HIGHWOOD
ASSET MANAGEMENT LTD.

July 2024

Corporate Presentation

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This Presentation contains information regarding Highwood Asset Management Ltd. ("Highwood") and the acquisitions by Highwood (collectively, the "Acquisitions") of Boulder Energy Ltd. ("Brazeau"), Castlegate Energy Ltd. ("Castlegate") and Shale Petroleum Ltd. ("Shale") which closed on August 3, 2023.

The information regarding the Acquisitions contained in the Presentation has not been independently verified and some of the information may be subject to change. No representation or warranty, express or implied, has, is or will be made and no responsibility or liability has, is or will be accepted by Highwood or by any of its affiliates or their respective directors, officers, employees, advisers or agents or any other person as to or in relation to the accuracy or completeness of the information contained in the Presentation, and no responsibility or liability is accepted for the accuracy or sufficiency of any of the information, for any errors, omissions or misstatements, negligent or otherwise, or for any other communication, written or otherwise, made to anyone in the Presentation.

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Specifically, this Presentation contains certain statements and information that are forward-looking statements or information within the meaning of applicable securities laws. See the "Forward-Looking Statements" disclaimer on slide 21 for more information. Additionally, this Presentation contains certain oil and gas information presented in accordance with generally accepted industry practices in Canada and National Instrument 51-101 — Standards of Disclosure for Oil and Gas Activities. See the "Oil and Gas Measures and Metrics" disclaimer on slide 22 for more information. Further, this Presentation contains certain specified financial measures that are not prepared in accordance with International Financial Reporting Standards. See the "Non-GAAP Financial Measures" disclaimer on slide 23 for more information.

Conventional Asset Consolidation Strategy

Generational Opportunity

- Acquired high quality, sustainable oil-weighted assets with significant inventory at attractive purchase multiples (2.2x EV/12-month Period Ending June 30, 2024 Field NOI, 0.8x PDP, 0.5x 1P)[1,2,4,5,6].
- Current leverage of ~1.0x on current run-rate EBITDA, spending ~60% of EBITDA to grow production >25% while deleveraging to <0.8x by year-end 2024[1,3,4,5].
  - Significant credit support with traditional low-cost $110 million RBC/ATB led RBL
  - Recently increased credit facility and added CIBC and Macquarie to credit syndicate
- **Strong capital efficiencies to date of <$20,000/boe resulting in outperformance of type curves with current production ~6,000 boe/d, a 50% increase since close of acquisitions in August 2023**

Attractive Shareholder Economics

- Company expected to generate approximately 25% free cash flow yields[1,3,4].
- **Ability to redeploy free cash flow with meaningful inventory at >100% IRRs[3,4]**
- Expect to evaluate return of capital to shareholders in 18–24 months
- Strong reserves growth since acquisition with PDP NAV and 1P NAV at $7.93/share and $21.07/share respectively with corresponding strong reserve life indexes of 10.8 years on PDP and 15.2 years on 1P, respectively

Highwood Team

- Experienced management team with track record of successful transactions
- Deep technical expertise, including multi-lateral development
- High degree of alignment with management owning ~35% of Highwood's common shares and total insider ownership in excess of 50%

Highwood Plan

- Expected to continue to acquire high quality oil assets and execute on organic development to grow beyond 30,000 boe/d in the medium term.
- **One of few companies planning for 25% annual growth combined with 25% debt reduction in 2024.**

Highwood has assembled a portfolio of high-quality assets to lay the foundation to create shareholder value

Guidance Increase as a Result of Solid Execution

Q2/Q3 2023
Acquire

August 2023 – closed 3 separate corporate transactions and related ~$150MM Financing

Q2/Q3 2023 - Q1 2024
Integrate and Execute

Integrate 3 separate transactions

Commence successful optimization and drilling program

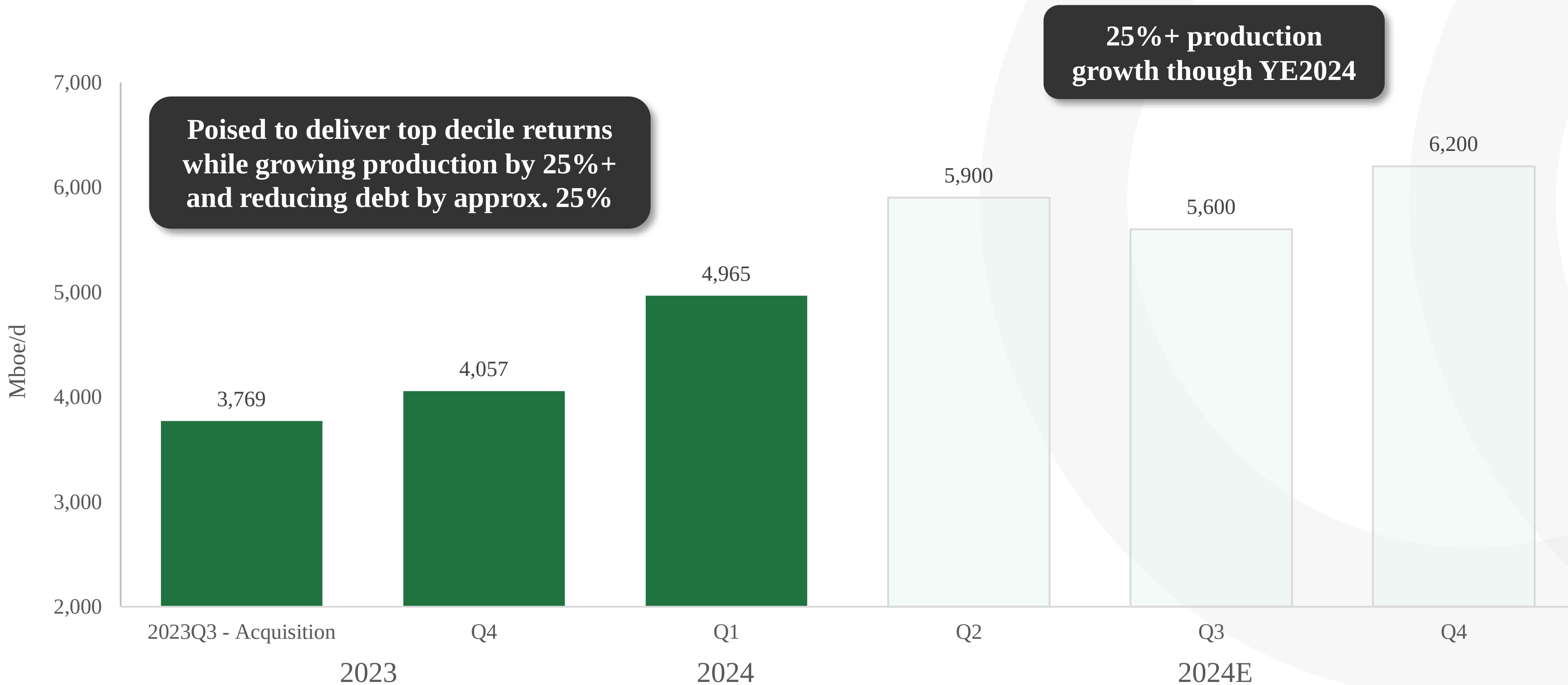
Results

Drilled 9 wells through the end of Q1. Successfully adding barrels at < $20M/boed flowing efficiencies

