



## HIGHWOOD ASSET MANAGEMENT LTD. ANNOUNCES SALE OF WILSON CREEK ASSETS

**NOT FOR DISSEMINATION IN THE U.S. OR THROUGH U.S. NEWSWIRE**

**Calgary, Alberta, June 30, 2026**

Highwood Asset Management Ltd. ("**Highwood**" or the "**Company**") (TSXV: HAM) is pleased to announce that we have closed our previously announced arm's length divestiture of our Wilson Creek assets (the "**Assets**") to Obsidian Energy Ltd. ("**Obsidian Energy**") (TSX: OBE) (the "**Transaction**"). Total consideration received from Obsidian Energy was up to \$112 million:

- \$105 million in cash, which was reduced to \$98 million after interim closing adjustments (the "**Cash Proceeds**");
- Up to an aggregate of \$7 million in contingent consideration, to be paid in quarterly instalments between the third quarter of 2026 and the second quarter of 2027, based on the price of WTI (the "**Contingent Value Payments**").

### **Credit Facility & Capital Resources Update**

In association with the closing of the Transaction, the Cash Proceeds were used to pay down the Company's debt, leaving approximately \$15 million drawn on our reduced \$75 million syndicated credit facility (the "**Credit Facility**") with (Royal Bank of Canada, Business Development Bank of Canada, ATB Financial, Canadian Imperial Bank of Commerce, and Macquarie Bank Limited). In conjunction with the Transaction, we completed our semi-annual borrowing base redetermination, resulting in the maturity date under the Credit Facility being extended by a year to August 1, 2028.

Our pro forma capitalization provides the Company with ample liquidity that can be used to pursue the development of our deep inventory of organic opportunities, acquisitions, and return of capital to shareholders.

### **Strategic Outlook and Capital Deployment**

With the divestiture complete, Highwood is concentrating capital toward its long-duration, high-margin Brazeau asset and other early-stage opportunities across the portfolio. Continued drilling success in the Basal Belly River at Brazeau, together with the recently commenced waterflood initiative, is expected to lower base declines and extend reserve life. Highwood's high-netback, oil-weighted Brazeau asset delivers compelling single-well economics, with an approximate 2.6x Recycle Ratio and a 12-month before-tax payback at US\$65 WTI, capital efficiencies of approximately \$19,000/boe/d, and a Corporate Free Cash Flow breakeven below US\$45 WTI<sup>(2)</sup>.

Based on the independent qualified reserves evaluator's (GLJ Ltd.) evaluation of Highwood's reserves as at December 31, 2025, the Company's retained reserves carry a BTNPV10 of approximately \$153 million on a Proved Developed Producing (PDP) basis and approximately \$306 million on a total Proved (1P) basis; net of approximately \$15 million of Net Debt pro forma for closing, implying a net asset value of approximately \$9.00 per share ("NAV per share") (PDP) and approximately \$19.00 per share (1P)<sup>(1)(3)</sup>.

Given recent industry success in close proximity to Highwood's Mannville stack lands in eastern Alberta using horizontal technology, Highwood plans to deploy capital to these assets before the end of the year, and continues to add to its position in the area through multiple Crown acquisitions. These lands offer multiple opportunities, including potential steam-assisted gravity drainage ("SAGD") projects. The Company intends to delineate and commence strategic financing and partnership discussions over the coming months to advance these opportunities.

In addition, the Company continues to explore strategic options for its lithium, critical mineral and rare earth element assets, where it has seen interest from potential strategic partners and believes there is strong potential to access government funding support.

## Shareholder Returns

As part of Highwood's commitment to enhancing shareholder returns, the Company intends to implement its inaugural Normal Course Issuer Bid ("NCIB") in the second half of 2026, subject to approval by the Board of Directors and acceptance by the TSX Venture Exchange. Highwood's strengthened post-closing balance sheet, together with ample liquidity under the Credit Facility, provides the flexibility to enhance total shareholder returns alongside continued investment in the Company's organic growth opportunities and selective acquisitions.

- (1) See "Caution Respecting Reserves Information" and "Non-GAAP and other Specified Financial Measures".
- (2) Price Deck for management estimates: WTI: US\$65.00/bbl; WCS Diff: US\$13.00/bbl; MSW Diff: US\$4.00/bbl; AECO: C\$2.50/GJ; 0.73 CAD/USD. below. See Highwood's Corporate Presentation for the full type curve assumptions.
- (3) Based on basic shares of 15,198,818 which includes shares held in trust.

