

Part 2A of Form ADV: HighPeak Energy Management, LLC - Firm Brochure

Item 1. Cover Page

March 30, 2020

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This brochure provides information about the qualifications and business practices of HighPeak Energy Management, LLC (the “Adviser”, “Firm”, or “HighPeak”). If you have any questions about the contents of this brochure, please contact us at (817) 850-9200. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about HighPeak Energy Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

This Brochure dated March 30, 2020, contains customary annual updates, as well as certain other updates, including those regarding the payment of fees and expenses by advisory clients and portfolio companies, risks and conflicts of interest.

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Item 4. Advisory Business

The Adviser is a Delaware limited liability company based in Fort Worth, Texas, together (where the context permits) with its affiliated General Partners of the Funds (as defined below) and other affiliates that provide advisory services to and/or receive advisory fees from the Funds. Such affiliates are currently and would typically be under common control with HighPeak Energy Management, LLC and possess a substantial identity of personnel and/or equity owners with HighPeak Energy Management, LLC. These affiliates have been and may in the future be formed for tax, regulatory or other purposes in connection with the organization of the Fund (as defined below).

The Adviser provides investment supervisory services to pooled investment vehicles (the “Fund”, or collectively the “Funds” or “Clients”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

HighPeak believes there are significant exploitation and exploration opportunities in many prolific, multi-pay fields throughout basins in North America in which they have experience. HighPeak’s strategy with respect to capturing these opportunities is to build a balanced portfolio of oil and gas assets and then focus on growing reserves, production, cash flows and profits.

The Adviser provides investment supervisory services to each Fund in accordance with the limited partnership agreement (or analogous organizational document) of such Fund or separate investment and advisory, investment management or portfolio management agreements (each, an “Advisory Agreement”).

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable general partner, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund, Advisory Agreements and/or side letter agreements negotiated with investors in the applicable Fund (the organizational and offering documents, Advisory Agreements and side letters referred to herein as a Fund’s “Governing Documents”).

HighPeak Energy Management, LLC was formed in 2014 and is wholly owned by Jack Hightower, William Hightower, and Daniel Silver. The Adviser manages a total of \$1,050,000,000.00 of client assets as of December 31, 2019, all of which is managed on a discretionary basis.

Item 5. Fees and Compensation

Below is a discussion of the fees typically charged and how the Adviser is typically compensated in connection with providing advisory services to its Clients. Because the Adviser has the ability to enter into different fee arrangements on a Client by Client basis, please ensure you obtain and carefully read and study all applicable offering documents for any Fund or Fund(s) for which the Adviser provides investment advisory services.

General and Administrative Expenses

The Funds bear all General and Administrative Expenses (“G&A Expenses”). G&A Expenses means the general and administrative expenses incurred by the Funds or any of their subsidiaries, including a portfolio company.; provided, however, that G&A Expenses shall not include any Adviser expenses (which Adviser expenses will be borne entirely by the Adviser). G&A Expenses to be paid or reimbursed by the Funds during any fiscal year, unless otherwise approved by the LP Advisory Committee, shall not exceed an amount that would have been greater than a 2% management fee based upon the greater of (i) total commitments of the Limited Partners and (ii) the Enterprise Value of the Fund. Enterprise Value means as of any time of determination, the amount equal (a) to the Fair Market Value of the Partnership and its subsidiaries plus (b) the aggregate Fair Market Value of all indebtedness for borrowed money of the Partnership and any of its subsidiaries and any available but undrawn amounts under any existing credit facility or similar borrowing arrangement of the Partnership or any of its subsidiaries.

All directors’, transaction, break-up, advisory or other fees, net of expenses, received by the General Partner will inure to the benefit of the Funds.

Performance Allocation

The Adviser or its affiliates typically receive a Carried Interest from each of the Funds of up to 20% of distributable cash after the return of capital contributions and a preferred return has been distributed to the Limited Partners, and a General Partner payout catch up has been distributed to the General Partner. Carried Interests will likely be subject to hurdles and/or claw-backs, depending on, among other things, the strategy of the relevant Funds and market returns. For additional information, please refer to the specific Governing Documents for each Fund.

