

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): March 15, 2021

HighPeak Energy, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

333-235313
(Commission File Number)

84-3533602
(IRS Employer
Identification No.)

421 W. 3rd St., Suite 1000
Fort Worth, Texas 76102
(address of principal executive offices) (zip code)

(817) 850-9200
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencements communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock	HPK	The Nasdaq Stock Market LLC
Warrant	HPKEW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On March 15, 2021, HighPeak Energy, Inc. (the “**Company**”) posted an investor presentation on the Company’s website, www.highpeakenergy.com, on the Presentations page under the News tab within the Investors tab. The investor presentation includes, among other things, certain operational updates and an update regarding the Company’s proved reserve estimates as of December 31, 2020. A copy of the investor presentation is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference into this Item 2.02 by reference.

On March 15, 2021, the Company also issued a press release announcing its financial and operating results for the fourth quarter and full year ended December 31, 2020 and 2021 guidance. A copy of the press release is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated by reference into this Item 2.02 by reference.

The information in this Current Report on Form 8-K, including Exhibits 99.1 and 99.2, is being furnished pursuant to Item 2.02 of Form 8-K and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), or otherwise subject to liabilities of that section, and is not incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act unless specifically identified therein as being incorporated therein by reference.

Item 7.01 Regulation FD Disclosure.

The information set forth under Item 2.02 is incorporated by reference as if fully set forth herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Investor Presentation dated March 2021.
99.2	Press Release dated March 15, 2021.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HIGHPEAK ENERGY, INC.

Date: March 15, 2021

By: /s/ Steven W. Tholen

Name: Steven W. Tholen

Title: Chief Financial Officer



Investor Presentation

March 2021



FORWARD-LOOKING STATEMENTS

The information in this presentation and in any oral statements made in connection herewith contains forward-looking statements that involve risks and uncertainties. When used in or in connection with this document, the words "believe," "plans," "expects," "anticipates," "forecasts," "intends," "continues," "may," "will," "could," "should," "future," "potential," "estimate" or the negative of such terms and similar expressions as they relate to HighPeak Energy, Inc. ("HighPeak Energy" or the "Company") are intended to identify forward-looking statements, which are generally not historical in nature. The forward-looking statements are based on the Company's current expectations, assumptions, estimates and projections about the Company and the industry in which the Company operates. Although the Company believes that the expectations and assumptions reflected in the forward-looking statements are reasonable as and when made, they involve risks and uncertainties that are difficult to predict and, in many cases, beyond the Company's control. These risks and uncertainties include, among other things, volatility of commodity prices, product supply and demand, the impact of a widespread outbreak of an illness, such as the coronavirus disease 2019 ("COVID-19") pandemic, on global and U.S. economic activity, competition, the ability to obtain environmental and other permits and the timing thereof, other government regulation or action, the ability to obtain approvals from third parties and negotiate agreements with third parties on mutually acceptable terms, litigation, the costs and results of drilling and operations, availability of equipment, services, resources and personnel required to perform the Company's drilling and operating activities, access to and availability of transportation, processing, fractionation, refining and storage facilities, HighPeak Energy's ability to replace reserves, implement its business plans or complete its development activities as scheduled, access to and cost of capital, the financial strength of counterparties to any credit facility and derivative contracts entered into by HighPeak Energy, if any, and purchasers of HighPeak Energy's oil, NGL and gas production, uncertainties about estimates of reserves, identification of drilling locations and the ability to add proved reserves in the future, the assumptions underlying forecasts, including forecasts of production, expenses, cash flow from sales of oil and gas and tax rates, quality of technical data, environmental and weather risks, including the possible impacts of climate change, cybersecurity risks and acts of war or terrorism. These and other risks are described in the Company's combined Registration Statement on Form S-4 and Form S-1, declared effective by the Securities and Exchange Commission (the "SEC") on August 7, 2020 and initially filed with the SEC on December 2, 2019 (File No. 333-235313) (the "Registration Statement"), and in its other filings with the SEC. In addition, the Company may be subject to currently unforeseen risks that may have a materially adverse effect on it. Accordingly, no assurance can be given that the actual events and results will not be materially different than the anticipated results described in the forward-looking statements. See "Risk Factors," "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Quantitative and Qualitative Disclosures About Market Risk" in the Registration Statement for a description of various factors that could materially affect the ability of HighPeak Energy to achieve the anticipated results described in the forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. The Company undertakes no duty to publicly update these statements except as required by law.

NO OFFER OR SOLICITATION

This presentation is for informational purposes only and shall not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company or its affiliates, nor shall there be any sale of securities in any jurisdiction in which the offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction. This presentation should not be considered as a recommendation that any investor should subscribe for or purchase any securities. No offer of securities shall be made except by means of separate and distinct documentation in the form of a private placement memorandum, offering circular, subscription agreement or other equivalent document ("offering document") and any decision to purchase or subscribe for any securities pursuant to such offer should be made solely on the basis of such offering document and not this presentation. This presentation may not be relied upon for the entering into of any transaction.

RESERVE INFORMATION

Reserve engineering is a process of estimating underground accumulations of hydrocarbons that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data and price and cost assumptions made by reserve engineers. Reserves estimates included herein may not be indicative of the level of reserves or PV-10 value of oil and natural gas production in the future, as they are based on prices significantly higher than current commodity prices. In addition, the results of drilling, testing and production activities may justify revisions of estimates that were made previously, if significant, such revisions could impact HighPeak's strategy and change the schedule of any further production and development drilling. Accordingly, reserve estimates may differ significantly from the quantities of oil and natural gas that are ultimately recovered. Unless otherwise indicated, reserve estimates shown herein are based on a reserve report as of October 31, 2020 prepared by Cawley, Gillespie & Associates, Inc., the Company's independent reserve engineering firm, and were prepared in accordance with current SEC rules and regulations regarding reserve reporting, except that commodity prices were based on specified management parameters, referred to herein as "flat" pricing, rather than SEC pricing guidelines. The flat prices used in preparing the reserve report were \$63.00 per Bbl of oil and \$3.00 per MMBtu of natural gas, as compared to weighted average adjusted realized prices of \$39.57 per Bbl for oil and \$1.985 per MMBtu that would have been used if the reserve report had been prepared using SEC pricing guidelines. HighPeak believes that the use of flat pricing provides useful information about its reserves, as the flat prices reflect what management believes to be reasonable assumptions as to future commodity prices over the productive lives of its properties. However, HighPeak cautions you that the flat pricing used in preparing the reserve report is not necessarily a projection of future oil and natural gas prices, and should be carefully considered in addition to, and not as a substitute for, SEC prices, when considering HighPeak's oil, natural gas and NGL reserves. Estimated Ultimate Recoveries, or "EURs," refers to estimates of the sum of total gross remaining proved reserves per well as of a given date and cumulative production prior to such given date for developed wells. Original oil in place, or "OOIP" refers to gross volumes of hydrocarbons without giving effect to recovery efficiency or the economic viability of production. Neither EURs nor OOIP constitute or represent reserves as defined by the SEC and neither is intended to be representative of anticipated future well results or aggregate production volumes. Each such metric is inherently more uncertain than proved reserve estimates prepared in accordance with SEC guidelines.

USE OF PROJECTIONS

This presentation contains projections for HighPeak, including with respect to its operating margin, capital expenditures, drilling pace, average lateral lengths, production, operating expenses and well results. HighPeak's independent auditors have not audited, reviewed, compiled, or performed any procedures with respect to the projections for the purpose of their inclusion in this presentation, and accordingly, have not expressed an opinion or provided any other form of assurance with respect thereto for the purpose of this presentation. These projections are for illustrative purposes only and should not be relied upon as being necessary indicative of future results. The assumptions and estimates underlying the projected information are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the projected information. Even if HighPeak's assumptions and estimates are correct, projections are inherently uncertain due to a number of factors outside its control. Accordingly, there can be no assurance that the projected results are indicative of HighPeak's future performance or that actual results will not differ materially from those presented in the projected information. Inclusion of the projected information in this presentation should not be regarded as a representation by any person that the results contained in the projected information will be achieved.

USE OF NON-GAAP FINANCIAL MEASURES

This presentation includes non-GAAP financial measures, including EBITDAX, operating margin and PV-10. HighPeak believes these non-GAAP measures are useful because they allow HighPeak to more effectively evaluate its operating performance and compare the results of its operations from period to period and against its peers without regard to financing methods, capital structure or tax status. HighPeak does not consider these non-GAAP measures in isolation or as alternatives to similar financial measures determined in accordance with GAAP. HighPeak's computations of these non-GAAP financial measures may not be comparable to other similarly titled measures of other companies.

HighPeak defines EBITDAX as net income before interest expense, income taxes, depreciation, depletion and amortization, exploration and other expenses, impairment and abandonment expenses, non-cash gains or losses on derivatives, stock-based compensation, gain on exchange of debt, gains and losses from the sale of assets, transaction costs and nonrecurring workforce reduction severance payments. HighPeak's management believes EBITDAX is useful as it allows them to more effectively evaluate HighPeak's operating performance and compare the results of its operations from period to period and against its peers without regard to financing methods or capital structure. HighPeak excludes the items listed above from net income in arriving at EBITDAX because these amounts can vary substantially from company to company within the industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. HighPeak also presented EBITDAX on an "annualized" basis, which represents EBITDAX for a fiscal quarter annualized for a 12-month period as if EBITDAX for each fiscal quarter in such period was equal to the quarter specified. HighPeak defines operating margin as realized price less lease operating expenses, gathering, processing and transportation expenses, production taxes and interest, on a per-BoE basis. HighPeak defines PV-10 as the present value of estimated future net revenues to be generated from the production of proved reserves, without giving effect to non-property related expenses, discounted at 10% per year before income taxes. For reconciliations of each such non-GAAP measure as presented herein to its most comparable measure prepared in accordance with GAAP, see the Appendix to this presentation.

INDUSTRY AND MARKET DATA

This presentation has been prepared by HighPeak and includes market data and other statistical information from sources believed by HighPeak to be reliable, including independent industry publications, governmental publications or other published independent sources. Some data is also based on HighPeak's good faith estimates, which are derived from its review of internal sources as well as the independent sources described above. Although HighPeak believes these sources are reliable, they have not independently verified the information and cannot guarantee its accuracy and completeness.

TRADEMARKS AND TRADE NAMES

HighPeak owns or has rights to various trademarks, service marks and trade names that it uses in connection with the operation of its business. This presentation also contains trademarks, service marks and trade names of third parties, which are the property of their respective owners. The use or display of third parties' trademarks, service marks, trade names or products in this presentation is not intended to, and does not imply, a relationship with HighPeak or an endorsement or sponsorship by or of HighPeak. Solely for convenience, the trademarks, service marks and trade names referred to in this presentation may appear without the ®, TM or SM symbols, but such references are not intended to indicate, in any way, that HighPeak will not assert, to the fullest extent under applicable law, their rights or the right of the applicable licensor to these trademarks, service marks and trade names.

- Starting in 2017, HighPeak acreage was assembled through HighPeak I fund and HighPeak II fund investments over a period of ~3 years
 - Capital was contributed by management and investors to acquire HighPeak’s current Eastern Howard county position in the Midland Basin
- Pure Acquisition Corp. (“Pure”) SPAC IPO’d in April 2018 and was founded by Jack Hightower; Pure evaluated numerous business combinations and found HighPeak’s assets to be the most competitive
- Pure De-SPAC transacted to take public the HighPeak assets in August 2020 with further concurrent investment from management
- Today’s public float consists of a diverse group of original SPAC investors, institutional investors and other high-net-worth investors
 - Management and beneficially controlled entities own ~90% of shares outstanding ⁽¹⁾



Total HighPeak business capital contributed to date: ~\$650 MM

(1) As disclosed in S-1 filed 11/9/20.

