

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): September 6, 2022

HighPeak Energy, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-39464
(Commission File Number)

84-353602
(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.

Introductory Note

On March 25, 2022, HighPeak Energy, Inc. (the “Company”) completed the acquisition (the “February Acquisition”) of various oil and gas properties contiguous to its Flat Top operating area in Howard and Borden Counties, Texas (the “February Assets”). On June 21, 2022, the Company completed the acquisition (together with the February Acquisition, the “Alamo Acquisitions”) of certain assets of Alamo Borden County 1, LLC and its affiliates located in Borden County, Texas (together with the February Assets, the “Alamo Assets”). On June 23, 2022, the Company filed certain historical and pro forma financial statements relating to the Alamo Assets on a Current Report on Form 8-K.

On June 27, 2022, the Company completed the acquisition (the “Hannathon Acquisition”) of various oil and gas properties contiguous to its Signal Peak operating area in Howard County, Texas (the “Hannathon Assets”). On June 30, 2022, the Company filed certain historical and pro forma financial statements relating to the Hannathon Assets on a Current Report on Form 8-K.

This Current Report on Form 8-K is being filed to provide certain pro forma financial statements of the Company giving effect to the Alamo Acquisitions and the Hannathon Acquisition, giving effect thereto as if each such acquisition had occurred on January 1, 2021, as more fully described in Item 8.01 below.

Item 8.01 Other Events.

This Current Report on Form 8-K provides the following additional financial information:

- Unaudited pro forma condensed combined statements of operations of the Company for the six months ended June 30, 2022 and the year ended December 31, 2021, and the related notes to the unaudited pro forma condensed combined statements of operations, attached as Exhibit 99.1 hereto.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description of Exhibit
99.1	Unaudited pro forma condensed combined statements of operations of the Company for the six months ended June 30, 2022 and the year ended December 31, 2021.
104	Cover Page Interactive Data File (embedded within Inline XBRL document).

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: September 6 , 2022

By: /s/ Steven W. Tholen

Name: Steven W. Tholen

Title: Chief Financial Officer

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

As previously disclosed in a Current Report on Form 8-K, filed with the U.S. Securities and Exchange Commission (the “SEC”) on February 22, 2022, HighPeak Energy Assets, LLC (“HighPeak LLC”), a wholly owned subsidiary of HighPeak Energy, Inc. (the “Company” or “HighPeak” and, together with HighPeak LLC, the “HighPeak Parties”) entered into that certain Purchase and Sale Agreement (the “February Purchase Agreement”), dated as of February 15, 2022, with the third party private sellers set forth therein (the “Alamo Parties”) to acquire various oil and gas properties contiguous to its Flat Top operating area in Howard and Borden Counties, Texas (the “February Acquisition”). On March 25, 2022, the Company completed the February Acquisition, consisting of producing properties, undeveloped acreage, water system infrastructure and in-field fluid gathering pipelines (the “February Assets”), in exchange for a combined purchase price consisting of 6,960,000 shares of the Company’s common stock, par value \$0.0001 per share (“Common Stock”), valued at closing at \$156.6 million, and \$141,000 in cash, which remains subject to final post-closing settlement between the Company and the Alamo Parties.

Concurrently with the entry into the February Purchase Agreement, the HighPeak Parties entered into that certain Put/Call Agreement with the Alamo Parties, pursuant to which certain members of the Alamo Parties were granted the option, if and when such Alamo Parties acquired additional interests in certain additional producing crude oil and natural gas properties in Borden County, Texas, to become a party to a purchase and sale agreement and accordingly sell such member’s interests in any such additional properties (the “Put/Call Agreement” and, together with the February Purchase Agreement, the “February Acquisition Agreements”).

Pursuant to, and in connection with, the February Acquisition Agreements, on June 3, 2022, the HighPeak Parties and Alamo Borden County 1, LLC (“Alamo I” and, together with the Alamo Parties, “Alamo”) entered into a Purchase and Sale Agreement (the “June Purchase Agreement” and, together with the February Acquisition Agreements, the “Alamo Acquisition Agreements”), to acquire certain assets of Alamo I, or any affiliate of Alamo I, located in Borden County, Texas (the “June Assets” and, together with the February Assets, the “Alamo Assets”) and closed the acquisition (the “June Acquisition” and, together with the February Acquisition, the “Alamo Acquisitions”) on June 21, 2022. The consideration for this June Acquisition was 371,517 shares of Common Stock, valued at closing at \$11.2 million, which remains subject to final post-closing settlement between the Company and Alamo I.

