



## **HIGHWOOD OIL COMPANY LTD. ANNOUNCES REVIEW OF STRATEGIC ALTERNATIVES TO ENHANCE SHAREHOLDER VALUE AND PROVIDES OPERATIONAL UPDATE**

CALGARY, Alberta - October 26, 2020 — Highwood Oil Company Ltd. (“Highwood” or the “Company”) (TSX Venture: HOCL:) today announces that its Board of Directors has initiated a process to identify, examine and consider strategic and financial alternatives available to the Company with the ultimate view of enhancing shareholder value.

### **Strategic Review**

Strategic and financial alternatives may include, but are not limited to, the sale of the Company, investment in, merger or other business combination, recapitalization, sale of all or a portion of the Company’s assets, or any combination thereof, continued execution of its business plan, among all other alternatives (the “Strategic Review”). The Board of Directors has established a Special Committee comprised of independent directors to oversee the process and National Bank Financial Inc. have been retained to assist the Special Committee and the Company with the Strategic Review.

It is the Company’s current intention not to disclose developments with respect to the Strategic Review process until the Board of Directors has approved a specific transaction or otherwise determines that disclosure is necessary or appropriate. Highwood will continue to provide normal course quarterly financial and material operational updates. The Company cautions that there are no assurances or guarantees that the process will result in a transaction or, if a transaction is undertaken, the terms or timing of such a transaction.

### **Operational Update**

Effective October 16, 2020, the Company relinquished operatorship with respect to the joint venture lands in the Clearwater play area of Alberta to the 50% joint venture partner. The joint venture partner anticipates employing significant capital in the near future which will further delineate lands and grow the production in Clearwater. The Company continues to have its land position delineated by offset operators who are also showing success with secondary recovery method pilot projects. Current production in the Clearwater assets is approximately 1,000 bbls/d net to Highwood.

The Company has also restored the majority of production in the Red Earth area with total Company current production levels of approximately 2,000 bbls/d net for Highwood.

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*Advisory*

*This news release contains certain “forward-looking information” within the meaning of such statements under applicable securities law including estimates as to: future production, operations, operating costs, commodity prices, administrative costs, commodity price risk management activity, acquisitions and dispositions, capital spending, access to credit facilities and lending costs, income and oil taxes, regulatory changes, and other components of cash flow and earnings anticipated discovery of commercial volumes of bitumen, the timeline for the achievement of anticipated exploration, anticipated results from drilling programs, workovers and the potential results of the strategic alternative review process and enhancement of shareholder value, disclosure intentions with respect to the strategic alternative review process, and general economic outlook.*

*Forward-looking information is frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “may”, “will”, “potential”, “proposed” and other similar words, or statements that certain events or conditions “may” or “will” occur. These statements are only predictions. Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include, but are not limited to the inherent risks involved in the exploration and development of oil and gas properties and of properties, strategic alternatives, the uncertainties involved in interpreting drilling results and other geological data, fluctuating oil prices and discounts, the possibility of unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors including unforeseen delays. As an oil and gas enterprise in the development stage, Highwood Oil Company Ltd. faces risks including those associated with exploration, development, approvals and the continuing ability to access sufficient capital from external sources if required. Actual timelines associated may vary from those anticipated in this news release and such variations may be material. Industry related risks could include, but are not limited to, operational risks in exploration, development and production, delays or changes in plans, risks associated to the uncertainty of reserve estimates, health and safety risks and the uncertainty of estimates and projections of production, costs and expenses. For a description of the risks and uncertainties facing Highwood Oil Company Ltd. and its business and affairs, readers should refer to Highwood Oil Company Ltd. 's most recent Annual Information Form. Highwood Oil Company Ltd. undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, unless required by law.*

*The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as the factors are interdependent, and the Board's and management's future course of action would depend on its assessment of all information at the time.*

*The reader is cautioned not to place undue reliance on this forward-looking information.*