Deliver production growth of 25%+ and sub 12 month payout on capital deployed

Reduce Debt While in Growth Mode

Reduce debt by 25% while growing production by 25% balancing development and further unlocking well inventory



Highwood Asset Management

Market Summary

Ticker Symbol	TSXV: HAM
Shares Outstanding (Basic)	15.1 million
Insider Ownership	~35%

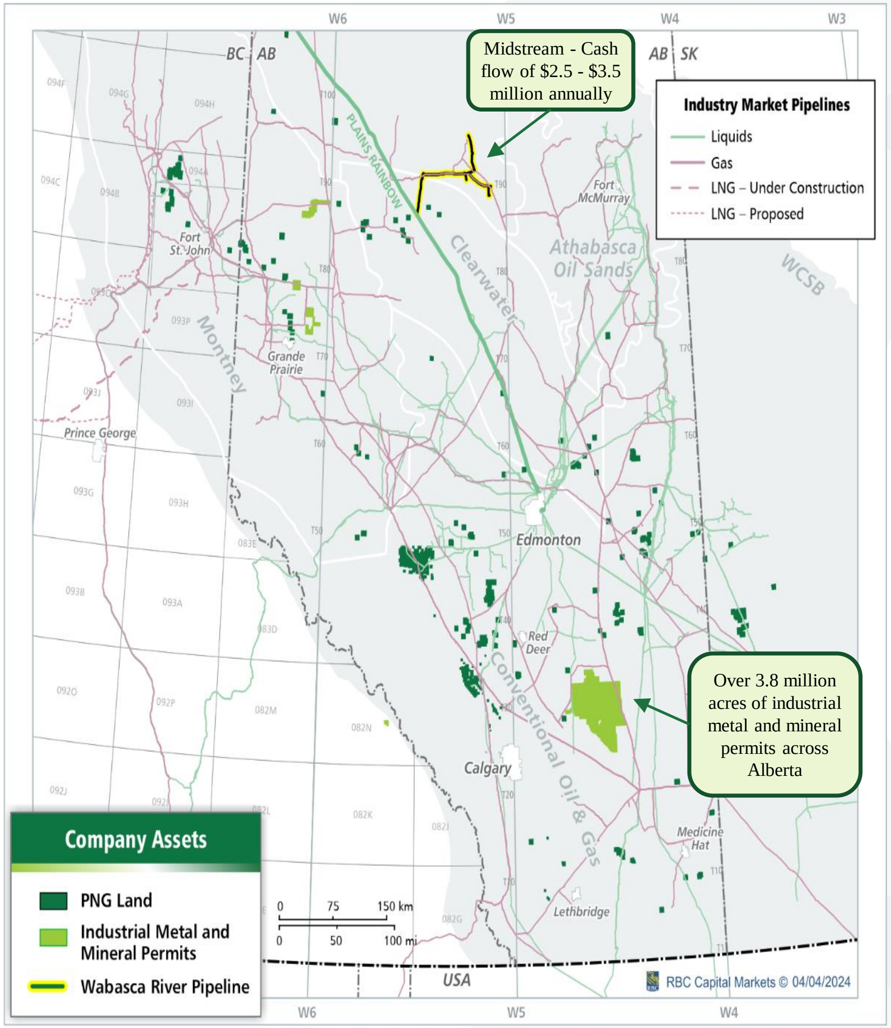
Estimates[2,3]

		2024 Original Guidance	2024 Revised Guidance
Production	*(Mboe/d)*	5.2	5.5 - 5.7
Liquids	*(%)*	78%	75 - 78%
Adjusted EBITDA[1]	*($MM)*	$72	$82 – $87
CAPEX[1]	*($MM)*	$40 – $45	$60 – $65
Operating Netback[1]	*($/boe)*	$39 – $41	$40 - $42
Net Debt / 2024 Exit EBITDA[1]	*(x)*	~0.8x	~0.8x
2024 Exit Production	*(Mboe/d)*	5.2 – 5.4	6.4 – 6.5

	Volume	RLI[5]	NPV10
Oil Weighted Reserves[4]	*MMboe*	*Years*	*$MM*
PDP Reserves	16.0	10.8	$219
1P Reserves	31.9	15.2	$464
2P Reserves	52.7	21.8	$747

		Booked	Unbooked	Total[7]
Inventory (Net)[6]	*Locations*	101	50	**151**

Asset Portfolio



Highwood has assembled a meaningful conventional oil footprint

Key Investment Highlights[1]

Significant free cash flow generation accompanied with significant growth (>60% in ~ 6 months)
- Production growth from Q4 2023 of 4,035 boe/d to 4,900 boe/d in Q1 2024 to current production of ~ 6,000 boe/d
- Self-funded growth plan on strip pricing with current Net Debt/EBITDA ~ 1x on current run rate cashflow

High netback oil-weighted assets with low capital efficiency
- Ability to hold production flat for >10 years of high confidence drilling inventory
- 151 net inventory locations provide significant running room for development of assets[7]

Prudent use of leverage has material impact to driving outsized equity returns
- Acquired assets near all-time low cash flow multiples supported by traditional Canadian credit facility
- Current leverage of ~1.0x after strong results from capital program

Downside protected with low WTI free cash flow breakeven and commodity hedges
- 2024E WTI corporate FCF breakeven of ~US$40/bbl including interest and growth capital[3]
- Average hedge prices of ~C$100 WTI and > $3/GJ AECO

Committed management team with track record of creating value for shareholders
- Management ownership ~35%
- Deep technical expertise, including multi-lateral development, with ~75 years of combined experience

At March 31, 2024, ~$300 million of tax pools (~$100 million immediately deductible)[5]
- Tax horizon of approximately 3 years at US$75/bbl WTI[2]
- Ability to increase pools with follow-on tuck in acquisitions

One of few companies planning for 25% annual production growth while reducing debt by 25%

2023 Reserve Highlights[1]

- **Significant intrinsic value recognized in Year-End 2023 Reserves**
- **Realized before-tax net present value of booked reserves as follows:**

