

# Highwood Asset Management Ltd. Announces Sale Of Wilson Creek Assets

02:00 Uhr | [CNW](#)

/NOT FOR DISSEMINATION IN THE U.S. OR THROUGH U.S. NEWSWIRES/

[Highwood Asset Management Ltd.](#) ("Highwood" or the "Company") (TSXV: HAM) is pleased to announce it has entered into a definitive asset purchase and sale agreement (the "Agreement") to sell its Wilson Creek assets (the "Assets") to [Obsidian Energy Ltd.](#) ("Obsidian Energy") for up to \$112 million (the "Transaction").

Under the terms of the Agreement, Obsidian Energy will acquire the Assets for cash consideration of \$105 million payable at closing (the "Upfront Consideration"), subject to closing adjustments, plus contingent consideration in quarterly instalments from the third quarter of 2026 and the second quarter of 2027 up to an aggregate of \$7 million, based on the price of WTI (the "Contingent Value Payments"). The Transaction has an effective date of April 1, 2026 and is expected to close on or about April 30, 2026, subject to customary closing conditions and regulatory approvals.

Highwood expects to use a portion of the Upfront Consideration to reduce the Company's outstanding debt, improving its balance sheet and overall liquidity. The Transaction creates optionality for capital acceleration, returns of capital to shareholders and acquisitions.

## Transaction Highlights

- **Compelling Value Creation and Significant Return On Invested Capital** - Crystallizes a pre-tax return on invested capital of >200% for the Wilson Creek assets since they were acquired in August 2023. The assets were acquired for net cost of approximately \$35 million and have generated approximately \$26 million in Asset Level Free Cash Flow up to March 31, 2026. <sup>(1)</sup>
- **Creates Further Capital Allocation Optionality to Maximize Total Returns to Shareholders** - Significantly reduces Highwood's leverage. Net proceeds from the divestiture will be used to reduce Highwood's net debt<sup>(1)</sup>, which is anticipated to be approximately \$15.0 million after closing of the Transaction. The strength of Highwood's balance sheet post-closing is expected to provide Highwood with the flexibility to enhance shareholder total returns through accelerated growth through further development of early-stage opportunities in Highwood's portfolio, strategic acquisitions, and/or returns of capital.
- **Portfolio Concentration Toward Profitable Long Duration Assets** - Continued drilling success in the Basal Belly River Brazeau, which is analogous to the Belly River at Wilson Creek and implementation of waterflood which will continue to offset base declines and increase reserve lives.

## Strategic Rationale

Since closing the Brazeau, Castlegate, and Shale acquisitions in August 2023 at 2.2x field NOI and 0.5x 1P reserves, Highwood has grown production from approximately 4,000 boe/d to over 6,000 boe/d while converting reserves at strong recycle ratios (1.4x; 1P: 2.0x; 2P: 3.3x)<sup>(1)</sup>. The divestiture of Wilson Creek represents the next phase of the Company's strategy: concentrating capital toward long-duration, high-margin assets in Brazeau and other early-stage opportunities in Highwood's portfolio.

Highwood's high-netback oil-weighted Brazeau asset delivers compelling single well economics with attractive recycle ratios and payback periods (approximately 2.6x recycle ratio and 12-month BT payback period at US\$65 WTI)<sup>(2)</sup>. Capital efficiency metrics of approximately \$19,000/boe/d and a corporate free cash flow breakeven below US\$45 WTI provide significant downside protection while preserving upside optionality as the Company evaluates further growth opportunities. Highwood has recently completed waterflood initiatives at Brazeau. Based on the independent qualified reserves evaluator's (GLJ Ltd.) evaluation of Highwood's reserves as at December 31, 2025, the Company's retained reserves carry a BTNPV10 of approximately \$153 million on a developed producing (PDP) basis and approximately \$306 million on a total proved (1P) basis; net of approximately \$1 billion net debt pro forma for closing, implying a net asset value of approximately \$9.00 per share (PDP) and approximately \$12.00 per share (1P).<sup>(1)(3)</sup>

Given the recent industry success in close proximity to Highwood's Mannville stack lands in eastern Alberta using horizontal

technology, Highwood plans to deploy capital to the assets before the end of the year. Further, the Company continues its portfolio in the area through multiple crown acquisitions. These lands provide multiple opportunities, including potential assisted gravity drainage ("SAGD") projects. The company plans to delineate and commence strategic financing and discussions over the coming several months to advance these opportunities. In addition, the Company continues to explore strategic options for its lithium, critical mineral and rare earth element assets. Highwood has seen interest from potential partners and believes there is strong potential to access government funding support.

