HIGHWOOD ASSET MANAGEMENT LTD. ANNOUNCES STRONG SECOND QUARTER 2024 RESULTS HIGHLIGHTED BY RECORD PRODUCTION, ADJUSTED EBITDA AND FUNDS FLOW FROM OPERATIONS

NOT FOR DISSEMINATION IN THE U.S. OR THROUGH U.S. NEWSWIRES

Calgary, Alberta, August 14, 2024

Highwood Asset Management Ltd. ("**Highwood**" or the "**Company**") (TSXV: HAM) is pleased to announce financial and operating results for the three and six months ended June 30, 2024. The Company also announces that its unaudited financial statements and associated Management's Discussion and Analysis ("**MD&A**") for the period ended June 30, 2024, are available on Highwood's website at www.highwoodmgmt.com and on SEDAR+ at www.sedarplus.ca.

Highlights

- Achieved record corporate production of 6,459 boe/d in Q2 2024, representing an increase of approximately 29% from Q1 2024 as a result of a successful first quarter drilling program with wells that were brought late in the first quarter.

- Highwood delivered record Adjusted EBITDA of $22.5 million ($1.51 per basic share) and funds flow from operations of $19.8 million ($1.33 per basic share) in Q2 2024 representing increases of $5.1 million (29%) and $5.1 million (35%) respectively over Q1 2024. Furthermore, Highwood achieved Adjusted EBITDA and funds flow from operations increases of $12.2 million (119%) and $10.9 million (123%) respectively compared to Q4 2024, while holding net debt relatively flat. Highwood is pleased to have current Run Rate Net Debt / annualized Adjusted EBITDA of approximately 1.0x. As a result, Highwood reduced Net Debt in the second quarter by approximately $10.1 million, a decrease of approximately 9%. (1)

- As a result of a successful drilling program that delivered significant PDP reserves growth, the Company's borrowing base has been increased from $100 million to $110 million. Furthermore, Highwood was pleased to add Canadian Imperial Bank of Commerce and Macquarie Bank Limited as new lenders, joining Royal Bank of Canada and ATB Financial.

- The Company incurred expenditures of approximately $5.8 million in the Q2 2024 on undeveloped lands, primarily though Crown land sales. The majority of lands acquired were situated within the Company's Wilson Creek core area and in close proximity to recent drilling successes. In addition, Highwood also purchased approximately 15 net Crown sections of land in a new area with multi-lateral open hole ("**MLOH**") drilling potential. Highwood is excited with the prospect of these additional lands and believes it could represent a new core area for future development.

- On June 26, Highwood commenced its 2H 2024 drilling program, spudding the 100/03-11-048-14W5 well (the "**3-11 Well**"). The 3-11 well has the potential to add significant drilling inventory to the Brazeau asset and is expected to come online in late August. Since June 30th, the Company has spud 3 additional wells, two fracture stimulated wells in Wilson Creek and one MLOH in Brazeau. The MLOH well in Brazeau, located at 100/02-33-047-14W5 is a direct offset to the successful 02/08-33-047-14W5 (the "**8-33 Well**"). The 8-33 well was drilled late in the first quarter, reached payout in less than four months and continues to produce greater than 400bbls/d of oil after approximately five months of production in which it has cumulatively produced approximately 65,000 bbl of oil.

- As a result of operational outperformance from the most recently completed drilling campaign and supported by higher oil pricing, Highwood increased its 2024 capital plan to $60–65 million (from $40–45 million). As a result, Highwood also increased its 2024 average & exit production guidance of 5,500–5,700 boe/d (+8% increase at midpoint) and 6,400–6,500 boe/d (+19% increase at midpoint), respectively, while continuing to maintain the same target 2024 Net Debt / 2024 Exit EBITDA ratio of approximately 0.8x. Over the 12-month period ended December 2024, Highwood expects to grow production per share by over +50% (from prior forecasted +25%), while reducing debt by approximately 25%.(1)(2)

Notes to Highlights:

(1) *See "Caution Respecting Reserves Information" and "Non-GAAP and other Specified Financial Measures".*

