

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): June 12, 2023**

---

**HighPeak Energy, Inc.**

(Exact name of registrant as specified in its charter)

---

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-39464**  
(Commission File Number)

**84-3533602**  
(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 filing 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:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
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 7.01 Regulation FD Disclosure.**

On June 12, 2023, HighPeak Energy, Inc. (the “Company”) issued a press release announcing that, subject to market and customary conditions, the Company intends to offer for sale \$575 million in aggregate principal amount of Senior Notes due 2028 (the “Notes,” and such offering, the “Offering”) in a private offering to eligible purchasers that is exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”).

A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated into this Item 7.01 by reference. Neither this Current Report on Form 8-K nor the press release constitutes an offer to sell, or a solicitation of an offer to buy, the Notes.

The information in this Current Report on Form 8-K, including Exhibit 99.1, is being furnished pursuant to Item 7.01 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 or the Exchange Act unless specifically identified therein as being incorporated therein by reference.

## **Item 8.01 Other Events.**

### ***Ninth Amendment to Credit Agreement***

In connection with the pricing of the Offering, the Company intends to enter into the Ninth Amendment to Credit Agreement, by and among the Company, Wells Fargo Bank, National Association, as administrative agent, the guarantors party thereto and the lenders party thereto (the “Ninth Amendment”) to amend that certain Credit Agreement, dated as of December 17, 2020, by and among the Company, Wells Fargo Bank, National Association (as successor to Fifth Third Bank, National Association), as administrative agent, and the lenders party thereto (as amended, restated, amended and restated, supplemented or otherwise modified, the “Credit Agreement”) to, among other things, (i) increase the elected commitments to \$660 million and the borrowing base to \$750 million, (ii) extend the maturity date to July 1, 2025, (iii) add an additional lender to the syndicate and (iv) make certain other modifications to conform the Credit Agreement to the terms of the Notes. In addition, to the extent the Company incurs any indebtedness under the Specified Senior Notes (as defined in the Ninth Amendment), its obligation to reduce the borrowing base by an amount equal to 25% of the principal amount of such indebtedness shall be waived.

### ***Pro Forma Financial Information***

As previously reported in a Current Report on Form 8-K filed by the Company with the U.S. Securities and Exchange Commission (the “SEC”) on February 22, 2022, and as further updated by that certain Current Report on Form 8-K filed by the Company with the SEC on June 23, 2022 (the “Alamo 8-K”), on June 21, 2022, the Company and HighPeak Energy Assets, LLC, a wholly owned subsidiary the Company (together, with the Company, the “HighPeak Parties”), completed the Alamo Acquisitions (as defined herein) to acquire (i) various oil and gas properties contiguous to its Flat Top operating area in Howard and Borden Counties, Texas from various third-party sellers (the “Alamo Parties”), pursuant to that certain Purchase and Sale Agreement, dated February 15, 2022, by and among the HighPeak Parties and the Alamo Parties (the “February Alamo Acquisition”), and (ii) certain assets of Alamo Borden County 1, LLC (“Alamo I”), or any affiliate of Alamo I, located in Borden County, Texas, pursuant to that certain Purchase and Sale Agreement, dated June 3, 2022, by and among the HighPeak Parties and Alamo I (the “June Alamo Acquisition” and, together with the February Alamo Acquisition, the “Alamo Acquisitions”).

As previously disclosed in a Current Report on Form 8-K filed by the Company with the SEC on April 27, 2022, and as further updated by that certain Current Report on Form 8-K filed by the Company with the SEC on June 30, 2022 (the “Hannathon 8-K” and, together with the Alamo 8-K, the “3-05 Acquisitions 8-Ks”), the HighPeak Parties, entered into that certain Purchase and Sale Agreement, dated as of April 26, 2022, with Hannathon Petroleum, LLC and certain other third party private sellers set forth therein to acquire various oil and gas properties contiguous to its Signal Peak operating area in Howard County, Texas (the “Hannathon Acquisition” and, together with the Alamo Acquisitions, the “Acquisitions”).

