



HIGHWOOD ASSET MANAGEMENT LTD. ANNOUNCES THIRD QUARTER 2025 RESULTS AND OPERATIONAL UPDATE

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

Calgary, Alberta, November 14, 2025

Highwood Asset Management Ltd. ("**Highwood**" or the "**Company**") (TSXV: HAM) is pleased to announce financial and operating results for the three and nine months ended September 30, 2025. The Company also announces that its unaudited financial statements and associated Management's Discussion and Analysis ("**MD&A**") for the period ended September 30, 2025, are available on Highwood's website at www.highwoodmgmt.com and on SEDAR+ at www.sedarplus.ca.

Highlights

- Average corporate production of 5,253 boe/d in Q3 2025, representing a decrease of approximately 6% from the second quarter of 2025 (average of 5,632 boe/d).
- For the third quarter of 2025, Highwood delivered Adjusted EBITDA of \$13.6 million (\$0.89 per share) and adjusted funds flow of \$11.9 million (\$0.79 per share).⁽¹⁾
- Highwood deployed a different completion method on the 100/13-15-048-14W5 (the "**13-15 well**") in the Basal sand at Brazeau which was spud late in the second quarter. This utilized a jet pump which resulted in the well cleaning up approximately six weeks faster than previous Basal sand wells in the Brazeau area. The Company is encouraged by the results and will look to deploy this technique on future Basal sand drills in Brazeau.
- Subsequent to September 30, 2025, the Company returned to Wilson Creek to complete its planned 2025 capital program by drilling 2 gross (1.8 net) booked locations in the fourth quarter of 2025. Both wells were drilled at or under budget, where reservoir exposure through the horizontal sections exceeded expectations. The two Wilson Creek Belly River wells will be completed in December and on production in early 2026. Industry activity in the Belly River continues to increase with continued strong results from peers.
- Highwood's hedging program helps mitigate the volatility in commodity pricing with approximately 2,067 bbls/day of oil hedged through the remainder of 2025 at an average contract price of approximately \$95.75CAD/bbl (WTI-NYMEX) and 2,050 bbls/day of oil hedged in 2026 at an average contract price of approximately \$93.00CAD/bbl (WTI-NYMEX). Further, for the remainder of 2025 the Company has approximately 6,300GJ/day of natural gas hedged at an average contract price of approximately \$3.18/GJ (AECO) and 6,600GJ/day of natural gas hedged in 2026 at an average contract price of approximately \$3.17/GJ (AECO). The Company had a realized gain on commodity contracts

of \$2.4 million during the third quarter of 2025, and the market value of Highwood's commodity contracts was approximately \$8 million at November 13, 2025.

- The Company is focused on reducing Net Debt / EBITDA to increase flexibility for the Company moving forward. At September 30, 2025, Highwood had approximately \$325 million in tax pools, including approximately \$100 million in non-capital losses. Highwood does not anticipate being cash taxable for approximately two to three years.

Notes to Highlights:

(1) See "Caution Respecting Reserves Information" and "Non-GAAP and other Specified Financial Measures".

Summary of Financial & Operating Results

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	%	2025	2024	%
Financial (expressed in thousands)						
Petroleum and natural gas sales	\$ 23,753	\$ 34,201	(31)	\$ 76,706	\$ 102,019	(25)
Transportation pipeline revenues	462	662	(30)	1,638	2,049	(20)
Total revenues, net of royalties ⁽¹⁾	18,326	38,054	(52)	76,461	88,331	(13)
Income	248	16,105	(98)	15,988	26,036	(39)
Funds flow from operating activities ⁽⁵⁾	11,605	17,795	(35)	36,904	52,343	(29)
Adjusted EBITDA ⁽⁵⁾	13,559	20,252	(33)	42,403	60,149	(30)
Capital expenditures	7,459	20,748	(64)	49,647	55,452	(10)
Net debt ⁽²⁾				114,832	102,080	12
Shareholder's equity (end of period)				148,206	130,285	14
Shares outstanding (end of period) ⁽⁶⁾				14,504	14,871	(2)
Weighted-average basic shares outstanding				14,912	15,117	(1)
Operations ⁽³⁾						
Production						
Crude oil (bbls/d)	2,787	3,607	(23)	2,824	3,560	(21)
NGLs (boe/d)	841	701	20	885	744	19
Natural gas (mcf/d)	9,749	8,194	19	10,046	8,486	18
Total (boe/d)	5,253	5,673	(7)	5,383	5,718	(6)
Average realized prices ⁽⁴⁾						
Crude oil (Cdn\$/bbl)	82.52	94.91	(13)	84.60	94.57	(11)
NGL (Cdn\$/boe)	27.07	33.48	(19)	30.52	32.55	(6)
Natural gas (Cdn\$/mcf)	0.56	0.73	(23)	1.50	1.35	11
Operating netback (per BOE) ⁽⁷⁾	25.12	37.82	(34)	27.46	38.90	(29)

(1) Includes unrealized gain and losses on commodity contracts.

(2) Net debt consists of bank debt, promissory note, long-term accounts payable and accrued liabilities and working capital surplus (deficit) excluding commodity contract assets and/or liabilities, current portion of decommissioning liabilities and lease liabilities.