Key Statistics

- **Market cap** ~\$1.2 billion (as of Mar. 1, 2021)
- **Production** Current production of approximately 7.8 MBoe/d ⁽¹⁾
- **Acreage** ~33,000 and ~18,000 net acres in Flat Top and Signal Peak areas located in the core of the Northern Midland Basin, respectively
 - ~93% operated with average operated WI / GNRI of ~84% and 75%
- **Well count** 34 operated horizontal wells completed or in progress at Mar. 15; 31 operated legacy vertical wells
- **Proved Developed PV-10** ~\$292 MM (YE 2020); ~10.8 MMBoe net reserves ⁽²⁾

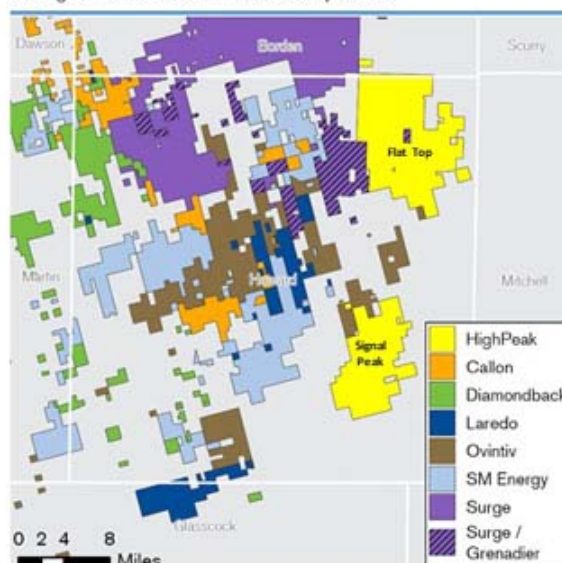
Focus on Production Growth and Operating Margins

- Significant production growth expected to continue as new wells come online; current production has grown to approximately 7.8 MBoe/d from 3.3 MBoe/d in 4Q20 ⁽¹⁾
- Industry-leading all-in-cost and full cycle economics with expected 2021E EBITDA margins of \$41–\$46/Boe ⁽³⁾

Differentiated Financial Strategy

- Company has no debt outstanding and \$20 million in cash on the balance sheet as of 12/31/20
- Commitment to low leverage under go-forward business plan
- Focus on maintaining low cost structure by aggressively managing DCE&F, LOE and G&A
- Actively evaluating hedge levels to manage price risk and protect cash flow & capital budget plans

Acreage Position and Selected Offset Operators



2020 YE Reserves	PD ⁽⁴⁾	PUD	Total
Net Reserves (Mmboe) ⁽²⁾	10.8	12.6	23.4
PV-10 (\$MM) ⁽²⁾	\$292	\$198	\$490
% Liquids	94%	94%	94%

Source: Acreage per Eversol.

(1) Current production represents approximate daily production as of mid March 2021.

(2) Reserves per HighPeak's year end 2020 third party reserve report prepared by Cawley Gilscope & Associates ("CGA"). Assumed effective date of January 2021. Based on flat \$43.00/Boe and \$3.00/MMBoe as adjusted for differentials under a one rig program with completed IWD infrastructure buildout.

(3) Based on flat pricing of \$43.00/Boe and \$3.00/MMBoe as adjusted for differentials under a one rig program with completed IWD infrastructure buildout.

(4) As of YE 2020, represents 15 PDP wells and 9 PDP wells where the 9 PDP wells forecasted to be online by the end of January 2021.

CGA YEAR-END 2020 PROVED RESERVES

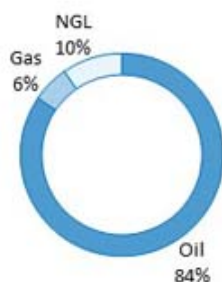
Flat \$63.00/Bbl and \$3.00/MMBtu



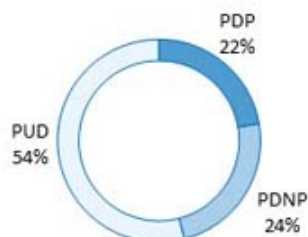
CGA Year-End 2020 Proved Reserves ⁽¹⁾

Reserve Category	Net Proved Reserves				% of Total	% Liquids	PV-10 (\$MM)
	Oil (MBbl)	Gas (MMcf)	NGL (MBbl)	Total (MBoe)			
Proved Developed Producing (PDP)	4,472	1,863	468	5,250	22%	94%	\$135
Proved Developed Non-Producing (PDNP)	4,663	1,981	536	5,530	24%	94%	\$157
Total Proved Developed Reserves	9,136	3,844	1,004	10,780	46%	94%	\$292
Proved Undeveloped (PUD)	10,631	4,524	1,246	12,631	54%	94%	\$198
Total Proved Reserves	19,766	8,368	2,250	23,411	100%	94%	\$490

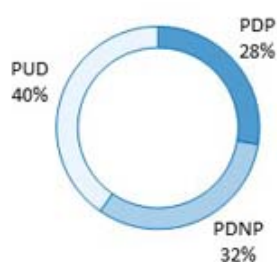
Net Reserves by Commodity



Net Reserves by Category



PV-10 by Category



By end of March 2021, substantially all YE 2020 PDNP will have transitioned to PDP

(1) Reserves per HighPeak's year-end 2020 third party reserve report prepared by Cowley White & Associates ("CGA"). Assumes effective date of January 2021. Based on flat \$63.00/Bbl and \$3.00/MMBtu as adjusted for differentials.

Overview

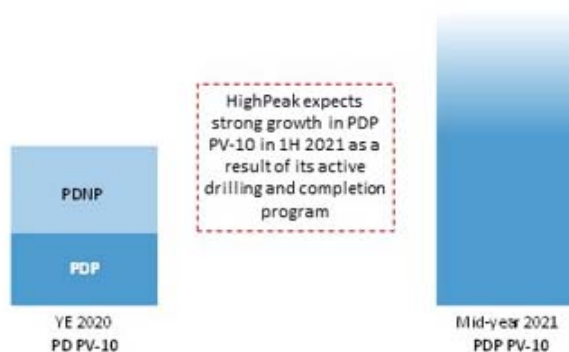
- Statistics
 - Well lengths ranging from ~8,500 to over 15,000'
 - Horizontal Ellenburger SWD with high volume injection capacity
- Producing wells
 - 12 wells (9 WCA, 3 LS)
- Flowback
 - 12 wells (7 WCA, 5 LS)
- In Progress
 - 7 wells (6 WCA, 1 LS)



Current Capitalization

<i>(\$ in millions)</i>	As Reported 12/31/2020
Cash and cash equivalents	\$20
Revolving credit facility	--
Total debt	--
Market value of equity as of 03/01/2021	\$1,214
Total capitalization (market)	\$1,214
Borrowing base	\$50
Elected commitments ⁽¹⁾	\$50
Liquidity ⁽²⁾	\$70
Operating statistics:	
Proved reserves (Mmboe) ⁽³⁾	23.4
Current production (Mboe/d) ⁽⁴⁾	7.8
1P PV-10 (\$MM) ⁽³⁾	\$490
PD PV-10 (\$MM) ⁽³⁾	\$292

Near-Term PDP Reserve Growth ⁽³⁾



(\$ in millions)

2021 Guidance - One Rig Program	
Capital Expenditures, D,C,E&F	\$115 – \$125
Capital Expenditures, Land/Infra/Water	20 – 25
Capital Expenditures, Total	\$135 – \$150
Gross Wells Drilled	20–24
Average Gross Lat. Length	11,500’-12,000’
Average Production (MBoe/d)	10.5–12
Exit Production (MBoe/d)	12–14

Source: Company Filings and FactSet as of 3/15/21.

Note: Balance sheet represents amounts as filed 12/31/20.

(1) Revolving credit facility amendment announced 3/15/21 with \$50 MM borrowing base.

(2) Liquidity defined as total commitments less PBL borrowings less letters of credit plus cash.

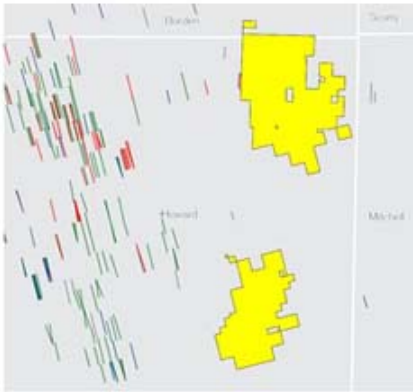
(3) Reserves per HighPeak's year-end 2020 third party reserve report prepared by Cowley Gilpin & Associates ("CGA"). Assumes effective date of January 2021; based on flat \$63.00/MMbbl and \$3.00/MMbbl as adjusted by differentials.

(4) Current production represents approximate daily production as of mid-March 2021.

Howard County is one of the most active areas of the prolific Permian Basin with 19 rigs currently running and nearly 2,000 horizontal wells drilled to date

2016 Sticks

HZ Wells to Date: 176

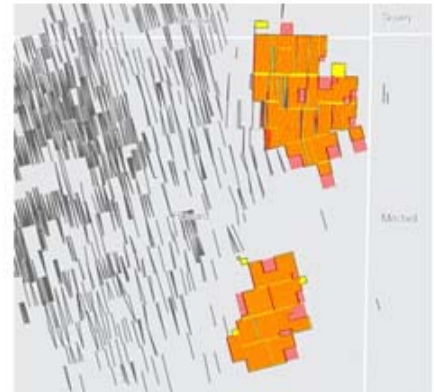


2020 Sticks

HZ Wells to Date: 1,998



2021 and Beyond



Early Development

Next Stage Development

Future Development

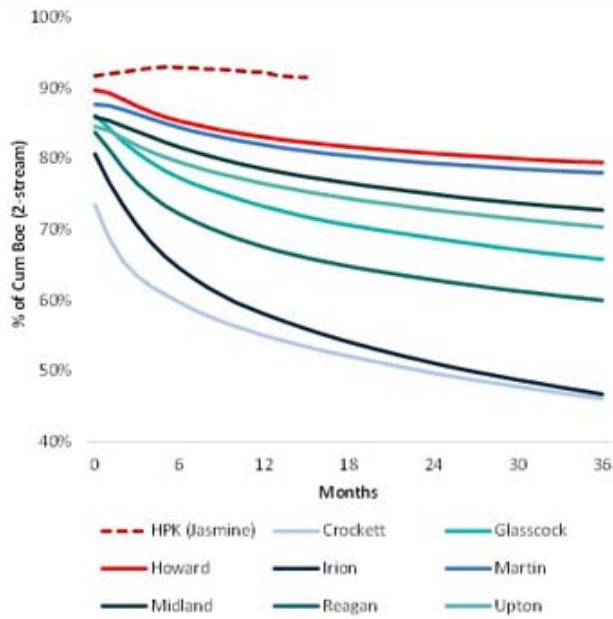
- Legend**
- HighPeak Acreage
 - Middle Spbry
 - Lower Spbry
 - Jo Mill
 - Dean
 - Wolfcamp A
 - Wolfcamp B
 - Other ⁽¹⁾

- Legend**
- HighPeak Acreage
 - PDP
 - Locations

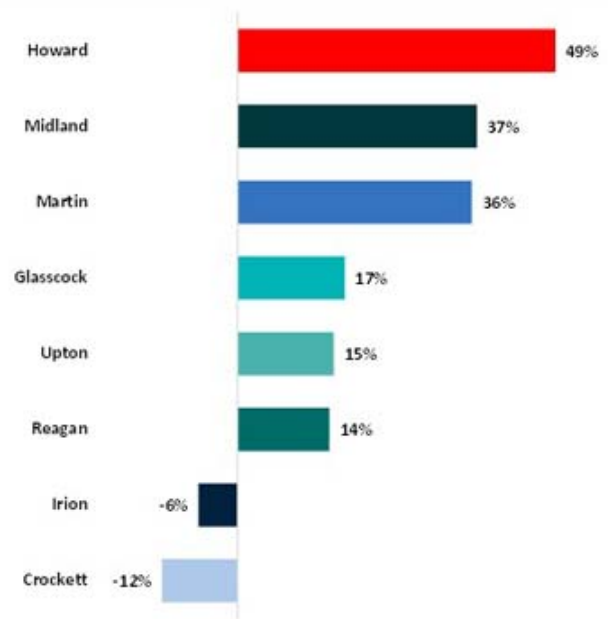
(1) "Other" includes 34 Wolfcamp D wells.