## Corporate Update

The Company also announces that it has entered into an equity research coverage agreement (the "**Research Agreement**") dated January 22, 2026 with Granite Point Research Inc. ("**Granite Point**"), an arm's length party based in Toronto, Ontario and owned by its President & CEO, John Stephenson. Under the Research Agreement, Granite Point will provide sponsored equity research and investor awareness services in accordance with the policies of the TSX Venture Exchange and applicable securities laws. The Research Agreement has an initial one-year term, automatically renewing for an additional one-year term unless otherwise agreed. In consideration, the Company will pay Granite Point CAD\$11,250 per calendar quarter, in arrears (CAD\$45,000 annually). No securities of the Company are being issued to Granite Point as compensation. The Research Agreement and Granite Point's engagement remain subject to TSXV approval.

## Further Information

For further information about the Company please contact:

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

## ADVISORIES

### Forward-Looking Information

*Certain information contained in the press release may constitute forward-looking statements and information (collectively, "forward-looking statements") within the meaning of applicable securities legislation that involve known and unknown risks, assumptions, uncertainties and other factors. Forward-looking statements may be identified by words like "anticipates", "estimates", "expects", "indicates", "intends", "may", "could", "should", "would", "plans", "target", "scheduled", "projects", "outlook", "proposed", "potential", "will", "seek" and similar expressions. Forward-looking statements in this press release include statements regarding, among other things: Highwood's business, strategy, objectives, strengths and focus; the Company's drilling plans and expectations; the results of waterflood initiatives in Brazeau; drilling in the Mannville stack, the implementation of the NCIB, ability to obtain financing and/or partnership to advance SAGD properties; ability to potentially access government funding support; and the performance and other characteristics of the Company's properties and expected results from its assets. Such statements reflect the current views of management of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions that could cause results to differ materially from those expressed in the forward-looking statements. With respect to forward-looking statements contained in this press release, the Company has made assumptions regarding, among other things: that commodity prices will be consistent with the current forecasts of its engineers; field netbacks; the accuracy of reserves estimates; average production rates; costs to drill, complete and tie-in wells; ultimate recovery of reserves; that royalty regimes will not be subject to material modification; future exchange and interest rates; supply of and demand for commodities; inflation; the availability of capital on satisfactory terms; the availability and price of labour and materials; the impact of increasing competition; conditions in general economic and financial markets; that the Company will be able to access capital, including debt, on acceptable terms; the receipt and timing of regulatory, exchange and other required approvals; the ability of the Company to implement its business strategies and complete future acquisitions; the Company's long term business strategy; and effects of regulation by governmental agencies.*

*Factors that could cause actual results to vary from forward-looking statements or may affect the operations, performance, development and results of the Company's businesses include, among other things: assumptions concerning operational reliability; risks inherent in the Company's future operations; the Company's ability to generate sufficient cash flow from operations to meet its future obligations; increases in maintenance, operating or financing costs; the realization of the anticipated benefits of future acquisitions, if any; the availability and price of labour, equipment and materials; competitive factors, including competition from third parties in the areas in which the Company intends to operate, pricing pressures and supply and demand in the oil and gas industry; fluctuations in currency and interest rates; inflation; risks of war, hostilities, civil insurrection, pandemics, political and economic instability overseas and its effect on commodity pricing and the oil and gas industry (including ongoing military actions between Russia and Ukraine, military action in Iran and the crisis in Israel and Gaza and related areas); severe weather conditions and risks related to climate change, such as fire, drought and flooding; terrorist threats; risks associated with technology; changes in laws and regulations, including environmental, regulatory and taxation laws, and the interpretation of such changes to the management team's future business; availability of adequate levels of insurance; difficulty in obtaining necessary*

regulatory approvals and the maintenance of such approvals; general economic and business conditions and markets; and such other similar risks and uncertainties. The impact of any one assumption, risk, uncertainty or other factor on a forward-looking statement cannot be determined with certainty, as these are interdependent and the Company's future course of action depends on the assessment of all information available at the relevant time. For additional risk factors relating to Highwood, please refer to the Company's annual information form and management discussion and analysis for the year ended December 31, 2025, as well as the Company's management discussion and analysis for the period ended March 31, 2026, which are available on the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). The forward-looking statements contained in this press release are made as of the date hereof and the parties do not undertake any obligation to update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

**FOFI Disclosure.** This press release contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") about Highwood's prospective results of operations and production, and components thereof, 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 press release was made as of the date of this press release and was provided for the purpose of providing further information about Highwood's anticipated future business operations. The Company disclaims any intention or obligation to update or revise any FOFI contained in this press 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 press release should not be used for purposes other than for which it is disclosed herein. All FOFI contained in this press release complies with the requirements of Canadian securities legislation, including Canadian Securities Administrators' National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities. 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 the second quarter of 2026 and payout on wells contained in this news release. The Company's actual results may differ materially from such estimates.