Organizational Costs and Expenses

The Funds will be responsible for all organizational expenses and costs associated with the formation of a Fund not to exceed a certain monetary cap established by the General Partner and described in further detail in the respective Fund’s Governing Documents. Any organizational expenses exceeding the stated cap will be reimbursed as G&A Expenses in the event that there is availability in the budget for the G&A Expenses.

Operating Costs

The Funds will pay from available funds, or through capital calls from all partners, all costs, fees, expenses and liabilities of the Funds, the portfolio companies, the General Partner, the Adviser or their affiliates relating to the management, conduct and operation of the Funds' business, including, without limitation, fees and expenses associated with the preparation and distribution of financial statements, reports, tax returns, and Forms K-1, costs, fees, and expenses related to the purchase, holding and sale of investments, any unreimbursed expenses incurred in connection with transactions not consummated, legal, audit and other expenses in connection with the offer and sale of securities owned by the Funds (including, without limitation, any "special purpose acquisition company"), fees, and unreimbursed expenses of custodians, outside counsel and accountants, engineering and technical fees, any insurance or litigation expense (including, any indemnification obligations under the partnership agreements), any taxes, fees and other governmental charges levied against the Funds, costs and expenses of the LP Advisory Committee, the costs and expenses of annual meetings of Limited Partners, the Funds' share of salary, benefits and any other expenses of in-house legal counsel personnel engaged or retained by the Funds or their affiliates, the Funds' share of any compensation or expenses related to strategic partners or affiliates of the General Partner that the General Partner will likely from time to time engage, expenses of liquidated the Funds and the portfolio companies, expenses relating to any defaulting partner, and all extraordinary expenses.

Item 6. Performance-Based Fees and Side-By-Side Management

As stated in Item 5 above, the Adviser or its affiliates receive performance-based fees or carried interest allocations from certain Clients. These payments are subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3, which requires that performance-based fees only be charged to “qualified clients” (as such term is defined in Rule 205-3).

Performance-based fees, in general, have the ability to create an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. Such fee arrangements also have the ability to create an incentive to favor higher fee-paying clients over other clients in the allocation of investment opportunities. To address these conflicts of interest with respect to any future clients, the Adviser has implemented policies and procedures to ensure that all clients receive equitable and fair treatment over time with respect to the allocation of investment opportunities.

Item 7. Types of Clients

The Adviser currently provides investment supervisory services to Funds. Investment advice is provided directly to the Funds (subject to the direction and control of the general partner of each such Fund, if applicable) and not individually to investors in such Funds.

The Adviser does not have a minimum size for a Fund, but minimum investment commitments are typically \$5.0 million for each investor in the Fund. The general partner of each Fund has in the past and may in the future, in its sole discretion, permit investments below the minimum amounts set forth in the Governing Documents of such Fund.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

HighPeak believes there are significant exploitation and exploration opportunities in many prolific, multi-pay fields throughout basins in North America in which they have experience. HighPeak's strategy with respect to capturing these opportunities is to build a balanced portfolio of oil and gas assets and then focus on growing reserves, production, cash flows and profits.

HighPeak's differentiated approach to creating value in the oil and gas sector combines the elements of a lower-risk, capital preservation-oriented approach, balanced with the upside potential associated with exploratory oil and gas investment programs. The fundamental underpinnings of this approach include:

- *Leverage Intellectual Capital.* HighPeak strives at all times to utilize the wide range of the team's and, where relevant, third-party skill sets, background, experiences, and other intellectual capital to ensure that any latent value is identified and assessed.
- *Conservative Assumptions.* HighPeak believes it takes a conservative approach to valuation. As such, HighPeak will typically run a range of sensitivity analyses, including setting a valuation cap based primarily on already-established value (i.e., proved developed producing reserves) under worst-case scenario assumptions for large acquisitions.
- *Tenacious Pursuit of Hidden Value.* HighPeak aggressively and thoroughly investigates the potential upside in the prospective properties it reviews, including investigating the viability of often-overlooked enhanced exploitation opportunities, newly discovered or under-appreciated exploration opportunities, or other creative ways of monetizing value (e.g., by selling exploration rights to third-party entities or immediately disposing of non-core elements of an asset).