Howard County production mix has the highest oil percentage and margins across the Midland Basin (ie. best economics) and has seen the most rapid growth in oil volumes of all the major Midland Basin Counties

Howard County: Highest Oil Content Drives Value



Midland Basin Oil Production 5 yr CAGR by County ⁽¹⁾

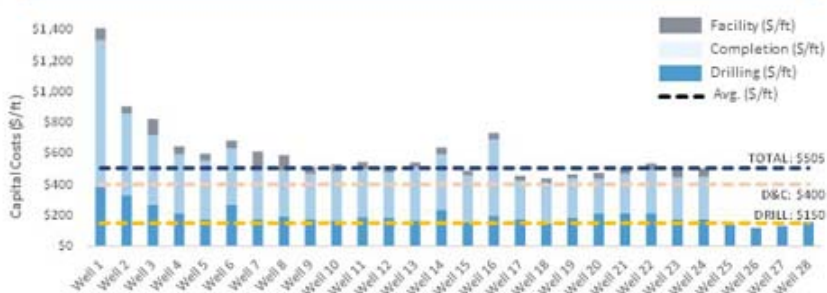


Source: Eversight
 (1) From Jan 2015 to Jan 2020.

Capital Efficiency

- Continuous capital improvement
 - Pad development
 - Longer laterals
 - Service company relationships
 - Ongoing operational improvements

Flat Top Capital Efficiency Through 28 Wells Drilled (D,C,E & F) ⁽¹⁾



Operating Margin

- High oil cuts
- Attractive differentials
- Commitment to conservative interest expense burden
- Low failure rate (zero HighPeak originated ESP failures to date) ⁽³⁾
- Water infrastructure including high-volume horizontal SWD

4Q 2020 Operating Margin (\$/Boe) ⁽²⁾

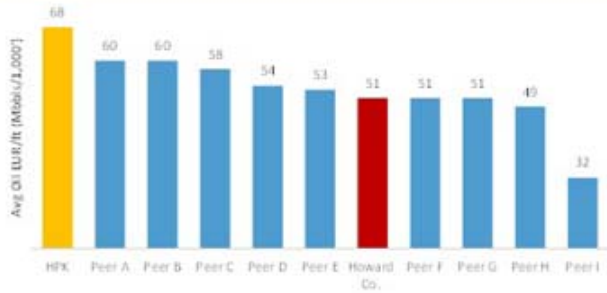


⁽¹⁾ Wells #23-28 are based on field estimates and are not included in cost and average. Average completion Total Well Cost = \$505/ft, including Drilling @ \$150/ft, Completion @ \$220/ft and Equipment + Facilities @ \$135/ft.
⁽²⁾ PEER Avg includes CDEV, OPE, ESTE, UP, MTDK, SM and XIC. Operating margin defined as realized price less LDE, less OPE&T, less cash O&A, less production taxes, and less interest (\$/Boe). Realized price calculated as total revenue benchmarked at 4Q 2020 average NYMEX strip price less differential. Applied 4Q 2020 production split and operating expenses at \$40/bbl, \$50/bbl and \$60/bbl oil assuming 36% of oil price for H2U and flat \$3.00/Mcf gas.
⁽³⁾ HighPeak has had 1 ESP failure to date attributable to a OEM manufacturer issue which has been remediated.

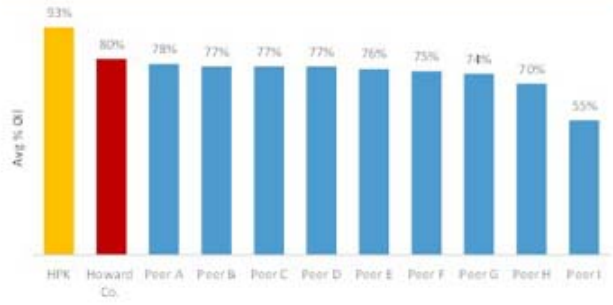
HISTORICAL MIDLAND BASIN PEER BENCHMARKING: ENVERUS DATA



Oil EUR/ft (MBbls/1000')



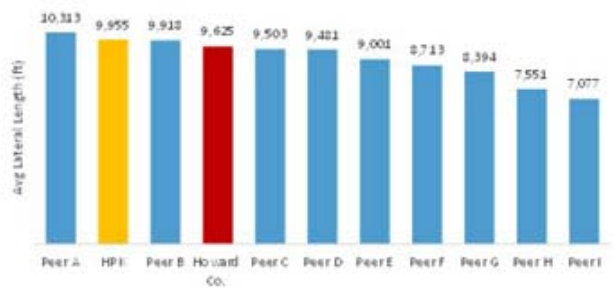
Average % Oil



Average Breakeven (\$/Bbl, 20:1)



Average Lateral Length (ft)



Source: Enverus.
 Note: Outland includes all horizontal Midland Basin wells by operator put on production after 1/1/2017. HPK wells include all wells with greater than 6 months production; Howard County refers to all horizontal wells in Howard County put on production after 1/1/2017. Selected peer set includes: APA, CPE, CrownRock, DoublePoint, Endeavor, FARGO, LP, OVV and SM.

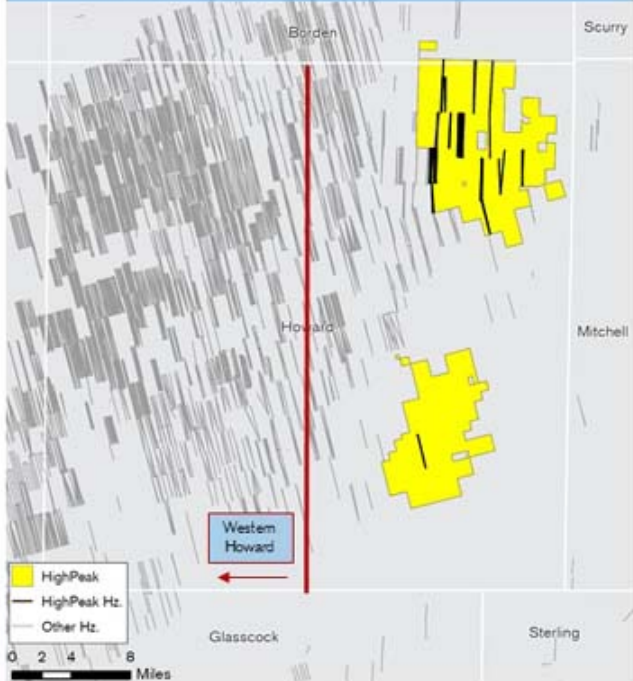
Eastern Howard County projected wells compare favorably with Western Howard County wells

Western vs. Eastern Howard County (Wolfcamp A – 10,000')

	Western Howard	Eastern Howard	HighPeak Energy
EUR (MBbls/1,000') ⁽¹⁾	58	62	68
Avg. Net Thickness	200' – 300'	200' – 250'	
Avg. Net to Gross	~82%	~89%	
% Developed	~32%	~8%	
% Oil	71%	85-90%	
Total Well Cost (\$/ft)	\$573/ft	\$649/ft	\$530/ft ⁽²⁾
NPV/Well (\$MM) ⁽³⁾	\$9.4mm	\$8.0mm	\$10.6mm
Avg. Breakeven (\$/Bbl, 20:1) ⁽²⁾	\$33/Bbl	\$36/Bbl	\$28/Bbl

HighPeak planned average lateral length of 12,500' in the WCA has a projected per well NPV of \$13.6mm ⁽⁴⁾

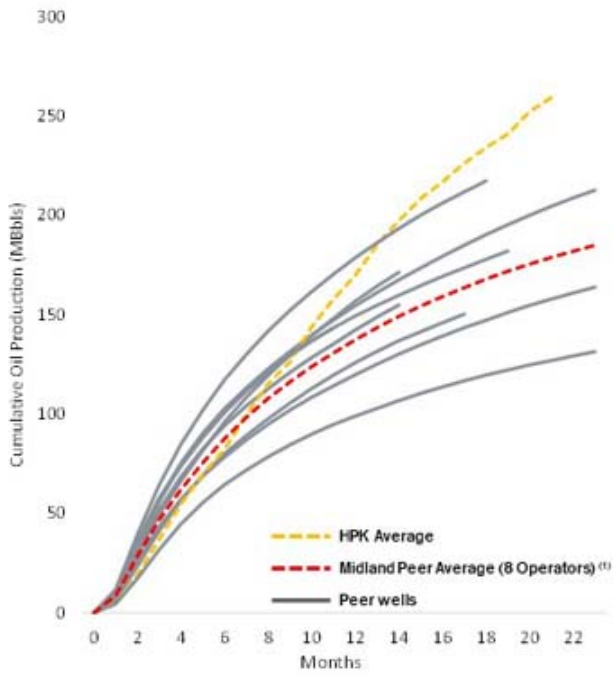
Howard County Map



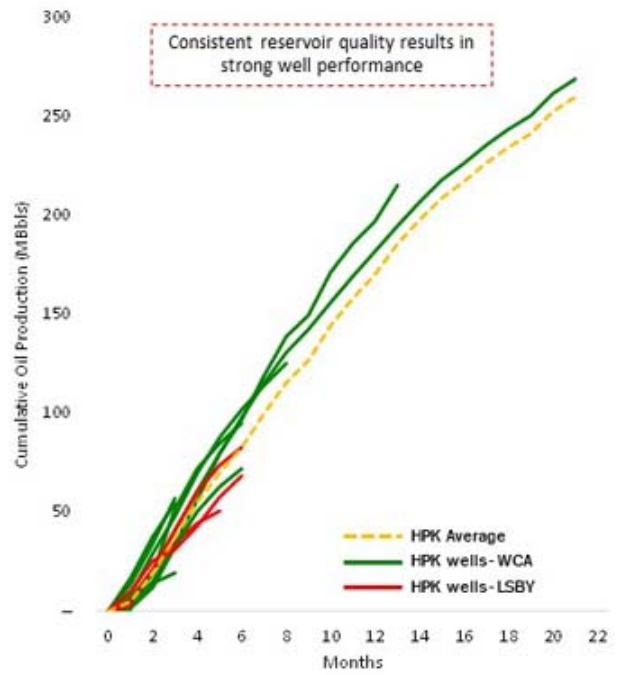
Source: Enertrak.
 (1) WCA average for 2017-2021. Eastern Howard results based on HighPeak performance for wells with greater than 6 months of production data.
 (2) Represents HighPeak's average development costs for a 10,000' lateral length well.
 (3) Based on average HC WCA well from 2017-2020 using stated DAC costs for a 10,000' lateral. Eastern Howard based on HighPeak WCA YE20 audited type curve. NPV assumes \$63/Bbl (WT) & \$3.00/Md (heavy H₂).
 (4) Based on average CGA provided HighPeak type curve for the Wolfcamp A.

HighPeak well results outperform peers in the Midland Basin

HighPeak Well Performance vs. Midland Peers⁽¹⁾



HighPeak Well Performance (First 18 Wells at Flat Top)⁽²⁾



Source: Operator and company provided production data.

(1) Dataset includes all Midland Basin Wolfcamp A and Lower Spraberry wells with first production after 1/1/2017. Peers include APA, OPE, CrownRock, FANO, Endeavor, LP, OVIC, and 3M.

(2) Does not include the Cole Unit AZH due to mechanical issues.

