

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): January 23, 2023**

**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:

| <b>Title of Each Class</b> | <b>Trading Symbol(s)</b> | <b>Name of Each Exchange on Which Registered</b> |
|----------------------------|--------------------------|--|
| 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 Operation and Financial Condition.

The information set forth under Item 7.01 regarding the preliminary operational update for the fourth quarter of 2022, as disclosed in the investor presentation attached as Exhibit 99.2 to this Current Report on Form 8-K, is incorporated by reference as if fully set forth herein.

The information in this Item 2.02 is being furnished 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 1933, as amended (the “*Securities Act*”), or the Exchange Act unless specifically identified therein as being incorporated therein by reference.

## Item 7.01 Regulation FD Disclosure.

On January 23, 2023, HighPeak Energy, Inc. (the “*Company*”) issued a press release announcing the intention of its Board of Directors to initiate a process to evaluate certain strategic alternatives to maximize shareholder value, including a potential sale of the Company. The Company has retained Credit Suisse Securities (USA) LLC and Wells Fargo Securities LLC as financial advisors and Vinson & Elkins L.L.P. as legal counsel to assist in the review process. The Company also provided guidance for 2023 and 2024. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated into this Item 7.01 by reference.

In addition, on January 23, 2023, the Company posted an investor presentation on its website, [www.highpeakenergy.com](http://www.highpeakenergy.com), on the Presentations page under the News & Events tab within the Investors tab. The presentation includes, among other things, certain preliminary operational updates for the fourth quarter of 2022. A copy of the investor presentation is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated into this Item 7.01 by reference.

The information in this Item 7.01, including Exhibits 99.1 and 99.2, is being furnished and shall not be deemed “filed” for purposes of Section 18 of 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.

As discussed under Item 7.01, the Company announced, on January 23, 2023, the intention of its Board of Directors to initiate a process to evaluate certain strategic alternatives to maximize shareholder value, including a potential sale of the Company. The Company has retained Credit Suisse Securities (USA) LLC and Wells Fargo Securities LLC as financial advisors and Vinson & Elkins L.L.P. as legal counsel to assist in the review process.

The Company has not set a timetable for the conclusion of this review, nor has it made any decisions related to any further actions or potential strategic alternatives at this time. There can be no assurance that the review will result in any transaction or other strategic change or outcome. The Company does not intend to comment further until it determines that further disclosure is appropriate or necessary.

## Item 9.01. Financial Statements and Exhibits.

### (d) Exhibits

| Exhibit No. | Description   |
|-------------|---|
| 99.1        | <a href="#">Press Release dated January 23, 2023.</a>                       |
| 99.2        | <a href="#">Investor Presentation dated January 2023</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: January 23, 2023

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



## HighPeak Energy, Inc. Announces Strategic Alternatives Process and Guidance for 2023 and 2024

**Fort Worth, Texas, January 23, 2023** (GLOBE NEWSWIRE) - HighPeak Energy, Inc. (“HighPeak” or the “Company”) (NASDAQ: HPK) today announced that its Board of Directors (the “Board”) has voted to initiate a process to evaluate certain strategic alternatives to maximize shareholder value, including a potential sale of the Company. Credit Suisse Securities (USA) LLC and Wells Fargo Securities, LLC have been retained as financial advisors and Vinson & Elkins L.L.P. as legal counsel to assist in the review process. Furthermore, HighPeak is providing 2023 and 2024 guidance herein, as approved by the Board.

HighPeak Chairman and Chief Executive Officer, Jack Hightower, released the following statement:

The Board and I believe now is an opportune time to capture the value we do not consider is presently reflected in our share price. We have worked diligently over the last few years to secure this position and are poised to capitalize on the favorable energy market outlook.

Many investors remain unfamiliar with the extent of de-risking that has occurred in the Eastern Howard County area of the Midland Basin. There are currently 11 oil and gas companies running 21 rigs in Howard County, with over 1,600 completions in the last three years. HighPeak successfully drilled 215 horizontal wells across the Wolfcamp and Spraberry formations since inception. Furthermore, set against an economic backdrop of increasing scarcity of premium undeveloped inventory in the Permian Basin, HighPeak has identified approximately 2,500 total locations, including approximately 1,300 delineated primary locations which have a projected average return of 95% at a flat price of \$90/Bbl WTI and \$4/MMBtu HH natural gas. Our production is over 90% liquids and, based on public data, our margins are the highest of any pure-play Permian Basin public company. Our primary inventory locations alone are expected to provide over 14 years of activity at a 4-rig pace, which is what we project will be needed to maintain our estimated 2024 production level of around 75,000 Boe per day.

---

We believe our current acreage position of approximately 110,000 acres, consisting of two highly contiguous blocks, is configured optimally for efficient development. From the beginning, we had the long-term goal to both develop this acreage to maximize our returns and to minimize future infill, parent-child related issues. We have planned our facilities, infrastructure, and production corridors in an environmentally sound, efficient manner and consider our asset base, with its many years of high return inventory and first-class infrastructure and production facilities, as one of the premier acreage positions in the Midland Basin.

Based on our forecast, we anticipate having self-sustaining operations and becoming cash flow positive in the second half of this year and then transitioning into consistent free cash flow generation thereafter. We believe we are currently trading at a substantial discount to our intrinsic value and our investors will benefit materially as we transition into a free cash flow mode. Likewise, we believe many companies would benefit from owning our portfolio to extend their premium inventory life and enhance their return on capital. Due to our deep, high return inventory, industry leading margins, and long-term free cash flow generating asset base, we believe that our share price should move up to the trading multiples currently realized by certain potential purchasers and large cap pure play owners of Midland Basin assets. In closing, the Board and I are excited to start this process to explore ways to maximize the Company's value for all its shareholders.