By taking this differentiated, multi-faceted, and comprehensive approach to evaluating prospective investments, HighPeak believes that it is able to significantly mitigate risk, while at the same time maximize the embedded option value of every investment in terms of its upside potential.

SPAC Investment

A material investment strategy employed by the Adviser on behalf of the Funds is the formation of Pure Acquisition Corp., a Delaware corporation and special purpose acquisition corporation (the "SPAC") in December 2017 for the purposes of effecting a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more businesses or entities (the "Business Combination"). The Funds and certain affiliates of the Funds have employed or intend to employ initial public offerings, private placement warrants, forward purchasing agreements, and tender offers of public warrants to raise capital necessary for the SPAC to complete the Business Combination. Each Fund has played a different role than the other Fund in assisting with the Business Combination, and there are conflicts related to each Funds' SPAC investment that are described in more detail below.

Risks

An investment in a Fund involves significant risk. There can be no assurance that a Fund will achieve its investment and operating objectives, including the return of capital invested by the investors. An investor in a Fund should be able to hold the investment for an indefinite time and be financially able to bear the total loss of the investment. Some of the risks and potential conflicts of interest related to the Fund(s) are described below and are further detailed in the Governing Documents for the specific Fund.

Risks Relating to a Fund

Dependence on Key Personnel. The success of the Fund will be highly dependent on the financial and managerial expertise of each of HighPeak's principals. The significant personal investment made by the principals in the Fund should tend to discourage them from withdrawing from participation in the Fund's investment activities. However, there can be no assurance that such principals will continue to be associated with the General Partner or its affiliates throughout the life of the Company, as the principals are under no contractual obligation to remain with the General Partner for all or any portion of the term of the Fund. In addition, if the principals cannot agree on decisions affecting the Fund, it may adversely impact the investment results of the Fund or result in the loss of one or more of the principals.

Industry Concentration and Diversification. Since the Fund's investments are concentrated within a particular industry or related group of industries (the energy sector), an investment in the Fund may be subject to greater market fluctuations than an investment in a portfolio of securities representing a broader range of industries. The aggregate return on an investor's investment in the Fund may be substantially adversely affected by the unfavorable performance of even a single investment.

Lack of Liquidity. The Interests in the Fund have not been registered under the Securities Act or any other applicable securities laws. There is no public market for the Interests and none is expected to develop. In addition, the Interests are not transferable except with the consent of the General Partner, which generally may be withheld by the General Partner in its sole discretion and are subject to the terms and conditions of the Partnership Agreement. Investors generally may not withdraw capital from the Fund. Consequently, investors may not be able to liquidate their investments prior to the end of the Fund's term.

Availability of Investments. The General Partner may be unable to identify a sufficient number of attractive investment opportunities for the Fund to meet its investment objectives. In addition, the Fund will be competing for investments against other groups, possibly including direct investment firms, merchant banks, and industrial groups. Other investors may make competing offers for investment opportunities that are identified. Consummating the contemplated investments is subject to a myriad of uncertainties, only some of which are foreseeable or within the control of the General Partner. No assurance can be given that the Fund will be successful in obtaining suitable investments, or that if such investments are made, the objectives of the Fund will be achieved.

Conflicts related to the SPAC Investment. The investment in the SPAC involves many conflicts of interest due to the relationship between the SPAC and the principals and affiliates of the Adviser and General Partner. Affiliates and certain principals of the Adviser and the General Partner

structured, sponsored, organized, financed and incubated the SPAC and the SPAC's related entities and transactions. Fund I is an investor in the Sponsor of the SPAC and will benefit in different ways from the SPAC than Fund II. Fund II's potential investment in the SPAC may be important to be able to complete a Business Combination and avoid liquidation of the SPAC and related transactions and is therefore not a disinterested recommendation as an investment for the Fund.