## Shareholder Returns

As part of Highwood's commitment to enhancing shareholder returns, the Company intends to implement its inaugural Course Issuer Bid ("NCIB") in the second half of 2026, subject to approval from the Board of Directors and acceptance by the Venture Exchange.

## Advisors

RBC Capital Markets is acting as Lead Financial Advisor to Highwood with respect to the Transaction and DLA Piper is legal counsel to Highwood. ATB Capital Markets is acting as Financial Advisor to the Special Committee of the Board of Directors and Blake, Cassels & Graydon LLP is acting as legal counsel to the Special Committee. CIBC Capital Markets is acting as Strategic Advisor to Highwood.

(1) See "Caution Respecting Reserves Information" and "Non-GAAP and other Specified Financial Measures".

(2) Price Deck for management estimates: WTI: US\$65.00/bbl; WCS Diff: US\$13.00/bbl; MSW Diff: US\$4.00/bbl; AECO: C\$2.50/GJ; 0.73 CAD/USD. below. See Highwood's Corporate Presentation for the full type curve assumptions.

(3) Based on basic shares of 15,198,818 which includes shares held in trust.  
ADVISORIES

## Forward-Looking Information

Certain information contained in the press release may constitute forward-looking statements and information (collectively "forward-looking statements") within the meaning of applicable securities legislation that involve known and unknown risks, assumptions, uncertainties and other factors. Forward-looking statements may be identified by words like "anticipates", "estimates", "expects", "indicates", "intends", "may", "could", "should", "would", "plans", "target", "scheduled", "projects", "proposed", "potential", "will", "seek" and similar expressions. Forward-looking statements in this press release include, among other things: Highwood's business, strategy, objectives, strengths and focus; the Company's drilling program and expectations; the results of waterflood initiatives in Brazeau; ability to obtain financing and/or partnership to advance the Company's properties; ability to potentially access government funding support; and the performance and other characteristics of the Company's properties and expected results from its assets. Such statements reflect the current views of management of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in the forward-looking statements. With respect to forward-looking statements contained in this press release, the Company has made assumptions regarding, among other things: that commodity prices will be consistent with the current forecasts of its engineers; field netbacks; the accuracy of reserves estimates; average production rates; the ability to drill, complete and tie-in wells; ultimate recovery of reserves; that royalty regimes will not be subject to material modification; future exchange and interest rates; supply of and demand for commodities; inflation; the availability of capital on satisfactory terms; the availability and price of labour and materials; the impact of increasing competition; conditions in economic and financial markets; that the Company will be able to access capital, including debt, on acceptable terms; the timing of regulatory, exchange and other required approvals; the ability of the Company to implement its business strategy and complete future acquisitions; the Company's long term business strategy; and effects of regulation by governmental

Factors that could cause actual results to vary from forward-looking statements or may affect the operations, performance, development and results of the Company's businesses include, among other things: assumptions concerning operations; risks inherent in the Company's future operations; the Company's ability to generate sufficient cash flow from operations; future obligations; increases in maintenance, operating or financing costs; the realization of the anticipated benefits of future acquisitions, if any; the availability and price of labour, equipment and materials; competitive factors, including competitive

third parties in the areas in which the Company intends to operate, pricing pressures and supply and demand in the oil industry; fluctuations in currency and interest rates; inflation; risks of war, hostilities, civil insurrection, pandemics, political economic instability overseas and its effect on commodity pricing and the oil and gas industry (including ongoing military actions between Russia and Ukraine, military action in Iran and the crisis in Israel and Gaza and related areas); severe weather and risks related to climate change, such as fire, drought and flooding; terrorist threats; risks associated with technological change in laws and regulations, including environmental, regulatory and taxation laws, and the interpretation of such changes to the management team's future business; availability of adequate levels of insurance; difficulty in obtaining necessary regulatory approvals and the maintenance of such approvals; general economic and business conditions and markets; and such other risks and uncertainties. The impact of any one assumption, risk, uncertainty or other factor on a forward-looking statement cannot be determined with certainty, as these are interdependent and the Company's future course of action depends on the availability of all information available at the relevant time. For additional risk factors relating to Highwood, please refer to the Company's annual information form and management discussion and analysis for the year ended December 31, 2025, as well as the Company's management discussion and analysis for the period ended March 31, 2026, which are available on the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). The forward-looking statements contained in this press release are made as of the date hereof and the parties do not undertake any obligation to update or revise any forward-looking statements or information contained herein as a result of new information, future events or otherwise, unless so required by applicable securities laws.