Also, as previously disclosed in a Current Report on Form 8-K, filed with the SEC on April 27, 2022, the Company and HighPeak LLC entered into that certain Purchase and Sale Agreement (the “Hannathon Purchase Agreement”), dated as of April 26, 2022, with Hannathon Petroleum, LLC (“Hannathon”) and certain other third party private sellers set forth therein (the “Hannathon Parties”) to acquire various oil and gas properties contiguous to its Signal Peak operating area in Howard County, Texas (the “Hannathon Acquisition”). On June 27, 2022, the Company completed the Hannathon Acquisition, consisting of producing properties, undeveloped acreage, water system infrastructure and in-field fluid gathering pipelines (the “Hannathon Assets”). The aggregate consideration for the Hannathon Acquisition was a combined purchase price consisting of 3,522,117 shares of Common Stock, valued at closing at \$97.2 million based on the Company’s share price as of the date of closing, \$237.4 million in cash, which remains subject to final post-closing settlement between the Company and the Hannathon Parties, and estimated transaction costs of approximately \$300,000.

The Alamo Acquisitions and the Hannathon Acquisition were accounted for as asset acquisitions as substantially all of the gross assets acquired were concentrated in a group of similar identifiable assets. The preliminary allocation of the total purchase prices in the Alamo Acquisitions and Hannathon Acquisition are based upon management’s estimates of and assumptions related to the fair value of assets acquired and liabilities assumed. The pro forma financial statements have been prepared to reflect the transaction accounting adjustments to the Company’s historical condensed consolidated financial information in order to account for the Alamo Acquisitions and Hannathon Acquisition and include the assumption of liabilities for acquisition-related expenses and the recognition of the estimated tax impact of the pro forma adjustments.

An unaudited pro forma condensed combined balance sheet of the Company as of June 30, 2022 is not presented in this Current Report on Form 8-K as the Alamo Acquisitions and Hannathon Acquisition had each been completed as of that date and are reflected in the Company’s historical condensed consolidated balance sheet as of June 30, 2022 included in its Quarterly Report on Form 10-Q for the quarter ended June 30, 2022. The unaudited pro forma condensed combined statements of operations of the Company for the six months ended June 30, 2022 and for the year ended December 31, 2021, were prepared to give effect to the Alamo Acquisitions and Hannathon Acquisition as if each had been completed on January 1, 2021. Assumptions and estimates underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with the pro forma condensed combined financial statements.

The unaudited pro forma condensed combined statements of operations do not purport to represent what the Company’s results of operations would have been had the Alamo Acquisitions and Hannathon Acquisition actually been consummated on January 1, 2021. The unaudited pro forma condensed combined financial information is not indicative of the Company’s future results of operations and does not reflect future events that may occur after the Alamo Acquisitions and Hannathon Acquisition, including, but not limited to, the anticipated realization of ongoing savings from operating efficiencies, or offsetting unforeseen incremental costs.

The unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2022 has been derived from:

- the unaudited historical condensed consolidated statement of operations of the Company for the six months ended June 30, 2022 included in its [Quarterly Report on Form 10-Q](#) for quarter ended June 30, 2022;
- the unaudited historical revenues and direct operating expenses of the Alamo Assets for the three months ended March 31, 2022 (included as [Exhibit 99.3 to the Current Report on Form 8-K](#) filed on June 23, 2022); and
- the unaudited historical revenues and direct operating expenses of the Hannathon Assets for the three months ended March 31, 2022 (included as [Exhibit 99.2 to the Current Report on Form 8-K](#) filed on June 30, 2022).