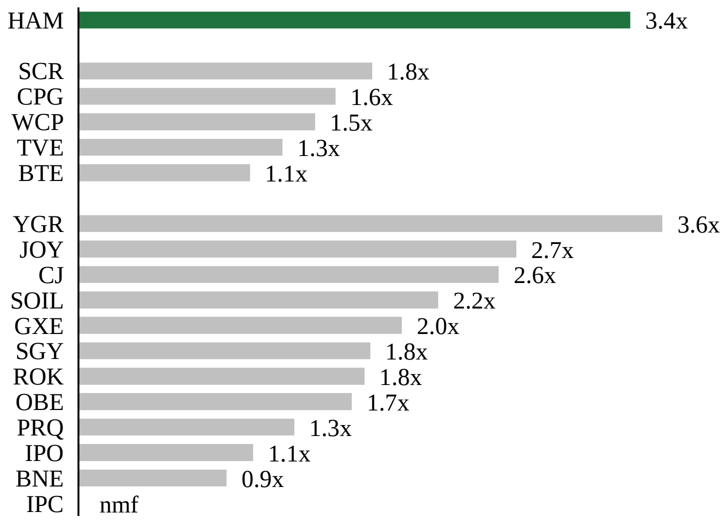
	December 31, 2023			**Change YoY**		**Change YoY (%)**		**Net Asset Value**	
	Volumes	**B. T. NPV10**	**RLI**	**Volumes**	**B. T. NPV10**	**Volumes**	**B. T. NPV10**	**Basic O/S**	**Fully Diluted**
GLJ Year-End 2023	*Mboe*	*$ millions*	*Years*	*Mboe*	*$ millions*	*%*	*%*	*$/share*	*$/share*
Proved Developed Producing	15,988	$218,888	10.8	3,077	$32,851	24%	18%	$8.06	$7.93
Total Proved	31,847	$463,636	15.2	8,861	$168,814	34%	57%	$24.25	$21.07
Proved Plus Probable	52,699	$746,943	21.8	11,805	$231,326	27%	45%	$43.00	$36.28

Strong Recycle Ratios

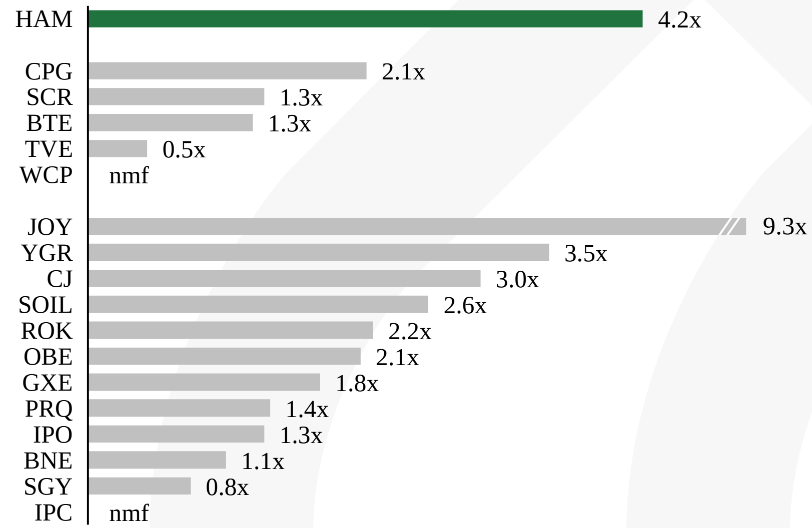
- **PDP reserves:** converted reserves in 2023 at F&D of $13.40 with associated recycle ratio of 2.34 based on Q4 2023 netback
- **1P reserves:** F&D of $14.10/boe with associated recycle ratio of 2.9
- **2P reserves:** F&D of $9.49/boe with associated recycle ratio of 3.6

Reserve Benchmarking (Year-End 2023)[1]

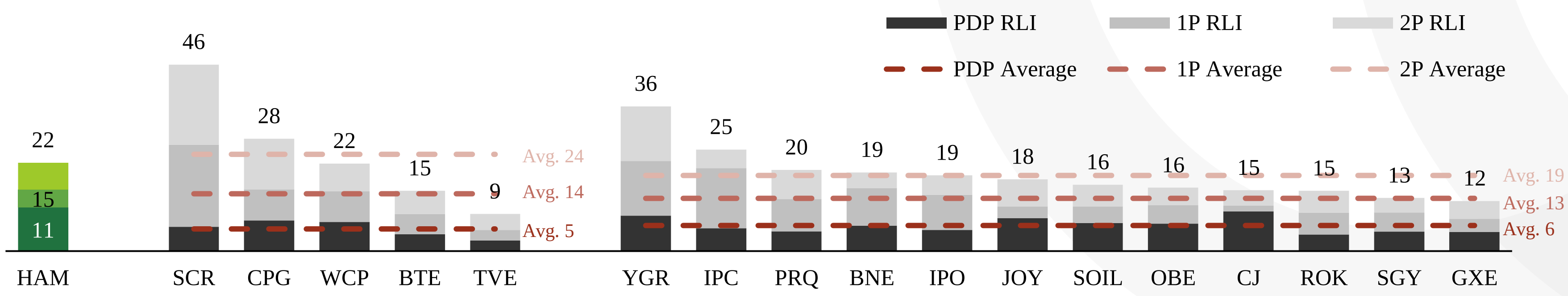
1P FD&A Recycle Ratio (incl. FDC)[1,2]



2P FD&A Recycle Ratio (incl. FDC)[1,2]



Reserve Life Index *(years)*[5]



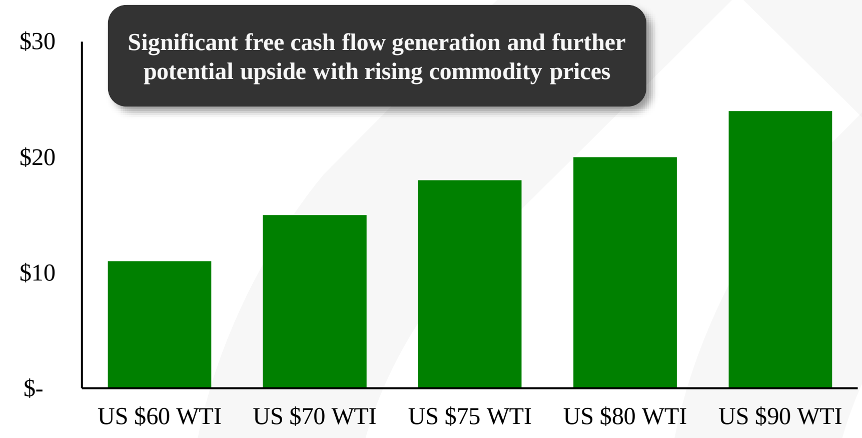
Highwood has a strong recycle ratio and robust reserve base for continued organic growth

High Netback, Sustainable Oil Production[1]