**Currency.** All amounts in this press release are stated in Canadian dollars unless otherwise specified.

**Abbreviations.**

API	American Petroleum Institute gravity	m <sup>3</sup>	metres cubed
bbl	barrels of oil	m <sup>3</sup> bbl	thousand barrels of oil
bbls/d	barrels of oil per day	m <sup>3</sup> cf/d	thousand cubic feet per day
m	metres	boe/d	boe per day
boe	barrels of oil equivalent		

**Caution Respecting Reserves Information**

Readers should see the "Selected Technical Terms" in the Company's Annual Information Form

dated May 14, 2026 that is available on the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca) for the definition of certain oil and gas terms.

Disclosure in this news release of oil and gas information is presented in accordance with generally accepted industry practices in Canada and National Instrument 51-101 — Standards of Disclosure for Oil and Gas Activities ("**NI 51-101**"). Specifically, other than as noted herein, the oil and gas information regarding the Company presented in this news release is based on the report prepared by GLJ Ltd., independent petroleum consultants of Calgary, Alberta and dated February 27, 2026 evaluating the light and medium crude oil, conventional natural gas, shale gas, and natural gas liquids reserves attributable to Highwood's properties at December 31, 2025 (the "**Reserves Report**").

Reserves are classified according to the degree of certainty associated with the estimates as follows:

"Proved reserves" or "IP" are those reserves 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.

"Probable reserves" are those additional reserves that are less certain to be recovered than proved reserves.

"Proved plus probable reserves" or "2P" is the total of proved reserves and probable reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

"Proved Developed Producing" or "PDP" reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

This news release may disclose potential future drilling locations in two categories: (a) booked locations; and (b) unbooked locations. Booked locations are proposed drilling locations identified in the Reserves Report that have proved and/or probable reserves, as applicable, attributed to them in the Reserves Report. 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. Unbooked locations do not have proved or probable reserves attributed to them in the Reserves Report. Highwood's ability to drill and develop these locations and the drilling locations on which Highwood actually drills wells depends on a number of known and unknown risks and uncertainties. As a result of these risks and uncertainties, there can be no assurance that the potential future drilling locations identified in this news release will ever be drilled or if Highwood will be able to produce crude oil, natural gas and natural gas liquids from these or any other potential drilling locations.

*The net present value of future net revenues attributable to reserves and resources included in this news release do not represent the fair market value of such reserves and resources. There is no assurance that the forecast prices and costs assumptions will be attained, and variances could be material. The recovery and reserve estimates of reserves and resources provided in this news release are estimates only and there is no guarantee that the estimated reserves or resources will be recovered. Actual reserves and resources may be greater or less than the estimates provided in this news release. The estimates of reserves and future net revenue for individual properties in this news release may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.*

*Basis of Barrels of Oil Equivalent – In this news release, the abbreviation boe means a barrel of oil equivalent on the basis of 1 boe to 6 Mcf of natural gas when converting natural gas to boes. Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf to 1 boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion ratio at 6:1 may be misleading.*

*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.*

*"BT" means before tax.*

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

*"NAV per 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, less Net Debt, and divided by basic outstanding common shares adjusted for shares held in treasury. 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).*

*"Recycle Ratio" is measured by dividing the operating netback for the applicable period by F&D cost per boe for the year. The recycle ratio compares Netback from existing reserves to the cost of finding new reserves and may not accurately indicate the investment success unless the replacement reserves are of equivalent quality as the produced reserves.*

### **Non-GAAP and other Specified Financial Measures**

*This news release contains financial measures commonly used in the oil and natural gas industry. 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 measures should not be construed as an alternative to other measures of financial*

*performance calculated in accordance with IFRS. These non-IFRS measures provide 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.*

*“Corporate Free Cash Flow Breakeven” is calculated as the WTI price in US dollars in which Free Cash Flow is approximately zero while holding production flat. Other prices are held constant at WCS differential: US\$13.00/bbl; MSW differential: US\$4.00/bbl; AECO: C\$2.50/GJ; 0.73 CAD/USD. The Company believes that Corporate Free Cash Flow Breakeven can provide useful information to investors and shareholders in understanding sensitivity to commodity pricing and understanding at what the minimum WTI price in US dollars would be to remain profitable.*

*"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.*