- Jack Hightower, Chairman and CEO

There can be no assurance that any evaluation will result in one or more transactions or other strategic change or outcome. The Company has not set a timetable for the conclusion of its evaluation of strategic alternatives and it does not intend to comment further unless and until the Board has approved a specific course of action or the Company has otherwise determined that further disclosure is appropriate or required by law.

### 2023 and 2024 Development Outlook

During the first half of 2023, the Company plans to reduce drilling operations from six to four drilling rigs. The Company regularly assesses the financial viability of its capital development plan to ensure its cohesion with the broader market dynamic. Accordingly, the Company intends to continue to align its 2023 and 2024 plans with the evolving economic environment as appropriate.

| <u>Production (MBoe/d)</u>         | <u>2023</u>       | <u>2024</u>   |
|------------------------------------|-------------------|---------------|
| • Average production rate          | 47 – 53           | 70 - 76       |
| • Exit production rate             | 58 – 66           | 72 - 80       |
| <u>Capex (\$mm)</u>                |                   |               |
| • Gross Operated Wells TIL         | 135 – 145         | 105 - 110     |
| • Capital Expenditures D, C, E & F | \$1,100 - \$1,200 | \$850 - \$900 |

|  |                   |                 |
|--|-------------------|-----------------|
| • Capital Expenditures, Infra/Land/Other | \$50 - \$60       | \$20 - \$30     |
| • Total Capital Expenditures             | \$1,150 - \$1,260 | \$870 - \$930   |
| <b>Unit Measures (\$/Boe)</b>            |                   |                 |
| • Lease Operating Expenses               | \$5.25 - \$5.75   | \$5.00 - \$5.50 |
| • General & Administrative               | \$0.75 - \$1.00   | \$0.60 - \$0.80 |

HighPeak President, Michael Hollis, commented, “We have substantially de-risked our highly contiguous acreage blocks and have positioned the Company for future, consistent strong returns. Our highly oil-weighted production stream coupled with our capital efficiency helps drive our industry leading margins which truly differentiates our assets from those of our peers. It is a testament to the quality of our asset base and the hard work of our great team that we can continue to both increase production and, at the same time, decrease expenses by utilizing fewer rigs.”

### Investor Presentation

When available, a copy of this press release and the Company’s January 2023 investor presentation may be found on its website at [www.highpeakenergy.com](http://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](http://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. For example, the Company’s review of strategic alternatives may not result in a sale of the Company, a recommendation that a transaction occur or result in a completed transaction, and any transaction that occurs may not increase shareholder value, in each case as a result of such risks and uncertainties.

These risks and uncertainties include, among other things, the results of the strategic review being undertaken by the Company's Board and the interest of prospective counterparties, the Company's ability to realize the results contemplated by the 2023 and 2024 guidance contained herein, volatility of commodity prices, product supply and demand, the impact of a widespread outbreak of an illness, such as the coronavirus disease 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 liquids 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 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K and other filings with the SEC. The Company undertakes no duty to publicly update these statements except as required by law.

### **Use of Projections**

The financial, operational, industry and market projections, estimates and targets in this press release (including production, operating expenses and capital expenditures in future periods) are based on assumptions that are inherently subject to significant uncertainties and contingencies, many of which are beyond the Company's control. The assumptions and estimates underlying the projected, expected or target results are inherently uncertain and are subject to a wide variety of significant business, economic, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the financial, operational, industry and market projections, estimates and targets, including assumptions, risks and uncertainties described in "Cautionary Note Regarding Forward-Looking Statements" above. These projections are speculative by their nature and, accordingly, are subject to significant risk of not being actually realized by the Company. Projected results of the Company for 2024 are particularly speculative and subject to change. Actual results may vary materially from the current projections, including for reasons beyond the Company's control. The projections are based on current expectations and available information as of the date of this release. The Company undertakes no duty to publicly update these projections except as required by law.

## **Drilling Locations**

The Company has estimated its drilling locations based on well spacing assumptions and upon the evaluation of its drilling results and those of other operators in its area, combined with its interpretation of available geologic and engineering data. The drilling locations actually drilled on the Company's properties will depend on the availability of capital, regulatory approvals, commodity prices, costs, actual drilling results and other factors. Any drilling activities conducted on these identified locations may not be successful and may not result in additional proved reserves. Further, to the extent the drilling locations are associated with acreage that expires, the Company would lose its right to develop the related locations.

## **Investor Contact:**

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

Source: HighPeak Energy, Inc.





**HighPeak Energy**  
Investor Presentation  
January 2023



**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 "believes," "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. For example, the Company's review of strategic alternatives may not result in a sale of the Company, a recommendation that a transaction occur or result in a completed transaction, and any transaction that occurs may not increase shareholder value, in each case as a result of such risks and uncertainties.

These risks and uncertainties include, among other things, the results of the strategic review being undertaken by the Company's Board and the interest of prospective counterparties, the Company's ability to realize the results contemplated by the 2023 and 2024 guidance contained herein, volatility of commodity prices, political instability or armed conflict in crude oil or natural gas producing regions such as the ongoing war between Russia and Ukraine, OPEC+ policy decisions, inflationary pressures on costs of oilfield goods, services and personnel, 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 Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 7, 2022 (the "Annual Report"), 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 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 "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.