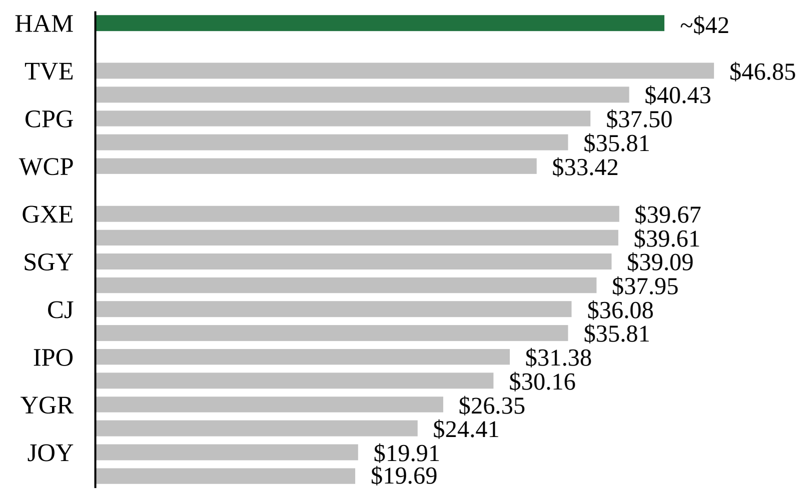
Highlights

- **Meaningful production and high confidence booked and unbooked drilling locations to support future development**
  - 2024E production of 5.5-5.7 Mboe/d production (75-78% liquids)
  - Current production of ~ 6.0 Mboe/d (~75% liquids)
  - **Expected to generate free cash flow at a range of prices**
  - 2024E Field NOI of ~$90 - $94 million[2,4]
  - Light oil yields industry leading netback of $40.00/boe – $42.00/boe
- **PDP Reserves of $186 to $219 million[5]**
- **151 net drilling locations[6]**
  - Ability to hold production flat for >10 years of high confidence drilling inventory

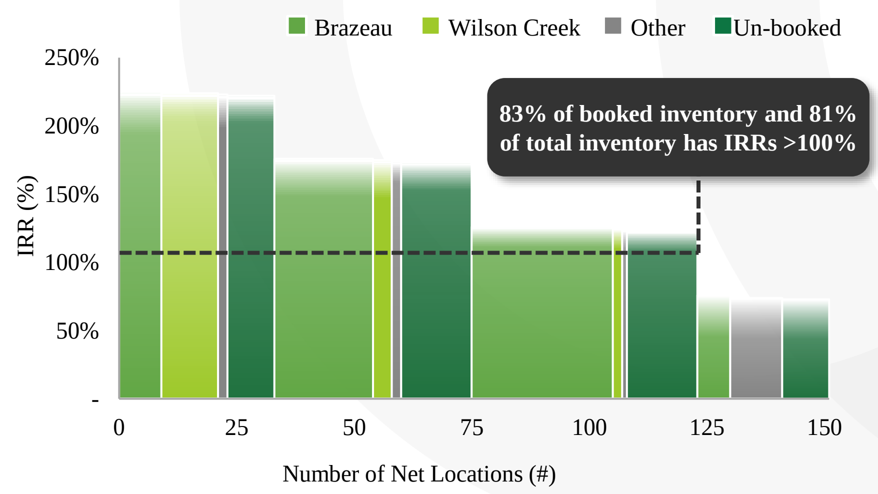
2024E Free Cash Flow Sensitivity *($ millions)*[2,4]



2024E Field Netback *($/boe)*[2,3]



Portfolio Inventory *(Flat US$75 WTI)*[2,5]



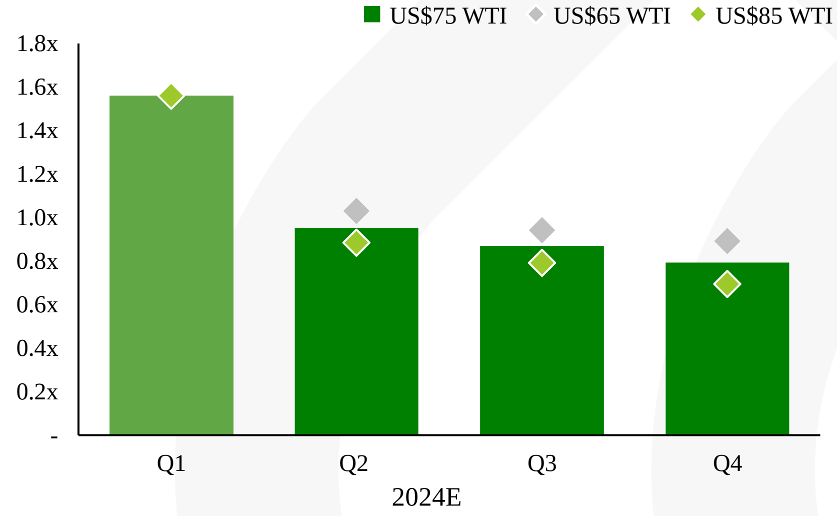
Ability to generate free cash flow with depth of inventory to hold production flat for >10 years

Debt Reduction Accompanied With 25% Production Growth(1)

Highlights

- Production forecast supported by high confidence booked and unbooked drilling locations to support future development
  - 2024E production of ~5.5-5.7 Mboe/d production (75-78% liquids)
  - Current production of ~ 6.0 Mboe/d (~75% liquids) and outperforming previous forecast
- Reduce Leverage profile while growing production and value
- Prudent use of leverage to acquire high quality assets
  - Balance sheet rapidly de-levers through free cash flow generation and production growth

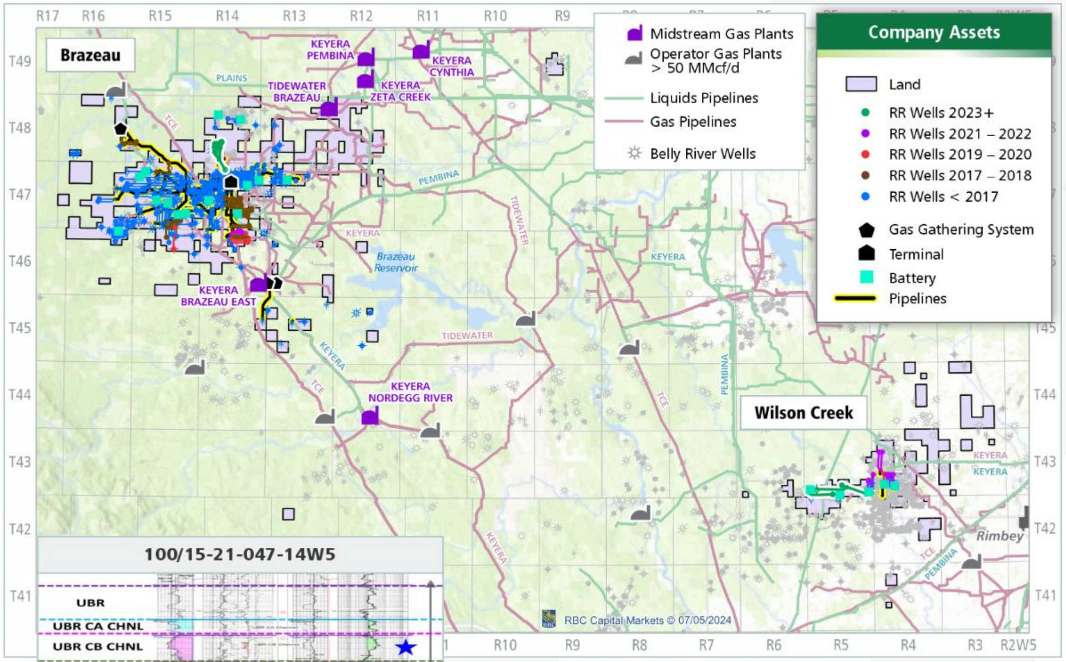
Net Debt / LQA EBITDA Forecast(2,3)