Overview

- Wolfcamp A and Lower Spraberry type curve wells selected from geologically similar region
- HighPeak has directly analogous landing zones and oil in place to highly developed parts of the play
- Higher oil cut and shallower decline relative to Western Howard County
- HighPeak economics improved by company-owned infrastructure and capital efficiency

Wolfcamp A 10,000' well economics ⁽¹⁾

Single well sensitivities	Single well IRR%			
	DCE&F Costs (\$MM)			
		\$4.8	\$5.3	\$5.8
	\$35/bbl	46%	35%	27%
\$50/bbl	131%	101%	82%	
\$65/bbl	251%	199%	164%	
Single well sensitivities	Payback period (yrs)			
	DCE&F Costs (\$MM)			
		\$4.8	\$5.3	\$5.8
	\$35/bbl	1.8	2.2	2.6
\$50/bbl	0.9	1.0	1.1	
\$65/bbl	0.7	0.7	0.8	

Lower Spraberry 10,000' well economics ⁽¹⁾

Single well sensitivities	Single well IRR%			
	DCE&F Costs (\$MM)			
		\$4.8	\$5.3	\$5.8
	\$35/bbl	22%	16%	12%
\$50/bbl	73%	59%	46%	
\$65/bbl	151%	123%	98%	
Single well sensitivities	Payback period (yrs)			
	DCE&F Costs (\$MM)			
		\$4.8	\$5.3	\$5.8
	\$35/bbl	3.1	3.9	4.9
\$50/bbl	1.3	1.6	1.8	
\$65/bbl	0.8	0.9	1.0	

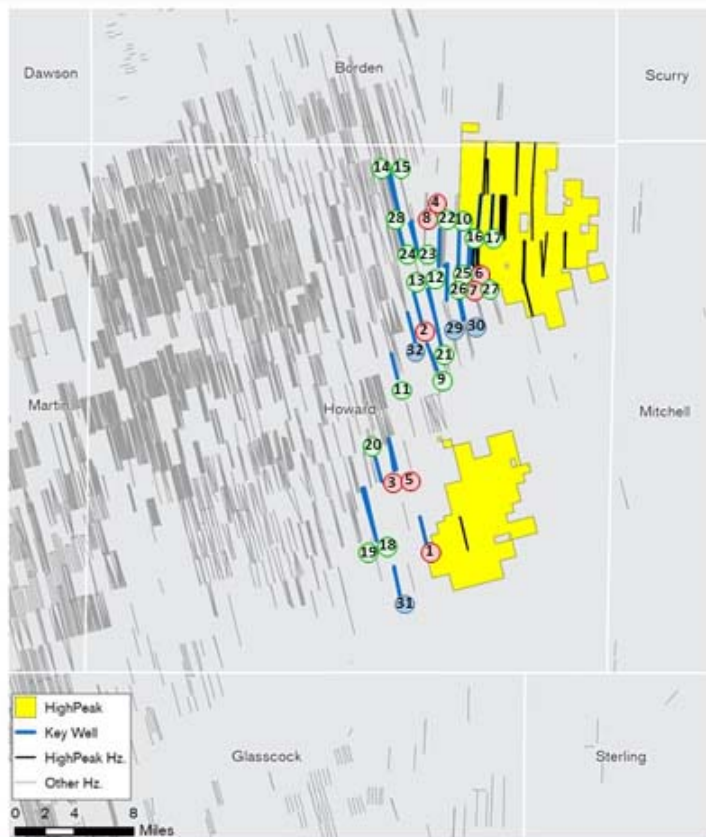
HighPeak planned average lateral length of 12,500' improves single-well IRRs to 120% (WCA) and 71% (LSBY) ⁽²⁾

Note: 1) 20 CGA Wolfcamp A PUD type curve (10,000' L) utilizes peak oil rate of 820 bo/d (month 4), b = 1.03, D=60%, and d₉₀ = 6%.
 2) 20 CGA Lower Spraberry PUD type curve (10,000' L) utilizes peak oil rate of 775 bo/d (month 3), b = 1.02, D=70.5%, and d₉₀ = 6%.
 Assumed \$1.00/MMBtu gas in all cases. Payback period calculated from first production.
 Returns assumed \$30/bbl and current total well costs of \$500/k.

KEY RESULTS: PRIMARY TARGETS



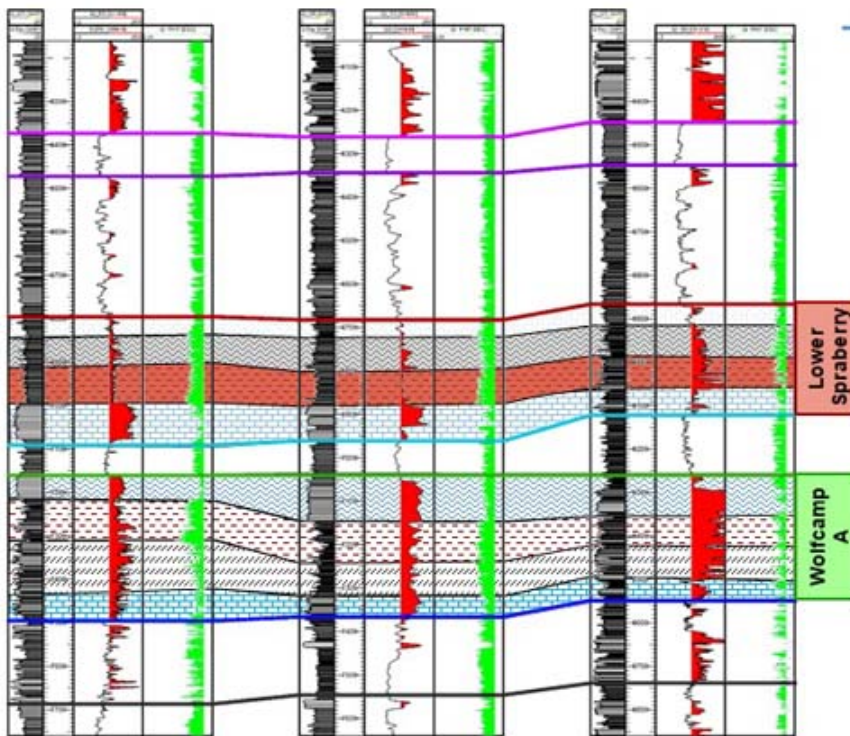
	Well Name	Operator	LL (ft)	First Prod	EUR (MMbbl)	Oil EUR (Mbo/ft)
LSBY	1 ALLAR 15A30 5L5	HANNAFORD	7,580	Aug 2017	532	65
	2 CHEVRON 3-06 UNIT 3L5	GRINADER	9,633	Feb 2020	839	63
	3 DUSTY 4424L5	SM ENERGY	7,859	Jul 2019	639	63
	4 MORGAN-NAL 35-26 2L5	GRINADER	10,482	Apr 2019	722	53
	5 NIGERLANDER 3725L5	SM ENERGY	9,887	Aug 2019	687	45
	6 OILMAN 35-27 8 UNIT L 7H	HIGHPEAK	10,031	Apr 2020	764	61
	7 OILMAN 35-27 8 UNIT L 8H	HIGHPEAK	10,209	Apr 2020	839	52
	8 OILMAN TRUST WEST 4096G	GRINADER	10,482	May 2018	1,232	106
	WCA	9 RUSTIN 22-11 UNIT 3BA	HANNAFORD	7,760	Jan 2019	725
10 BOY 42-05 UNIT 4BA		GRINADER	10,043	Mar 2020	583	62
11 BROUGHTON WEST 38 19BA 3H		LARCO	7,032	Nov 2017	570	63
12 CHEVRON 3-08 WC UNIT 3H		GRINADER	9,763	Jul 2018	678	46
13 CHEVRON 3-08 UNIT 3BA		GRINADER	N/A	Feb 2020	1,066	N/A
14 COLGAN A 034 3BA		SM ENERGY	12,978	May 2018	963	62
15 COLGAN A 034 3BA		SM ENERGY	12,975	May 2018	963	62
16 JASMIN 'A' UNIT 3H		HIGHPEAK	8,990	Aug 2019	1,155	107
17 JASMIN UNIT 3H		HIGHPEAK	9,913	Oct 2018	878	57
18 KINT 1044BA		SM ENERGY	15,507	Mar 2019	727	39
19 LLOYD 1045BA		SM ENERGY	15,516	Mar 2019	584	32
20 LUCY 4743BA		SM ENERGY	7,833	May 2019	509	51
21 MIDLAND 11-30 3BA		HANNAFORD	7,326	Apr 2017	507	62
22 MORGAN-NAL 35-26 3BA		GRINADER	10,482	Apr 2019	1,042	54
23 O'HAGIN 8 2047BA		SM ENERGY	9,172	Mar 2018	1,004	78
24 O'HAGIN 8 2081BA		SM ENERGY	9,875	Mar 2018	1,325	91
25 OILMAN 35-27 8 UNIT A 7H		HIGHPEAK	10,145	Apr 2020	804	59
26 OILMAN TRUST SALT 3875BA	GRINADER	10,482	Apr 2018	1,207	76	
27 OILMAN TRUST SALT 3836BA	GRINADER	10,411	Jul 2019	1,159	101	
28 RAY KINGSLLA 1345BA	SM ENERGY	10,207	Feb 2019	536	40	
WCB/D	29 BODWIN ARROWSS-54-3-52 H 4W	BARSWATER	8,430	Oct 2018	833	53
	30 FINCHER 54-3-52 H 3W	BARSWATER	8,298	Oct 2018	751	52
	31 MORGAN-CHEVRON 46-25A14	HANNAFORD	10,360	Oct 2019	1,021	48
	32 MUGROVE MILLER 0956 2HM	BARSWATER	9,787	Jul 2018	746	50



Source: Enerpris

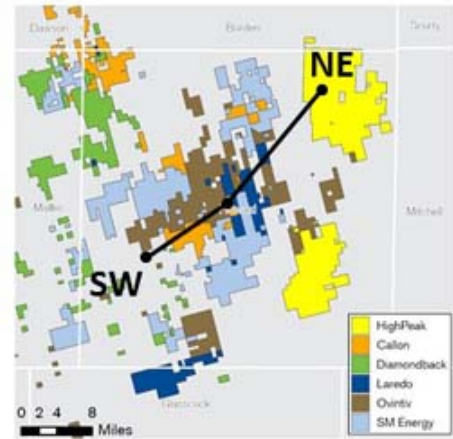
SW

NE



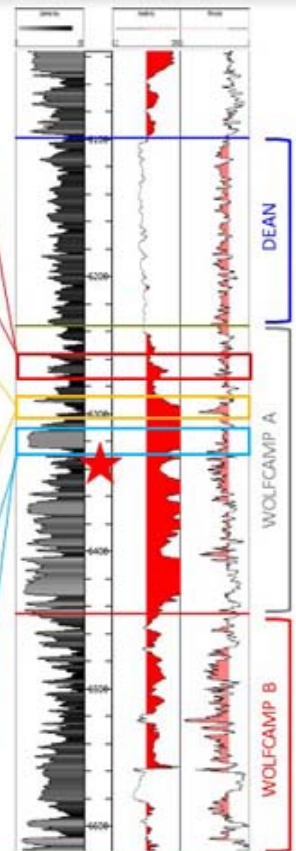
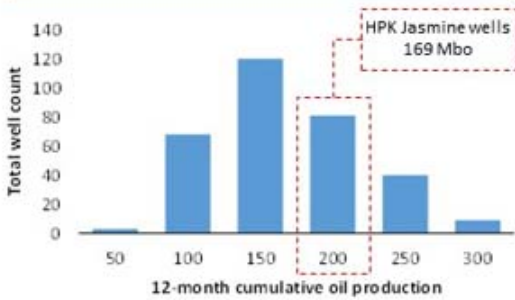
Key Reservoirs Comparison Across Howard County

	Lower Spraberry		Wolfcamp A	
	West Howard	East Howard	West Howard	East Howard
Porosity	4.3%	4.7%	4.3%	4.3%
Net to gross	89%	91%	82%	89%
Wells/section	8	6	10	6



- Spraberry and Wolfcamp sections comprised of mixed-lithology, kerogen-rich reservoirs
- Interbedded limestones are consistently kerogen-rich, high-porosity reservoir intervals
- All rock types are hydrocarbon-bearing and contribute to production
- Jasmine Unit wells targeted this upper section of the Wolfcamp A with results in the top 20% of all Wolfcamp A wells in Howard County
- Target reservoirs are mature into the oil window with Tmax values from 435–450 degrees

East Howard Production Comparison



★ Denotes Jasmine well landing zone

	Level of Delineation →						
Target	Wolfcamp A	Lower Spraberry	Wolfcamp B	Wolfcamp D	Jo Mill	Middle Spraberry	Wolfcamp C
Flat Top Operated Locations	156	165	173	173	172	172	0
Signal Peak Operated Locations	114	114	114	114	0	0	228 ⁽¹⁾

Flat Top Development Design

Target	Wells per section ⁽²⁾
MSB	6 yellow circles
Jo Mill	6 yellow circles
Lower Spraberry	6 green circles
Dean	
WC-A	6 green circles
WC-B	6 green circles
WC-C	
WC-D	6 green circles

Signal Peak Development Design

Target	Wells per section ⁽²⁾
MSB	
Jo Mill	
Lower Spraberry	6 green circles
WC-A	6 green circles
WC-B	6 green circles
WC-C1	6 yellow circles
WC-Hutto	6 yellow circles
WC-CS	6 yellow circles
WC-D	6 green circles

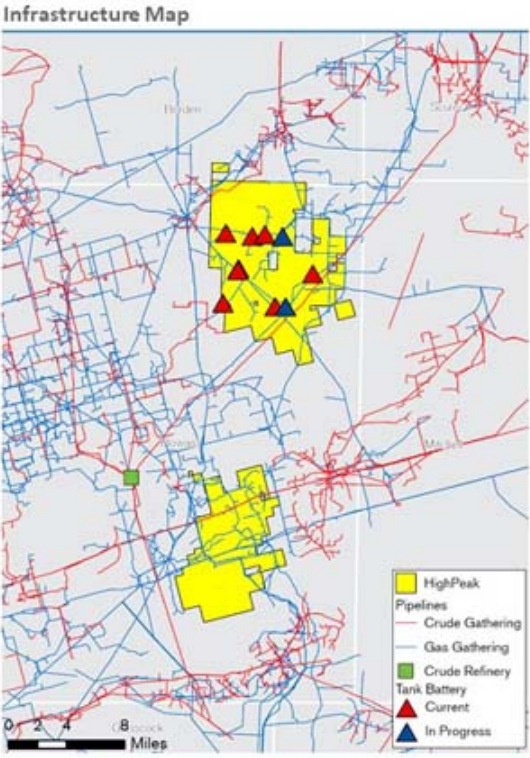
(1) Locations include Hutto and Wolfcamp C shale.
 (2) Assumes 1 mile wide and 2 mile long drilling units.