**RESERVE INFORMATION**

Reserve engineering is a process of estimating the recovery of 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. Reserve 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. Estimated Ultimate Recoveries, or "EURs," refers to estimates of the sum of total gross remaining reserves per well as of a given date and cumulative production prior to such given date for developed wells. "Resource" refers to gross volumes of hydrocarbons without giving effect to recovery efficiency or the economic viability of production. Neither EURs nor resource 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**

The financial, operational, industry and market projections, estimates and targets in this presentation (including production, operating expenses, capital expenditures, EBITDAX and Asset FCF in future periods) are based on assumptions that are inherently subject to significant uncertainties and contingencies, many of which are beyond the Company's control. The assumptions and estimates underlying the projected, expected or target results are inherently uncertain and are subject to a wide variety of significant business, economic, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the financial, operational, industry and market projections, estimates and targets, including assumptions, risks and uncertainties described in "Cautionary Note Regarding Forward-Looking Statements" above. These projections are speculative by their nature and, accordingly, are subject to significant risk of not being actually realized by the Company. Projected results of the Company for Q4'23, FY2023, Q4'24 and FY2024 are particularly speculative and subject to change. Actual results may vary materially from the current projections, including for reasons beyond the Company's control. The projections are based on current expectations and available information as of the date of this release. The Company undertakes no duty to publicly update these projections except as required by law.

In particular, you should be aware that, unless otherwise indicated, projections shown herein are based on management's "flat" commodity price parameters rather than SEC pricing guidelines or current NYMEX forward pricing. The flat prices used in preparing the projections contained herein were \$90 per Bbl of oil and \$4 per MMBtu of natural gas, as compared to prices of \$93.67 per Bbl for oil and \$6.358 per MMBtu that would have been used if using SEC reserve pricing guidelines. HighPeak believes that the use of flat pricing provides useful information 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 its projections 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, other commodity price assumptions held by third parties.

**USE OF NON-GAAP FINANCIAL MEASURES**

This presentation may include non-GAAP financial measures, including EBITDAX and adjusted EBITDAX, unlevered asset free cash flow, operating margin and unhedged cash 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 defines Adjusted EBITDAX as EBITDAX excluding cash G&A expenses. 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 cash operating margin as realized price less lease operating expenses, gathering, processing and transportation expenses and production taxes, on a per-Boe basis. HighPeak defines cash margin as realized price less lease operating expense, gathering, processing and transportation expenses, cash general and administrative expenses and production taxes, on a per-Boe basis. HighPeak defines unhedged as excluding the effects of derivatives and hedged as including the effects of derivatives. HighPeak defines Unlevered Asset Free Cash Flow as Adjusted EBITDAX less Capex. 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.

In the case of non-GAAP financial measures presented for future periods, HighPeak advises that it is unable to provide reconciliations of such measures without unreasonable efforts. Accordingly, such measures should be considered in light of the fact that no GAAP measure of performance or liquidity is available as a point of comparison to such non-GAAP measures.

**INDUSTRY AND MARKET DATA**

This presentation has been prepared by HighPeak and may include 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.

**DRILLING LOCATIONS**

The Company has estimated its drilling locations based on well spacing assumptions and upon the evaluation of its drilling results and those of other operators in its area, combined with its interpretation of available geologic and engineering data. The drilling locations actually drilled on the Company's properties will depend on the availability of capital, regulatory approvals, commodity prices, costs, actual drilling results and other factors. Any drilling activities conducted on these identified locations may not be successful and may not result in additional proved reserves. Further, to the extent the drilling locations are associated with a lease that expires, the Company would lose its right to develop the related locations.

# HighPeak Overview

Northern Midland Basin Pure-Play Capitalized For Profitable Oil-Weighted Value Creation



## Key Highlights

- ~110,000 net acres (~60k Flat Top, ~50k Signal Peak)<sup>(1)</sup>
- ~56% HBP, ~98% operated, ~12,000' average lateral length
- Average 1-2 rigs needed to hold all acreage
- ~2,500 gross locations remaining (~86% average working interest)
- Q3'22 unhedged cash operating margin of \$71.23/Boe<sup>(2)</sup>
- Low leverage, well capitalized with supportive RBL bank group

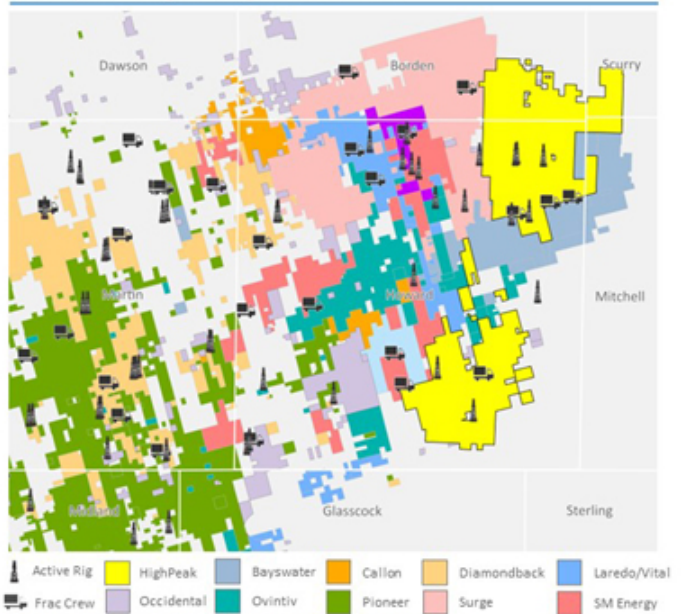
## Operating Statistics<sup>(3)</sup>

|   |           |
|---|-----------|
| Total Wells Drilled / Online as of 12/31/22 | 215 / 165 |
| % Oil / % Liquids as of Q3'22               | 83% / 93% |
| 2023E Exit Production (Mboe/d)              | ~62       |
| 2024E Exit Production (Mboe/d)              | ~76       |