The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2021 has been derived from:

- the audited historical consolidated statement of operations of the Company for the year ended December 31, 2021 included in its 2021 [Annual Report on Form 10-K](#) for the year ended December 31, 2021;
 - the audited historical consolidated statement of revenues and direct operating expenses of the Alamo Assets for the year ended December 31, 2021 (included as [Exhibit 99.2 to the Current Report on Form 8-K](#) filed on June 23, 2022); and
 - the audited historical consolidated statements of revenues and direct operating expenses of the Hannathon Assets for the year ended December 31, 2021 (included as [Exhibit 99.3 to the Current Report on Form 8-K](#) filed on June 30, 2022).
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HIGHPEAK ENERGY, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(\$ in thousands, except per share amounts)

	HighPeak	Alamo Acquisitions	Hannathon Acquisition	Pro Forma Adjustments	HighPeak Pro Forma Combined
OPERATING REVENUES:					
Crude oil sales	\$ 277,864	\$ —	\$ —	31,474 (a)	\$ 309,338
NGL and natural gas sales	15,793	—	—	5,818 (a)	21,611
Crude oil, NGL and natural gas revenues	—	7,827	30,202	(38,029) (a)	—
Total operating revenues	<u>293,657</u>	<u>7,827</u>	<u>30,202</u>	<u>(737)</u>	<u>330,949</u>
OPERATING COSTS AND EXPENSES:					
Crude oil and natural gas production	26,041	—	—	3,375 (a)	29,416
Production and ad valorem taxes	15,307	—	—	2,470 (a)	17,777
Direct operating expenses	—	1,102	5,480	(6,582) (a)	—
Exploration and abandonments	393	—	—	—	393
Depletion, depreciation and amortization	51,907	—	—	8,769 (b)	60,676
Accretion of discount	120	—	—	116 (c)	236
General and administrative	3,956	—	—	—	3,956
Stock-based compensation	18,555	—	—	—	18,555
Total expenses	<u>116,279</u>	<u>1,102</u>	<u>5,480</u>	<u>8,148</u>	<u>131,009</u>
INCOME (LOSS) FROM OPERATIONS OTHER					
INCOME (EXPENSE):	<u>177,378</u>	<u>6,725</u>	<u>24,722</u>	<u>(8,885)</u>	<u>199,940</u>
Interest and other income	252	—	—	—	252
Interest expense	(14,534)	—	—	(4,736) (d)	(19,270)
Derivative loss, net	(78,285)	—	—	—	(78,285)
Total other income (expense), net	<u>(92,567)</u>	<u>—</u>	<u>—</u>	<u>(4,736)</u>	<u>(97,303)</u>
NET INCOME (LOSS) BEFORE INCOME TAXES	<u>84,811</u>	<u>6,725</u>	<u>24,722</u>	<u>(13,621)</u>	<u>102,637</u>
INCOME TAX EXPENSE	<u>23,760</u>	<u>—</u>	<u>—</u>	<u>3,743 (e)</u>	<u>27,503</u>
NET INCOME (LOSS)	<u>61,051</u>	<u>6,725</u>	<u>24,722</u>	<u>(17,364)</u>	<u>75,134</u>
LESS: NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTEREST OWNERS					
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS	<u>\$ 61,051</u>	<u>\$ 6,725</u>	<u>\$ 24,722</u>	<u>\$ (17,364)</u>	<u>\$ 75,134</u>
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING (IN THOUSANDS):					
Basic	99,530	3,543	3,444	—	106,517
Diluted	106,843	3,543	3,444	—	113,830
EARNINGS PER COMMON SHARE:					
Basic net income	\$ 0.56	—	—	(f) \$	0.66
Diluted net income	\$ 0.52	—	—	(f) \$	0.61

HIGHPEAK ENERGY, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021
(\$ in thousands, except per share amounts)

