



**HIGHWOOD OIL COMPANY LTD. ANNOUNCES COMPLETION OF SUCCESSFUL DISPOSITION PROGRAM, ACQUISITION OF OVER 320,000 ACRES OF LITHIUM PERMITS, AND STRATEGIC TRANSFORMATION TO AN ASSET MANAGEMENT COMPANY**

**Calgary, Alberta, March 25, 2021**

Highwood Oil Company Ltd (TSXV:HOCL) (“Highwood” or the “Company”) is pleased to provide the below updates.

**Operational Update**

As previously announced on November 13, 2020, Highwood has closed the divestiture of its Red Earth assets (“Red Earth”) and the related decommissioning liability of approximately \$35 million, for sale proceeds of \$2 million in cash (the “Red Earth Sale”).

The disposition of Red Earth was to Blue Sky Resources Ltd., an arm’s-length Alberta based, private oil and gas exploration and production company. The Alberta Energy Regulator has accepted all license transfers relating to the sale of Red Earth. Highwood has been engaged by the purchaser to provide transition services relating to the disposed assets through May 2021. A 1.5% success fee was paid to National Bank Financial for their role as financial advisor to the Red Earth Sale.

Highwood’s largest source of cashflow continues to be its 200 km Wabasca Crude Transmission Pipeline in addition to approximately 125 bbls/day of oil production. Pro-forma the Red Earth Sale, Highwood’s current net debt position is approximately \$2.5 million on a conforming operating facility of \$10 million, which matures May 31, 2021.

**Acquisition of Over 320,000 Acres of Mineral Permits for Lithium Evaluation**

Highwood is pleased to announce that it has secured permits over a land position exceeding 320,000 acres throughout Alberta and British Columbia via Metallic and Industrial Mineral Permits that it deems to be prospective for lithium extraction. Highwood is evaluating several potential alternatives with respect to the assets including bringing in a joint-venture partner and the purchase or development of a direct lithium extraction technology. Highwood has retained Echelon Wealth Partners Inc. as an advisor to assist with determining the best means to finance the continued development of its broadened investment mandate.

Since 2017 Highwood and its largest shareholder have been acquiring lithium rights and evaluating lithium extraction technologies. The Company is currently awaiting lithium and other subsurface metal

concentrations from produced water test results and is encouraged by offsetting lithium concentrations and lithium brine deliverability of related wells.

Should the lithium concentrations meet or exceed expectations, Highwood plans to conduct a report under the provisions of *National Instrument 43-101- Standards of Disclosure for Mineral Projects*.

### **Strategic Transformation to an Asset Management Company**

In conjunction with the previously above noted divestitures and acquisitions, Highwood plans to transition immediately to an asset management company with a focus on energy, energy transition and related technologies and rename itself “Highwood Asset Management”. Over the past five years Highwood has been evaluating various energy, energy transition and cleantech ventures.

The Company has received TSXV acceptance of the Red Earth sale and intends to seek TSXV and shareholder approval for its proposed new name change and transition to Highwood Asset Management. Additional disclosure will be provided once the terms of the change of business have been finalized.

### **FURTHER INFORMATION**

For further information about Highwood 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, 2020 for the definition of certain oil and gas terms.*

#### *Warnings*

*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 Company and other statements that are not historical facts. Forward-looking statements are often identified by terms such as “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “forecast”, “intend”, “may”, “objective”, “ongoing”, “outlook”, “potential”, “project”, “plan”, “should”, “target”, “would”, “will” or similar words suggesting future outcomes, events or performance. These statements involve known and unknown risks, assumptions, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Although the Company believes there is a reasonable basis for the expectations and assumptions reflected in the forward-looking statements, undue reliance should not be placed on the forward-looking statements because the Company can give no assurances that they will prove to be correct. The forward-looking statements contained in this news release speak only as of the date hereof and are expressly qualified by this cautionary statement. Specifically, this news release contains*

*forward-looking statements relating to, but not limited to: its transition of an asset management company, and its lithium assets and future plans related thereto.*

*All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding the future plans and objectives of the Company, 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 Company's expectations include risks detailed from time to time in the filings made by the Company with securities regulatory authorities.*

*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 Company and certain of which may be found under the heading "Risk Factors" in the Company's AIF. 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 Company will update or revise publicly any of the included forward-looking statements as expressly required by Canadian securities law.*