## Financial Statistics (\$mm)<sup>(3)</sup>

|   |         |
|---|---------|
| Q4'23E LQA Adj. EBITDAX <sup>(4)</sup>      | \$1,528 |
| Q4'24E LQA Adj. EBITDAX <sup>(4)</sup>      | \$1,964 |
| 2024E Unlevered Asset FCF <sup>(5)</sup>    | \$1,006 |
| Net Debt / Q3'22 LQA EBITDAX <sup>(6)</sup> | 0.8x    |

## Activity Increasing Near HighPeak's Position



Note: Acreage map per Enverus and company data. Cash flows calculated using flat \$80 WTI / \$4181 price deck.

(1) Acreage as of 12/31/22. Approximately 2,000-4,000 additional acres in progress.  
 (2) Unhedged cash operating margin is a non-GAAP financial measure. See the Appendix for a reconciliation to the most comparable GAAP measure.  
 (3) All forward-looking metrics based on midpoint of company guidance released in January 2023.

(4) Adjusted EBITDAX is a non-GAAP financial measure and defined as EBITDAX excluding cash O&M expenses.  
 (5) Unlevered Asset FCF is a non-GAAP financial measure and defined as Adjusted EBITDAX less Capex.  
 (6) Net debt pro forma as of Q3'22, inclusive of \$475mm senior notes and pro forma \$130mm drawn portion of revolver assuming \$25mm paydown of revolver outstanding from most recent senior notes issuance.

Value Creation Over Time

■ Exit Rate Production (Boe/d)  
◆ LQA Adj. EBITDAX<sup>(1)</sup>

HighPeak grew production organically by ~20,000 boepd in 2022, independent of acquisitions. This demonstrates high rock quality and positions the company for optimal future, full-scale development with reinvestment rates rapidly improving.

Positive and increasing FCF projected in 2H'23 onwards



Significant value created through consistent, repeatable development results

|                    | 2021 | Q1'22 | Q2'22 | Q3'22 | 2022E | 2023E   | 2024E   | FY'25E |
|--------------------|------|-------|-------|-------|-------|---------|---------|--------|
| Avg. Rigs Running  | ~1   | 4     | 5     | 6     | 6     | 4-5     | 4       |        |
| # of Wells Drilled | 44   | 34    | 26    | 26    | 35    | 110-115 | 105-110 |        |
| # of Wells TIL     | 25   | 20    | 15    | 27    | 22    | 135-145 | 105-110 |        |

Note: All forward-looking metrics based on midpoint of company guidance released in January 2023. Cash flows calculated using \$0.90/Wt / \$4.00 price deck.  
 (1) Adjusted EBITDAX is a non-GAAP financial measure defined as EBITDAX excluding cash O&A expenses.  
 (2) Includes Hammerhead acquisition.  
 (3) Reinvestment rate defined as Q1 LQA Capex / Adjusted EBITDAX.  
 (4) Reinvestment rate defined as Q1 LQA Capex / Adjusted EBITDAX.

## High oil cut, low-cost structure, and continued scaling of production lead to HPK's peer leading margins

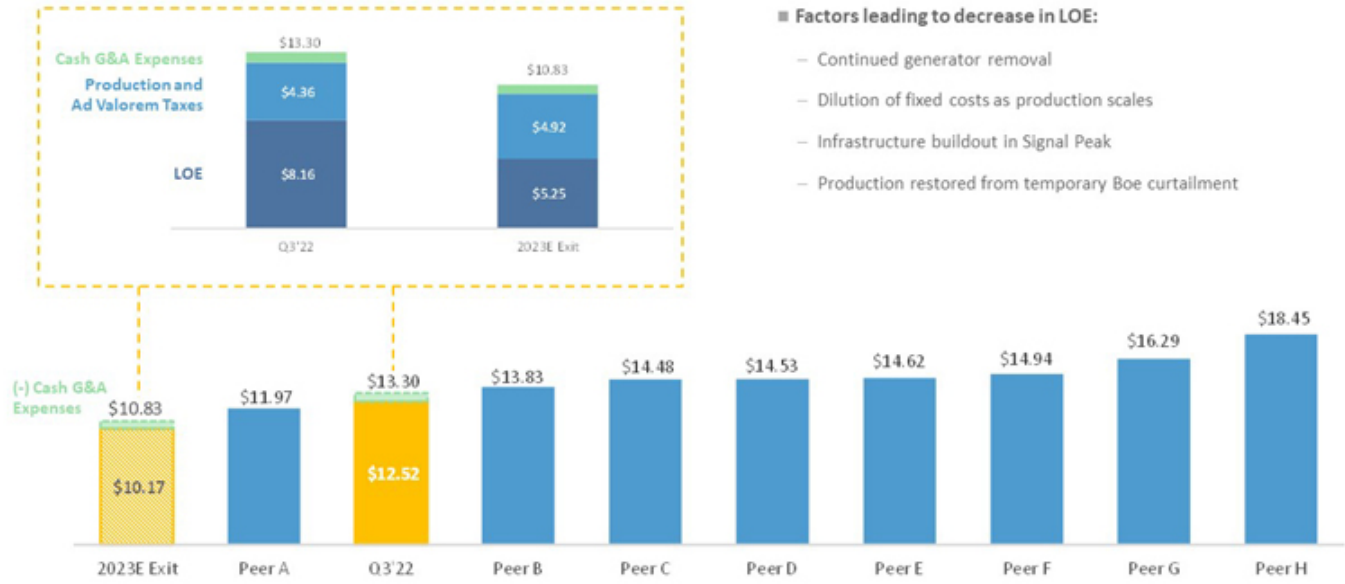
- Q3 margins are **16% above** nearest peer with continued expansion expected as production scales
  - Further near-term margin improvements expected from Company power projects, normalization of workover expenses, and dilution of fixed costs
- HPK Q3'22 margin excluding G&A (\$72.01/Boe) is **~37% higher** vs. Q3 2022 peer average

