)
Interest paid	**$ 13**	$ 23	**$ 25**	$ 44
Taxes paid (recovered)	**$ -**	$ -	**$ -**	$ -

(all tabular amounts expressed in thousands of Canadian dollars, except for earnings per share information)

13. COMMITMENTS

At June 30, 2023, the Company had the following commitments with respect to accounts payable and accrued liabilities with long-term payment plans:

Minimum future payments for accounts payable and accrued liabilities with long-term payment plans:

	Within 1 year	After 1 year but not more than 5 years	Total
Accounts payable and accrued liabilities	$ 438	$ 471	$ 909

14. FINANCIAL RISK MANAGEMENT

The Board of Directors has the overall responsibility for the establishment and oversight and execution of the Company's risk management framework. The Board of Directors has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company employs risk management strategies and policies to ensure that any exposures to risk are in compliance with the Company's business objectives. While the Board of Directors has the overall responsibility for the Company's risk management framework, the Company's management has the responsibility to administer and monitor those risks.

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production, and financing activities such as:
- credit risk;
- market risk; and
- liquidity risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk. There were no changes to the Company's risk management policies or processes since the year ended December 31, 2022.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk at year end is as follows:

	June 30, 2023	December 31, 2022
Cash and cash equivalents	**$ 2,279**	$ 6
Accounts receivable	**2,278**	2,493
Deposits	**93**	93
Reclamation deposits	**18**	141
Total	**$ 4,668**	$ 2,733

(all tabular amounts expressed in thousands of Canadian dollars, except for earnings per share information)

Cash and cash equivalents

Cash and cash equivalents consist of amounts on deposit with Canadian chartered banks and unrestricted amounts held in lawyers' trust accounts. The Company manages exposure of cash and cash equivalents, if any, by selecting financial institutions and lawyers' with high credit ratings.

Accounts receivable:

Substantially all of the Company's oil production and pipeline transportation revenues are marketed under standard industry terms. Receivables from oil marketers are normally collected on the 25th day of the month following production. The Company's policy to mitigate credit risk associated with these balances is to establish marketing relationships with credit worthy purchasers. Joint interest receivables are typically collected within one to three months of the joint interest bill being issued to the partner.

The Company's accounts receivable are aged as follows:

	June 30, 2023	December 31, 2022
Current (less than 90 days)	**$ 924**	$ 1,111
Past due (more than 90 days)	**1,354**	1,382
Total	**$ 2,278**	$ 2,493

As at June 30, 2023, management believes all receivables net of provision for expected credit losses will be collected.

(b) Market risk

Market risk is the risk that changes in market conditions, such as commodity prices, foreign exchange rates and interest rates, will affect the Company's cash flow, income or the value of its financial instruments. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the Company's return. There have been no changes to the Company's policies for managing foreign currency risk, interest rate risk and commodity price risk.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is subject to interest rate risk related to its exposure to interest rate fluctuations on its credit facility, which bears a floating rate of interest. At June 30, 2023 the total amount drawn on the credit facility under prime loans was $nil.

Commodity price risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for oil and natural gas are impacted by not only the relationship between the Canadian and United States dollar but also North American and global economic events that dictate the levels of supply and demand. The nature of the Company's operations results in exposure to fluctuations in commodity prices. The Company's production is sold using "spot" pricing with prices fixed at the time of transfer of custody or on the basis of a monthly average market price.

The Company has no commodity contracts outstanding at June 30, 2023. Subsequent to June 30, 2023, the Company entered into numerous commodity contracts as detailed in note 18.

(all tabular amounts expressed in thousands of Canadian dollars, except for earnings per share information)

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with the financial liabilities as they become due. The Company's financial liabilities consist of bank overdraft, accounts payable and accrued liabilities and bank debt, all of which are due within a year and lease liabilities. A portion of accounts payable and accrued liabilities is being paid on a long term payment plan as disclosed in note 13. The Company also maintains and monitors a certain level of cash flow which is used to partially finance all operating and capital expenditures. The Company also attempts to match its payment cycle with collection of oil and natural gas sales on the 25th of each month.