**FOFI Disclosure.** This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Highwood's prospective results of operations and production, and components thereof, all of which are based on the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs. FOFI contained in this press release was made as of the date of this press release and was provided for the purpose of providing further information about Highwood's anticipated future business operations. The Company disclaims any intention or obligation to update or revise the FOFI contained in this press release, whether as a result of new information, future events or otherwise, unless required by applicable law. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein. All FOFI contained in this press release complies with the requirements of Canadian securities legislation, including Canadian Securities Administrators' National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities. Changes in forecast commodity prices, differences in the timing of capital expenditures and variances in average production estimates can have a significant impact on the key performance metrics included in the Company's guidance for the second quarter of 2026 and payout on wells contained in this news release. The Company's actual results may differ materially from such estimates.

**Currency.** All amounts in this press release are stated in Canadian dollars unless otherwise specified.

#### Abbreviations.

API	American Petroleum Institute	m <sup>3</sup>	metres cubed
		gravity	
bbbl	barrels of oil	m <sup>3</sup>	thousand barrels of oil
bbbls/d	barrels of oil per day	m <sup>3</sup> /d	thousand cubic feet per day
m	metres	boe/d	boe per day
boe	barrels of oil equivalent		

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this press release.

#### Caution Respecting Reserves Information

Readers should see the "Selected Technical Terms" in the Company's Annual Information Form dated May 14, 2026 that is available on the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca) for the definition of certain oil and gas terms.

Disclosure in this news release of oil and gas information is presented in accordance with generally accepted industry practice in Canada and National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Specifically, as noted herein, the oil and gas information regarding the Company presented in this news release is based on the report prepared by GLJ Ltd., independent petroleum consultants of Calgary, Alberta, and dated February 27, 2026 evaluating light and medium crude oil, conventional natural gas, shale gas, and natural gas liquids reserves attributable to Highwood.

properties at December 31, 2025 (the "Reserves Report").

Reserves are classified according to the degree of certainty associated with the estimates as follows:

"Proved reserves" or "1P" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is equally likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"Probable reserves" are those additional reserves that are less certain to be recovered than proved reserves.

"Proved plus probable reserves" or "2P" is the total of proved reserves and probable reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

"Proved Developed Producing" or "PDP" reserves are those reserves that are expected to be recovered from completion of operations not yet open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been producing, and the date of resumption of production must be known with reasonable certainty.

This news release may disclose potential future drilling locations in two categories: (a) booked locations; and (b) unbooked locations. Booked locations are proposed drilling locations identified in the Reserves Report that have proved and/or probable reserves, as applicable, attributed to them in the Reserves Report. Unbooked locations are internal estimates based on prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and an internal technical analysis review. Unbooked locations have been identified by members of management. Unbooked locations do not have proved or probable reserves attributed to them in the Reserves Report. Highwood's ability to drill and develop potential drilling locations and the drilling locations on which Highwood actually drills wells depends on a number of known and unknown risks and uncertainties. As a result of these risks and uncertainties, there can be no assurance that the potential future drilling locations identified in this news release will ever be drilled or if Highwood will be able to produce crude oil, natural gas and natural gas liquids from these or any other potential drilling locations.

The net present value of future net revenues attributable to reserves and resources included in this news release do not represent the fair market value of such reserves and resources. There is no assurance that the forecast prices and costs assumptions will be attained, and variances could be material. The recovery and reserve estimates of reserves and resources provided in this news release are estimates only and there is no guarantee that the estimated reserves or resources will be recovered. Actual reserves and resources may be greater or less than the estimates provided in this news release. The estimates of reserves and resources and revenue for individual properties in this news release may not reflect the same confidence level as estimates of reserves and resources and net revenue for all properties, due to the effects of aggregation.