### Unhedged EBITDAX Margins for the 3 Months Ended 9/30/22 (\$/Boe)<sup>(1)</sup>



Source: Public filings.  
 (1) Q3'22 unhedged EBITDAX and production figures as reported. EBITDAX calculation for peers reflects adjusted EBITDAX for the 3M ended period as calculated by respective companies. Peers include CPE, ESTE, FANG, MTDK, PR, PNO, SM, and YDLE (LPS).

Total Cash Costs for the 3 months Ended 9/30/22 (\$/Boe)<sup>(1)</sup>



Source: Public filings.  
 Note: All forward-looking metrics based on company guidance released in January 2023. Cash flows calculated using \$65.00 WTI / \$41.00 price deck.  
 (1) Cash costs per boe for the 3 months ended 9/30/22 based on 2022 figures as reported. Cash costs per boe includes lease operating expenses, workover expenses as reported by company, production and ad valorem taxes. G&A and cash G&A. Peers include OPE, ESTE, FANG, MDR, PL, PXL, SM, and VTE (LPL).





Our ESG initiatives are environmentally and fiscally rewarding to stakeholders

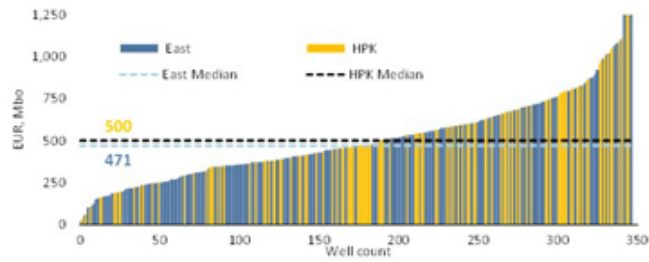


# HighPeak Exhibiting Leading Results in Howard and South Borden Counties

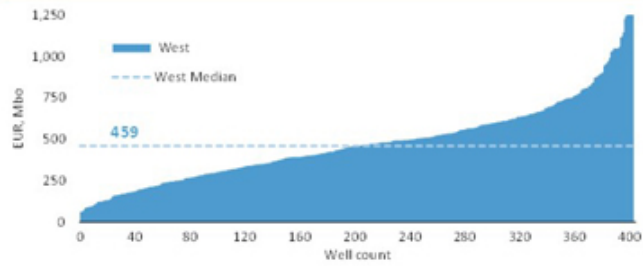
Oil EUR Distributions per Enverus Relative to HPK Results



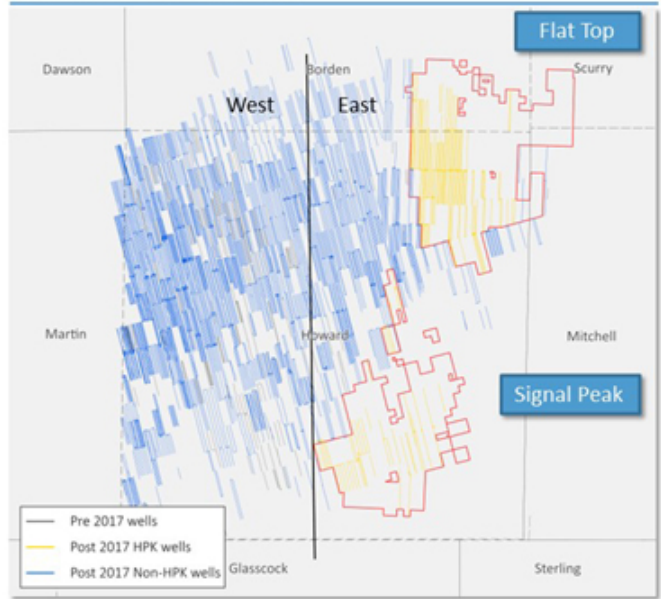
## East Howard & South Borden Oil EUR Distribution



## West Howard & South Borden Oil EUR Distribution



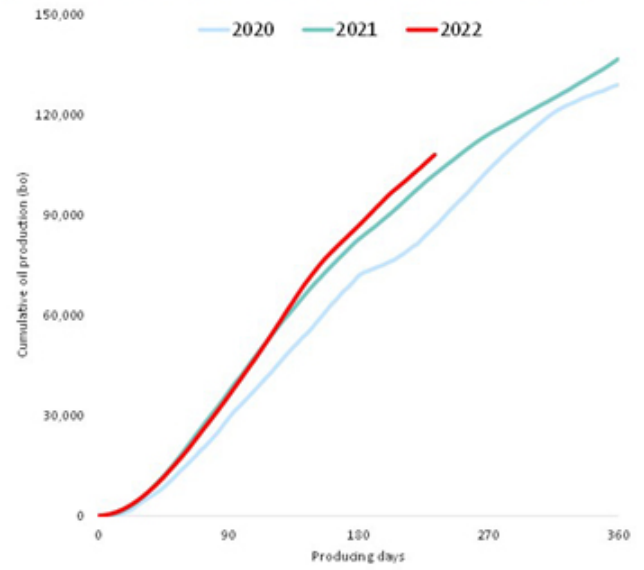
## Delineation and Laterals to Date



Source: Enverus, company provided.  
 Note: Wells used for EUR distribution as of 1/1/20 spot date, lateral length >7,500', minimum 4 producing months.