(2) *Based on Management's projections (not Independent Qualified Reserves Evaluators' forecasts) and applying the following pricing assumptions: WTI: US$75.00/bbl; WCS Diff: US$14.00/bbl; MSW Diff: US$3.75/bbl; AECO: C$2.00/GJ; 0.73 CAD/USD. Management projections are used in place of Independent Qualified Reserves Evaluators' forecasts as Management believes it provides investors with valuable information concerning the liquidity of the Company.*

Summary of Financial & Operating Results

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	**2023**	**%**	**2024**	**2023**	**%**
Financial (expressed in thousands)						
Petroleum and natural gas sales	**$ 38,729**	$ 728	5,220	**$ 67,818**	$ 1,686	3,922
Transportation pipeline revenues	**698**	681	2	**1,387**	1,429	(3)
Total revenues, net of royalties (1)	**34,308**	1,460	2,250	**50,277**	3,251	1,447
Income (loss)	**10,475**	(600)	(1,846)	**9,931**	(627)	1,684
Funds flow from operating activities (5)	**19,821**	(128)	(15,585)	**34,548**	144	23,892
Adjusted EBITDA (5)	**22,462**	(115)	(19,632)	**39,897**	169	23,508
Capital expenditures	**9,047**	428	2,014	**34,704**	1,113	3,018
Net debt (2)				**98,438**	(1,653)	-
Shareholder's equity (end of period)				**114,004**	10,190	1,019
Shares outstanding (end of period) (6)				**14,838**	6,037	146
Weighted-average basic shares outstanding				**14,907**	6,037	147

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	**2023**	**%**	**2024**	**2023**	**%**
Operations [3]						
Production						
Crude oil (bbls/d)	**3,947**	95	4,041	**3,536**	109	3,149
NGLs (boe/d)	**946**	-	100	**766**	-	100
Natural gas (mcf/d)	**9,398**	-	100	**8,634**	-	100
Total (boe/d)	**6,459**	95	6,676	**5,741**	109	5,175
Average realized prices [4]						
Crude oil *(Cdn$/bbl)*	**98.22**	83.93	17	**94.39**	85.58	10
NGL *(Cdn$/boe)*	**28.61**	-	100	**32.12**	-	100
Natural gas *(Cdn$/mcf)*	**1.16**	-	100	**1.65**	-	100
Operating netback (per BOE) [7]	**40.69**	34.36	18	**39.44**	35.94	10

(1) Includes unrealized gain and losses on commodity contracts.
(2) Net debt consists of bank debt, promissory note, long-term accounts payable and accrued liabilities and working capital surplus (deficit) excluding commodity contract assets and/or liabilities, current portion of decommissioning liabilities and lease liabilities.
(3) For a description of the boe conversion ratio, see "*Caution Respecting Reserves Information — Basis of Barrel of Oil Equivalent*".
(4) Before hedging.
(5) See "*Non-GAAP and Other Specified Financial Measures*".
(6) Shares outstanding is adjusted for treasury shares purchased and held in trust.
(7) See "*Non-GAAP and Other Specified Financial Measures*".

Operational Update

With continued strong commodity prices in the 1H 2024, the Company focused primarily on the execution of its capital program. Highwood achieved record average corporate production in the second quarter of 2024 of 6,459boe/d, record Adjusted EBITDA of $22.5 million and record funds flow from operations of $19.8 million. During the first half of 2024, the Company executed a successful $26 million development capital program which included five additional wells, all of which were brought onstream in the first quarter of 2024. These five wells consisted of three fracture stimulated wells at Wilson Creek and two additional multi-lateral open hole wells, one in Brazeau and one in the Mannville horizon in eastern Alberta.

Highwood commenced the 2H2024 drilling program, spudding the 100/03-11-048-14W5 well (the "**3-11 Well**") on June 25, 2024. As previously stated, the Company anticipates drilling six wells (5.95 net), including the 3-11 Well, during the remainder of 2024.

The Company will continue to review and assess opportunities which are accretive to the Company as Highwood seeks to grow its operations. The Company will also continue to assess land offerings in strategic areas where the Company sees significant growth opportunities.