The Company previously filed certain historical and unaudited pro forma condensed combined financial information required under Regulation S-X with respect to the Acquisitions on the 3-05 Acquisitions 8-Ks.

This Current Report on Form 8-K is being filed to provide an unaudited pro forma condensed statement of operations of the Company for the year ended December 31, 2022, prepared to give effect to the Acquisitions as if they had been completed on January 1, 2022, and the notes related thereto (the “Updated Pro Forma Financial Information”). The Updated Pro Forma Financial Information updates and supplements the unaudited pro forma condensed combined financial information of the Company and related disclosures contained as Exhibits 99.1 within each of the Alamo 8-K and Hannathon 8-K forming part of the 3-05 Acquisitions 8-Ks. To the extent that the information in this Current Report on Form 8-K differs from or updates information contained in the 3-05 Acquisitions 8-Ks, the information in this Current Report on Form 8-K shall supersede or supplement the information in the 3-05 Acquisitions 8-Ks.

---

The Updated Pro Forma Financial Information included in this Current Report on Form 8-K has been presented for informational purposes only. It does not purport to represent the actual results of operations that the Company would have achieved had the Acquisitions occurred on January 1, 2022, and is not intended to project the future results of operations that the Company may achieve as a result of the Acquisitions.

**Item 9.01 Financial Statements and Exhibits.**

*(b) Pro Forma Financial Information.*

The Updated Pro Forma Financial Information is attached as Exhibit 99.2 hereto.

*(d) Exhibits.*

Exhibit

No.	Description
99.1	<a href="#">Press Release dated June 12, 2023.</a>
99.2	<a href="#">Unaudited pro forma condensed statement of operations of HighPeak Energy, Inc. for the year ended December 31, 2022 prepared to give effect to the Acquisitions as if they had been completed on January 1, 2022, and the notes related thereto.</a>
104	Cover Page Interactive Data File (embedded within the 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: June 12, 2023

By: /s/ Steven W. Tholen  
Name: Steven W. Tholen  
Title: Chief Financial Officer



### **HighPeak Energy, Inc. Announces Proposed Aggregate \$575 Million Private Offering of Senior Notes**

**Fort Worth, Texas, June 12, 2023** (GLOBE NEWSWIRE) - HighPeak Energy, Inc. (“HighPeak” or the “Company”) (NASDAQ: HPK) today announced that it intends to offer (the “Offering”), subject to market and customary conditions, \$575 million aggregate principal amount of senior notes due 2028 (the “Notes”) in a private placement under Rule 144A and Regulation S of the Securities Act of 1933, as amended (the “Securities Act”), to eligible purchasers.

The Company intends to use the net proceeds from the Offering to repay all of the outstanding \$475.0 million principal of its 10.000% Senior Notes due February 2024 and its 10.625% Senior Notes due November 2024, reduce its outstanding borrowings under its revolving credit facility and the remaining proceeds for general corporate purposes.

The Notes to be offered will not be registered under the Securities Act or under any state or other securities laws, and will be issued pursuant to an exemption therefrom, and may not be offered or sold within the United States, or to or for the account or benefit of any U.S. person, absent registration or an applicable exemption from registration requirements.

The Notes are being offered only to persons who are either reasonably believed to be “qualified institutional buyers” under Rule 144A or who are non-“U.S. persons” under Regulation S as defined under applicable securities laws.

This press release does not constitute an offer to sell, a solicitation to buy or an offer to purchase or sell any securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

#### **About HighPeak Energy, Inc.**

HighPeak Energy, Inc. is a publicly traded independent crude oil and natural gas company, headquartered in Fort Worth, Texas, focused on the acquisition, development, exploration and exploitation of unconventional crude oil and natural gas reserves in the Midland Basin in West Texas.