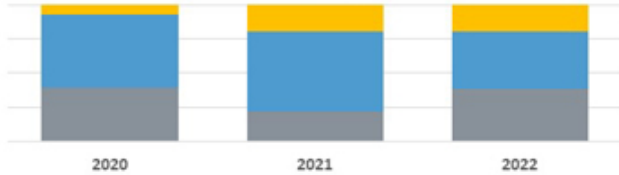
- Continue to demonstrate consistent well results as we have expanded development across the acreage position and formations
- 2022 wells outpacing 2021's improvements over 2020
- 2022 wells include larger pad development and higher percentage of wells in Signal Peak further delineating the position

Improving Well Performance Year Over Year



Development by Zone (% of Net TIL Lateral Ft.)

■ L\_SPBY ■ WC A ■ WC D



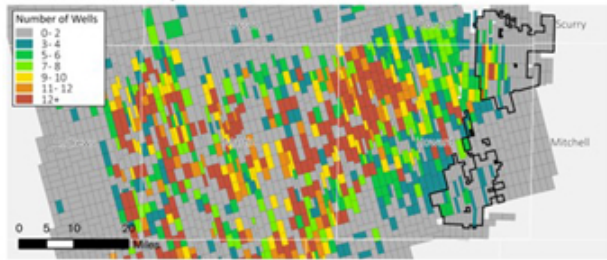
|             | 2020 | 2021 | 2022 |
|-------------|------|------|------|
| Flat Top    | 93%  | 80%  | 78%  |
| Signal Peak | 7%   | 20%  | 22%  |

Source: Company provided.

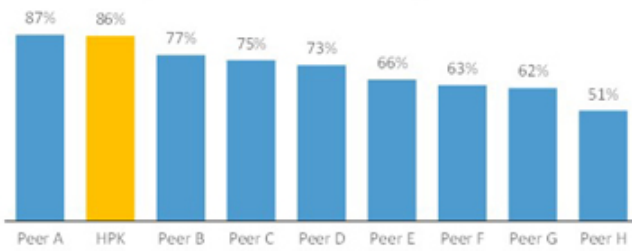
**HighPeak Poised for Optimal Development on Proven Inventory**

- ~88% of HPK acreage has 6 or less wells/DSU making it one of the least densely populated acreage of any mid-cap Permian public
- One of the smallest parent child risks relative to HighPeak's Permian basin peers
- Clean fairways allow for optimized full-scale pad development on delineated acreage
- Contiguous acreage with optimal lateral design to maximize capital efficiency

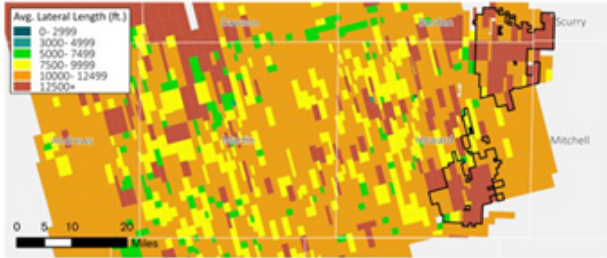
**DSU well density Northern Midland<sup>(2)</sup>**



**Non-child as percent of overall remaining net locations<sup>(1)</sup>**



**DSU lateral length configuration Northern Midland**



Source: Enthus.  
 (1) Based on May 2022 Permian Play Fundamentals report. Peers include CRE, ESTE, FANG, MTRX, PA, PSD, SM, and VTE BPS.  
 (2) Well density normalized for a 1-mile wide DSU.

**~ 2,500**  
Total Gross Locations



## Remaining Inventory (Gross Locations)

### Inventory Details

- Approximately 1,300 delineated primary locations from current producing intervals
- Primary inventory exhibiting an avg. 95% IRR<sup>(2)</sup>
- >14 years of anticipated primary at 4-rig cadence; > 58 rig-years of primary
- Approximately 1,200 additional upside locations; > 51 rig-years of upside
- Conservative 6 wells/section spacing<sup>(3)</sup>
- ~12,000 ft avg. lateral length