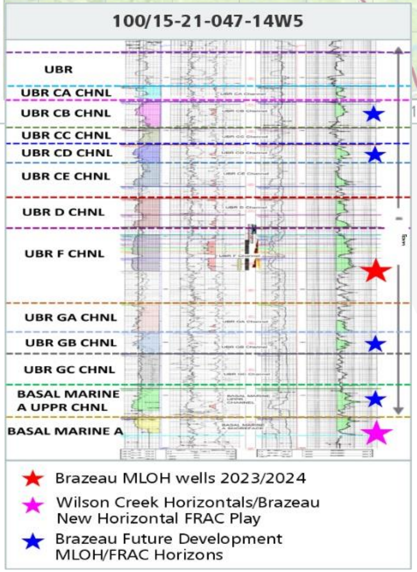


Free cash flow profile expected to drive rapid deleveraging at a range of commodity prices

Key Assets

			Wilson Creek	Brazeau
Production	Production	*boe/d*	2,500	2,800
	Liquids	*%*	83%	70%
Financial[1,2]	Field Cash Flow	*$/boe*	$53.50	$37.50
	Sustaining Breakeven[4]	*US$/bbl*	$32	$41
	Asset Free Cash Flow	*$MM*	$49	$38
Reserves[3]	PDP	*MMboe*	1.8	13.3
	1P	*MMboe*	4.9	23.4
	2P	*MMboe*	8.5	32.5
Inventory[5]	Booked (net)	*#*	18	67
	Unbooked (net)	*#*	2	30





- **Stacked pay within the Belly River section**
  - Analogue assets allow application of successful drilling and completion techniques broadly though the key assets.

Attractive netbacks underpinned by a low breakeven and free cash flow generating capabilities

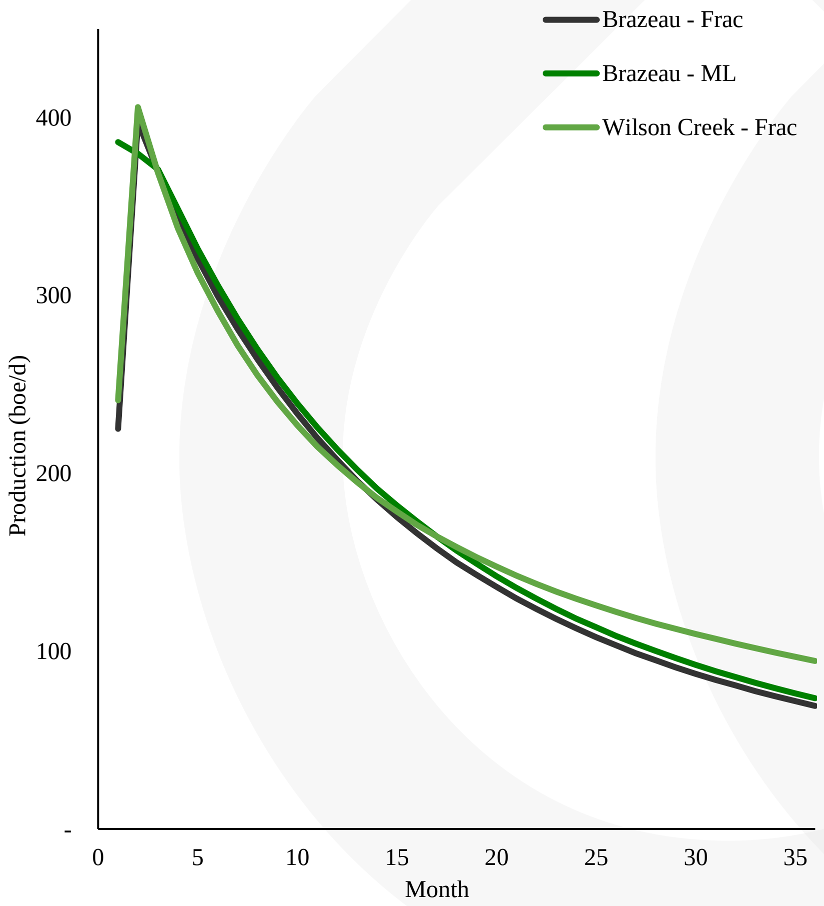
Economics

Illustrative Well Economics *(Flat US$75 WTI)*[2,3]

		Wilson Creek – Frac (3000m)	Brazeau - Multi-Lateral	Brazeau – Frac (3000m)
DCET	*$MM*	$4.6	$4.1	$5.25
IP30	*boe/d*	405	380	350
EUR	*Mboe*	438	260	270
BT IRR[3]	*%*	175%	176%	105%
BT Payback Period	*months*	8	10	12
NPV10	*$MM*	$6.6	$5.3	$4.5
Capital Efficiency (1 year)	*$/boe/d*	$17,000	$15,000	$18,000
F&D	*$/boe*	$10.50	$15.56	$19.50
12 Month Average Netback	*$/boe*	$64.50	$61.60	$61.60
Recycle Ratio	*x*	3.7x	3.1x	2.3x
Booked Locations	*#*	17	2	67
Unbooked Locations	*#*	8	4	40

- Target Basal Belly River formation at 1,250-1,750 meters in depth
- Light oil drives top decile netbacks
- Successful completion techniques from Wilson Creek to be applied at Brazeau
- Balanced approach to development and inventory unlocking projects
- Cycle times of ~45 days allows fast paybacks

Type Curve Overview[7]



High netback oil-weighted assets with attractive recycle ratios and payback periods