#### **Cautionary Note Regarding Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, with respect to the offering and the use of proceeds. These forward-looking statements, including statements regarding the intention, completion, timing and option relating to the offering, represent the Company’s expectations or beliefs concerning future events. These forward-looking statements are subject to risks and uncertainties related to market conditions and the satisfaction of customary closing conditions related to the offering. There can be no assurance that the Company will be able to complete the offering. When used in this document, including any oral statements made in connection therewith, the words “could,” “should,” “will,” “may,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project,” the negative of such terms and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on management’s current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. Except as otherwise required by applicable law, the Company disclaims any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date on which they are made. The Company cautions you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of the Company, incident to the development, production, gathering and sale of oil, natural gas and natural gas liquids.

#### **Investor Contact:**

Ryan Hightower  
Vice President, Business Development  
817.850.9204  
[rhightower@highpeakenergy.com](mailto:rhightower@highpeakenergy.com)

Source: HighPeak Energy, Inc.

**UNAUDITED PRO FORMA CONDENSED 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, less \$505,000 in cash based on the final post-closing settlement between the Company and the Alamo Parties and transaction costs.

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, less \$190,000 in cash based on the final post-closing settlement between the Company and Alamo I and transaction costs.

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, and \$240.0 million in cash based on the final post-closing settlement between the Company and the Hannathon Parties and transaction costs.

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 balance sheet of the Company as of December 31, 2022 is not presented in this Registration Statement 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 December 31, 2022 included in its Annual Report on Form 10-K for the year ended December 31, 2022 and its Quarterly Report on Form 10-Q for the three months ended March 31, 2023. The unaudited pro forma condensed statements of operations of the Company for the year ended December 31, 2022, was prepared to give effect to the Alamo Acquisitions and Hannathon Acquisition as if each had been completed on January 1, 2022. 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 financial statements.

The unaudited pro forma condensed 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, 2022. The unaudited pro forma condensed 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 statement of operations for the year ended December 31, 2022 has been derived from:

- the unaudited historical condensed consolidated statement of operations of the Company for the year ended December 31, 2022 included in its Annual Report on Form 10-K for year ended December 31, 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).
-

**HIGHPEAK ENERGY, INC.**  
**UNAUDITED PRO FORMA CONDENSED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(\$ in thousands, except per share amounts)

	HighPeak	Alamo Acquisitions	Hannathon Acquisition	Pro Forma Adjustments	HighPeak Pro Forma
<b>OPERATING REVENUES:</b>					
Crude oil sales	\$ 715,469	\$ —	\$ —	31,474 (a)	\$ 746,943
NGL and natural gas sales	40,217	—	—	5,818 (a)	46,035
Crude oil, NGL and natural gas revenues	—	7,827	30,202	(38,029) (a)	—
Total operating revenues	<u>755,686</u>	<u>7,827</u>	<u>30,202</u>	<u>(737)</u>	<u>792,978</u>
<b>OPERATING COSTS AND EXPENSES:</b>					
Crude oil and natural gas production	69,599	—	—	3,375 (a)	72,974
Production and ad valorem taxes	38,440	—	—	2,470 (a)	40,910
Direct operating expenses	—	1,102	5,480	(6,582) (a)	—
Exploration and abandonments	1,149	—	—	—	1,149
Depletion, depreciation and amortization	177,742	—	—	8,769 (b)	186,511
Accretion of discount	370	—	—	116 (c)	486
General and administrative	12,470	—	—	—	12,470
Stock-based compensation	33,352	—	—	—	33,352
Total expenses	<u>333,122</u>	<u>1,102</u>	<u>5,480</u>	<u>8,148</u>	<u>347,852</u>
<b>INCOME FROM OPERATIONS</b>	<u>422,564</u>	<u>6,725</u>	<u>24,722</u>	<u>(8,885)</u>	<u>445,126</u>
<b>OTHER INCOME (EXPENSE):</b>					
Interest and other income	266	—	—	—	266
Interest expense	(50,610)	—	—	(4,736) (d)	(55,346)
Derivative loss, net	(60,005)	—	—	—	(60,005)
Total other expense, net	<u>(110,349)</u>	<u>—</u>	<u>—</u>	<u>(4,736)</u>	<u>(115,085)</u>
<b>NET INCOME BEFORE INCOME TAXES</b>	312,215	6,725	24,722	(13,621)	330,041
<b>INCOME TAX EXPENSE</b>	75,361	—	—	3,743 (e)	79,104
<b>NET INCOME (LOSS)</b>	236,854	6,725	24,722	(17,364)	250,937
<b>LESS: NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTEREST OWNERS</b>					
<b>NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS</b>	<u>\$ 236,854</u>	<u>\$ 6,725</u>	<u>\$ 24,722</u>	<u>\$ (17,364)</u>	<u>\$ 250,937</u>
<b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING (IN THOUSANDS):</b>					
Basic	104,738	1,757	1,708	—	108,203
Diluted	111,164	1,757	1,708	—	114,629
<b>EARNINGS PER COMMON SHARE: (f)</b>					
Basic net income	\$ 2.04	—	—	—	\$ 2.10
Diluted net income	\$ 1.93	—	—	—	\$ 1.99