	HighPeak	Alamo Acquisitions	Hannathon Acquisition	Pro Forma Adjustments	HighPeak Pro Forma Combined
OPERATING REVENUES:					
Crude oil sales	\$ 210,453	\$ —	\$ —	48,663 (a)	\$ 259,116
NGL and natural gas sales	9,671	—	—	12,503 (a)	22,174
Crude oil, NGL and natural gas revenues	—	6,895	55,872	(62,767) (a)	—
Total operating revenues	<u>220,124</u>	<u>6,895</u>	<u>55,872</u>	<u>(1,601)</u>	<u>281,290</u>
OPERATING COSTS AND EXPENSES:					
Crude oil and natural gas production	25,053	—	—	9,635 (a)	34,688
Production and ad valorem taxes	10,746	—	—	4,536 (a)	15,282
Direct operating expenses	—	2,520	13,252	(15,772) (a)	—
Exploration and abandonments	1,549	—	—	—	1,549
Depletion, depreciation and amortization	65,201	—	—	20,207 (b)	85,408
Accretion of discount	167	—	—	250 (c)	417
General and administrative	8,885	—	—	—	8,885
Stock-based compensation	6,676	—	—	—	6,676
Total expenses	<u>118,277</u>	<u>2,520</u>	<u>13,252</u>	<u>18,856</u>	<u>152,905</u>
INCOME (LOSS) FROM OPERATIONS OTHER					
INCOME (EXPENSE):	<u>101,847</u>	<u>4,375</u>	<u>42,620</u>	<u>(20,457)</u>	<u>128,385</u>
Interest and other income	1	—	—	—	1
Interest expense	(2,484)	—	—	(9,473) (d)	(11,957)
Derivative loss, net	(26,734)	—	—	—	(26,734)
Other expense	(167)	—	—	—	(167)
Total other income (expense), net	<u>(29,384)</u>	<u>—</u>	<u>—</u>	<u>(9,473)</u>	<u>(38,857)</u>
NET INCOME (LOSS) BEFORE INCOME TAXES	<u>72,463</u>	<u>4,375</u>	<u>42,620</u>	<u>(29,930)</u>	<u>89,528</u>
INCOME TAX EXPENSE (BENEFIT)	<u>16,904</u>	<u>—</u>	<u>—</u>	<u>3,584 (e)</u>	<u>20,488</u>
NET INCOME (LOSS)	<u>55,559</u>	<u>4,375</u>	<u>42,620</u>	<u>(33,514)</u>	<u>69,040</u>
LESS: NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTEREST OWNERS					
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS	<u>\$ 55,559</u>	<u>\$ 4,375</u>	<u>\$ 42,620</u>	<u>\$ (33,514)</u>	<u>\$ 69,040</u>
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING (IN THOUSANDS):					
Basic	93,127	7,332	3,522	—	103,981
Diluted	94,772	7,332	3,522	—	105,626
EARNINGS PER COMMON SHARE:					
Basic net income	\$ 0.55	—	—	(f)	\$ 0.62
Diluted net income	\$ 0.54	—	—	(f)	\$ 0.61

HIGHPEAK ENERGY, INC.
NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Note 1. Basis of Presentation

The accompanying pro forma condensed combined financial statements were prepared in accordance with Article 11 of Regulation S-X, as amended by SEC Final Rule Release No. 33-10786, Amendments to Financial Disclosures about Acquired and Disposed Businesses, and based on the historical consolidated and combined financial information of the Company, the Alamo Assets and the Hannathon Assets. The Alamo Acquisitions and Hannathon Acquisition have been accounted for herein as asset acquisitions. The preliminary allocation of the total purchase prices in the Alamo Acquisitions and Hannathon Acquisition are based upon management's estimates of and assumptions related to the fair value of assets acquired and liabilities assumed.

Certain transaction accounting adjustments have been made in order to show the effects of the Alamo Acquisitions and Hannathon Acquisition on the combined historical financial information of the Company, the Alamo Assets and the Hannathon Assets. The transaction accounting adjustments are preliminary and based on estimates of the purchase consideration and estimates of fair value and useful lives of the assets acquired and liabilities assumed.

The transaction accounting adjustments are described in the accompanying notes and are based on available information and certain assumptions that the Company believes are reasonable; however, actual results may differ from those reflected in these statements. The unaudited pro forma condensed combined statements do not purport to represent what the Company's results of operations would have been if the Alamo Acquisitions and Hannathon Acquisition had occurred on the date indicated above, nor are they indicative of the Company's future results of operations. Certain information normally included in financial statements and the accompanying notes has been condensed or omitted. These unaudited pro forma condensed combined financial statements should be read in conjunction with the historical financial statements and related notes of the Company, Alamo and the Hannathon Parties for the periods presented.

In addition, the financial statements of the Alamo Assets and the Hannathon Assets from which the unaudited pro forma condensed combined statements were derived represent the revenues and direct operating expenses of such assets. Certain costs such as depreciation, depletion, and amortization, accretion of asset retirement obligations, general and administrative expenses, interest and income taxes are omitted from such historical financial statements and estimated for purposes of preparing these unaudited pro forma condensed combined statements. This financial information is not intended to be a complete presentation of the revenues and expenses of such assets and may not be representative of future operations due to changes in the business and the exclusion of the omitted information.