At June 30, 2023, the Company had a working capital deficit of $1.2 million. The Company expects to repay its financial liabilities in the normal course of operations and to fund future operational and capital requirements through operating cash flows and available capacity on the Company's New Credit Facilities. The Company also had a credit facility (note 6) to facilitate the management of liquidity risk. The Company also received proceeds of $2.8 million from the issuance of a promissory note which was used to facilitate near term liquidity and fund a deposit on the Acquisitions subsequent to June 30, 2023. At June 30, 2023, the Company was in violation of the adjusted working capital ratio covenant. However, subsequent to June 30, 2023, the operating facility was repaid and extinguished (note 6), and the Company entered into new senior secured extendible revolving credit facility in the aggregate principal amount up to $100 million (the "New Credit Facilities"), see note 18. At June 30, 2023, the Company has classified $447 thousand of accounts payable and accrued liabilities as long term (December 31, 2022 - $666 thousand) as the vendor has agreed to a payment plan that extends beyond 12 months.

The Company may need to conduct asset sales, equity issues or issue debt if liquidity risk increases in a given period. Liquidity risk may increase as a result of potential revisions to the Company's New Credit Facility, which is subject to semi-annual reviews. The Company believes it has sufficient funds and operating cash flows to meet foreseeable obligations by actively monitoring its credit facilities and coordinating payment and revenue cycles each month.

15. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities; and
- To maximize shareholder return through enhancing share value.

The Company considers its capital employed to be bank debt and shareholders' equity:

	June 30, 2023	December 31, 2022
Promissory note	**$ 2,800**	$ -
Shareholder's equity	**10,190**	10,697
Capital Employed	**$ 12,990**	$ 10,697

The Company monitors capital based adjusted working capital, defined as current assets less current liabilities (excluding bank debt and commodity contracts).

Adjusted working capital

	June 30, 2023	December 31, 2022
Adjusted current assets	**$ 5,815**	$ 2,820
Adjusted current liabilities	**(7,021)**	(2,409)
Adjusted working capital (deficit) surplus	**$ (1,206)**	$ 411

The Company makes adjustments to capital employed by monitoring economic conditions and investment opportunities. The Corporation generally relies on credit facilities and cash flows from operations to fund capital requirements. To maintain or modify its capital structure, the Company may issue new common or preferred shares, issue new subordinated debt, renegotiate existing debt terms, or repay existing debt. The Company is not currently subject to any externally imposed capital requirements, other than covenants on its bank debt (note 6) and New Credit Facility (note 18).

The Company also monitors capital structure based on its net debt to cash flow ratio. The definition of net debt to cash flow for capital management purposes is the same measure used in the calculation of the Company's financial covenants on its credit facility (note 6). The Company's strategy is to monitor the ratio and the ratio can, and will, fluctuate based on the timing of commodity prices and the mix of exploratory and development drilling.

16. RELATED PARTY TRANSACTIONS

(a) Transactions

Except as discussed elsewhere, the Company had the following transactions with related parties:

The Company received legal advisory from a company where a partner is a director of the Company. During the three and six months ended June 30, 2023, the legal expenses incurred were $689 thousand and $720 thousand, respectively (three and six months ended June 30, 2022 - $nil and $nil, respectively). As at June 30, 2023, $719 thousand (December 31, 2022 - $51 thousand) is included within accounts payable with respect to these charges.

(b) Promissory note

During the three and six months ended June 30, 2023, the Company received funds of $2.8 million from a shareholder. Subsequent to June 30, 2023, the Company issued a promissory note to the same shareholder in the amount of $2.8 million. The promissory note bears interest at 9.5% per annum, accruing daily, with any accrued interest to be added to the principal balance of the promissory note. The promissory note is secured by a general security agreement. The promissory note is due on demand and can be repaid by the Company at any time. The Company received the required regulatory approval for the promissory note. The promissory note is subordinate to the credit facility.

Subsequent to June 30, 2023, the promissory note was extinguished in conjunction with a private placement with the same shareholder, see note 18.

17. SEGMENT INFORMATION

The Company has the following four reportable operating segments based on the nature of its business activities: Upstream, Midstream, Metallic Minerals and Corporate and Other.

Major Customers
The Company derives a majority of its midstream segment revenues from two major customers. These customers are reputable multi-national entities with nominal credit risk. For the three and six months ended June 30, 2023, the two major customers accounted for $462 thousand and $931 thousand, respectively of transportation pipeline revenues (three and six months ended June 30, 2022 - $529 thousand and $1.09 million, respectively). All revenues from these major customers are collected on or about the 25th of the following month after services are provided.

(all tabular amounts expressed in thousands of Canadian dollars, except for earnings per share information)

The following tables shows the income (loss) and comprehensive income (loss) for each of the segments.