Outlook

Highwood anticipates allocating its organic Free Cash Flow after sustaining capital on a 50:50 basis to support organic production growth of approximately 50% while also expecting to reduce Net Debt by approximately 25%, achieving Net Debt / 2024 Exit EBITDA of under 0.8x by the end of 2024.

Highwood is continuing to evaluate its undeveloped lands for drilling opportunities and is planning to continue its active capital program while commodity prices remain strong.

The primary focus over the near-term is the execution of the Company's capital program and growth strategy while reducing the Company's Net Debt. At June 30, 2024, Highwood had over $300 million in tax pools, including more than $100 million in non-capital losses. Highwood does not anticipate being cash taxable for approximately three years.

Corporately, the Company is dedicated to building a growing profile of Free Cash Flow, on a per share basis, while using prudent leverage to provide it maximum flexibility for organic growth and / or other strategic M&A opportunities, with a longer-term goal to provide significant return of capital to shareholders.

Further Information

For further information about the Company please contact:

Joel MacLeod
Executive Chairman
403.719.0499
investorrelations@highwoodmgmt.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Forward-Looking Information

This news release contains certain statements and information, including forward-looking statements within the meaning of the "safe harbor" provisions of applicable securities laws, and which are collectively referred to herein as "forward-looking statements". The forward-looking statements contained in this news release are based on Highwood's current expectations, estimates, projections and assumptions in light of its experience and its perception of historical trends. When used in this news release, the words "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions, as they relate to Highwood, are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Actual operational and financial results may differ materially from Highwood's expectations contained in the forward-looking statements as a result of various factors, many of which are beyond the control of the Company.

Undue reliance should not be placed on these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur and may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward-looking statements may include, but are not limited to, statements with respect to:

- *the Company's expectations with respect to future operational results, including, but not limited* *to, estimated or anticipated production levels, exit production rates, decline rates, recycle ratios, netbacks, capital expenditures and sources of funding thereof, drilling plans and other information discussed in this news release;*

- *the quantity of the Company's oil and natural gas reserves and anticipated future cash flows from such reserves;*
- *the Company's estimates of its drilling locations inventory, tax pools, non-capital losses and its expectation that it will not be cash taxable for approximately three years;*
- *anticipated financial results of the Company, including but not limited to, 2024 Exit EBITDA, Adjusted EBITDA, Free Cash Flow, Run Rate Net Debt / annualized Adjusted EBITDA, and Net Debt / 2024 Exit EBITDA;*
- *the Company's expectations regarding capacity of infrastructure associated with its business;*
- *the Company's expectations regarding commodity prices and costs;*
- *the Company's expectations regarding supply and demand for oil and natural gas;*
- *expectations regarding the Company's ability to raise capital and to continually add to reserves through acquisitions and development;*
- *treatment under governmental regulatory regimes and tax laws;*
- *fluctuations in depletion, depreciation, and accretion rates;*
- *expected changes in regulatory regimes in respect of royalty curves and regulatory improvements and the effects of such changes; and*
- *Highwood's business and acquisition strategy, the criteria to be considered in connection therewith and the benefits to be derived therefrom.*

These forward-looking statements are not guarantees of future performance and are subject to a number of known and unknown risks and uncertainties that could cause actual events or results to differ materially, including, but not limited to:

- *operational risks and liabilities inherent in oil and natural gas operations;*
- *the accuracy of oil and gas reserves estimates and estimated production levels as they are affected by exploration and development drilling and estimated decline rates;*
- *the uncertainties in regard to the timing of Highwood's exploration and development program;*
- *failure to realize the anticipated benefits of acquisitions, including corresponding results and/or synergies;*
- *unexpected costs or liabilities related to acquisitions;*
- *volatility in market prices for oil and natural gas;*
- *adverse general economic, political and market conditions;*
- *incorrect assessments of the value of benefits to be obtained from acquisitions and exploration and development programs;*
- *unforeseen difficulties in integrating assets acquired through acquisitions into the Company's operations;*
- *changes in royalty regimes;*
- *competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;*
- *that the Company's ability to maintain strong business relationships with its suppliers, service providers and other third parties will be maintained;*
- *geological, technical, drilling and processing problems;*
- *fluctuations in foreign exchange or interest rates and stock market volatility;*
- *liquidity;*

- *fluctuations in the costs of borrowing;*
- *political or economic developments;*
- *uncertainty related to geopolitical conflict;*
- *ability to obtain regulatory approvals; and*
- *the results of litigation or regulatory proceedings that may be brought against the Company; and*
- *changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry.*

In addition, statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future.