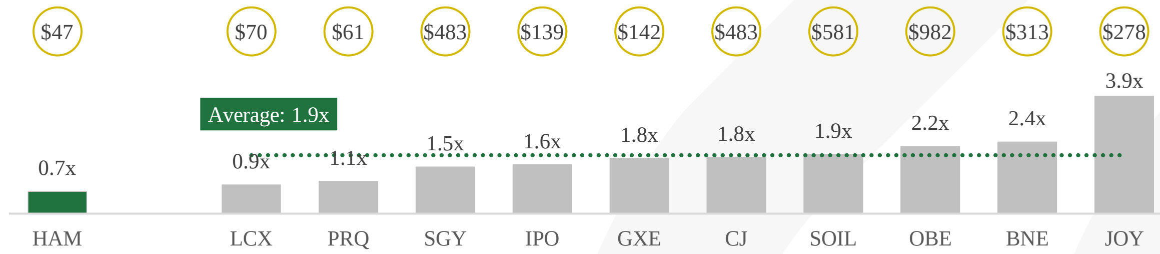
Tax Pools and Liability Positioning[1]

Highlights

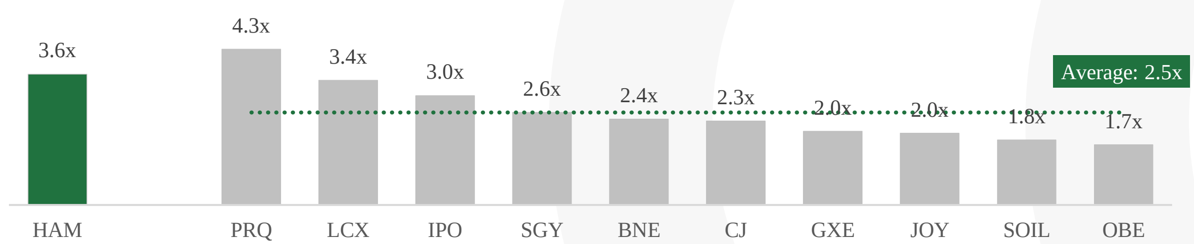
- **Illustrative liabilities and tax pools benchmark attractive relative to peers**
  - Peer estimates assume consensus estimates
- **Undiscounted ARO / 2024E Cash Flow of 0.7x vs. peer average of 1.9x[2,3,6]**
- **Liability management rating (LMR) of >3x vs. peer average of 2.5x[4]**
- **Tax pools with potential to shelter near-term cash flow generation and accelerate growth**
  - ~$100 million of immediately deductible tax pools[5]

Undiscounted ARO / 2024E Cash Flow[2,3,6]

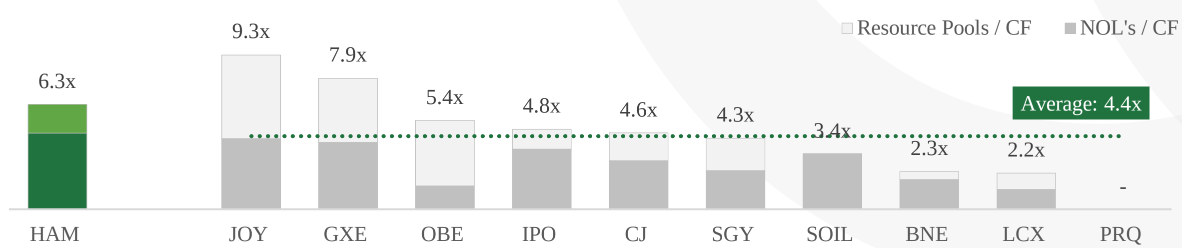
Absolute $MM Value



LMR[4]



Tax Pools / 2024E Cash Flow[2,5]



Clean asset base with minimal asset retirement obligations and meaningful tax pools

Corporate Information

Management and Board of Directors

Management	Position
Joel MacLeod, CA	Executive Chairman
Greg Macdonald, P.Eng.	President & CEO, Director
Chris Allchorne, CA	CFO
Kelly McDonald, P.Geol.	VP, Exploration

Board Member	Position
Steve Holyoake, P.Eng.	Director
David Gardner	Director
Garrett Ulmer, P.Eng.	Director
Ryan Mooney, P.Eng., CFA	Director

Corporate Partnerships

Reserve Engineers	GLJ Petroleum Consultants Ltd.
Auditors	RSM Canada LLP
Counsel	DLA Piper (Canada) LLP

Contact Information

Contact Information	Main: (403) 719-0499 Fax: (587) 296-4916
Address	Suite 500, 600 3rd Avenue SW Calgary, AB T2P 0G5

Notes

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1. All disclosure assumes that each of the Acquisitions were completed effective July 1, 2023 rather than on the actual closing date of the Acquisitions (August 3, 2023). See "Forward-Looking Statements" disclaimer.
2. 12-month Period Ending June 30, 2024 Field NOI; Price Deck for management estimates: WTI: US$70.00/bbl; WCS Diff: US$14.00/bbl; MSW Diff: US$3.50/bbl; AECO: C$2.75/GJ; 0.74 CAD/USD. Based on HAM management projections and not IQRE forecasts.
3. Free Cash Flow Yield 2024E; Price Deck for management estimates: Actuals and through Q1'24; Thereafter: WTI: US$75.00/bbl; WCS Diff: US$14.00/bbl; MSW Diff: US$3.50/bbl; AECO: C$2.00/GJ; 0.73 CAD/USD. Based on HAM management projections and not IQRE forecasts.
4. See "Non-GAAP Financial Measures" disclaimer.
5. Leverage calculated as net debt divided by 2024E Adjusted EBITDA. See "Non-GAAP Financial Measures" disclaimer.
6. All reserve figures based on the Reports (as defined in "Oil and Gas Measures and Metrics" disclaimer) for the respective Acquisitions; See "Oil and Gas Measures and Metrics" disclaimer.
7. EV = purchase price for each of the respective Acquisitions.

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1. See "Non-GAAP Financial Measures" disclaimer.
2. Price Deck for management estimates: Actuals and through Q1'24; Thereafter: WTI: US$75.00/bbl; WCS Diff: US$14.00/bbl; MSW Diff: US$3.50/bbl; AECO: C$2.00/GJ; 0.73 CAD/USD. Based on HAM management projections and not IQRE forecasts.
3. Cash flow figures include illustrative hedges for total of 65% of net after royalty PDP production.
4. All reserve figures based on the Reports (as defined in "Oil and Gas Measures and Metrics" disclaimer) for the respective Acquisitions; See "Oil and Gas Measures and Metrics" disclaimer.
5. RLI calculated as the amount of relevant reserves category divided by total estimated production during the 12-month period ending December 21, 2024 as at Q4 2023; See "Oil and Gas Measures and Metrics Disclaimer".
6. Includes booked and unbooked locations; booked locations based on the Reports for the respective Acquisitions, unbooked locations estimated by Highwood management. See "Oil and Gas Measures and Metrics" disclaimer.
7. Figures may not add due to rounding.

