HIGHWOOD OIL COMPANY LTD. ANNOUNCES 2020 FOURTH QUARTER AND YEAR-END FINANCIAL AND OPERATING RESULTS AND 2020 YEAR-END RESERVES ALONG WITH UPDATE ON INDUSTRIAL METALS AND MINERAL PERMITS

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

Calgary, Alberta, April 29, 2021

Highwood Oil Company Ltd., ("**HOCL**" or the "**Company**") (TSXV: HOCL) is pleased to announce financial and operating results for the three months and twelve months ended December 31, 2020 and to provide the results of its independent oil and gas reserves evaluation as of December 31, 2020, prepared by GLJ Petroleum Consultants Ltd. ("**GLJ**").

Associated Management's Discussion and Analysis ("**MD&A**") dated April 29, 2021 and audited financial statements as at and for the year ended December 31, 2020, can be found at www.sedar.com and www.highwoodoil.com.

Q4 2020 Results and 2021 Activity

- Highwood closed the divestiture of its Clearwater assets for gross cash consideration of $40.75 million on December 21, 2020 prior to customary closing adjustments. The transaction resulted in a gain on disposition of $20.59 million for the year ended December 31, 2020. Highwood began accumulating the Clearwater assets in 2017 and drilled 19 gross wells prior to disposing of the assets. In addition to the $40.75 million the Company received for the disposition, the Company also received net proceeds of $6.0 million through the sale of a 4% non-deduct royalty over the Clearwater lands executed in 2018 and a further $648 thousand for an additional 4% non-deduct royalty over certain Clearwater lands in 2020.

- Highwood announced the signing of a definitive agreement on November 13, 2020 to vend the Red Earth assets to an Alberta producer for cash consideration of $2.0 million. The transaction subsequently closed on March 25, 2021 following regulatory approval and license transfers. The disposition removed $36.0 million of balance sheet decommissioning liabilities as of December 31, 2020, or approximately 92% of the Company's decommissioning obligations. The transaction did not include an interest in the Company's Wabasca River Pipeline midstream asset.

- As announced on March 25, 2021, the Company intends to transition into an asset management entity to drive its focus on shareholder return. The asset management structure will oversee various operations including ESG and other clean energy transition subsectors, which may include industrial metals and minerals (Lithium, Iron, Vanadium, Cobalt, Gold, Silver, Palladium, Scandium etc), clean energy technologies, upstream and midstream oil & gas production & processing.

- Within the industrial metals and minerals business unit, the Company has already amassed industrial metallic and mineral permits of over 2,500,000 acres in Alberta and British Columbia and it has engaged a third-party resource evaluator to prepare a 43-101 technical report on the permitted acreage.

- Within the upstream and midstream oil & gas production & processing business unit, the Company delivered average production of 1,908 bbl/d of oil in the fourth quarter of 2020, a 21% increase from 1,585 bbl/d in the third quarter of 2020. Current net production from Highwood is approximately 125 bbl/d of oil subsequent to the Red Earth disposition.

- Corporately, net debt at December 31, 2020 was $1.13 million, a 97% decrease from net debt outstanding at December 31, 2019 of $41.99 million.

Reserves

All references to reserves are to gross corporate reserves, meaning the Corporation's working interest reserves before deductions of royalties. The reserves were evaluated by GLJ Petroleum Consultants Ltd. ("GLJ") in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101") dated April 8, 2021, and effective December 31, 2020. The Corporation filed their Annual Information Form ("AIF") on April 28, 2020 which contains the Corporation's reserves data and other oil and natural gas information required under NI 51-101.

All evaluations and summaries of future net revenue are stated prior to provision for interest, debt service charges or general and administrative expenses and after deduction of royalties, operating expenditures, estimated abandonment liabilities and estimated future development capital. The information included as ("NPV10") in the tables below represents the net present value of future net revenue before income taxes at a 10% discount rate based on GLJ's January 1, 2021 forecast price deck. It should not be assumed that the estimate of future net revenues reflected in the tables below represents fair market value of the reserves.

Summary of Oil and Gas Reserves as of December 31, 2020(1)(2)(4)

	Total Oil Equivalent Basis (3)	
Reserves Category	**Company Gross (Mboe)**	**Company Net (Mboe)**
Proved		
Producing	2,096	1,922
Developed Non-Producing	2,015	1,900
Undeveloped	1,098	993
Total Proved	5,210	4,814
Total Probable	3,166	2,878
Total Proved Plus Probable	8,376	7,692

(1) Forecast prices are shown under the heading "Pricing Assumptions" in the Company's AIF dated April 29, 2021.
(2) Reserves information may not add due to rounding.
(3) Natural gas has been converted to barrels of oil equivalent on the basis of six (6) Mcf of natural gas being equal to one barrel of oil.
(4) Includes the reserves of the disposed Red Earth properties as the transaction closed subsequent to December 31, 2020. For information on the reserves specific to Red Earth please see the Company's AIF dated April 29, 2021.

Summary of Net Present Value of Future Net Revenues as of December 31, 2020[(1)(2)(3)(4)]

	Net Present Values of Future Net Revenue Before Income Taxes Discounted At (%/year)				
	0%	5%	10%	15%	20%
Reserves Category	**M$**	**M$**	**M$**	**M$**	**M$**
Proved					
Producing	43,395	37,885	33,370	29,737	26,801
Developed Non-Producing	35,491	30,440	25,727	21,798	18,624
Undeveloped	12,856	8,158	5,067	2,961	1,478
Total Proved	91,742	76,483	64,164	54,496	46,903
Total Probable	62,408	42,278	29,540	21,353	15,915
Total Proved Plus Probable	154,151	118,760	93,705	75,849	62,819

(1) Forecast prices are shown under the heading "Pricing Assumptions" in the Corporation's AIF dated April 29, 2021.
(2) Reserves information may not add due to rounding.
(3) It should not be assumed that the estimates of future net revenues presented in the tables represent the fair market value of the reserves. There is no assurance that the forecast prices and cost assumptions will be attained, and variances could be material.
(4) Includes the reserves of the disposed Red Earth properties as the transaction closed subsequent to December 31, 2020. For information on the reserves specific to Red Earth please see the Company's AIF dated April 29, 2021.