*There are numerous uncertainties inherent in estimating quantities of oil and natural gas and the future cash flows attributed to such reserves. The reserves and associated cash flow information set forth herein are estimates only. In general, estimates of economically recoverable oil and natural gas and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserves and resources recovery, timing and amount of capital investments, marketability of oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially. For these reasons, estimates of the economically recoverable oil and natural gas attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different evaluators, or by the same evaluators at different times, may vary. The actual production, revenues, taxes and development and operating expenditures of the Company with respect to its reserves will vary from estimates thereof and such variations could be material. This news release contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") about the Company's prospective Adjusted EBITDA, Free Cash Flow, Net Debt, 2024 Exit EBITDA, Operating Netback (per boe), all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this news release was made as of the date of this news release and was provided for the purpose of describing the anticipated effects of the Company's anticipated operational results on the Company's business operations. Highwood's actual results, performance or achievement could differ materially from those expressed in, or implied by, such FOFI. The Company disclaims any intention or obligation to update or revise any FOFI contained in this news release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this news release should not be used for purposes other than for which it is disclosed herein.*

Changes in forecast commodity prices, differences in the timing of capital expenditures and variances in average production estimates can have a significant impact on the key performance metrics included in the Company's guidance for 2024 contained in this news release. The Company's actual results may differ materially from such estimates.

With respect to forward-looking statements contained in this news release, the Company has made assumptions regarding, among other things: the Company's future operational results, including, but not limited to, estimated or anticipated production levels, exit production rates, decline rates, recycle ratios, netbacks, capital expenditures and sources of funding thereof, drilling plans and other information discussed in this news release; that commodity prices will be consistent with the current forecasts of its *engineers; field netbacks; the accuracy of reserves estimates; costs to drill, complete and tie-in wells; ultimate recovery of reserves; that royalty regimes will not be subject to material modification; that the Company will be able to obtain skilled labour and other industry services at reasonable rates; the performance of assets and equipment; that the timing and amount of capital expenditures and the benefits therefrom will be consistent with the Company's expectations; the impact of increasing competition; that the conditions in general economic and financial markets will not vary materially; that the Company will be able to access capital, including debt, on acceptable terms; that drilling, completion and other equipment will be available on acceptable terms; that government regulations and laws will not change materially; that royalty rates will not change in any material respect; and that future operating costs will be consistent with the Company's expectations.*

Although Highwood believes the expectations and material factors and assumptions reflected in these forward-looking statements are reasonable as of the date hereof, there can be no assurance that these expectations, factors and assumptions will prove to be correct.

Readers are cautioned not to place undue reliance on such forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur and the predictions, forecasts, projections and other forward-looking statements may not occur, which may cause Highwood's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by this news release.

A more complete discussion of the risks and uncertainties facing Highwood is disclosed in Highwood's continuous disclosure filings with Canadian securities regulatory authorities available on SEDAR+ at www.sedarplus.ca. All forward-looking information herein is qualified in its entirety by this cautionary statement, and Highwood disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events, or developments, except as required by law.

Caution Respecting Reserves Information

This news release contains oil and gas metrics commonly used in the oil and gas industry, including "Operating Netback (per boe)" and "NPV10". These oil and gas metrics do not have any standardized meaning and therefore they should not be used to make comparisons and readers should not place undue reliance on such metrics. Further, these metrics have not been independently evaluated, audited or reviewed and are based on historical data, extrapolations therefrom and management's professional judgement, which involves a high degree of subjectivity. For these reasons, actual metrics attributable to any particular group of properties may differ from our estimates herein and the differences could be significant.

"BT" means before tax.

"IRR" means internal rate of recovery.

"NPV10" represents the anticipated net present value of the future net revenue discounted at a rate of 10% associated with the reserves associated with the acquired assets.