- Crude Oil Gathering and Takeaway**

 - At present, HighPeak incurs trucking costs of ~\$1.50/Bbl but anticipates entering into a transportation agreement that will substantially reduce transport costs going forward
 - Very attractive all-in gathering and marketing cost to receive Midland pricing as a premier takeaway pathway
 - Buyback option to provide flexibility to receive MEH or Cushing pricing
 - Majority of capital for facilities has already been spent; future upgrades will require minimal capex
- Natural Gas Gathering and Processing**

 - Current production is being sold to third-party gas purchasers at attractive rates
 - Extensive gas infrastructure connecting to a number of processing plants which reduces HighPeak's exposure to individual plant downtime while maintaining pricing stability through fixed recoveries
- Salt Water Disposal and Infrastructure**

 - Majority of existing HighPeak horizontal wells connected via pipeline to company owned SWD system or third-party disposal wells
 - HighPeak is building out a company owned-operated water system in Flat Top area which will provide the following benefits:
 - Cost efficient SWD infrastructure
 - Option to reuse produced water for D&C operations
 - System size provides scale for projected growth
 - Model forecast includes capital for system buildout
 - Drilled Howard County's 1st horizontal Ellenburger SWD which will provide for large daily disposal rates



Manufacturing development mode with no minimal volume commitments

HighPeak Energy continues to keep ESG considerations at the forefront of operations

Flaring / Emissions

- HighPeak is actively focused on eliminating air emissions through reducing their carbon footprint in the following ways:
 - Decreasing truck traffic by installing their own water disposal system and tank batteries – recently completed SWD will remove ~166,000 truckloads of water over the course of a year ⁽¹⁾
 - Planned infrastructure buildout to eliminate the need to flare under standard operating conditions

Water Disposal and Recycle

- Drilled first large volume capacity horizontal Ellenburger disposal well
 - Permitted 3 additional disposal wells strategically located to the existing system
- Northern part of Flat Top acreage connected to disposal system, southern part of Flat Top connected by Q3 2021
- Deep disposal and recycle of produced water protects and minimizes the use of groundwater resources

Commitment to Sustainability

- HighPeak is committed to meeting the highest of environmental, social and governance standards
- Economics incentivize conservation & responsible behavior
- HighPeak expects to publish its initial sustainability report for full-year 2021

Governance

- Committed to representative governance – 2 of 7 board members identify themselves as diverse
- Although not required as a “controlled” company, a majority of the board members are independent
- Management committed to safe and responsible operations

⁽¹⁾ Based on average expected permitted capacity of 90 MBo/d (72 MBo/d min) of water disposal capacity. Assumes 110 Bo/truckload.

HighPeak's strong operational performance with leading well results creates a new leading Permian company

Superior and Differentiated E&P Business Model	Contiguous Acreage Position with Peer-Leading Margins	Premier Asset Coverage	Sponsor and Management Team Highly Aligned with Public Investors	Skilled, Cycle-Tested Management Team
<ul style="list-style-type: none"> HighPeak's 2021E oil cut of 85%–90% exceeds peer average of ~73% ⁽¹⁾ Wolfcamp A type curve IRR of >100% ⁽²⁾ Multi-year, multi-zone operated inventory Industry-leading all-in-cost and full cycle economics Optimal strategy for midstream takeaway 	<ul style="list-style-type: none"> Focused development in the de-risked FlatTop operating area, where HighPeak has ~33,000 net acres and 33 wells completed or in progress at 3/15/21 Contiguous land position of ~51,000 net acres with minimal lease obligations Low cost G&A focused on equity performance incentives with G&A of <\$1.75/Boe expected for 2021E ⁽³⁾ Peer-leading 2021E EBITDA margins of \$41–\$46 per Boe driven by high oil cut ⁽⁴⁾ 	<ul style="list-style-type: none"> No leverage today and \$20 MM cash on the balance sheet at 12/31/20 By April 2021, PDP is expected to grow significantly as a result of HighPeak's drilling and completion program Equity value greater than \$1.2 billion ⁽⁵⁾ Actual well results with >6 months production history exceeding third-party type curves 	<ul style="list-style-type: none"> Current management and sponsor ownership of ~90% provides unique alignment Management incentives structure promotes long-term value creation Conservative balance sheet which is sustainable through all cycles is a key financial policy 	<ul style="list-style-type: none"> Management team has demonstrated repeated ability to achieve best in class metrics Successfully led multiple public companies through numerous industry cycles Management team focused on optimal ESG performance and standards maintenance

(1) Selected peer set includes: APA, CPE, CrownRock, DoublePoint, Endeavor, FANG, UPL, OXY and SM.
 (2) Assumes HighPeak Wolfcamp A type curves at average DC&P costs of \$3.30 MM for 30,000' lateral and 563/Boe WH (2021 expected average length 11,500'–12,000' and carries all in costs \$205/Boe).
 (3) Assumes one rig program.

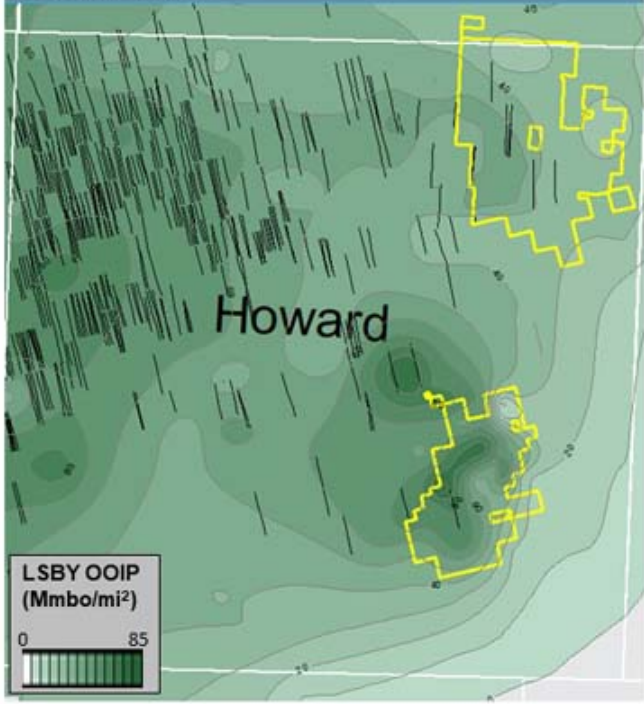
(4) Based on flat pricing of \$63.00/Boe and \$1.00/Mcftcu as adjusted for differentials under a one rig program with completed SWD infrastructure buildout.
 (5) Based on FactSet as of 3/1/21.

APPENDIX

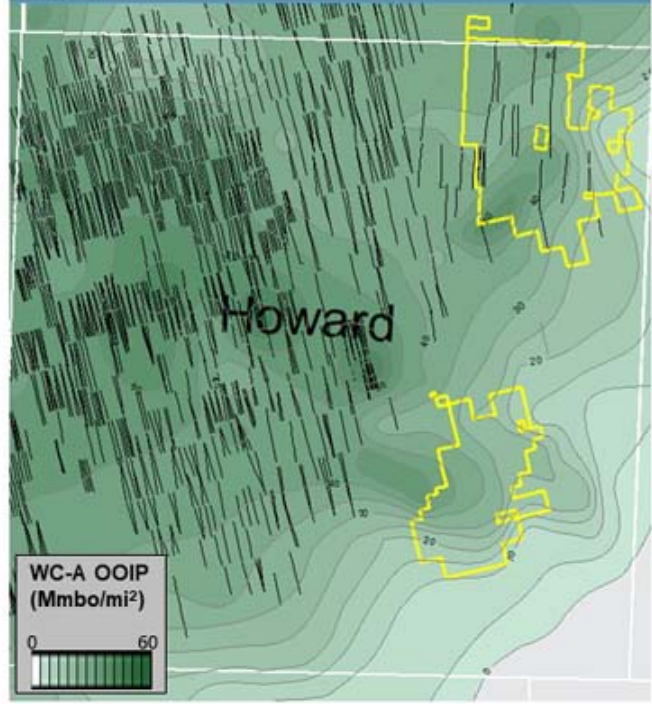


Primary reservoirs have comparable rock quality on HighPeak acreage compared to Western Howard

