HIGHWOOD OIL COMPANY LTD. ANNOUNCES 2018 FOURTH QUARTER AND YEAR-END FINANCIAL AND OPERATING RESULTS AND 2018 YEAR-END RESERVES

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

Calgary, Alberta, April 30, 2019

Highwood Oil Company Ltd., ("**HOCL**" or the "**Corporation**") (TSXV: HOCL) is pleased to announce financial and operating results for the three months and twelve months ended December 31, 2018 and to provide the results of its independent oil and gas reserves evaluation as of December 31, 2018, prepared by GLJ Petroleum Consultants Ltd. ("**GLJ**").

Associated Management's Discussion and Analysis ("**MD&A**") dated April 29, 2019 and audited financial statements as at and for the year ended December 31, 2018, can be found at www.sedar.com and www.highwoodoil.com.

Highlights

- Achieved production of 1,117 bbl/d of oil in the fourth quarter of 2018, flat from 1,120 bbl/d in the fourth quarter of 2017.

- Acquired 62.5 gross (32.25 net) sections of Clearwater formation lands in 2018, bringing total sections to 196 gross (99 net) at December 31, 2018. Subsequent to year-end the Clearwater land position has grown to 226 gross (115 net) sections and presents exciting drilling opportunities with short cycle times. Minimal bookings for the Clearwater formation have been incorporated into the December 31, 2018 reserves providing significant reserve upside.

- Successfully drilled 4 gross (2 net) wells in the Clearwater Formation in the fourth quarter which have performed as per internal type curves. 3 gross (1.5 net) wells were drilled in Q1 2019, bringing total wells drilled to 7 gross (3.5 net). Assuming WCS realized pricing remains in the range of current strip pricing, Highwood would plan to drill another 6 to 10 gross (3 to 5 net) wells in the Clearwater before the end of 2019.

- Transportation and pipeline revenue from the Wabasca River Pipeline of $3.9 million for the year and $1.3 million for the quarter ended December 31, 2018.

- Additionally, current production from Highwood is approximately 1,550 bbl/d of oil.

Reserves

All references to reserves are to gross company 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 March 29, 2019, and effective December 31, 2018. The Corporation filed their Annual Information Form ("AIF") on April 30, 2019 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, 2019 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, 2018(1)(2)

	Total Oil Equivalent Basis (3)	
Reserves Category	**Company Gross (Mboe)**	**Company Net (Mboe)**
Proved		
Producing	3,235	2,884
Developed Non-Producing	1,627	1,475
Undeveloped	1,236	1,110
Total Proved	6,098	5,469
Total Probable	3,803	3,380
Total Proved Plus Probable	9,902	8,849

(1) Forecast prices are shown under the heading "Pricing Assumptions" in the Corporation's AIF dated April 30, 2019.
(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.

Summary of Net Present Value of Future Net Revenues as of December 31, 2018(1)(2)(3)

	Net Present Values of Future Net Revenue Before Income Taxes Discounted At (%/year)				
Reserves Category	**0% M$**	**5% M$**	**10% M$**	**15% M$**	**20% M$**
Proved					
Producing	111,241	92,105	77,950	67,422	59,430
Developed Non-Producing	52,389	41,550	33,352	27,309	22,808
Undeveloped	23,821	16,409	11,465	8,043	5,592
Total Proved	187,452	150,064	122,767	102,775	87,831
Total Probable	126,510	81,727	56,024	40,660	30,943
Total Proved Plus Probable	313,962	231,791	178,790	143,435	118,774

(1) Forecast prices are shown under the heading "Pricing Assumptions" in the Corporation's AIF dated April 30, 2019.
(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.