(3) For a description of the boe conversion ratio, see "Caution Respecting Reserves Information — Basis of Barrel of Oil Equivalent".

(4) Before hedging.

(5) See "Non-GAAP and Other Specified Financial Measures".

(6) Shares outstanding is adjusted for treasury shares purchased and held in trust.

(7) See "Non-GAAP and Other Specified Financial Measures".

Operational Update

Due to the reduction in commodity prices and focus on reducing leverage to maximize flexibility, Highwood recently reduced the 2025 capital program by approximately 1 gross (0.7 net) well. The Company drilled 2 gross wells (1.8 net) booked locations in Wilson Creek in the fourth quarter 2025, concluding the 2025 capital program. These wells are expected to come online in the first quarter of 2026. Industry activity continues to increase within the Belly River at Wilson Creek with several active operators offsetting Highwood's lands. Highwood's results at Wilson Creek have been strong and consistent with

average payouts of under 12 months on the 8 gross (7.7 net) operated wells drilled to date within the Belly River. Due to the delay and reduction in the remainder of the 2025 capital program, unplanned third party outages in the third quarter of 2025, and underperformance of the Q1 2025 capital program, the Company is reiterating its updated 2025 annual guidance of approximately 5,200-5,400 boe/d (approximately 70% oil and liquids).

Outlook

The primary focus in the near-term is reducing leverage while continuing to focus on shareholder returns. Corporately, the Company is dedicated to growing Free Cash Flow, on a per share basis, while using prudent leverage to provide maximum flexibility for organic growth and/or other strategic M&A opportunities, with a longer-term goal to provide significant return of capital to shareholders. The Company will continue to review and assess opportunities which are accretive to the Company as Highwood seeks to grow its operations. The Company will also continue to assess land offerings in strategic areas where the Company sees significant growth opportunities.

Other

The Company has granted approximately 136 thousand worth of Performance Share Units (“**PSUs**”) to Officers of the Company, effective November 14, 2025, vesting on the third anniversary of the date of grant. The Company has granted 20 thousand Deferred Share Units (“**DSUs**”) to non-management directors, effective November 14, 2025, vesting on the first anniversary of the date of grant.

Further Information

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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: plans to continue the Company's active capital program while commodity prices remain strong; 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, 2024, as well as the Company's management discussion and analysis for the period ended September 30, 2025, 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, initial test production rates, 7-day initial production rates, 30-day initial production 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. A pressure transient analysis or well-test interpretation has not been carried out in respect of all wells. 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 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.

Caution Respecting Reserves Information

Readers should see the "Selected Technical Terms" in the Company's Annual Information Form dated March 21, 2025 that is available on the Company's SEDAR+ profile at 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 March 7, 2025 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, 2024 (the "**Reserves Report**").

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.

Non-GAAP and other Specified Financial Measures

This news release contains financial measures commonly used in the oil and natural gas industry, including "Net Debt" and "Net Debt / 2025 Exit EBITDA". 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 measure should not be construed as an alternative to other measures of financial performance calculated in accordance with IFRS. These non-IFRS measures provides 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.

"Adjusted EBITDA" is calculated as cash flow from (used in) operating activities, adding back changes in non-cash working capital, decommissioning obligation expenditures, transaction costs and interest expense. The Company considers Adjusted EBITDA to be a key capital management measure as it is both used within certain financial covenants anticipated to be prescribed under its credit facilities and demonstrates Highwood's standalone profitability, operating and financial performance in terms of cash flow generation, adjusting for interest related to its capital structure. The most directly comparable GAAP measure is cash flow from (used in) operating activities.

"Adjusted funds flow" The Company considers adjusted funds flow to be a key capital management measure as it demonstrates the Company's ability to generate required funds to manage production levels and fund future capital investment. The Company calculates adjusted funds flow as adjusted EBITDA less net interest and adjusting for decommissioning expenditures incurred.

"EBITDA" is a non-GAAP financial measure and may not be comparable with similar measures presented by other companies. EBITDA is used as an alternative measure of profitability and attempts to represent the cash profit generated by the Company's operations. The most directly comparable GAAP measure is cash flow from (used in) operating activities. EBITDA is calculated as cash flow from (used in) operating activities, adding back changes in non-cash working capital, decommissioning obligation expenditures and interest expense.

"Free Cash Flow" is used as an indicator of the efficiency and liquidity of the Company's business, measuring its funds after capital expenditures available to manage debt levels, pursue acquisitions and assess the optionality to pay dividends and/or return capital to shareholders though activities such as share repurchases. The most directly comparable GAAP measure is cash flow from (used in) operating activities. Free Cash Flow is calculated as cash flow from (used in) operating activities, less interest, office lease expenses, cash taxes and capital expenditures.

"funds flow from operations" is calculated as cash flow from (used in) operating activities before changes in working capital and long term accounts payable.

"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.

"Net Debt / EBITDA" is calculated as net debt at the ending period of each financial quarter divided by the EBITDA for that period. The Company believes that Net Debt / EBITDA is useful information to investors and shareholders in understanding the time frame, in years, it would take to eliminate Net Debt based on current period Exit EBITDA.