Three months ended June 30, 2023	**Upstream**	**Midstream**	**Metallic Minerals**	**Corporate and Other**	**Total**
Revenue					
Oil Sales	$ 728	$ -	$ -	$ -	$ 728
Royalties	(213)	-	-	-	(213)
Transportation pipeline revenues	-	681			681
Royalty and other income	97	167	-	-	264
Total revenue, net of royalties	612	848	-	-	1,460
Expenses					
Expenses excluding items listed separately below	217	367	56	1,374	2,014
Depletion and depreciation	120	82	-	15	217
Total expenses	337	449	56	1,389	2,231
Income (loss) before taxes	$ 275	$ 399	$ (56)	$ (1,389)	$ (771)

Three months ended June 30, 2022	**Upstream**	**Midstream**	**Mining and Minerals**	**Corporate and Other**	**Total**
Revenue					
Oil Sales	$ 1,125	$ -	$ -	$ -	$ 1,125
Royalties	(377)	-	-	-	(377)
Transportation pipeline revenues	-	847	-	-	847
	748	847	-	-	1,595
Realized loss on commodity contracts	(75)	-	-	-	(75)
Unrealized loss on commodity contracts	(67)	-	-	-	(67)
Total revenue, net of royalties and commodity contracts	606	847	-	-	1,453
Expenses/(Income)					
Expenses/(income) excluding items listed separately below	412	222	21	993	1,648
Gain of disposal of assets	-	(2,238)	-	(2)	(2,240)
Depletion and depreciation	(8)	75	-	-	67
Total expenses/(income)	404	(1,941)	21	991	(525)
Income (loss) before taxes	$ 202	$ 2,788	$ (21)	$ (991)	$ 1,978

Six months ended June 30, 2023	**Upstream**	**Midstream**	**Mining and Minerals**	**Corporate and Other**	**Total**
Revenue					
Oil Sales	$ 1,686	$ -	$ -	$ -	$ 1,686
Royalties	(518)	-	-	-	(518)
Transportation pipeline revenues	-	1,429	-	-	1,429
Royalty and other income	285	369	-	-	654
Total revenue, net of royalties and commodity contracts	1,453	1,798	-	-	3,251
Expenses/(Income)					
Expenses/(income) excluding items listed separately below	460	786	56	2,318	3,620
Gain of disposal of assets	(54)	-	-	-	(54)
Depletion and depreciation	122	301	-	30	453
Total expenses/(income)	528	1,087	56	2,348	4,019
Income (loss) before taxes	$ 925	$ 711	$ (56)	$ (2,348)	$ (768)

(all tabular amounts expressed in thousands of Canadian dollars, except for earnings per share information)

Six months ended June 30, 2022	Upstream	Midstream	Mining and Minerals	Corporate and Other	Total
Revenue					
Oil Sales	$ 2,276	$ -	$ -	$ -	$ 2,276
Royalties	(730)	-	-	-	(730)
Transportation pipeline revenues	-	1,644	-	-	1,644
	1,546	1,644	-	-	3,190
Realized loss on commodity contracts	(75)	-	-	-	(75)
Unrealized loss on commodity contracts	(44)	-	-	-	(44)
Total revenue, net of royalties and commodity contracts	1,427	1,644	-	-	3,071
Expenses/(Income)					
Expenses/(income) excluding items listed separately below	679	469	42	1,570	2,760
Gain of disposal of assets	(107)	(2,238)	-	(2)	(2,347)
Depletion and depreciation	10	151	-	-	161
Total expenses/(income)	582	(1,618)	42	1,568	574
Income (loss) before taxes	$ 845	$ 3,262	$ (42)	$ (1,568)	$ 2,497

The following tables shows assets and liabilities for each of the segments.

As at June 30, 2023	Upstream	Midstream	Metallic Minerals	Corporate and Other	Total
Current assets	$ 5,452	$ 352	$ -	$ 11	$ 5,815
Non-current assets	5,396	7,998	193	1,128	14,715
Current liabilities	6,062	455	56	448	7,021

As at December 31, 2022	Upstream	Midstream	Metallic Minerals	Corporate and Other	Total
Current assets	$ 2,332	$ 406	$ -	$ 82	$ 2,820
Non-current assets	5,166	7,491	193	1,171	14,021
Current liabilities	2,094	132	-	183	2,409

18. SUBSEQUENT EVENTS

Acquisitions

On July 5, 2023, the Company entered into a definitive agreement for the acquisition of Castlegate Energy Ltd. (the "Castlegate Acquisition") a privately held oil and gas producer focused on light oil in Alberta. On August 3, 2023, the Company closed the Castlegate Acquisition for total consideration of $37.6 million cash. Consideration was derived from the agreed upon purchase price of $36.7 and $4.2 million for working capital, reduced by a dividend of $2.7 million and other closing adjustments of approximately $600 thousand. Castlegate Energy Ltd. was amalgamated with Highwood on August 17, 2023.