Lower Spraberry OOIP

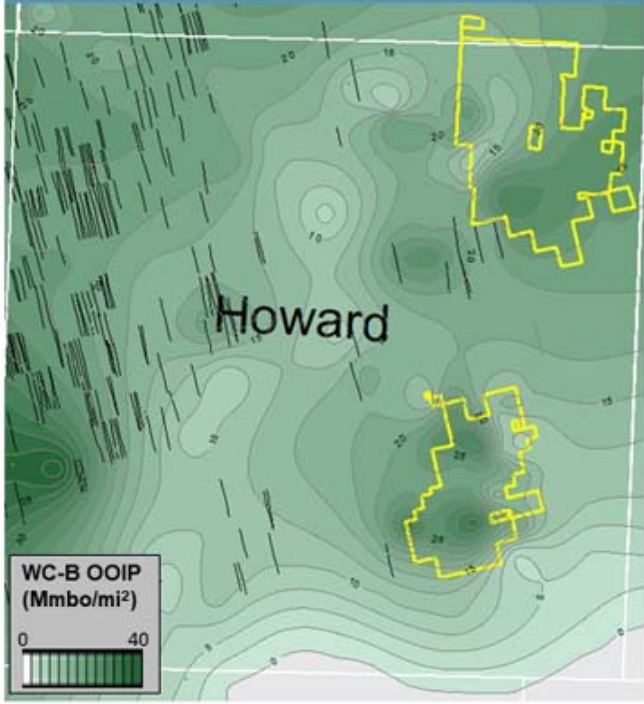


Wolfcamp A OOIP

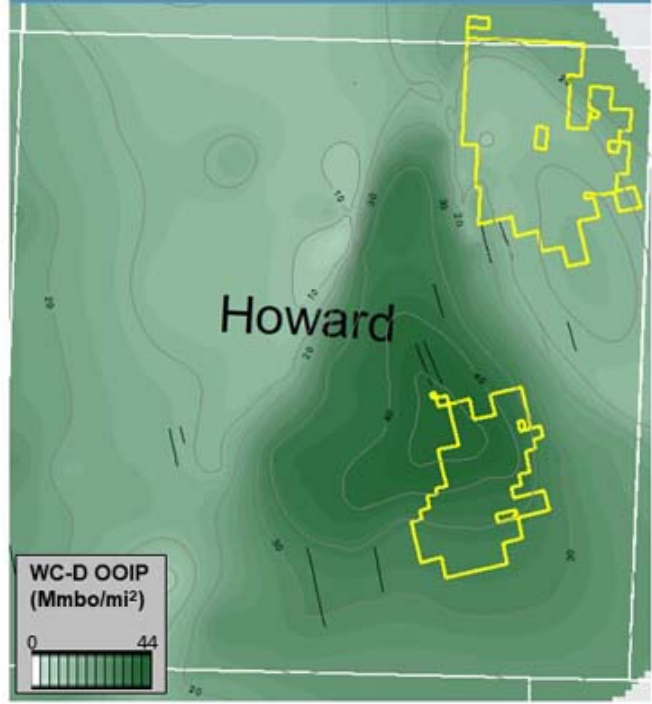


De-risked Wolfcamp B and D shales have the highest OOIP in Howard County

Wolfcamp B OOIP

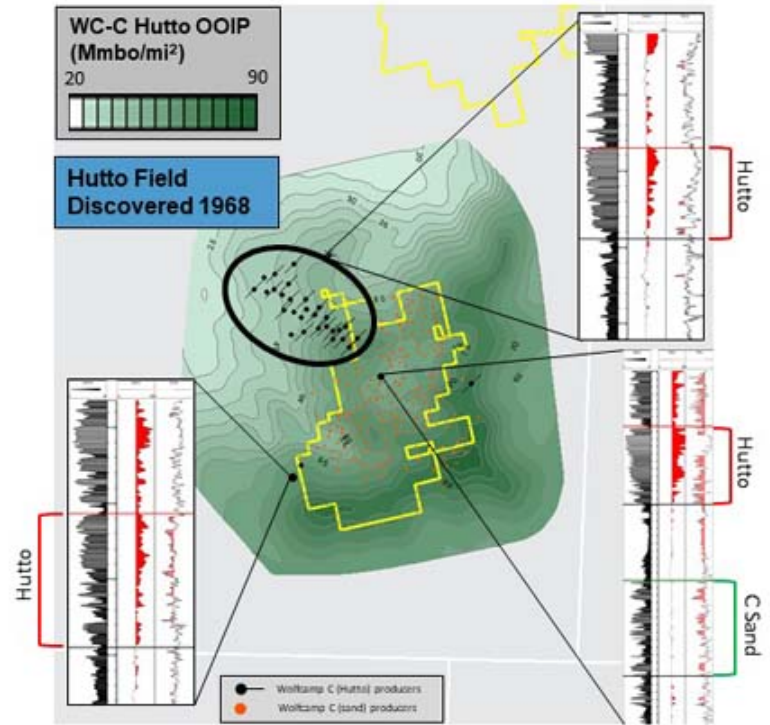
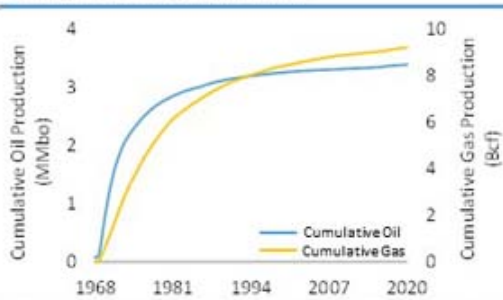


Wolfcamp D OOIP



- The Wolfcamp C Hutto reservoir is a mixed lithology interval that has produced >4.5 million barrels of oil equivalent from 32 vertical wells
- The lower target interval exhibits consistently high porosity throughout the Signal Peak acreage position
- A planned 2021 horizontal well will establish productivity in this prolific interval away from current field extents
- This well will de-risk over 114 Wolfcamp C Hutto well locations

Wolfcamp C Hutto Vertical Production



The Wolfcamp C sand, which underlies the Hutto, has produced over 15 million barrels of oil equivalent from 182 wells at Signal Peak

Jack Hightower has experience developing assets for multiple classes of oil & gas investors

Public Investors	Former CEO of two public businesses, Titan Exploration & Pure Resources, that generated >6.0x ROI to investors
Partnerships with Majors	Managed multiple partnerships with major oil companies
Private Equity	Partnered with private equity on 4 businesses, generating average returns of over 5.0x ROI and 100% IRR to investors

Jack Hightower Selected Investment Returns



Company	(Titan Exploration)			Bluestem Energy Partners
Asset Focus	Multi-Basin	Permian Basin / Anadarko Basin	Permian Basin	Permian Basin
Entry Date	June 1995	February 2004	October 2006	July 2011
Exit Date	October 2002	October 2005	October 2016	September 2014
Acquirer				

Jack Hightower has a proven track record of successfully acquiring, developing and optimizing oil and gas businesses. Jack Hightower's prior businesses have generated average returns of >5.0x ROI and >100% IRR for original investors



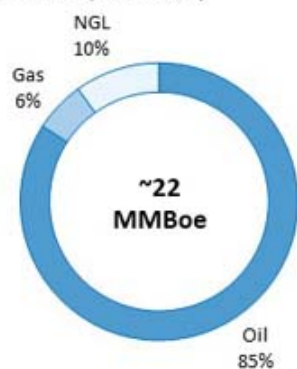
The End



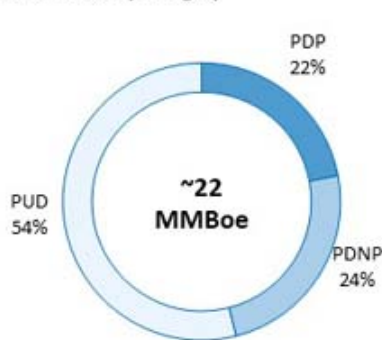
CGA Year-End 2020 Proved Reserves ⁽¹⁾

Reserve Category	Net Proved Reserves			Total (MBoe)	% of Total	% Liquids	PV-10 (\$MM)
	Oil (MBbl)	Gas (MMcf)	NGL (MBbl)				
Proved Developed Producing (PDP)	4,213	1,660	440	4,929	22%	94%	\$73
Proved Developed Non-Producing (PDNP)	4,517	1,912	517	5,353	24%	94%	\$89
Total Proved Developed Reserves	8,729	3,572	957	10,282	46%	94%	\$163
Proved Undeveloped (PUD)	10,302	4,367	1,203	12,233	54%	94%	\$73
Total Proved Reserves	19,032	7,939	2,160	22,515	100%	94%	\$235

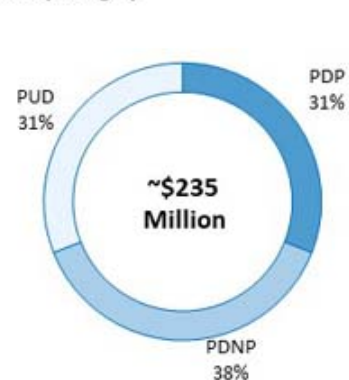
Net Reserves by Commodity



Net Reserves by Category



PV-10 by Category



⁽¹⁾ Reserves per HighPeak's year-end 2020 third party reserve report prepared by Cowi & Associates ("CGA"). Assumes effective date of January 2021 SEC pricing, average: Oil (\$/bbl) \$39.57, Gas (\$/mcf) \$1.96.



HighPeak Energy, Inc. Announces Fourth Quarter and Full Year 2020 Results and 2021 Guidance

Fort Worth, Texas, Mar. 15, 2021 (GLOBE NEWSWIRE) - HighPeak Energy, Inc. (“HighPeak” or the “Company”) (NASDAQ: HPK) today announced financial and operating results for the fourth quarter and full year 2020 and the 2021 operating plan. Presentation slides accompanying this earnings release are available on the Company’s website at www.highpeakenergy.com. The Company completed its business combination on August 21, 2020 and consequently, the following operational and financial data refer to periods from January 1, 2020 through August 21, 2020 (the “2020 Predecessor period”) and August 22, 2020 through December 31, 2020 (the “Successor period”), collectively representing the full year of 2020, compared with the period of January 1, 2019 through December 31, 2019 (the “2019 Predecessor period”).

Fourth Quarter and Full Year 2020 Highlights

- Consummated the HighPeak business combination on August 21, 2020 and raised \$102 million of equity capital in an extremely challenging market
- Delivered strong well results from the Lower Spraberry and Wolfcamp A zones across the Company’s Flat Top acreage position
- Fourth quarter 2020 average production of 3,332 barrels equivalent per day (“Boe/d”), with average production up 386% year over year. Mid-March 2021 production was approximately 7,800 Boe per day and is continuing to increase as expected
- Fifteen wells with an average lateral length of 12,275 feet were drilled during 2020
- Demonstrated all-in well costs for drilling, completing, equipping and facilities of approximately \$505 per lateral foot including drill and complete costs of approximately \$400 per lateral foot.
- Completed 18 wells during 2020 including 12 drilled uncompleted wells (“DUCs”) which the Company had in inventory at the closing of its business combination
- Drilled and commissioned the Permian Basin’s first horizontal salt-water disposal well in the Ellenburger formation providing large volume disposal capability
- Completed the buildout of the first phase of the Company-owned water disposal and transfer system in HighPeak’s Flat Top operating area which is expected to lower future operating costs per Boe. The system will also allow for future recycling of produced fluids which is expected to increase our capital efficiency
- Increased proved reserves 96% year over year and increased proved developed reserves 107% year over year despite suspending the drilling program for six months due to COVID-19 and the related low commodity price environment
- Fourth quarter 2020 realized price of \$37.73 per Boe and a cash operating margin of \$29.21 per Boe compared with an average spot oil price at Cushing of approximately \$42.66 per barrel
- Ended 2020 with an undrawn revolving credit facility and an approximate \$20 million cash balance
- No federal lease exposure



HighPeak Chairman and Chief Executive Officer, Jack Hightower, said, “Although 2020 was an exceptionally difficult year for the industry, HighPeak was able to complete several remarkable achievements. During the year, we completed our business combination, raised over \$100 million of capital in a very difficult equity market and positioned the Company for continued growth while maintaining a strong, debt-free balance sheet.”

Mr. Hightower continued, “Our well performance has met and, in many cases, exceeded our expectations. Our mid-March 2021 production of approximately 7,800 Boe per day is more than double our fourth quarter average. As we continue our one rig development program, we anticipate our production to steadily increase.”

Operational Update

During the 2020 Successor period, the Company focused on completing and placing on production its inventory of 12 DUCs with completion activities beginning in September 2020 and continuing throughout the year. The Company also initiated a one rig drilling program in September 2020. As of mid-March 2021, the Company has completed and turned 14 wells on production since closing the business combination on August 21, 2020 including five (5) Lower Spraberry and nine (9) Wolfcamp A wells. Two of the wells drilled during the first quarter were drilled in the Company’s Signal Peak area including one well in the Wolfcamp C zone and one well in the Wolfcamp D zone. Both of the Signal Peak wells are expected to be completed in the 2021 second quarter.

During the fourth quarter of 2020, HighPeak’s production averaged 3,332 Boe per day including 2,979 barrels of oil per day. HighPeak’s 2020 fourth quarter production stream was 89% oil and 5% natural gas liquids, or 94% liquids. Mid-March 2021 production has increased to approximately 7,800 Boe per day despite the delays caused by extended freezing temperatures, widespread power outages and road closures which caused HighPeak to temporarily shut in most of its production.

The Company’s operating costs (“LOE”) were \$6.47 per Boe and cash G&A expense was approximately \$2.0 million in the Company’s 2020 fourth quarter.

With our focus on lowering our operating expenses, increasing our capital efficiency and commensurate with our ESG initiatives, HighPeak began construction and completed phase one of its 100% Company-owned water disposal and transportation system in its Flat Top operating area. This is the first phase of an extensive water handling, disposal and recycle infrastructure system that the Company expects to be completed during 2021.

Mike Hollis, HighPeak’s President, said, “We have continued to innovate and improve our capital and operational efficiency since the closing of the business combination. Our average \$400 per lateral foot for drill and complete costs and average \$505 per lateral foot for all-in costs (drill, complete, equip and facilities costs) are best-in-class. Our capital efficiency combined with our high oil cut and premier acreage position, result in industry leading returns on investment and cash margins. We expect further capital and operating efficiencies as we continue to develop our infrastructure and properties. We are very excited to complete our Signal Peak Wolfcamp C and Wolfcamp D wells in the coming months. I could not be more proud of what our organization has accomplished in such a short period of time especially considering the challenges brought on by the unprecedented COVID-19 pandemic.”