Potential Conflicts of Interest. Investors should be aware that there may be occasions where the General Partner and its affiliates encounter potential conflicts of interest in connection with the Fund's activities. While it is currently unanticipated, the General Partner and its affiliates may engage in future activities involving the energy industry including financial advisory activities and investment activities that are independent from, and may conflict with, that of the Fund. There may arise instances where the interests of the General Partner and its affiliates conflict with the interest of the Fund and its investors. The principals will continue to devote such time and attention to the Fund as is required to discharge their duties relating thereto.

Unspecified Use of Proceeds. Partners will not have an opportunity to evaluate for themselves the relevant economic, financial, and other information regarding the investments to be made by the Fund and, accordingly, will be dependent upon the judgment and ability of the General Partner in investing and managing the capital of the Fund. No assurance can be given that the Fund will be successful in obtaining suitable investments, or that if such investments are made, the objectives of the Fund will be achieved.

Use of Leverage. Other than short term borrowings in advance of capital calls, the Fund will not borrow, however, an Operating Entity and its subsidiary companies, if any, may use debt and/or preferred equity to finance investments. While this leverage component is intended to enhance the equity returns to the investors in the Fund, the Fund's ability to meet its debt or preferred equity obligations depends on future performance. General economic conditions, oil and gas prices and financial, business and other factors described herein may affect the Fund's operations and future performance. If the assets of these partnerships are insufficient to service the leverage requirements, the General Partner may recall distributions previously made to the Partners (subject to certain limitations set forth in the applicable Partnership Agreement) or a default could occur under the terms of the debt or preferred stock. In the event of such a default, a Partner could risk losing its entire investment in the Fund.

Indemnification. The Fund will be required to indemnify the General Partner, the Adviser, their respective Affiliates, the Principals, any of their respective directors, managers, members, partners and officers and the members of each of the Investment Committee and the LP Advisory Committee for liabilities incurred as provided in the Partnership Agreements. Such liabilities may be material and may have an adverse effect on the returns to the Partners. For example, in their capacity as operators of the properties, the General Partner or its affiliates may be subject to claims brought by landowners and other persons holding interests in and to the properties. The indemnification obligation of the Fund would be payable from the assets of the Fund, including the unfunded capital commitments of the Partners. If the assets of the Fund are insufficient, the General Partner may recall distributions previously made to the Partners (subject to certain limitations set forth in the Partnership Agreements).

Recourse to the Fund's Assets. The Fund's assets, including any investment made by the Fund and any uninvested cash held by the Fund, are available to satisfy all liabilities and other obligations of

the Fund. If the Fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Fund's assets generally and such recourse may not be limited to any particular asset, such as the asset representing the investment giving rise to the liability.

Side Letters. The Fund or the General Partner, on behalf of the Fund, may from time to time enter into a side letter or other similar agreement (each, a "Side Letter") with a particular Limited Partner in connection with its admission to the Fund without the approval of any other Limited Partners, which could have the effect of establishing rights under or supplementing the terms of the Partnership Agreement with respect to such Limited Partner in a manner more favorable to such Limited Partner than those applicable to other Limited Partners.

No Right to Control the Fund's Operations. Partners will have no opportunity to control the day-to-day operations, including investment and disposition decisions, of the Fund. In order to safeguard their limited liability for the liabilities and obligations of the Fund, Partners must rely entirely on the General Partner and the Adviser to conduct and manage, respectively, the affairs of the Fund.

Carried Interest. The fact that the General Partner's compensation is based on the performance of the Fund may create an incentive for the General Partner to cause the Fund to make investments that are more speculative than would be the case in the absence of performance-based compensation. However, this incentive may be tempered somewhat by the fact that losses will reduce the Fund's performance and thus the General Partner's significant investment in the Fund.

General Economic Conditions. General economic conditions may affect the Fund's activities. Interest rates, general levels of economic activity, the price of securities, and participation by other investors in the financial markets may affect the value and number of investments made by the Fund or considered for prospective investment.