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

**Note 1. Basis of Presentation**

The accompanying pro forma condensed 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 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 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 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 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 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 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 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 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 December 31, 2022 included in its Annual Report on Form 10-K for the year ended December 31, 2022 and its Quarterly Report on Form 10-Q for the three months ended March 31, 2023. The unaudited pro forma condensed statement of operations for the year ended December 31, 2022 gives effect to the Alamo Acquisitions and Hannathon Acquisition as if they had been completed on January 1, 2022.

**Note 2. Accounting Policies and Presentation**

The unaudited pro forma condensed statements of operations for the year ended December 31, 2022 has 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. Purchase Price Allocation**

The 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 as of the closing dates using currently available information.

---

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):

	February Acquisition	June Acquisition	Hannathon Acquisition	Pro Forma
<b>Consideration:</b>				
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	(505)	(190)	239,610	238,915
<b>Total consideration transferred</b>	<b>\$ 156,095</b>	<b>\$ 10,982</b>	<b>\$ 336,820</b>	<b>\$ 503,897</b>
<b>Fair value of assets acquired:</b>				
Crude oil and natural gas properties	\$ 156,618	\$ 11,000	\$ 339,875	\$ 507,493
Amount attributable to assets acquired	<u>\$ 156,618</u>	<u>\$ 11,000</u>	<u>\$ 339,875</u>	<u>\$ 507,493</u>
<b>Fair value of liabilities assumed:</b>				
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 \$238.9 million in cash, including transaction costs and customary closing adjustments.

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.

Significant 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 Statements of Operations

The following adjustments were made in the preparation of the unaudited pro forma condensed statements of operations for the year ended December 31, 2022:

- (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, 2022.
- (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, 2022.
- (d) Adjustment to reflect the additional interest expense that would have been incurred related to the Alamo Acquisitions and Hannathon Acquisition if consummated as of January 1, 2022.
- (e) Adjustment to reflect the additional deferred tax expense that would have been recorded related to the Alamo Acquisitions and Hannathon Acquisition if consummated as of January 1, 2022.
- (f) Reflects the adjusted earnings per share if the Alamo Acquisitions and Hannathon Acquisition were consummated as of January 1, 2022.

## **Note 5. Supplemental Unaudited Pro Forma Oil and Natural Gas Reserves and Standardized Measure Information**

The supplementary unaudited pro forma crude oil and natural gas reserves and standardized measure information for the year ended December 31, 2022 is shown below even though the actual information included in the Company's Annual Report on form 10-K for the year ended December 31, 2022 includes the Alamo Acquisitions and Hannathon Acquisition since they closed during the year ended December 31, 2022. The following tables exclude estimated pro forma crude oil, NGL and natural gas reserves information as of December 31, 2022 and only shows information for the year ended December 31, 2022 reversing the effect the Company recorded as a result of the acquisitions and showing the revisions to the reserves reported by the acquirees. 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, 2022, 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 were converted to a split stream basis once combined with the Company's estimated crude oil, NGL and natural gas reserve information upon closing in 2022. The following estimated pro forma 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, 2022:

	<b>Crude Oil (MBbl)</b>			
	<b>HighPeak</b>	<b>Alamo Acquisitions</b>	<b>Hannathon Acquisition</b>	<b>Pro Forma</b>
Proved Reserves at December 31, 2021	51,825	6,852	22,411	81,088
Extensions and discoveries	47,677	—	—	47,677
Purchase of minerals-in-place	13,031	(5,454)	(7,577)	—
Revisions of previous estimates	(6,155)	(1,317)	(14,580)	(22,052)
Production	(7,562)	(81)	(254)	(7,897)
Proved Reserves at December 31, 2022	<u>98,816</u>	<u>—</u>	<u>—</u>	<u>98,816</u>
	<b>NGL (MBbl)</b>			
	<b>HighPeak</b>	<b>Alamo Acquisitions</b>	<b>Hannathon Acquisition</b>	<b>Pro Forma</b>
Proved Reserves at December 31, 2021	7,378	—	—	7,378
Extensions and discoveries	6,162	—	—	6,162
Purchase of minerals-in-place	3,467	(710)	(2,757)	—
Revisions of previous estimates	(1,817)	711	2,757	1,651
Production	(821)	(1)	—	(822)
Proved Reserves at December 31, 2022	<u>14,369</u>	<u>—</u>	<u>—</u>	<u>14,369</u>
	<b>Natural Gas (MMcf)</b>			
	<b>HighPeak</b>	<b>Alamo Acquisitions</b>	<b>Hannathon Acquisition</b>	<b>Pro Forma</b>
Proved Reserves at December 31, 2021	30,061	6,446	82,100	118,607
Extensions and discoveries	24,887	—	—	24,887
Purchase of minerals-in-place	14,448	(2,860)	(11,588)	—
Revisions of previous estimates	(7,435)	(3,473)	(69,764)	(80,672)
Production	(3,323)	(113)	(748)	(4,184)
Proved Reserves at December 31, 2022	<u>58,638</u>	<u>—</u>	<u>—</u>	<u>58,638</u>
	<b>Total (MBoe)</b>			
	<b>HighPeak</b>	<b>Alamo Acquisitions</b>	<b>Hannathon Acquisition</b>	<b>Pro Forma</b>
Proved Reserves at December 31, 2021	64,213	7,926	36,095	108,234
Extensions and discoveries	57,987	—	—	57,987
Purchase of minerals-in-place	18,906	(6,641)	(12,265)	—
Revisions of previous estimates	(9,211)	(1,184)	(23,452)	(33,847)
Production	(8,937)	(101)	(378)	(9,416)
Proved Reserves at December 31, 2022	<u>122,958</u>	<u>—</u>	<u>—</u>	<u>122,958</u>

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, 2022 are as follows (in thousands):

	<b>Year Ended December 31, 2022</b>			
	<b>HighPeak</b>	<b>Alamo Acquisitions</b>	<b>Hannathon Acquisition</b>	<b>Pro Forma</b>
Standardized measure of discounted future net cash flows, beginning of year	\$ 1,118,809	\$ 173,474	\$ 415,980	\$ 1,708,263
Sales of crude oil and natural gas, net of production costs	(647,647)	(6,725)	(24,722)	(679,094)
Extensions and discoveries, net of future development costs	1,785,822	—	—	1,785,822
Net changes in prices and production costs	909,053	—	—	909,053
Changes in estimated future development costs	(23,647)	—	—	(23,647)
Purchases of minerals-in-place	499,478	(204,851)	(294,627)	—
Sales of minerals-in-place	—	—	—	—
Revisions of previous quantity estimates	(354,868)	33,765	(117,580)	(438,683)
Accretion of discount	134,338	4,337	20,949	159,624
Net changes in income taxes	(315,478)	—	—	(315,478)
Net changes in timing of production and other	310,648	—	—	310,648
Standardized measure of discounted future net cash flows, end of year	<u>\$ 3,416,508</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,416,508</u>