"NAV per fully diluted share" is calculated using the respective net present values of PDP, 1P and 2P reserves, before tax and discounted at 10% plus internally valued undeveloped land & seismic and proceeds from warrants and stock options, less net debt, and divided by fully diluted outstanding shares. Management used NAV per share as a measure of the relative change of Highwood's net asset value over its outstanding common shares over a period of time.

"Netback" is used to evaluate potential operating performance. Netback is calculated as follows: (Revenue – Royalties - Operating Expenses).

"Proved" or "1P" reserves are those that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Reported reserves should target at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves under a specific set of economic conditions.

Basis of Barrels of Oil Equivalent — This news release discloses certain production information on a barrels of oil equivalent ("boe") basis with natural gas converted to barrels of oil equivalent using a conversion factor of six thousand cubic feet of gas (Mcf) to one barrel (bbl) of oil (6 Mcf:1 bbl). Condensate and other NGLs are converted to boe at a ratio of 1 bbl:1 bbl. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 bbl is based roughly on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at sales point. Although the 6:1 conversion ratio is an industry-accepted norm, it is not reflective of price or market value differentials between product types. Based on current commodity prices, the value ratio between crude oil, NGLs and natural gas is significantly different from the 6:1 energy equivalency ratio. Accordingly, using a conversion ratio of 6 Mcf:1 bbl may be misleading as an indication of value.

Mcfe Conversions: Thousands of cubic feet of gas equivalent ("Mcfe") amounts have been calculated by using the conversion ratio of one barrel of oil (1 bbl) to six thousand cubic feet (6 Mcf) of natural gas. Mcfe amounts may be misleading, particularly if used in isolation. A conversion ratio of 1 bbl to 6 Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of natural gas as compared to oil is significantly different from the energy equivalent of 1:6, utilizing a conversion on a 1:6 basis may be misleading as an indication of value.

"Drilling Location" or "Locations" – this news release discloses drilling inventory in two categories: (a) booked locations; and (b) unbooked locations. Booked locations are proposed drilling locations identified in the Year-End 2023 Reserves, as evaluated by GLJ who is the Company's independent qualified reserves evaluator, that have proved and/or probable reserves, as applicable, attributed to them in the Year-End 2023 Reserves. Unbooked locations are internal estimates based on prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal technical analysis review. Unbooked locations have been identified by members of management who are qualified reserves evaluators in accordance with NI 51-101 based on evaluation of applicable geologic, seismic, engineering, production and reserves information. Unbooked locations do not have proved or probable reserves attributed to them in the Year-End 2023 Reserves. There is no certainty that the Company will drill all unbooked drilling locations and if drilled, there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations considered for future development will ultimately depend on the availability of capital, regulatory approvals, seasonal

restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of unbooked drilling locations have been de-risked by the drilling of existing wells by Highwood in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where Management has less information about the characteristics of the reservoir, and therefore, there is more uncertainty whether wells will be drilled in such locations. If these wells are drilled, there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

References to "liquids" in this news release refer to, collectively, heavy crude oil, light crude oil and medium crude oil combined, and natural gas liquids.

"bbls/d" means barrels per day.

"boe/d" means barrels of oil equivalent per day.

Non-GAAP and other Specified Financial Measures

This news release may contain financial measures commonly used in the oil and natural gas industry, including "Adjusted EBITDA", "Free Cash Flow" and "Net Debt". These financial measures do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. Readers are cautioned that these non-IFRS measure should not be construed as an alternative to other measures of financial performance calculated in accordance with IFRS. These non-IFRS measures provides additional information that Management believes is meaningful in describing the Company's operational performance, liquidity and capacity to fund capital expenditures and other activities. Management believes that the presentation of these non-IFRS measures provide useful information to investors and shareholders as the measures provide increased transparency and the ability to better analyze performance against prior periods on a comparable basis.

"Adjusted EBITDA" is calculated as cash flow from (used in) operating activities, adding back changes in non-cash working capital, decommissioning obligation expenditures, transaction costs and interest expense. The Company considers Adjusted EBITDA to be a key capital management measure as it is both used within certain financial covenants anticipated to be prescribed under the New Credit Facilities and demonstrates Highwood's standalone profitability, operating and financial performance in terms of cash flow generation, adjusting for interest related to its capital structure. The most directly comparable GAAP measure is cash flow from (used in) operating activities.

