



November 15, 2022

HEADWATER EXPLORATION INC. ANNOUNCES EXPLORATION UPDATE AND RELEASE OF INAUGURAL ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

CALGARY, ALBERTA – Headwater Exploration Inc. (the "**Company**" or "**Headwater**") (TSX:HWX) announces the results of its two stratigraphic exploration test wells.

Headwater recently completed two stratigraphic test wells on our Shadow exploration prospect in the Greater Peavine area. Unfortunately, neither well encountered hydrocarbon bearing sands in our previously identified prospective zones. The drilling rig scheduled to drill three horizontal tests in this area is now being moved to our Utikima Lake prospect to continue our exploration drilling program. Further exploration results will be reported as they become available which is not anticipated to be until the middle of the first quarter of 2023.

These exploration results have no impact to our 2023 guidance as previously outlined in our press release dated November 3, 2022.

In addition, Headwater is pleased to announce that it has released its inaugural Environment, Social and Governance Report for 2022 (the "**2022 ESG Report**"). The 2022 ESG Report and the Company's most recent corporate presentation can be found on Headwater's website at www.headwaterexp.com

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FORWARD LOOKING STATEMENTS: This press release contains forward-looking statements. The use of any of the words "guidance", "initial", "anticipate", "scheduled", "can", "will", "prior to", "estimate", "believe", "potential", "should", "unaudited", "forecast", "future", "continue", "may", "expect", "project", and similar expressions are intended to identify forward-looking statements. The forward-looking statements contained herein, include, without limitation, the expected timing for reporting future exploration drilling results and the expectation that the recent exploration drilling results will not impact our previously issued 2023 guidance. The forward-looking statements contained herein are based on certain key expectations and assumptions made by the Company, including but not limited to expectations and assumptions concerning the success of optimization and efficiency improvement projects, the availability of capital, current legislation, receipt of required regulatory approvals, the success of future drilling, development and waterflooding activities, the performance of existing wells, the performance of new wells, Headwater's growth strategy, general economic conditions, availability of required equipment and services, prevailing equipment and services costs and prevailing commodity. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; disruptions to the Canadian and global economy resulting from major public health events, the Russian-Ukrainian war and the impact on the global economy and commodity prices; the impacts of inflation and supply chain issues and steps taken by central banks to curb inflation; COVID-19 pandemic, war, terrorist events, political upheavals and other similar events; events impacting the supply and demand for oil and gas including the COVID-19 pandemic and actions taken by the OPEC + group; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations, changes in legislation affecting the oil and gas industry and uncertainties resulting from potential

delays or changes in plans with respect to exploration or development projects or capital expenditures. Refer to Headwater's most recent Annual Information Form dated March 10, 2022, on SEDAR at www.sedar.com, and the risk factors contained therein.