There is no unaudited condensed combined balance sheet presented as the Alamo Acquisitions and Hannathon Acquisition had all been consummated and recorded in the Company's historical condensed consolidated balance sheet as of June 30, 2022 included in its Quarterly Report of Form 10-Q for the quarter ended June 30, 2022. The unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2022 and the year ended December 31, 2021 give effect to the Alamo Acquisitions and Hannathon Acquisition as if they had been completed on January 1, 2021.

Note 2. Accounting Policies and Presentation

The unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2022 and the year ended December 31, 2021 have been compiled in a manner consistent with the accounting policies adopted by the Company. Certain reclassifications and adjustments have been made to the historical financial information of the Alamo Assets and the Hannathon Assets presented herein to conform to the Company's historical presentation.

Note 3. Preliminary Purchase Price Allocation

The preliminary allocation of the total purchase prices in the Alamo Acquisitions and Hannathon Acquisition are based upon management's estimates of and assumptions related to the fair value of assets to be acquired and liabilities to be assumed as of June 30, 2022 using currently available information. Because the unaudited pro forma condensed combined financial information has been prepared based on these preliminary estimates, the final purchase prices allocation and the resulting effect on results of operations may differ significantly from the pro forma amounts included herein.

The preliminary purchase price allocation is subject to change due to several factors, including but not limited to changes in the estimated fair value of assets acquired and liabilities assumed as of the respective closing dates of the Alamo Acquisitions and the Hannathon Acquisition, which could result from changes in future oil and natural gas commodity prices, reserve estimates, interest rates, as well as other factors.

The consideration transferred, fair value of assets acquired and liabilities assumed by the Company have been recorded as follows (in thousands, except share amounts and stock price):

	<u>February Acquisition</u>	<u>June Acquisition</u>	<u>Hannathon Acquisition</u>	<u>Pro Forma Combined</u>
Consideration:				
Shares of Common Stock issued	6,960,000	371,517	3,522,117	10,853,634
Common Stock price as of closing	\$ 22.50	\$ 30.07	\$ 27.60	
Common Stock consideration	\$ 156,600	\$ 11,172	\$ 97,210	\$ 264,982
Cash consideration	(602)	—	237,929	237,327
Total consideration transferred	<u>\$ 155,998</u>	<u>\$ 11,172</u>	<u>\$ 335,139</u>	<u>\$ 502,309</u>
Fair value of assets acquired:				
Crude oil and natural gas properties	\$ 156,521	\$ 11,190	\$ 338,194	\$ 505,905
Amount attributable to assets acquired	<u>\$ 156,521</u>	<u>\$ 11,190</u>	<u>\$ 338,194</u>	<u>\$ 505,905</u>
Fair value of liabilities assumed:				
Revenues and royalties payable	\$ —	\$ —	\$ 377	\$ 377
Noncurrent liabilities - asset retirement obligations	523	18	2,678	3,219
Amount attributable to liabilities assumed	<u>\$ 523</u>	<u>\$ 18</u>	<u>\$ 3,055</u>	<u>\$ 3,596</u>

Total consideration is based on the terms of the Alamo Acquisition Agreements and the Hannathon Purchase Agreement, and the total consideration paid by the Company at closings consists of 10,853,634 shares of Common Stock and \$237.7 million in cash, including transaction costs and customary closing adjustments, subject to the post-closing settlements described above.

The fair value measurements of assets acquired and liabilities assumed are based on inputs that are not observable in the market and therefore represent Level 3 inputs. The fair value of oil and gas properties and asset retirement obligations were measured using the discounted cash flow technique of valuation.

Inputs to the valuation of oil and gas properties include estimates of: (i) reserves, (ii) future operating and development costs, (iii) future commodity prices, (iv) future plugging and abandonment costs, (v) estimated future cash flows, and (vi) a market-based weighted average cost of capital rate. These inputs require significant judgments and estimates and are the most sensitive and subject to change.