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1. Price Deck for management estimates: Actuals and through Q1'24; Thereafter: WTI: US$75.00/bbl; WCS Diff: US$14.00/bbl; MSW Diff: US$3.50/bbl; AECO: C$2.00/GJ; 0.73 CAD/USD.
2. Illustrative hedges for total of 65% of net after royalty PDP production. See "Non-GAAP Financial Measures" disclaimer.
3. Cash flow figures include illustrative hedges for total of 65% of net after royalty PDP production.
4. Tax pools as at March 31, 2024; immediately deductible pools include Net Operating Losses and Canadian Exploration Expenses.
5. Leverage calculated as Net Debt / 2024E EBITDA. See "Non-GAAP Financial Measures" disclaimer.
6. Includes 101 booked and 50 unbooked locations; booked locations based on the Reports for the respective Acquisitions, unbooked locations estimated by Highwood management. See "Oil and Gas Measures and Metrics" disclaimer.

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1. Highwood completed three acquisitions during 2023. The combines assets were evaluated by GLJ effective December 31, 2023 using the 3 Consultants' Average price forecast (the "**Reserves Report**"). GLJ is the Company's independent qualified reserves evaluator.

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1. Peer estimates as per FactSet Consensus as at February 9, 2024
2. Price Deck for management estimates: Actuals and through Q1'24; Thereafter: WTI: US$75.00/bbl; WCS Diff: US$14.00/bbl; MSW Diff: US$3.50/bbl; AECO: C$2.00/GJ; 0.73 CAD/USD.
3. RLI calculated as the amount of relevant reserves category divided by total estimated production during the 12-month period ending December 21, 2024 as at Q4 2023; See "Oil and Gas Measures and Metrics Disclaimer".

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2. Cash flow figures assume all proposed Acquisitions are completed and include illustrative hedges for total of 65% of net after royalty PDP production.
3. See "Non-GAAP Financial Measures" disclaimer.
4. Peer estimates as per FactSet Consensus as at February 9, 2024
5. All reserve figures based on the Reports (as defined in "Oil and Gas Measures and Metrics" disclaimer) for the respective Acquisitions; See "Oil and Gas Measures and Metrics" disclaimer.
6. Includes booked and unbooked locations; booked locations based on the Reports for the respective Acquisitions, unbooked locations estimated by Highwood management. See "Oil and Gas Measures and Metrics" disclaimer.
7. Excludes 9 total net locations from Shale and 26 total net locations from Highwood; See "Oil and Gas Measures and Metrics" disclaimer.

Notes

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1. Price Deck for management estimates: Actuals and through Q1'24; Thereafter: WTI: US$75.00/bbl; WCS Diff: US$14.00/bbl; MSW Diff: US$3.50/bbl; AECO: C$2.00/GJ; 0.73 CAD/USD.
2. Cash flow figures include illustrative hedges for total of 65% of net after royalty PDP production. See "Non-GAAP Financial Measures" disclaimer.

Page 11

1. Price Deck for management estimates: Actuals and through Q1'24; Thereafter: WTI: US$75.00/bbl; WCS Diff: US$14.00/bbl; MSW Diff: US$3.50/bbl; AECO: C$2.00/GJ; 0.73 CAD/USD.
2. See "Non-GAAP Financial Measures" disclaimer.
3. All reserve figures as per the reserves report effective December 31, 2023; See "Oil and Gas Measures and Metrics" disclaimer.
4. 2024E sustaining breakeven assuming production held flat at ~2,500 boe/d and DCET capital costs of ~$4 million.
5. Booked locations as per the reserves report effective December 31, 2023, unbooked locations estimated by management; See "Oil and Gas Measures and Metrics" disclaimer.

Page 12

1. Price Deck for management estimates: Actuals and through Q1'24; Thereafter: WTI: US$75.00/bbl; WCS Diff: US$14.00/bbl; MSW Diff: US$3.50/bbl; AECO: C$2.00/GJ; 0.73 CAD/USD.
2. See "Oil and Gas Measures and Metrics" disclaimer.
3. Recycle ratio calculated as 2024E field netback divided by 2023 2P FD&A costs; 2023 2P FD&A costs as per corporate disclosure, or calculated as costs incurred (excl. dispositions) plus change in 2P future development costs divided by 2023 2P net reserve additions
4. Type curve estimated by Highwood management team as of April 1, 2024. The information presented in the type curve has not been independently evaluated, audited or reviewed and is based on historical data, extrapolations therefrom and management's professional judgement, which involves a high degree of subjectivity. For these reasons, actual production volumes may differ from our estimates herein and the differences could be significant. See "Oil and Gas Measures and Metrics" disclaimer.
5. Based on actual production data

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1. Peer cash flow estimates as per FactSet Consensus as at May 7, 2023; HAM management estimates on the following price deck: WTI: US$75.00/bbl; WCS Diff: US$14.00/bbl; MSW Diff: US$3.50/bbl; AECO: C$2.00/GJ; 0.73 CAD/USD.
2. ARO as per XI Assetbook and corporate disclosures.
3. Peers LMR as per XI Assetbook.
4. Tax pools as at March 31, 2024; immediately deductible pools include Net Operating Losses and Canadian Exploration Expenses.
5. Undiscounted ARO = working interest abandonment and reclamation expenses; See "Non-GAAP Financial Measures" disclaimer.

Disclaimer – Forward-Looking Statements

This Presentation 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 Presentation 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 document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect" and similar expressions, as they relate to Highwood or the Acquisitions, are intended to identify forward-looking statements.

In particular, this Presentation contains forward-looking statements, including certain financial outlooks, pertaining to, without limitation, the following: expectations about industry activities and development opportunities, including general market conditions for 2023 and thereafter; expectations regarding the Acquisitions, including the anticipated synergies and benefits thereof; expectations regarding Highwood's financial and operational performance, including anticipated reserves volumes and production forecasts; Highwood's medium-term growth plan and expectations regarding the future share ownership of Highwood insiders.

The forward-looking statements are based on certain assumptions that Highwood has made in respect thereof as at the date of this Presentation regarding, among other things: completion of each of the Acquisitions on the terms and within the timeline described in this Presentation; that the anticipated benefits of the Acquisitions can be achieved in the manner expected by Highwood; prevailing commodity prices and the availability and cost of capital to fund future capital requirements and future operating costs.

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. 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: the failure to complete one or more of the Acquisitions, or that one or more of the Acquisitions will be completed on terms materially different from the terms described in this Presentation; the inability to realize the anticipated benefits, results and/or synergies of the Acquisitions; commodity price volatility and adverse general economic, political and market conditions. This list of risk factors should not be construed as exhaustive.

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 Presentation.

Management of Highwood approved the financial outlook contained in this Presentation on July 5, 2023. The purpose of such financial outlook is to assist readers in understanding our expected and targeted financial results following completion of the Acquisitions, and this information may not be appropriate for other purposes. The forward-looking statements contained in this Presentation speak only as of the date of this Presentation. Highwood does not undertake any obligation to publicly update or revise any forward-looking statements or information contained herein, except as required by applicable laws. The forward-looking statements contained in this Presentation are expressly qualified by this cautionary statement.

