



## **HIGHWOOD OIL COMPANY LTD. ANNOUNCES REDETERMINATION OF CREDIT FACILITY AND OPERATIONAL UPDATE**

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

**Calgary, Alberta, July 27, 2020**

Highwood Oil Company Ltd. (TSXV:HOCL) (“**Highwood**” or the “**Company**”) announces revisions to the Company’s reserve-based credit facility (the “**Credit Facility**”).

### **Credit Facility Redetermination**

The Company, together with its sole lender, has completed the redetermination of its Credit Facility. The Company’s Credit Facility has been confirmed at \$38 million, with the earliest revolving period extended to September 30, 2020 and the term period amended to May 30, 2021. Should oil pricing improve the Company would aim to extend the revolving periods prior to the next renewal date.

Highwood anticipates the Credit Facility will provide sufficient liquidity to execute on its second half 2020 business plan having spent \$4.2 million in capital through March 31, 2020.

The Company has agreed to a hedging program locking-in forward pricing on 800 bbls/d for a period of one year within sixty days of entering the Credit Facility. The next renewal is set for on or before November 30, 2020.

Highwood has begun the application process to access some of the available credit guarantee programs provided by the Export Development Bank of Canada (“EDC”) specific to the oil and gas industry.

### **Operational Update**

Amidst the reality of the current oil price environment, the Company has continued to try and reduce corporate overhead and field expenses. Corporate overhead improvements have been realized through the reduction of full-time staff, application of government grants including the Canada Emergency Wage Subsidy (“CEWS”) and reduction of salaries. The Company has provided a re-organization of field personnel and contractors amongst other operating expense initiatives in order to lower field level costs.

The Company continues to bring on production previously shut-in as a result of the global oil price collapse. Total net Company production today is 1,400 bbl/d of oil.

## **Further Information**

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### *Warnings*

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*This news release contains forward-looking statements relating to the future operations of the Company and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding the future plans and objectives of the Company, are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include risks detailed from time to time in the filings made by the Company with securities regulations.*

*The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company will update or revise publicly any of the included forward-looking statements as expressly required by Canadian securities law.*