Environmental, Social and Governance: Recent and Expected Activities

During the short time since the closing of the business combination, the Company has added substantial water infrastructure and is positioned to begin recycling water in 2021, demonstrating our commitment to the sustainable development of our natural resources. HighPeak has taken several actions through the date of this release and intends to implement several actions throughout the remainder of 2021 to (i) safeguard the environment, (ii) protect the health and safety of our employees and the communities in which we live and operate and (iii) continue to implement best-in-class governance.

- Formed an ESG Committee of the Board of Directors in January 2021 with the goal of continuing improving the sustainable long-term development of the Company's natural resources
- Completed the buildout of a water disposal and transfer infrastructure system in the northern portion of the Company's Flat Top area to reduce truck traffic and environment impact
- Plan to extend the buildout of the Company's water infrastructure system to the southern portion of its Flat Top area during 2021
- Completed the Permian Basin's first large volume capacity horizontal Ellenburger disposal well during the 2020 fourth quarter
- Plan to begin recycling produced water for use in the Company's drilling and completion activities during 2021, which combined with the increased use of non-potable water, will substantially reduce the Company's use of fresh water
- During 2020, flaring from our properties was limited with most of the flaring associated with third-party disruptions. During 2021, the Company intends to buildout the infrastructure necessary to eliminate flaring under standard operating conditions
- Anticipate building out an oil gathering system in the Company's Flat Top area in 2021 to connect our central tank batteries to LACT units and pipelines, thereby reducing truck traffic and surface disturbance
- The Company had no recordable safety incidents in 2020
- Although HighPeak is a "controlled company" under Nasdaq Global listing rules, a majority of the Company's seven (7) directors are independent
- Two (2) of the Company's directors self-identify as diverse, meeting the proposed Nasdaq Global listing rules

Mr. Hollis, continued, "HighPeak has taken several actions and has numerous additional measures planned throughout the year to ensure we are a leader and a premier operator for the sustainable development of our oil and gas reserves."



2020 Financial Results

HighPeak reported a net loss of \$4.9 million for the fourth quarter of 2020, or \$0.05 per diluted share. The 2020 fourth quarter net loss includes an abandonment charge of \$4.8 million for non-core leases not included in the Company's long-term drilling plan. EBITDAX (a non-GAAP financial measure as defined and reconciled below) was \$7.0 million, or \$0.08 per diluted share.

Fourth quarter average realized prices were \$40.87 per barrel of oil, \$19.77 per barrel of natural gas liquids and \$1.34 per Mcf of natural gas, resulting in an overall price of \$37.73 per barrel of oil equivalent ("Boe"). HighPeak's cash operating costs for the fourth quarter were \$14.91 per Boe including lease operating expenses of \$6.47 per Boe, production and ad valorem taxes of \$2.05 per Boe and cash G&A expenses of \$6.39 per Boe. HighPeak expects its cash operating expenses per Boe to decline as it completes its water and power infrastructure projects and continues to build additional scale.

HighPeak's full year capital expenditures to drill, complete, equip and provide facilities was approximately \$101.7 million. In addition, the Company incurred capital expenditures of approximately \$17.1 million for building water and power infrastructure, land related expenses and other expenses.

At December 31, 2020, the Company had no debt and approximately \$20 million of cash. In March 2021, the Company's borrowing base and bank commitments were increased to \$50 million, subject to finalization of customary documentation.

2020 Year-End Proved Reserves

HighPeak reported a 96% increase in year-end 2020 total proved reserves to 22.5 MMBoe, consisting of 84% oil, 10% natural gas liquids and 6% natural gas. Proved developed reserves increased 107% to 10.3 MMBoe (46% of the Company's total proved reserves) reflecting continued success of the Company's horizontal drilling program focused on the Wolfcamp A and Lower Spraberry formations in the Company's Flat Top operating area. Cawley, Gillespie & Associates, Inc., an independent reserve engineering firm, prepared the Company's year-end reserve estimates.

Securities and Exchange Commission ("SEC") required pricing for 2020 was \$39.57 per barrel of oil and \$1.985 per MMBtu of natural gas, adjusted for price differentials, down 29% and 23% respectively compared with 2019 SEC pricing. Natural gas liquids realized pricing for the Company's 2020 proved reserve report was \$12.27 per barrel, down 42% compared with \$21.17 per barrel pricing used in the Company's 2019 year-end reserve report. Under 2020 SEC pricing, the Company's PV-10 was \$235 million at year-end 2020, an increase of 67%, compared with \$141 million at year-end 2019.

Using flat prices of \$63.00 per barrel oil, \$3.00 per MMBtu of natural gas, adjusted for differentials, and an estimated realized price of \$19.52 per barrel of natural gas liquids, the Company's estimated 2020 year-end proved reserves were 23.4 MMBoe (84% oil, 94% liquids). Under this pricing scenario, the Company's 2020 year-end PV-10 reserve value increases to approximately \$490 million, including approximately \$292 million for proved developed reserves.



Mr. Hightower, continued, “Although we paused our drilling program beginning in March 2020 for six (6) months due to the low commodity price environment, HighPeak almost doubled its proved reserves year over year. The rapid increase in our PV-10 reserve value demonstrates the quality, productivity and high-margin characteristics of our acreage position.”

2021 Financial and Operational Plan

HighPeak’s 2021 capital budget is focused on the efficient development of its highly productive 51,000 net acre position in Howard County, Texas. The Company plans to operate one rig on average throughout 2021 with a primary focus on the co-development of its Lower Spraberry and Wolfcamp A formations. Additionally, we will continue the buildout of our water and power infrastructure.

The Company expects capital investment of approximately \$135 to \$150 million, excluding non-budgeted acquisitions, during 2021. The capital program includes \$115 to \$125 million for drill, complete, equip and facilities costs. The Company anticipates drilling 20 to 24 gross wells with average lateral lengths between 11,500 and 12,000 feet. The capital budget also includes \$20 to \$25 million for the continued build out of the Company’s infrastructure, expenditures for leasehold acquisitions and extensions, and other expenses.

The Company expects the impact of its late 2020 capital program and its 2021 capital program to significantly increase production and lower its operating costs per Boe, thereby increasing margins and cash flow for the year. The Company anticipates 2021 full-year average production to be 10.5 to 12.0 MBoe per day, which includes the impact of the February winter storm in West Texas. At the midpoint, 2021 production is anticipated to be an increase of 480% over 2020 average production.

Jack Hightower, continued, “We will focus on development of our acreage position, continued infrastructure buildout and ESG commitment during 2021. The low capital cost, low operating cost and substantial value creation characteristics of our assets enable us to rapidly increase our production and cash flow while maintaining low leverage. At mid-March 2021 oil prices of \$63 per barrel, we expect to generate great returns on our development drilling program. We constantly monitor the commodity price environment and remain flexible to increase or decrease our development activity as prices change. The quality of our assets and our large inventory of high rate of return drilling locations provide us with the rare combination of increasing production, cash flow and value while maintaining a conservative balance sheet. With the strong momentum created since the closing of our business combination and the recent increase in oil prices, we expect to achieve significant production and proved reserve growth with a single rig program in 2021.”



2021 Guidance – One Rig Program

Production:

Net production – MBoe per day	10.5 to 12.0
December 2021 production – MBoe per day	12.0 to 14.0

Capital Expenditures:

Capital Expenditures: DCE&F	\$115 - \$125 million
Capital Expenditures: Infrastructure/Land/Other	\$20 - \$25 million
Capital Expenditures: Total	\$135 - \$150 million

Gross Operated Wells Drilled	20 – 24
Average Gross Lateral Length	11,500' – 12,000'
Gross horizontal D,C,E&F/ft	\$500 – \$550(1)

(1) Based on an average lateral length of 12,250 feet per well

2021 HighPeak Priorities:

- **Significant production and reserves growth while maintaining a conservative balance sheet**
- **Continued focus on low-cost structure and leading margins by aggressively managing DCE&F, LOE and G&A**
- **Sustain leading EBITDAX margins driven by high oil cuts and a low-cost structure**
- **Committed to continued improvement of our environmental, social and governance metrics**

Conference Call

HighPeak Energy will host a conference call and webcast on Thursday, March 18, 2021 at 10:00 a.m. Central Time for investors and analysts to discuss its results for the fourth quarter and full year of 2020 as well as provide an overview of recent activities and its 2021 operating plan. Conference call participants may call (833) 362-0226 (United States/Canada) or (914) 987-7683 (International) and enter confirmation code 2656449. A replay will also be available on the website following the call.

When available, a copy of the Company's earnings release, investor presentation and Annual Report on Form 10-K can be found on its website at www.highpeakenergy.com.



About HighPeak Energy, Inc.

HighPeak Energy, Inc. is a publicly traded independent oil and natural gas company, headquartered in Fort Worth, Texas, focused on the acquisition, development, exploration and exploitation of unconventional oil and natural gas reserves in the Midland Basin in West Texas. For more information, please visit our website at www.highpeakenergy.com.

Cautionary Note Regarding Forward-Looking Statements

The information in this press release contains forward-looking statements that involve risks and uncertainties. When used in this document, the words "believes," "plans," "expects," "anticipates," "forecasts," "intends," "continue," "may," "will," "could," "should," "future," "potential," "estimate" or the negative of such terms and similar expressions as they relate to HighPeak Energy, Inc. ("HighPeak Energy," the "Company" or the "Successor") are intended to identify forward-looking statements, which are generally not historical in nature. The forward-looking statements are based on the Company's current expectations, assumptions, estimates and projections about the Company and the industry in which the Company operates. Although the Company believes that the expectations and assumptions reflected in the forward-looking statements are reasonable as and when made, they involve risks and uncertainties that are difficult to predict and, in many cases, beyond the Company's control.

These risks and uncertainties include, among other things, volatility of commodity prices, product supply and demand, the impact of a widespread outbreak of an illness, such as the coronavirus disease 2019 ("COVID-19") pandemic, on global and U.S. economic activity, competition, the ability to obtain environmental and other permits and the timing thereof, other government regulation or action, the ability to obtain approvals from third parties and negotiate agreements with third parties on mutually acceptable terms, litigation, the costs and results of drilling and operations, availability of equipment, services, resources and personnel required to perform the Company's drilling and operating activities, access to and availability of transportation, processing, fractionation, refining and storage facilities, HighPeak Energy's ability to replace reserves, implement its business plans or complete its development activities as scheduled, access to and cost of capital, the financial strength of counterparties to any credit facility and derivative contracts entered into by HighPeak Energy, if any, and purchasers of HighPeak Energy's oil, natural gas liquid and natural gas production, uncertainties about estimates of reserves, identification of drilling locations and the ability to add proved reserves in the future, the assumptions underlying forecasts, including forecasts of production, expenses, cash flow from sales of oil and gas and tax rates, quality of technical data, environmental and weather risks, including the possible impacts of climate change, cybersecurity risks and acts of war or terrorism. These and other risks are described in the Company's combined Registration Statement on Form S-4 and Form S-1, declared effective by the SEC on August 7, 2020 and initially filed with the SEC on December 2, 2019 (File No. 333-235313) (the "Registration Statement"), the Company's 2020 Annual Report on Form 10-K, when available, and other filings with the SEC. In addition, the Company may be subject to currently unforeseen risks that may have a materially adverse effect on it. Accordingly, no assurances can be given that the actual events and results will not be materially different than the anticipated results described in the forward-looking statements. See "Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations," "Part I, Item 3. Quantitative and Qualitative Disclosures About Market Risk" and "Part II, Item 1A. Risk Factors" in our Quarterly Report on Form 10-Q for the period ended September 30, 2020, "Risk Factors," "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Quantitative and Qualitative Disclosures About Market Risk" in the Registration Statement and the Company's Annual Report on Form 10-K, when available, for a description of various factors that could materially affect the ability of HighPeak Energy to achieve the anticipated results described in the forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. The Company undertakes no duty to publicly update these statements except as required by law.