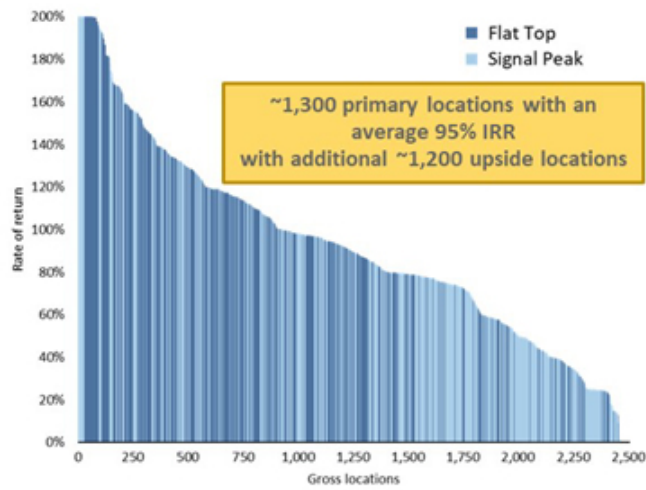
### Rock & Fluid Properties

- High TOC (up to 9%)
- Thermally mature (oil window)
- 34 – 38 API crude with high BTU gas

|                        | Flat Top   |            | Signal Peak |            | Total        |              |              |
|------------------------|------------|------------|-------------|------------|--------------|--------------|--------------|
|                        | Primary    | Upside     | Primary     | Upside     | Primary      | Upside       | All          |
| Middle Spraberry       | -          | 150        | -           | 111        | -            | 261          | 261          |
| Jo Mill                | -          | 174        | -           | 111        | -            | 285          | 285          |
| Lower Spraberry        | 182        | -          | 138         | -          | 320          | -            | 320          |
| Wolfcamp A             | 198        | -          | 144         | -          | 342          | -            | 342          |
| Wolfcamp B             | 59         | 240        | 98          | 24         | 157          | 264          | 421          |
| Wolfcamp C             | -          | -          | -           | 165        | -            | 165          | 165          |
| Wolfcamp C (Hutto)     | -          | -          | -           | 169        | -            | 169          | 169          |
| Wolfcamp D (3-Fingers) | 47         | 45         | 238         | -          | 285          | 45           | 330          |
| Wolfcamp D (Base)      | -          | -          | 191         | 19         | 191          | 19           | 210          |
| <b>TOTAL</b>           | <b>486</b> | <b>609</b> | <b>809</b>  | <b>599</b> | <b>1,295</b> | <b>1,208</b> | <b>2,503</b> |

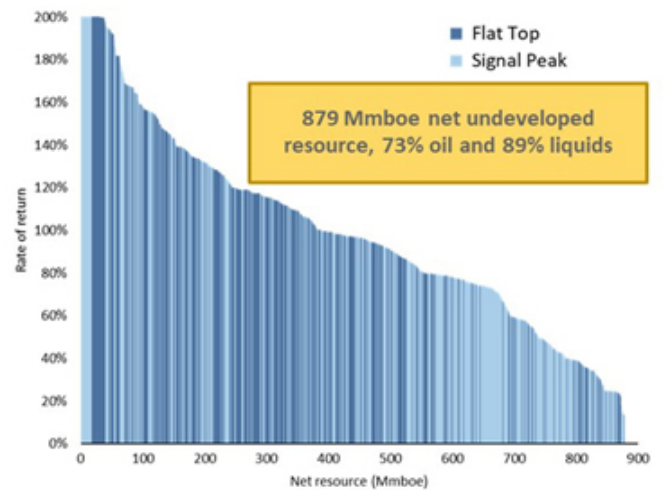
Note: Rig years based on illustrative 20 gross wells drilled per year/rig in Wolfcamp D, 24/year in all others.  
 (1) As of December 31, 2022.  
 (2) IRR calculated at flat pricing WTI/H1 90/\$4.  
 (3) Assumes 2-mile-wide drilling units.

## Remaining Locations



| #ofwells)    | Well IRR     |              |              |              |            | Total        |
|--------------|--------------|--------------|--------------|--------------|------------|--------------|
|              | >20%         | >40%         | >60%         | >80%         | >100%      |              |
| Flat Top     | 1,067        | 993          | 928          | 811          | 567        | 1,095        |
| Signal Peak  | 1,354        | 1,153        | 904          | 587          | 353        | 1,408        |
| <b>Total</b> | <b>2,421</b> | <b>2,146</b> | <b>1,832</b> | <b>1,398</b> | <b>920</b> | <b>2,503</b> |

## Net Remaining Resource (Mmboe)



| (netresource, Mmboe) | Well IRR   |            |            |            |            | Total      |
|----------------------|------------|------------|------------|------------|------------|------------|
|                      | >20%       | >40%       | >60%       | >80%       | >100%      |            |
| FlatTop Resource     | 389        | 361        | 346        | 316        | 230        | 391        |
| Signal Peak Resource | 484        | 429        | 347        | 239        | 159        | 488        |
| <b>Total</b>         | <b>873</b> | <b>790</b> | <b>693</b> | <b>555</b> | <b>389</b> | <b>879</b> |

Source: Company year-end '22 SEC database.

# Well Capitalized and Entering Projected FCF Growth Mode

No External Capital Expected to be Required to Meet Growth Plan<sup>(1)</sup>



## Q3'22 Highlights<sup>(2)</sup>

RBL Capacity

**\$395mm**

Liquidity<sup>(3)</sup>

**\$425mm**

Q3'22 Leverage<sup>(4)</sup>

**0.8x**

Est. YE'23 Leverage<sup>(4)</sup>

**0.6x**

Fully Allocated, High Quality RBL with Consistent Lender Support



BANK OF AMERICA

CREDIT SUISSE



FIFTH THIRD BANK

Citizens Bank

BOK FINANCIAL



Amarillo National Bank

UMB

AmegyBank

## FCF Inflection Point in 2023 – Entering FCF Growth Mode Thereafter<sup>(5)</sup>

(\$ in millions)



## Illustrative 2024E FCF at Various WTI Oil Prices<sup>(5)</sup>

(\$ in millions)



Source: HighPeak internal estimates and company filings.