Summary of Financial & Operating Results

	Three months ended December 31,			Year Ended		
	2020	**2019**	**%**	**2020**	**2019**	**%**
Financial (in thousands)						
Oil and natural gas sales	**$ 6,686**	$ 7,908	(15)	**$ 20,719**	$ 33,348	(38)
Transportation pipeline revenues	**1,021**	1,228	(17)	**3,740**	5,276	(29)
Total revenues, net of royalties[(1)]	**6,122**	6,114	-	**29,418**	25,910	14
Income (Loss)	**18,347**	(6,583)	379	**(9,284)**	(11,013)	16
Cash flow from operating activities	**1,236**	274	109	**9,114**	11,667	(28)
Capital expenditures	**228**	4,895	(95)	**4,710**	11,950	(61)
Net debt [(2)]				**(1,132)**	(41,990)	97
Shareholder's equity (end of period)				**9,763**	17,967	(46)
Shares outstanding (end of period)				**6,014**	6,014	-
Weighted-average basic shares outstanding	**6,014**	6,014	-	**6,014**	5,980	1
Operations [(6)]						
Production						
Crude oil (bbls/d)	**1,908**	1,515	26	**1,560**	1,493	4
Total (boe/d)	**1,908**	1,515	26	**1,560**	1,493	4
Average realized prices [(3)]						
Crude Oil (per bbl)	**38.08**	56.74	(33)	**36.29**	61.17	(41)
Operating netback (per BOE) [(4)]	**12.81**	10.88	18	**3.82**	18.28	(79)
Wells drilled:						
Gross	**-**	4.0		**5.0**	10.0	
Net	**-**	2.0		**2.5**	5.0	
Success (%)	**-**	100		**100**	100	

(1) Includes unrealized gain and losses on commodity contracts.
(2) Net debt consists of bank debt and working capital surplus (deficit) excluding commodity contract assets and/or liabilities
(3) For a description of the boe conversion ratio, see "Basis of Barrel of Oil Equivalent".
(4) Before hedging.
(5) See "Non-GAAP measures".
(6) Natural gas and NGL production and revenues are immaterial to the Company.

2020 Fourth Quarter Operations

Highwood's focus in the fourth quarter of 2020 was on financial sustainability as the Company continually re-evaluated and adjusted field production & operations as well as corporate overheads given the price collapse beginning in March 2020. Highwood ceased its capital program in March 2020 and spent only essential capital during 2020.

Highwood reduced executive and employee salaries and reduced staff throughout 2020 to help mitigate the financial impact of the COVID-19 Global Pandemic. The Company has received support from government grants including the Canada Emergency Wage Subsidy ("CEWS") and the Canadian Emergency Rent Subsidy ("CERS") to help mitigate the financial impact of COVID-19 and continues to evaluate any programs available that could provide support to the Company.

Outlook and Update to Metallic and Industrial Mineral Permits

As announced on March 25, 2021, the Company intends to transition into an asset management entity overseeing various operations including ESG and other clean energy transition subsectors, which may include industrial metals and minerals (Lithium, Iron, Vanadium, Cobalt, Gold, Silver, Palladium, Scandium etc), clean energy technologies, upstream and midstream oil & gas production & processing, and potentially other business ventures. The transition is subject to shareholder and exchange approval.

Within the industrial metals and minerals business unit, the company has engaged a third-party resource evaluator to prepare a 43-101 technical report over the 2,500,000 permitted acres within 133 blocks in Alberta and British Columbia.

In the energy sector, the Company has, and will continue to evaluate acquisition opportunities in the M&A market but will remain disciplined to pursue only those opportunities that are accretive with low to moderate asset retirement obligations.

Corporately, the Company intends to build a growing profile of recurring free funds flow that will provide maximum flexibility for growth and / or other strategic M&A opportunities in a non-dilutive fashion.

Given its clean balance sheet which provides considerable financial and operational flexibility, the Company expects that it will be able to complete several accretive acquisition to catalyze material organic growth in 2021. The Company is currently engaged in several encouraging dialogues regarding various acquisitions and partnership opportunities. Global optimism around mitigating COVID-19 and restoring previous economic and industrial activities has created positive market and investment sentiment both within and outside oil & gas space.

Further Information

For further information about the Corporation please contact:

Greg Macdonald
President and Chief Executive Officer
587.393.0862
investorrelations@highwoodoil.com

Oil and Gas Measures

Readers should see the "Selected Technical Terms" in the Annual Information Form filed on April 30, 2019 for the definition of certain oil and gas terms.

Basis of 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.

Mcfe Conversions: Thousands of cubic feet of gas equivalent ("Mcfe") amounts have been calculated by using the conversion ratio of one barrel of oil (1 bbl) to six thousand cubic feet (6 Mcf) of natural gas. Mcfe amounts may be misleading, particularly if used in isolation. A conversion ratio of 1 bbl to 6 Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of natural gas as compared to oil is significantly different from the energy equivalent of 1:6, utilizing a conversion on a 1:6 basis may be misleading as an indication of value.

Non-GAAP Measures

"Netback" is a non-GAAP financial measure and is calculated as revenues net of royalties, less transportation and processing charges and operating expenses and then divided by BOE or Mcf sold.

Other Warnings

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.

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 and objectives of the Corporation, 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.