Reserve Information

Reserve engineering is a process of estimating underground accumulations of hydrocarbons that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data and price and cost assumptions made by reserve engineers. Reserves estimates included herein may not be indicative of the level of reserves or PV-10 value of oil and natural gas production in the future, as they are based on prices significantly higher than current commodity prices. In addition, the results of drilling, testing and production activities may justify revisions of estimates that were made previously. If significant, such revisions could impact HighPeak's strategy and change the schedule of any further production and development drilling. Accordingly, reserve estimates may differ significantly from the quantities of oil and natural gas that are ultimately recovered.

Unless otherwise indicated, reserve estimates shown herein are based on a reserve report as of December 31, 2020 prepared by Cawley, Gillespie & Associates, Inc., the Company's independent reserve engineering firm, and were prepared in accordance with current SEC rules and regulations regarding reserve reporting. In addition, this news release includes reserve estimates prepared based on specified management parameters, referred to herein as "flat" pricing. HighPeak believes that the use of flat pricing provides useful information about its reserves, as the flat prices reflect what management believes to be reasonable assumptions as to future commodity prices over the productive lives of its properties. However, HighPeak cautions you that the index pricing used in preparing the reserve report is not necessarily a projection of future oil and natural gas prices, and should be carefully considered in addition to, and not as a substitute for, SEC prices, when considering HighPeak's oil, natural gas and NGL reserves.



HighPeak Energy, Inc.
Unaudited Condensed Consolidated Balance Sheet Data
(In thousands)

	<u>Successor</u>	<u>Predecessors</u>
	<u>December 31,</u>	<u>December 31,</u>
	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 19,552	\$ 22,711
Other current assets	13,743	69,315
Oil and natural gas properties, net	502,636	405,374
Other assets	1,999	508
Total assets	\$ 537,930	\$ 497,908
Current liabilities	\$ 22,435	\$ 30,980
Long-term debt	-	-
Other long-term liabilities	41,269	2,212
Stockholders' equity		
Common stock	9	-
Additional paid-in capital	581,426	-
Accumulated deficit	(107,209)	-
Partners' capital	-	464,716
Total stockholders' equity	474,226	464,716
Total liabilities and stockholders' equity	\$ 537,930	\$ 497,908



HighPeak Energy, Inc.
Unaudited Condensed Consolidated and Combined Statements of Operations
(in thousands, except per share data)

			Year Ended December 31, 2020		
	Successor	Predecessors	Successor	Predecessors	
	Quarter Ended December 31, 2020	Quarter Ended December 31, 2019	August 22, 2020 through December 31, 2020	January 1, 2020 through August 21, 2020	Year Ended December 31, 2019
Operating Revenues:					
Crude oil sales	\$ 11,201	\$ 3,695	\$ 15,988	\$ 8,069	\$ 7,849
Natural gas and NGL sales	365	163	412	154	266
Total operating revenues	<u>11,566</u>	<u>3,858</u>	<u>16,400</u>	<u>8,223</u>	<u>8,115</u>
Operating Costs and Expenses:					
Oil and natural gas production	1,982	1,578	2,653	4,870	3,372
Production and ad valorem taxes	629	188	886	566	449
Exploration and abandonments	4,966	33	5,032	4	2,850
Depletion, depreciation and amortization	7,550	1,612	9,877	6,385	4,269
Accretion of discount on asset retirement obligations	36	34	51	89	72
General and administrative	1,959	6,159	2,775	4,840	8,682
Stock based compensation	1,268	-	15,776	-	-
Total operating costs and expenses	<u>18,390</u>	<u>9,604</u>	<u>37,050</u>	<u>16,754</u>	<u>19,694</u>
Loss from operations	<u>(6,824)</u>	<u>(5,746)</u>	<u>(20,650)</u>	<u>(8,531)</u>	<u>(11,579)</u>
Interest income	5	-	6	-	-
Other expense	(8)	-	(8)	(76,503)	-
Loss before income taxes	<u>(6,827)</u>	<u>(5,746)</u>	<u>(20,652)</u>	<u>(85,034)</u>	<u>(11,579)</u>
Income tax benefit	(1,914)	-	(4,223)	-	-
Net loss	<u>\$ (4,913)</u>	<u>\$ (5,746)</u>	<u>\$ (16,429)</u>	<u>\$ (85,034)</u>	<u>\$ (11,579)</u>
Earnings per share:					
Basic net loss	\$ (0.05)		\$ (0.18)		
Diluted net loss	\$ (0.05)		\$ (0.18)		
Weighted average shares outstanding:					
Basic	91,646		91,629		
Diluted	91,646		91,629		



HighPeak Energy, Inc.
Unaudited Condensed Consolidated and Combined Statements of Cash Flows
(in thousands)

	<u>Year Ended December 31, 2020</u>		
	<u>Successor</u>	<u>Predecessors</u>	
	<u>August 22, 2020 through December 31, 2020</u>	<u>January 1, 2020 through August 21, 2020</u>	<u>Year Ended December 31, 2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ (16,429)	\$ (85,034)	\$ (11,579)
Adjustments to reconcile net loss to net cash provided by (used in) operations:			
Exploration and abandonment expense	4,854	4	2,850
Depletion, depreciation and amortization expense	9,877	6,385	4,269
Accretion expense	51	89	72
Stock based compensation expense	15,776	-	-
Amortization of debt issuance costs	4	-	-
Loss on terminated acquisition	-	76,500	-
Deferred income taxes	(1,047)	-	-
Changes in operating assets and liabilities:			
Accounts receivable	(5,177)	844	70
Inventory and other current assets	(506)	(196)	(209)
Accounts payable and accrued liabilities	(1,990)	(2,694)	3,755
Net cash provided by (used in) operating activities	<u>5,413</u>	<u>(4,102)</u>	<u>(772)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to oil and natural gas properties	(64,947)	(49,364)	(60,998)
Changes in working capital associated with oil and natural gas property additions	(5,666)	7,348	24,682
Acquisitions of oil and natural gas properties	(1,181)	(3,338)	(10,918)
Issuance of notes receivable	-	(7,482)	(4,193)
Other property additions	(145)	(50)	(7)
Extension payment on acquisition	-	(15,000)	-
Net cash used in investing activities	<u>(71,939)</u>	<u>(67,886)</u>	<u>(51,434)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from stock offering	92,554	-	-
Stock offering costs	(8,114)	-	-
Cash acquired from non-successors in HighPeak business combination	100	-	-
Debt issuance costs	(405)	-	-
Contributions from partners	-	54,000	74,023
Deemed distributions to partners	-	(2,780)	-
Net cash provided by financing activities	<u>84,135</u>	<u>51,220</u>	<u>74,023</u>
Net increase (decrease) in cash and cash equivalents	17,609	(20,768)	21,817
Cash and cash equivalents, beginning of period	1,943	22,711	894
Cash and cash equivalents, end of period	<u>\$ 19,552</u>	<u>\$ 1,943</u>	<u>\$ 22,711</u>



HighPeak Energy, Inc.
Unaudited Summary Operating Highlights

	Successor	Predecessors
	Quarter Ended December 31,	
	2020	2019
Sales Volumes:		
Oil (Bbls)	274,064	66,072
NGLs (Bbls)	15,917	n/a
Natural gas (Mcf)	99,591	79,871
Total (Boe)	306,580	79,384
Daily Sales Volumes:		
Oil (Bbls/d)	2,979	718
NGLs (Bbls/d)	173	n/a
Natural gas (Mcf/d)	1,083	868
Total (Boe/d)	3,332	863
Revenues (in thousands):		
Oil sales	\$ 11,201	\$ 3,695
NGL and natural gas sales	366	163
Total Revenues	\$ 11,567	\$ 3,858
Average sales price:		
Oil (per Bbl)	\$ 40.87	\$ 55.92
NGL (per Bbl)	19.77	n/a
Natural gas (per Mcf)	1.34	2.04
Total (per Boe)	\$ 37.73	\$ 48.60
Weighted Average NYMEX WTI (\$/Bbl)	\$ 42.56	\$ 56.96
Weighted Average NYMEX Henry Hub (\$/Mcf)	2.69	2.50
Realization to benchmark		
Oil (per Bbl)	96%	98%
Natural gas (per Mcf)	50%	82%
Operating Costs and Expenses (in thousands):		
Lease operating expenses	\$ 1,983	\$ 1,578
Production and ad valorem taxes	628	188
Depletion, depreciation and amortization	7,550	1,612
General and administrative expenses	1,959	6,159
Operating costs per Boe:		
Lease operating expenses	\$ 6.47	\$ 19.88
Production and ad valorem taxes	2.05	2.37
Depletion, depreciation and amortization	24.63	20.31
General and administrative expenses	6.39	77.59



HighPeak Energy, Inc.
Unaudited Summary Operating Highlights

	Year Ended December 31, 2020		
	Successor	Predecessors	
	August 22, 2020 through December 31, 2020	January 1, 2020 through August 21, 2020	Year Ended December 31, 2019
Sales Volumes:			
Oil (Bbls)	398,232	235,557	145,464
NGLs (Bbls)	17,666	20,024	n/a
Natural gas (Mcf)	112,057	87,258	138,876
Total (Boe)	434,575	270,123	168,610
Daily Sales Volumes:			
Oil (Bbls/d)	3,017	1,007	399
NGLs (Bbls/d)	134	86	n/a
Natural gas (Mcf/d)	849	373	380
Total (Boe/d)	3,292	1,154	462
Revenues (in thousands):			
Oil sales	\$ 15,988	\$ 8,069	\$ 7,849
NGL and natural gas sales	412	154	266
Total Revenues	\$ 16,400	\$ 8,223	\$ 8,115
Average sales price:			
Oil (per Bbl)	\$ 40.15	\$ 34.26	\$ 53.96
NGL (per Bbl)	19.44	9.31	n/a
Natural gas (per Mcf)	1.45	0.52	1.92
Total (per Boe)	\$ 37.74	\$ 30.44	\$ 48.13
Weighted Average NYMEX WTI (\$/Bbl)	\$ 41.82	\$ 35.17	\$ 57.03
Weighted Average NYMEX Henry Hub (\$/Mcf)	2.65	1.76	2.63
Realization to benchmark			
Oil (per Bbl)	96%	97%	95%
Natural gas (per Mcf)	55%	30%	73%
Operating Costs and Expenses (in thousands):			
Lease operating expenses	\$ 2,653	\$ 4,870	\$ 3,372
Production and ad valorem taxes	886	566	449
Depletion, depreciation and amortization	9,877	6,385	4,269
General and administrative expenses	2,776	4,840	8,682
Operating costs per Boe:			
Lease operating expenses	\$ 6.10	\$ 18.03	\$ 20.00
Production and ad valorem taxes	2.04	2.10	2.66
Depletion, depreciation and amortization	22.73	23.64	25.32
General and administrative expenses	6.39	17.92	51.49



HighPeak Energy, Inc.
Unaudited Reconciliation of Net Loss to EBITDAX
(in thousands)

	Successor		Year Ended December 31, 2020		
			Successor	Predecessors	
	Quarter Ended December 31, 2020	Quarter Ended December 31, 2019	August 22, 2020 through December 31, 2020	January 1, 2020 through August 21, 2020	Year Ended December 31, 2019
Net loss attributable to common stockholders	\$ (4,913)	\$ (5,746)	\$ (16,429)	\$ (85,034)	\$ (11,579)
Income tax benefit	(1,914)	-	(4,223)	-	-
Depletion, depreciation and amortization	7,550	1,612	9,877	6,385	4,269
Stock based compensation	1,268	-	15,776	-	-
Exploration and abandonment expense	4,966	33	5,032	4	2,850
Accretion on asset retirement obligation	36	34	51	89	72
Interest income	(5)	-	(6)	-	-
Interest expense	8	-	8	-	-
Other expense (loss on terminated acquisition)	-	-	-	76,500	-
EBITDAX	<u>\$ 6,996</u>	<u>\$ (4,067)</u>	<u>\$ 10,086</u>	<u>\$ (2,056)</u>	<u>\$ (4,388)</u>

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Source: HighPeak Energy, Inc.