



HIGHWOOD OIL COMPANY LTD. PROVIDES CORPORATE UPDATE

Calgary, Alberta, May 22, 2019

Highwood Oil Company Ltd., (“**HOCL**” or the “**Corporation**”) (TSXV: HOCL) announces that in accordance with the requirements of National Instrument 51-102 - Continuous Disclosure Obligations (“**NI 51-102**”) it has filed the audited financial statements for both of its predecessor entities for the year ended December 31, 2018.

As the Corporation was the “reverse takeover acquirer” (as defined in NI 51-102) of Predator Blockchain Capital Corp. (“**PBC**”) in the amalgamation of the Corporation and PBC completed on January 23, 2019, the Corporation is required to make these historical filings. The financial statements and MDA for PBC and Highwood as at December 31, 2018 have been filed on SEDAR under the Corporation’s profile at www.sedar.com.

The Corporation has also posted an amended and restated annual information form on SEDAR. The amended and restated annual information form addresses comments made by the securities regulatory body in connection with the business of PBC, as at December 31, 2018. Readers will recall that PBC, as a capital pool company, had the sole business since its incorporation of identifying and evaluating opportunities for the acquisition of an interest in assets or businesses with a view to completing a Qualifying Transaction. PBC had no assets other than net cash assets of approximately \$507,000 as at December 31, 2018.

The amended and restated annual information form also provides updated disclosure in respect of the period since the original filing date, which is the recently announced agreement with a publicly traded oil and gas exploration and production company to purchase oil assets in the Peace River Oil region of Northern Alberta for a total transaction value of \$93.8 million, comprised of cash considerations of \$88.8 million and equity consideration of \$5.0 million prior to customary closing adjustments (the “**PROP Acquisition**”). The PROP Acquisition includes a 55% operated working interest (“**WI**”) in the Peace River Oil Partnership (the “**PROP**”) (8,000 boe/d gross production, 4,400 boe/d net production to HOCL WI, 89% oil and liquids). The PROP Acquisition will be funded with \$61.5 million of cash, \$19.0 million in deferred payment / vendor take-back consideration, \$3.0 million of oil price escalator provisions, \$5.3 million of assumed working capital deficit and \$5.0 million of HOCL equity. Closing of the PROP Acquisition is expected to occur prior to July 31, 2019, subject to the satisfaction of customary closing conditions, including regulatory approvals. Full particulars of the PROP Acquisition can be found in the press release dated May 16, 2019, which is posted SEDAR under the Corporation’s profile at www.sedar.com.

Further Information

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The Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this press release.

Barrels of Oil Equivalent – This news release discloses certain production information on a barrels of oil equivalent ("boe") basis with natural gas converted to barrels of oil equivalent using a conversion factor of six thousand cubic feet of gas (Mcf) to one barrel (bbl) of oil (6 Mcf:1 bbl). Condensate and other NGLs are converted to boe at a ratio of 1 bbl:1 bbl.

Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 bbl is based roughly on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at sales point. Although the 6:1 conversion ratio is an industry-accepted norm, it is not reflective of price or market value differentials between product types. Based on current commodity prices, the value ratio between crude oil, NGLs and natural gas is significantly different from the 6:1 energy equivalency ratio. Accordingly, using a conversion ratio of 6 Mcf:1 bbl may be misleading as an indication of value.

This news release contains forward-looking statements relating to the future operations of the Corporation 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, objectives of the Corporation and the completion of the PROP Acquisition, 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 Corporation's expectations include risks detailed from time to time in the filings made by the Corporation 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 Corporation. 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 Corporation will update or revise publicly any of the included forward-looking statements as expressly required by Canadian securities law.