Risks Related to the Oil and Gas Industry

The Fund's cash distributions will be highly dependent on oil and natural gas prices, which have historically been very volatile. The Fund's cash distributions to the partners will depend in significant part on the prices realized from the sale of oil and natural gas. Historically, the markets for oil and natural gas have been volatile and may continue to be volatile in the future. Various factors that are beyond the Fund's control will affect prices of oil and natural gas, such as:

- the worldwide and domestic supplies of oil and natural gas;
- regulations which may prevent or limit the export of oil and natural gas;
- the amount of added production from development of unconventional oil and natural gas reserves;
- the ability of the members of the Organization of Petroleum Exporting Countries, referred to as "OPEC," to agree to and maintain oil price and production controls;
- political instability or armed conflict in oil-producing regions;
- the price and level of foreign imports;
- the value of the U.S. dollar relative to the currencies of other countries;
- the level of consumer demand;
- the price and availability of alternative fuels;

- the availability of pipeline capacity;
- technological advances affecting energy production and consumption;
- weather conditions;
- the impact of energy conservation efforts;
- domestic and foreign governmental regulations and taxes; and
- the overall economic environment.

Lower oil and natural gas prices may reduce the amount of oil and natural gas that is economic to produce and, as a result, reduce the Fund's revenues. Lower prices may also reduce the level of exploration and development activity on the Fund's properties. Any such reduction in activity could have the effect of diminishing the current oil and natural gas production levels and future growth trends of the Fund's properties.

Operating Risks. The operation of oil and gas properties is subject to numerous risks inherent in the oil and gas industry, such as blowouts, cratering, explosions, uncontrollable flows of oil, gas or well fluids, fires, pollution, earthquakes, and environmental risks. These risks could result in substantial losses due to injury and loss of life, severe damage to and destruction of property and equipment, pollution and other environmental damage, and suspension of operations. The Fund's operations could result in liability for personal injuries, property damage, oil spills, discharge of hazardous materials, remediation and clean-up costs, and other environmental damages. The Fund could be liable for environmental damages caused by previous property owners. As a result, substantial liabilities to third parties or governmental entities may be incurred, the payment of which could have a material adverse effect on the Fund's financial condition and results of operations. The Fund will attempt to maintain insurance coverage for its operations, but insurance coverage for environmental damages that occur over time or insurance coverage for the full potential liability that could be caused by sudden environmental damages may not be available at a reasonable cost, and the Fund may be subject to liability or may lose substantial portions of its properties in the event of certain environmental damages.

Demand for Oil and Gas. The Fund's success is materially dependent upon the demand for oil and gas. The availability of a ready market for the Fund's oil and gas production depends on a number of factors beyond the Fund's control, including the demand for, and supply of oil and gas, the availability of alternative energy sources, the proximity of reserves to, and the capacity of, oil and gas gathering systems, pipelines or trucking and terminal facilities. The Fund may also have to shut-in some of its wells temporarily due to a lack of market or adverse weather conditions including hurricanes. In addition, Federal and state regulation of oil and natural gas production and transportation, general economic conditions, and changes in supply and demand could adversely affect the Fund's ability to produce and market its oil and natural gas on a profitable basis. Any significant change in the Fund's ability to produce and market its oil and natural gas production could have a material adverse effect on the Fund's financial condition and results of operations.

Drilling and Engineering Risks. The revenues and operating results of the Fund will be dependent upon the success of the Fund's exploitation, development, and drilling activities. These oil and gas activities involve numerous risks, including the risk that no commercially productive oil or natural gas reservoirs will be encountered. The timing and cost of drilling, completing and operating wells is often uncertain, and drilling operations may be curtailed, delayed or canceled as a result of a variety of factors, including unexpected drilling conditions, pressure or irregularities in formations,

equipment failures or accidents, adverse weather conditions, compliance with governmental requirements, and shortages or delays in the availability of drilling rigs and the delivery of equipment.