On July 5, 2023, the Company entered into a definitive agreement for the acquisition of Boulder Energy Ltd. (the "Boulder Acquisition") a wholly owned subsidiary of a privately held oil and gas producer focused on light oil in Alberta. On August 3, 2023, the Company closed the Boulder Acquisition for total consideration of $98.1 million, consisting of $75.1 million cash, 1,500,000 common shares of the Company valued at $6.00 per common share and a $14 million note payable to the Boulder shareholder (the "Boulder Note"). The Boulder Note matures on July 1, 2025 and provides for payments, equal to $3.5 million each , commencing October 1, 2024 and thereafter on January 1, 2025, April 1, 2025 and July 1, 2025, with the outstanding principal (if any) due in full on maturity. The Boulder Note will pay interest at 13% per annum payable quarterly on October 1, 2024, January 1, 2025, April 1, 2025 and July 1, 2025; all payments/repayments (of both principal and interest) under the Boulder Note are subject to certain terms and conditions under the New Credit Facilities discussed below. All obligations under the Boulder Note are fully and unconditionally personally guaranteed by Joel MacLeod, the Executive Chairman of the Company, in an amount limited to $3 million, plus costs and expenses of enforcement plus interest. On July 5, 2023, the $2.0 million unrestricted amounts held in trust at June 30, 2023 was used to pay a $2.0 million non-refundable deposit on the acquisition. The cash consideration paid at closing was reduced by the non-refundable deposit. Consideration was derived from the agreed upon purchase price of $98.0 million and increased by closing adjustments of approximately $100 thousand. Boulder Energy Ltd. was amalgamated with Highwood on August 17, 2023. Under a farm-in agreement with a major oil and gas company, the Company has a commitment to spud an option well by September 30, 2023. If the Company does not spud the well by September 30, 2023, then the Company shall pay $1.0 million.

On July 5, 2023, the Company entered into a definitive agreement for the acquisition of Shale Petroleum Ltd. (the "Shale Acquisition") a privately held oil and gas producer focused on liquids rich natural gas in Alberta. On August 3, 2023, the Company closed the Shale Acquisition for total consideration of $7.0 million. Consideration was derived from the agreed upon purchase price of $9.0 million less other closing adjustments of $2.0 million. Consideration was comprised of 1,227,030 common shares of the Company valued at approximately $7.05 per common share less closing adjustment cash received by the Company of $2.0 million. The common share valuation was based on the 20-trading-day trailing volume weighted average price on the TSX-V as determined on the last trading date immediately prior to the execution of the Shale Agreement. Shale Petroleum Ltd. was amalgamated with Highwood on August 17, 2023.

The Acquisitions will be recognized as a business combination in accordance with IFRS 3 – Business Combinations, as the Acquisitions each constitute a business. The Company is gathering information needed to complete the initial accounting of the Acquisitions. Transaction costs that were incurred during the three and six month period ended June 30, 2023 and subsequent to June 30, 2023 relating to the Acquisitions is expensed and included in the statement of income (loss) and comprehensive income (loss). Total transaction costs associated with the Acquisitions in estimated to be approximately $500 thousand.

Debt financing

On August 3, 2023, the Company entered into a new senior secured extendible revolving credit facilities in the aggregate principal amount of up to $100 million (the "New Credit Facilities"). The New Credit Facilities are comprised of extendible revolving credit facilities consisting of a $10 million operating facility and an up to $90 million syndicated loan facility.

The New Credit Facilities have a revolving period of 364 days, extendible annually at the request of the Company, subject to approval of the lenders thereunder. If not extended, the New Credit Facilities are anticipated to automatically convert to a term loan and all outstanding obligations will be repayable one year after the expiry of the revolving period. The borrowing base for the New Credit Facilities is $100 million, and to be subject to semi-annual redeterminations, based upon the Company's annual report of the Company's independent qualified reserves evaluator or updates thereto. The New Credit Facilities are secured by a first fixed and floating charge over all the Company's assets. The New Credit Facilities include operating restrictions on the Company, including (among other things), limitations on acquisitions, distributions, dividends and hedging arrangements. The New Credit Facilities include industry standard reporting requirements.

