



HIGHWOOD ASSET MANAGEMENT LTD. ANNOUNCES EARLY REPAYMENT OF PROMISSORY NOTE AND 2025 CAPITAL UPDATE

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

Calgary, Alberta, November 26, 2024

Highwood Asset Management Ltd. ("**Highwood**" or the "**Company**") (TSXV: HAM) is pleased to announce early repayment of Promissory Note issued in conjunction with the acquisition of Boulder Energy Ltd. in August 2023 and update to the 2025 capital program.

Promissory Note Repayment

The Promissory Note, originally issued on August 3, 2023 was set to mature on July 1, 2025 with equal payments of \$3.5 million each on January 1, 2025, April 1, 2025 and July 1, 2025, with the outstanding principal (if any) due in full on maturity. The Promissory Note bore interest at 13% per annum payable quarterly. On November 26, 2024, Highwood paid the full outstanding principal balance and accrued interest of approximately \$10.7 million. Repayment of the Promissory Note will have a positive impact on interest expense with credit facility bearing interest currently at approximately 8% per annum, compared to the 13% per annum bore by the Promissory Note. Furthermore, the early repayment will create additional financial flexibility for Highwood.

2025 Capital Update

Highwood recently announced a planned 2025 capital expenditure program of \$60-65 million. Due to operational efficiencies and availability of required equipment, Highwood plans to spud the first drill of the 2025 program in December of 2024, which will be Highwood's second well within the Basal Belly River horizon at Brazeau. Highwood is encouraged with the early results from the first well drilled in the Basal Belly River horizon at Brazeau, which has been onstream for approximately 90 days and is currently producing in excess of 400 bbls/d of light oil. The Company anticipates costs of approximately \$3 million will be incurred in 2024, instead of 2025.

Deferred Share Units Grant

The Company has granted 20,000 Deferred Share Units ("**DSUs**") to non-management directors. All DSUs were granted pursuant to the Company's share based compensation plan and are subject to the terms of the applicable grant agreements and the requirements of the TSX Venture Exchange ("**TSXV**").

The DSUs shall vest on the first anniversary date of grant. The DSUs are subject to TSXV acceptance. The Company relied on exemptions provided for by Multilateral Instrument 61-101 for the

grant of DSUs to the directors of the Company.

Further Information

For further information about the Company please contact:

Joel MacLeod

Executive Chairman

403.719.0499

investorrelations@highwoodmgmt.com

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: the 2025 Capital Update; Highwood's business, strategy, objectives, strengths and focus; the Company's drilling plans and expectations; 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 and the crisis in Israel and Gaza); 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, 2023, as well as the Company's management discussion and analysis for the period ended September 30, 2024, which are available on the Company's SEDAR+ profile at 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.

Short Term Results. References in this press release to production test rates, and other short-term production rates that are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Highwood. Accordingly, the Company cautions that the test results should be considered to be preliminary.

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 full year 2024 and full year 2025 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 ³	metres cubed
bbl	barrels of oil	mbbl	thousand barrels of oil
bbl/d	barrels of oil per day	mcf/d	thousand cubic feet per day
m	metres	boe/d	boe per day
boe	barrels of oil equivalent		

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.