Note 4. Adjustments to Unaudited Pro Forma Condensed Combined Statements of Operations

The following adjustments were made in the preparation of the unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2022 and the year ended December 31, 2021:

- (a) Adjustment to reflect the Alamo Assets' and Hannathon Assets' revenues and direct operating expenses consistent with the Company's classification and presentation.
- (b) Adjustment to reflect the additional depletion, depreciation and amortization expense associated with the Alamo Acquisitions and Hannathon Acquisition if consummated as of January 1, 2021.
- (c) Adjustment to reflect the additional accretion of discount on asset retirement obligations associated with the Alamo Acquisitions and Hannathon Acquisition if consummated as of January 1, 2021.
- (d) Adjustment to reflect the additional interest expense that would have been incurred related to the \$225.0 million drawn on our Revolving Credit Facility to close the Hannathon Acquisition if consummated as of January 1, 2021.
- (e) Adjustment to reflect the additional deferred tax expense at the statutory rate of 21% that would have been recorded related to the Alamo Acquisitions and Hannathon Acquisition if consummated as of January 1, 2021.
- (f) Reflects the adjusted earnings per share if the Alamo Acquisitions and Hannathon Acquisition were consummated as of January 1, 2021.

Note 5. Supplemental Unaudited Combined Oil and Natural Gas Reserves and Standardized Measure Information

The following tables present estimated pro forma combined crude oil, NGL and natural gas reserves information as of December 31, 2021. The amounts below were determined based on the amounts reported in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, the audited statement of revenues and direct operating expenses of the Alamo Assets for the year ended December 31, 2021 and the audited statement of revenues and direct operating expenses of the Hannathon Assets for the year ended December 31, 2021 and 2020. An explanation of the underlying methodology applied, as required by SEC regulations, can be found within the respective reports. The estimated pro forma reserve information below gives effect to the Alamo Acquisitions and Hannathon Acquisition as if they had been completed on January 1, 2021. The estimated crude oil and natural gas reserves of the Alamo Assets and the Hannathon Assets do not break out the wet natural gas stream into NGL and dry natural gas consistent with the Company's presentation of crude oil, NGL and natural gas reserves. However, this is not considered material on an MBoe basis and the standardized measure is not affected. The reserves associated with the Alamo Acquisitions and Hannathon Acquisition will be converted to a split stream basis going forward once combined with the Company's estimated crude oil, NGL and natural gas reserve information. The following estimated pro forma combined crude oil, NGL and natural gas reserves information is not necessarily indicative of the results that might have occurred had the Alamo Acquisitions and Hannathon Acquisition been completed on January 1, 2021 and is not intended to be a projection of future results. Future results may vary significantly from the results presented.

The following table presents a summary of changes in quantities of net remaining proved reserves during the year ended December 31, 2021:

	Crude Oil (MBbl)			
	HighPeak	Alamo Acquisitions	Hannathon Acquisition	Pro Forma Combined
Proved Reserves at December 31, 2020	19,032	584	12,532	32,148
Extensions and discoveries	36,867	6,357	3,218	46,442
Purchase of minerals-in-place	973	—	—	973
Sales of minerals-in-place	(238)	—	—	(238)
Revisions of previous estimates	(1,807)	73	7,288	5,554
Production	(3,002)	(162)	(627)	(3,791)
Proved Reserves at December 31, 2021	<u>51,825</u>	<u>6,852</u>	<u>22,411</u>	<u>81,088</u>

	NGL (MBbl)			
	HighPeak	Alamo Acquisitions	Hannathon Acquisition	Pro Forma Combined
Proved Reserves at December 31, 2020	2,160	—	—	2,160
Extensions and discoveries	4,845	—	—	4,845
Purchase of minerals-in-place	631	—	—	631
Sales of minerals-in-place	(44)	—	—	(44)
Revisions of previous estimates	10	—	—	10
Production	(224)	—	—	(224)
Proved Reserves at December 31, 2021	<u>7,378</u>	<u>—</u>	<u>—</u>	<u>7,378</u>

	Natural Gas (MMcf)			
	HighPeak	Alamo Acquisitions	Hannathon Acquisition	Pro Forma Combined
Proved Reserves at December 31, 2020	7,939	841	37,600	46,380
Extensions and discoveries	19,529	5,707	8,862	34,098
Purchase of minerals-in-place	2,910	—	—	2,910
Sales of minerals-in-place	(139)	—	—	(139)
Revisions of previous estimates	842	6	38,044	38,892
Production	(1,020)	(108)	(2,406)	(3,534)
Proved Reserves at December 31, 2021	<u>30,061</u>	<u>6,446</u>	<u>82,100</u>	<u>118,607</u>