Summary of Financial & Operating Results

	Three months ended December 31,		Year ended December 31,	
	2018	2017	**2018**	2017
Financial				
Oil and natural gas sales	**$ 3,159,126**	$ 6,276,681	**$ 24,985,489**	$ 28,289,467
Transportation pipeline revenues	**1,308,526**	-	**3,948,611**	-
Total revenues, net of royalties (1)	**8,802,798**	1,127,095	**27,679,711**	28,293,860
Income (loss)	**1,223,306**	(1,073,072)	**(1,809,819)**	598,854
Capital expenditures	**6,419,621**	4,657,830	**23,248,021**	36,440,187
Net debt			**29,630,459**	14,573,417
Shareholders' equity *(end of period)*			**24,579,552**	26,863,521
Shares outstanding *(end of period)*			**5,744,204**	5,538,674
Weighted-average basic shares outstanding	**5,695,056**	5,538,674	**5,578,091**	5,538,674
Operations (2)				
Production				
Natural gas *(Mcf/d)*	**12**	73	**30**	2,403
Natural gas liquids (NGL) *(bbls/d)*	**0**	1	**0**	144
Crude oil *(bbls/d)*	**1,117**	1,111	**1,120**	1,214
Total *(boe/d)*	**1,119**	1,124	**1,125**	1,759
Average realized prices (3)				
Natural gas *(per Mcf)* (5)	**2.01**	1.30	**1.35**	2.86
NGL *(per bbl)* (5)	**72.03**	43.79	**71.30**	23.25
Crude oil *(per bbl)*	**30.27**	61.30	**61.06**	55.42
Operating netback *(per boe)* (4)	**(3.38)**	23.83	**7.21**	13.28
Wells drilled:				
Gross	**4**	-	**6**	-
Net	**2**	-	**3.5**	-
Success (%)	**100**	-	**100**	-

(1) Includes gain and losses on commodity contracts

(2) For a description of the boe conversion ratio, see "Basis of Barrel of Oil Equivalent".

(3) Before hedging.

(4) See "Non-GAAP measures".

(5) For 2018, natural gas and NGL production and revenues are immaterial to the Company

Saskatchewan Transaction

On April 29, 2019, the Corporation completed the acquisition of an arm's-length private company with production in Saskatchewan, for a total purchase price of $5.0 million.

Acquired production of approximately 225 bbl/day of light sweet crude oil produced from 7 gross (5.5 net) wells in the Tilston formation. The acquisition provides an additional 2 to 3 horizontal locations and secondary waterflood potential.

Subject to ordinary closing adjustments, the purchase price comprised $3,450,000 of cash and $1,550,000 of Highwood shares valued at $23.51 per share (total of 65,935 Highwood Shares). Fifty percent of the

Highwood shares are subject to a contractual 90-day hold period from the date of closing and the remaining fifty percent of the Highwood shares are subject to a contractual 180-day hold period from the closing date.

The Acquisition is an arm's length transaction an constitutes an Expedited Acquisition pursuant to TSX Venture Exchange Policy 5.3 – *Acquisitions and Disposition of Non-Cash Assets*.

Outlook

The fourth quarter pricing environment was challenging for Highwood, but the Corporation is encouraged by current pricing and market sentiment. Our Clearwater land position has grown to 226 gross (115 net) sections and presents exciting drilling opportunities with short cycle times. Assuming WCS realized pricing remains in the range of current strip prices, Highwood would plan to drill another 6 to 10 gross (3 to 5 net) wells in the Clearwater before the end of 2019. In Q1 2019, 3 gross (1.5 net) Clearwater wells were drilled in the Nipisi area bringing a total of 7 gross (3.5 net) Clearwater wells drilled to date. The wells are on flow back and being evaluated for production results.

Our Red Earth asset continues to provide a solid below 15%, low decline production base which can be mitigated through the introduction of proppant fractures in both the vertical and horizontal wellbores in the area. Management anticipates that through modest annual capital we will be able to hold production flat. The premium to MSW pricing received on the Red Earth production drives an attractive netback and provides an excellent source of cash flow to redeploy into the Clearwater assets. Focus in 2019 will be to continue to drive down operating costs in the field which are challenged by year-round accessibility and geographic spread.

The Corporation remains focused on evaluating opportunities in the M&A market and completing accretive acquisitions through the duration of 2019.

Current production for Highwood is approximately 1,550 bbl/d of oil following the Saskatchewan Transaction.

Further Information

For further information about the Corporation please contact:

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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.*