The Company is required to enter into commodity contracts with an aggregate notional quantity of at least 65% of the next 18 months expected production from proved developed producing assets, on a boe/day basis, at or in excess of US$70.00/bbl (or the Canadian equivalent) for a period of 18 months, after which, the Company is required to enter into commodity contracts with an aggregate notional quantity of at least 50% of the next 6 months expected production and rolling monthly from proved developed producing assets, on a boe/day basis, at or in excess of US$60.00/bbl (or the Canadian equivalent

On closing of the Acquisitions, $74.9 million was drawn on the New Credit Facilities.

Total transaction costs associated with the debt financing are estimated to be approximately $460 thousand.

(all tabular amounts expressed in thousands of Canadian dollars, except for earnings per share information)

Equity financing

On July 27, 2023, the Company closed a marketed offering of subscription receipts (the "Offering"). Pursuant to the Offering, the Company issued and sold a total of 5,833,333 subscription receipts ("Subscription Receipts") at a price of $6.00 per Subscription Receipt for gross proceeds of approximately $35,000,000. Each Subscription Receipt represented the right of the holder to receive, upon closing of Castlegate Acquisition, Boulder Acquisition and Shale Acquisition (collectively, the "Acquisitions"), without payment of additional consideration and without further action, one unit of the Company ("Offered Unit"). Each Offered Unit was comprised of one common share of the Company ("Common Share") and one-half of one Common Share purchase warrant (each full warrant, a "Warrant") with each Warrant exercisable into one Common Share (each a "Warrant Share") at an exercise price of $7.50 per Warrant Share for a period of 36 months from the issuance date of the Warrants. On August 3, 2023, concurrently with the closing of the acquisitions each subscription receipt of the Company issued pursuant to the Offering was exchanged for one Common Share of the Company and one-half of one Warrant with each full Warrant exercisable into one Warrant Share at an exercise price of $7.50 per Warrant Share until August 3, 2026. The net proceeds, after issue costs, of approximately $32.7 million were used to fund a portion of the purchase price of the Acquisitions. As result of the Offering, 5,833,333 Common Shares and 2,916,667 Warrants were issued. Officers and directors received 469,178 Common Shares and 234,589 Warrants in the Offering.

On August 3, 3023 the Company closed a private placement purchase of $2.8 million in units of the Company (the "Private Placement Units") comprised of one Common Share and one-half of one common share purchase warrant (the "Private Placement"). The Private Placement Units were issued on terms identical to the terms of the Offered Units that are issuable pursuant to the terms of the Subscription Receipts under the Offering. The Private Placement Units purchased pursuant to the Private Placement (including the Common Shares and Warrants comprising such Private Placement Units, and the Warrant Shares issuable upon the exercise of such Warrants) are subject to a statutory hold period until December 4, 2023. As a result of the Private Placement, 466,666 Common Shares and 233,333 Warrants were issued. The funds of the Private Placement were used to extinguish the promissory note (note 16)

Total transaction costs associated with the equity financing are estimated to be approximately $6.6 million.

Commodity contracts

Subsequent to June 30, 2023, and as a result of the increased production from the completion of the Acquisitions, the Company entered into the following commodity contracts:

Swaps:

Product	Notional Volume	Term	Fixed Price (CAD/GJ)	Index
Natural Gas	4,600GJ/day	Sept 1, 2023 to March 31, 2025	$ 3.00 - $3.05	AECO

Product	Notional Volume	Term	Fixed Price (CAD/bbl)	Index
Crude Oil	1,050bbls/day	September 1, 2023 to September 30, 2023	$ 107.50 - $108.20	WTI - NYMEX
Crude Oil	1,000bbls/day	October 1, 2023 to December 31, 2023	$ 106.00 - $106.60	WTI - NYMEX
Crude Oil	900bbls/day	January 1, 2024 to March 31, 2024	$ 103.55 - $104.40	WTI - NYMEX
Crude Oil	850bbls/day	April 1, 2024 to June 30, 2024	$ 101.40 - $102.45	WTI - NYMEX
Crude Oil	800bbls/day	July 1, 2024 to September 30, 2024	$ 99.30 - $100.50	WTI - NYMEX
Crude Oil	750bbls/day	October 1, 2024 to December 31, 2024	$ 97.45 - $98.80	WTI - NYMEX
Crude Oil	670bbls/day	January 1, 2025 to March 31, 2025	$ 95.50 - $97.05	WTI - NYMEX

Incentive compensation

Subsequent to June 30, 2023, the Company approved the grant of approximately 60 thousand RSUs and approximately 65 thousand stock options to directors, officers, employees and consultants of the Company. The options will be granted at an exercise price of $6.00 per common shares and, subject to the Option Plan, will expire five years from the date of grant. The Company has also granted 20 thousand DSUs to directors.