	Total (MBoe)			
	HighPeak	Alamo Acquisitions	Hannathon Acquisition	Pro Forma Combined
Proved Reserves at December 31, 2020	22,515	724	18,799	42,038
Extensions and discoveries	44,967	7,308	4,695	56,970
Purchase of minerals-in-place	2,089	—	—	2,089
Sales of minerals-in-place	(305)	—	—	(305)
Revisions of previous estimates	(1,657)	74	13,629	12,046
Production	(3,396)	(180)	(1,028)	(4,604)
Proved Reserves at December 31, 2021	<u>64,213</u>	<u>7,926</u>	<u>36,095</u>	<u>108,234</u>

The following table sets forth information with respect to the historical and combined estimated crude oil, NGL and natural gas reserves as of December 31, 2021:

	As of December 31, 2021			
	HighPeak	Alamo Acquisitions	Hannathon Acquisition	Pro Forma Combined
Estimated Proved Developed Reserves:				
Crude oil (MBbl)	22,610	2,679	6,270	31,559
NGL (MBbl)	3,540	—	—	3,540
Natural gas (MMcf)	14,611	2,691	29,646	46,948
Total (Mboe)	28,585	3,127	11,211	42,923
Estimated Proved Undeveloped Reserves:				
Crude oil (MBbl)	29,215	4,173	16,141	49,529
NGL (MBbl)	3,838	—	—	3,838
Natural gas (MMcf)	15,450	3,755	52,454	71,659
Total (Mboe)	35,628	4,799	24,884	65,311
Estimated Proved Reserves:				
Crude oil (MBbl)	51,825	6,852	22,411	81,088
NGL (MBbl)	7,378	—	—	7,378
Natural gas (MMcf)	30,061	6,446	82,100	118,607
Total (Mboe)	64,213	7,926	36,095	108,234

The pro forma standardized measure of discounted future net cash flows relating to proved crude oil, NGL and natural gas reserves as of December 31, 2021 is as follows (in thousands):

	As of December 31, 2021			
	HighPeak	Alamo Acquisitions	Hannathon Acquisition	Pro Forma Combined
Future cash inflows	\$ 3,668,535	\$ 486,274	\$ 1,896,305	\$ 6,051,114
Future production costs	(824,865)	(93,085)	(558,885)	(1,476,835)
Future development costs	(432,370)	(56,882)	(354,929)	(844,181)
Future income tax expense	(431,737)	(2,553)	—	(434,290)
Future net cash flows	1,979,563	333,754	982,491	3,295,808
Discount to present value at 10% annual rate	(860,754)	(160,280)	(566,511)	(1,587,545)
Standardized measure of discounted future net cash flows	\$ 1,118,809	\$ 173,474	\$ 415,980	\$ 1,708,263

The changes in the pro forma standardized measure of discounted future net cash flows relating to proved crude oil, NGL and natural gas reserves for the year ended December 31, 2021 are as follows (in thousands):

	Year Ended December 31, 2021			
	HighPeak	Alamo Acquisitions	Hannathon Acquisition	Pro Forma Combined
Standardized measure of discounted future net cash flows, beginning of year	\$ 222,192	\$ 8,488	\$ 46,932	\$ 277,612
Sales of crude oil and natural gas, net of production costs	(184,325)	(4,375)	(41,028)	(229,728)
Extensions and discoveries, net of future development costs	987,689	161,757	51,504	1,200,950
Net changes in prices and production costs	272,889	6,163	102,567	381,619
Changes in estimated future development costs	(13,551)	(178)	42,576	28,847
Purchases of minerals-in-place	31,353	—	—	31,353
Sales of minerals-in-place	(3,067)	—	—	(3,067)
Revisions of previous quantity estimates	(40,466)	1,688	154,015	115,237
Accretion of discount	23,419	855	5,714	29,988
Net changes in income taxes	(212,574)	(1,336)	—	(213,910)
Net changes in timing of production and other	35,250	412	53,700	89,362
Standardized measure of discounted future net cash flows, end of year	\$ 1,118,809	\$ 173,474	\$ 415,980	\$ 1,708,263