**Basis of Barrels of Oil Equivalent** - In this news release, the abbreviation boe means a barrel of oil equivalent on the basis of 6 Mcf of natural gas when converting natural gas to boes. Boes may be misleading, particularly if used in isolation. A conversion ratio of 6 Mcf to 1 boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, given the value ratio based on the current price of oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion ratio at 6:1 may be misleading.

References to "liquids" in this news release refer to, collectively, heavy crude oil, light crude oil and medium crude oil and natural gas liquids.

"BT" means before tax.

"RLI" means reserves life index and is calculated as total company interest reserves divided by annual production.

"NPV10" represents the anticipated net present value of the future net revenue discounted at a rate of 10% associated with the reserves associated with Highwood's assets.

"NAV per share" is calculated using the respective net present values of PDP, 1P and 2P reserves, before tax and discounted at 10% plus internally valued undeveloped land & seismic, less net debt, and divided by basic outstanding common shares for shares held in treasury. Management used NAV per share as a measure of the relative change of Highwood's net asset value.

over its outstanding common shares over a period of time.

"Netback" is used to evaluate potential operating performance. Netback is calculated as follows: (Revenue - Royalties - Expenses).

"Recycle Ratio" is measured by dividing the operating netback for the applicable period by F&D cost per boe for the year. The recycle ratio compares netback from existing reserves to the cost of finding new reserves and may not accurately indicate investment success unless the replacement reserves are of equivalent quality as the produced reserves.

#### Non-GAAP and other Specified Financial Measures

This news release contains financial measures commonly used in the oil and natural gas industry. These financial measures may not have any standardized meaning under IFRS and therefore may not be comparable to similar measures used by other companies. Readers are cautioned that these non-IFRS measures should not be construed as an alternative measure of financial performance calculated in accordance with IFRS. These non-IFRS measures provide additional information that Management believes is meaningful in describing the Company's operational performance, liquidity and capacity to fund capital expenditures and other activities. Management believes that the presentation of these non-IFRS measures provide useful information to investors and shareholders as the measures provide transparency and the ability to better analyze performance against prior periods on a comparable basis.

"Asset Level Free Cash Flow" is used as an indicator of the efficiency and liquidity of the Company's Assets, measured as funds after capital expenditures available to manage debt levels, pursue acquisitions and assess the optionality to pay dividends and/or return capital to shareholders through activities such as share repurchases. The most directly comparable GAAP measure is cash flow from (used in) operating activities. Free Cash Flow is calculated as cash flow from (used in) operating activities less interest, office lease expenses, cash taxes and capital expenditures.

"Corporate Free Cash Flow Breakeven" is calculated as the WTI price in US dollars in which Free Cash Flow is approximately equal to holding production flat. Other prices are held constant at WCS differential: US\$13.00/bbl; MSW differential: US\$4.50/bbl; C\$2.50/GJ; 0.73 CAD/USD. The Company believes that Corporate Free Cash Flow Breakeven can provide useful information to investors and shareholders about the Company's value creation. For more information, please contact the Chairman, Mr. Bob White, at [robert.white@highwood.com](mailto:robert.white@highwood.com).

---

Dieser Artikel stammt von [Rohstoff-Welt.de](http://www.rohstoff-welt.de).  
Die URL für diesen Artikel lautet:  
<https://www.rohstoff-welt.de/news/Highwood-Asset-Management-Adopts-Net-Debt-as-an-Alternative-to-Total-Outstanding-Debt-Payments-net-of-Adjusted-Working-Capital>  
Für den Inhalt des Beitrags ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt seinen, nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer](#).

"Return on invested capital" is calculated as the sum of field operating netbacks generated since inception and the gross proceeds from the sale of assets, divided by the original net cost of asset acquisitions and development. Management utilizes the cash return on invested capital measure in this news release to provide a measure of how much cash was generated from the Wilson Creek assets, relative to the Company's original capital investment in the assets, excluding the impact of discounting, taxes and administrative costs. The return on invested capital from the sale of Wilson Creek of >200% reported in this news release was calculated as field operating netbacks since inception of \$82.5 million plus gross Upfront Consideration from the disposition of assets, divided by the Company's original net acquisition and development costs of \$91.5 million.

SOURCE Highwood Asset Management Ltd.