Disclaimer – Oil and Gas Measures and Metrics

Disclosure in this Presentation 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, the oil and gas information is based upon the reserves report prepared by GLJ Ltd. evaluating the combined assets of the three acquisitions completed during 2023. The reserves report evaluates the crude oil, natural gas and natural gas liquids attributable to Highwood's properties at December 31, 2023 using the 3 Consultants' Average price forecast (the "Reserves Report"). GLJ is the Company's independent qualified reserves evaluator.

This presentation contains oil and gas metrics commonly used in the oil and gas industry, including "RLI", "2P RLI", "IP30", "DCET", "EUR", "BT IRR ", "NPV10", "F&D", "netback" and "recycle ratio". 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.

"RLI" means reserves life index and is calculated based on the amount for the relevant reserves category divided by total estimated production during the 12-month period ending June 30, 2024.

"2P RLI" means proven and probable reserves life index and is calculated as proven and probable reserves divided by total estimated production during the 12-month period ending June 30, 2024.

"IP 7" means 7 day average initial production rate.

"IP 30" means 30 day average initial production rate.

"DCET" means drilling, completion, equipment and tie-in.

"EUR" means estimated ultimate recovery, being those quantities of petroleum that are estimated, on a given date, to be potentially recoverable from an accumulation, plus those quantities already produced.

"BT IRR" means before tax 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.

"F&D" means estimated finding and development costs on a boe basis. F&D costs presented in this Presentation are calculated as follows: (Total Capex per well / recoverable resource per well).

"12 Month Average Netback" is used to evaluate potential operating performance of the acquired assets. Netback is calculated as follows: (Revenue – Royalties – Operating Expenses).

"Recycle Ratio" is used as a measure of operating performance and profitability. Recycle Ratio is calculated as follows: (12 Month Average Netback / F&D).

"IQRE" means Independent Qualified Reserves Evaluator.

"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.

"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.

"Proved plus Probable" or "2P" 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 plus probable reserves. Reported reserves should target at least a 50 percent probability that the probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves under a specific set of economic conditions.

The net present value of future net revenues attributable to reserves and resources included in this Presentation 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 Presentation 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 Presentation. The estimates of reserves and future net revenue for individual properties in this Presentation may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation. This Presentation discloses potential future drilling locations in two categories: (a) booked locations; and (b) unbooked locations. Booked locations are proposed drilling locations identified in the Reports that have proved and/or probable reserves, as applicable, attributed to them in the Reports. 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 Reports. 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 Presentation 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.

All oil and natural gas equivalency volumes have been derived using the ratio of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf:1 Bbl). Equivalency measures may be misleading, particularly if used in isolation. A conversion ratio of six thousand cubic feet of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head.

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

Disclaimer – Non-GAAP Financial Measures

This Presentation includes certain specified financial measures that are not prepared in accordance with International Financial Reporting Standards ("GAAP"). These financial measures, and other measures and ratios derived therefrom, do not have standardized meanings prescribed by GAAP and Highwood's method of calculating these measures may differ from the method used by other companies and, accordingly, they may not be comparable to similar measures presented by other companies. These specified financial measures should not be considered as an alternative to, or more meaningful than, measures of financial performance determined in accordance with GAAP. Readers are cautioned that these specified financial measures should not be construed as an alternative to other measures of financial performance calculated in accordance with GAAP. These specified financial measures provide additional information that management believes is meaningful in describing Highwood's operational performance, liquidity and capacity to fund capital expenditures and other activities. Management of Highwood believes that the presentation of these specified financial measures provide useful information to investors and shareholders as the measures provide increased transparency and the ability to better analyze performance.

Below is a description of each specified financial measure disclosed in this Presentation, including the composition of each specified financial measure and an explanation of how each specified financial measure provides useful information to investors and the additional purposes, if any, for which management uses each specified financial measure.

"Adjusted EBITDA" is calculated as revenue less hedging losses / (gains), plus royalty revenues, less royalties, transportation expenses and operating expenses and general and administrative expenses.

"Asset Free Cash Flow" is calculated as Field NOI less total capital expenditures.

"Capital Expenditures" or "Capex" is comprised of property, plant and equipment expenditures and exploration and evaluation asset 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 back changes in non-cash working capital, property acquisitions expenditures or property disposition proceeds.

"Cash Flow" is calculated as EBITDA less interest expenses, office lease expenses and cash taxes. Cash Flow is not adjusted for changes in working capital.

"Corporate Free Cash Flow breakeven" is calculated as the WTI price in US dollars in which Free Cash Flow is approximately zero under the currently contemplated development plan and interest. Other prices are held constant at WCS differential: US$14.00/bbl; MSW differential: US$3.50/bbl; AECO: C$2.75/GJ; 0.74 CAD/USD.

"DAFCF Yield" is calculated by taking the 2024E DAFCF = (2024E Free Cash Flow + 2024E Interest) and dividing by enterprise value.

"Debt Adjusted Cash Flow" or "DACF" is calculated as Cash Flow plus interest expenses.

"EV / DACF" is calculated as enterprise value divided by debt adjusted cash flow.

"2024 Exit EBITDA" is calculated as Adjusted EBITDA for the month of December 2024 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.

"Field Cash Flow" is calculated as Field NOI divided by production.

"Field Net Operating Income" or "Field NOI" is calculated as product revenue plus other asset revenues less royalties, transportation expenses and operating expenses.

"Free Cash Flow" or “FCF” is calculated as EBITDA less interest expenses, office lease expenses, cash taxes, and capital expenditures.

"Free Cash Flow Yield" is calculated as Free Cash Flow divided by the equity of the applicable Acquisition, Highwood or its peers.

"Last Quarter Annualized EBITDA" or "LQA EBITDA" is calculated as EBITDA for the applicable three-month period multiplied by four.

"Net Debt" is calculated as Highwood's anticipated total debt under its credit facilities plus outstanding deferred acquisition payments plus/less any working capital deficit/surplus.

"Net Debt / 2024E Cash Flow" is calculated by taking the net debt of each company and dividing by the 2024E cash flow.

"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.

"Net Debt / LQA EBITDA " is calculated as net debt at the ending period of each financial quarter divided by the LQA EBITDA of that respective quarter.

"Price / Cash Flow" is calculated as the market capitalization divided by cash flow.

"Sustaining 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$14.00/bbl; MSW differential: US$3.50/bbl; AECO: C$2.75/GJ; 0.74 CAD/USD.

"Tax Pools / Cash Flow" is calculated by taking the sum of the applicable company tax pools (COGPE, NOL, CEE, CDE, SR&ED and UCC) and dividing by cash flow.

"Undiscounted ARO / Cash Flow" is calculated by taking the sum of undiscounted ARO and dividing by cash flow.