(1) Assumes \$90 WTI / \$4.94 price deck.

(2) Pro forma as of Q3'22.

(3) Liquidity defined as borrowing base, less amounts outstanding, less outstanding letters of credit, plus cash.

(4) Current leverage defined as Q3'22 net debt / Q3'22 EBITDAX. YE'23 leverage defined as YE'23 net debt / Q3'22 EBITDAX.

(5) Unlevered Asset FCF defined as Adjusted EBITDAX less Capex. Cash flows calculated using flat \$90 WTI / \$4.94 price deck.

(6) Represents FY2022 Unlevered Asset FCF including unutilized Unlevered Asset FCF for Q4'22.

- ✓ ~110,000 net acres in two highly contiguous blocks in the Midland Basin<sup>(1)</sup>
- ✓ ~2,500 total gross locations with an average primary portfolio return of 95%<sup>(2)</sup>
- ✓ Primary delineated inventory of ~1,300 locations for a > 14-year inventory life at 4-rig cadence ( > 58 rig years)
- ✓ Highly oil-weighted inventory with 83% of production being oil and 93% liquids during Q3'22
- ✓ Best-in-class margins and cost structure among public companies in the Permian Basin
- ✓ Low leverage and high liquidity allow for execution of development plan without the need to access the capital markets
- ✓ Entering projected free cash flow growth and harvest mode

(1) Average as of 1/20/23. Approximately 2,000–4,000 additional acres in progress.

(2) RR calculated using \$4.50 WTI / \$4.00 price deck.





HIGHPEAK ENERGY, INC.  
Appendix





| <b>Production (Mboe/d)</b> | <b>2023</b> | <b>2024</b> |
|----------------------------|-------------|-------------|
| Average production rate    | 47-53       | 70-76       |
| Exit production rate       | 58-66       | 72-80       |

| <b>Capex (\$mm)</b>                        | <b>2023</b>       | <b>2024</b>   |
|--|-------------------|---------------|
| Gross Operated Wells TIL                   | 135-145           | 105-110       |
| Capital Expenditures D,C,E&F               | \$1,100 - \$1,200 | \$850 - \$900 |
| Capital Expenditures, Infra / Land / Other | \$50 - \$60       | \$20 - \$30   |
| Total Capital Expenditures                 | \$1,150 - \$1,260 | \$870 - \$930 |

| <b>Unit Measures (\$/Boe)</b> | <b>2023</b>     | <b>2024</b>     |
|-------------------------------|-----------------|-----------------|
| Lease Operating Expenses      | \$5.25 - \$5.75 | \$5.00 - \$5.50 |
| General & Administrative      | \$0.75 - \$1.00 | \$0.60 - \$0.80 |

Reconciliation of Net Income to EBITDAX

| (in thousands)                           | Qtr. Ended       | Qtr. Ended       | Qtr. Ended        | Qtr. Ended        |
|--|------------------|------------------|-------------------|-------------------|
|  | 31-Dec-21        | 30-Mar-22        | 30-June-22        | 30-Sept-22        |
| Net income                               | \$37,025         | (\$16,510)       | \$77,561          | \$107,904         |
| Interest expense                         | 1,331            | 5,252            | 9,282             | 14,608            |
| Income tax expense (benefit)             | 12,224           | (312)            | 24,072            | 31,597            |
| Depletion, depreciation and amortization | 21,464           | 17,024           | 34,883            | 42,624            |
| Accretion of discount                    | 51               | 54               | 66                | 125               |
| Exploration and abandonment expense      | 407              | 209              | 184               | 290               |
| Stock based compensation                 | 3,782            | 3,976            | 14,579            | 10,655            |
| Derivative-related noncash activity      | (3,935)          | 41,633           | (25,191)          | (38,098)          |
| Other                                    | 40               | (250)            | (2)               | (1)               |
| Est. Hannathon EBITDAX contribution      |                  | 23,500           | 19,750            |                   |
| <b>EBITDAX</b>                           | <b>\$ 72,389</b> | <b>\$ 74,576</b> | <b>\$ 155,184</b> | <b>\$ 169,704</b> |
| Cash G&A                                 | 3,843            | 1,940            | 2,016             | 1,877             |
| <b>Adjusted EBITDAX</b>                  | <b>\$ 76,232</b> | <b>\$ 76,516</b> | <b>\$ 157,200</b> | <b>\$ 171,581</b> |

Unhedged Cash Operating Margin Reconciliation

| (in thousands)   | Qtr. Ended        |
|--|-------------------|
|  | 30-Sept-22        |
| Oil, NGL and natural gas sales (including deducts)   | \$ 204,114        |
| Less: Lease operating expenses   | (17,462)          |
| Less: Workover expenses  | (2,245)           |
| Less: Production & ad valorem taxes  | (10,526)          |
| Less: Cash G&A   | (1,877)           |
| <b>Cash Operating Margin</b>   | <b>\$ 172,004</b> |
| Divided by: Production (Mboe)  | 2,414.7           |
| <b>Cash Operating Margin per Boe, excluding effects of derivatives</b>                         | <b>\$71.23</b>    |
| <b>Cash Operating Margin</b>   | <b>\$ 172,004</b> |
| Cash G&A   | 1,877             |
| Divided by: Production (Mboe)  | 2,414.7           |
| <b>Cash Operating Margin per Boe, before cash G&amp;A and excluding effects of derivatives</b> | <b>\$72.01</b>    |

Source: Company provided.