"Capital Expenditures" or "Capex" is comprised of property, plant and equipment expenditures and exploration, evaluation asset expenditures, decommissioning obligation expenditures and excludes any corporate or property acquisitions, respectively. Highwood uses capital expenditures to monitor its capital investments relative to those budgeted by the Company on an annual basis. Highwood's capital budget excludes acquisition and disposition activities as well as the accounting impact of any accrual changes or payments under certain lease arrangements. The most directly comparable GAAP measure for capital expenditures is cash flow used in investing activities. Capital Expenditures is calculated as cash flow from (used in) investment activities, adding decommissioning expenditures and adding back changes in non-cash working capital, property acquisitions expenditures or property disposition proceeds.

"Development Capital" or "DCET Capital" is comprised of property, plant and equipment expenditures related to drilling, completions, equipping and tie-in activities. Highwood uses DCET to monitor its capital development investments relative to those budgeted by the Company on an annual basis. Highwood's capital development budget excludes acquisition and disposition activities as well as the accounting impact of any accrual changes or payments under certain lease arrangements. The most directly comparable GAAP measure for capital expenditures is cash flow used in investing activities. Development Capital is calculated as cash flow from (used in) investment activities, adding decommissioning expenditures, adding exploration and evaluation expenditures and adding back changes in non-cash working capital, property acquisitions expenditures or property disposition proceeds.

"EBITDA" is a non-GAAP financial measure and may not be comparable with similar measures presented by other companies. EBITDA is used as an alternative measure of profitability and attempts to represent the cash profit generated by the Company's operations. The most directly comparable GAAP measure is cash flow from (used in) operating activities. EBITDA is calculated as cash flow from (used in) operating activities, adding back changes in non-cash working capital, decommissioning obligation expenditures and interest expense.

"2024 Exit EBITDA" is calculated as Adjusted EBITDA for the month of December annualized. The Company believes that 2024 Exit EBITDA is useful information to investors and shareholders in understanding the EBITDA generated in the final month of 2024 which is indicative of future EBITDA.

"Free Cash Flow" or "FCF" is used as an indicator of the efficiency and liquidity of the Company's business, measuring its funds after capital expenditures available to manage debt levels, pursue acquisitions and assess the optionality to pay dividends and/or return capital to shareholders though activities such as share repurchases. The most directly comparable GAAP measure is cash flow from (used in) operating activities. Free Cash Flow is calculated as cash flow from (used in) operating activities, less interest, office lease expenses, cash taxes and capital expenditures.

"Net Debt" represents the carrying value of the Company's debt instruments, including outstanding deferred acquisition payments, net of Adjusted working capital. The Company uses Net Debt as an alternative to total outstanding debt as Management believes it provides a more accurate measure in assessing the liquidity of the Company. The Company believes that Net Debt can provide useful information to investors and shareholders in understanding the overall liquidity of the Company.

"Net Debt / 2024 Exit EBITDA" is calculated as net debt at the end of the fiscal period of 2024 divided by the 2024 Exit Adjusted EBITDA. The Company believes that Net Debt / 2024 Exit Adjusted EBITDA is useful information to investors and shareholders in understanding the time frame, in years, it would take to eliminate Net Debt based on 2024 Exit Adjusted EBITDA.

"Run Rate Net Debt / annualized Adjusted EBITDA" is calculated as net debt at the end of the April 2024 divided by the estimated April 2024 Adjusted EBITDA. The Company believes that Run Rate Net Debt / annualized adjusted EBITDA is useful information to investors and shareholders in understanding the time frame, in years, it would take to eliminate Net Debt based on April 2024 (being the most recent completed month) Adjusted EBITDA.

"Operating netback (per BOE)" is calculated as the realized price per boe, less royalties associated with the sale of petroleum and natural gas products on a per boe basis, less the operating costs associated with

the production on a per boe basis. The Company believes that Operating netback (per BOE) is a useful measure of the profit that is made from each barrel of production.

All dollar figures included herein are presented in Canadian dollars, unless otherwise noted.