Acquisition Strategy. The Fund's investment strategy depends on the Fund's ability to acquire oil and gas properties. The Fund may not be able to identify suitable acquisition opportunities or finance and complete any particular acquisition successfully. Competition from competing entities may reduce the number of suitable investment opportunities offered to the Fund or increase the bargaining power of property owners seeking to sell. Furthermore, acquisitions involve a number of risks and challenges, including difficulty in assuming recoverable reserves, future production rates, operating costs, infrastructure requirements, environmental and other liabilities, and other factors beyond the Fund's control. As a result, the Fund may not recover its investment in a property from the sale of production from the property or may not recognize an acceptable return from investments it makes. Any of these factors could adversely affect the Fund's ability to achieve anticipated levels of cash flows from its investments or realize other anticipated benefits of investments.

Production. Properties that the Fund acquires or develops may not produce as anticipated and the Fund may be unable to determine reserve potential, identify liabilities associated with the properties or obtain protection from sellers against such liabilities, which could adversely affect our cash available for distribution. The Fund's property acquisitions will require an assessment of recoverable reserves, title, future oil, natural gas and natural gas liquids prices, development and operating costs, potential environmental hazards, potential tax liabilities, and other liabilities and similar factors. The Fund expects that the review efforts will be focused on the higher valued properties in its acquisitions and will be inherently incomplete because it generally is not feasible to review in depth every individual property involved in each acquisition. Even a detailed review of records and properties may not necessarily reveal existing or potential problems, nor will it permit a buyer to become sufficiently familiar with the properties to assess fully their deficiencies and potential. Inspections may not always be performed on every well, and potential problems, such as ground water contamination and other environmental conditions and deficiencies in the mechanical integrity of equipment are not necessarily observable even when an inspection is undertaken. Any unidentified problems could result in material liabilities and costs that negatively impact our financial conditions and results of operations and our ability to make cash distributions to holders of its Interests and service its debt obligations.

Additional potential risks related to acquisitions of oil and gas properties include, among other things:

- incorrect assumptions regarding the future prices of oil, natural gas and other hydrocarbons or the future operating or development costs of properties acquired;
- incorrect estimates of the reserves and projected development results attributable to a property we acquire;
- drilling, completion, operating and other cost overruns;
- an inability to integrate successfully the properties we acquire;
- the assumption of liabilities;
- limitations on rights to indemnity from the seller; and
- the diversion of management's attention to other business concerns.

Property Values. The value of an oil and gas property to a potential purchaser may not increase over time, which may restrict the ability to sell a property, or if the Fund is able to sell such property, may lead to a sale price less than the price paid to purchase the property. The Fund may be unable to adjust the portfolio of oil and gas properties in response to changes in economic or other conditions or sell a property if or when the Fund decides to do so, limiting the ability to pay cash distributions to the investors. Many factors that are beyond the Fund's control affect the oil and gas market and could affect the ability to sell properties for the price, on the terms or within the time frame desired. These factors include general economic conditions, the availability of financing, interest rates and other factors, including supply and demand. Because oil and gas investments are relatively illiquid, the Fund has a limited ability to vary the portfolio in response to changes in economic or other conditions. The Fund may be unable to sell properties at a profit. The inability to sell properties at the time and on the terms desired could reduce cash flow and limit the ability to make distributions to investors and could reduce the value of the investor's investments. Moreover, in acquiring a property, the Fund may agree to restrictions that inhibit the resale of that property or impose other restrictions. The Fund cannot predict the length of time needed to find a willing purchaser and to close the sale of a property. The inability to sell a property when desired to do so may cause the Fund to reduce the selling price for the property. Any delay in the receipt of proceeds, or diminishment of proceeds, from the sale of a property could adversely impact the ability to pay distributions to investors.

Hedging. The Fund may seek to reduce exposure to the volatility of oil and gas prices by actively hedging a portion of production. Certain types of hedging contracts could prevent the Fund from receiving the full advantage of increases in oil or gas prices above the fixed amount specified in the hedge agreement.

Unavailability of Equipment or Personnel. The energy industry is cyclical and, from time to time, there is a shortage of drilling rigs, equipment, supplies, or qualified personnel. During these periods, the costs and delivery times of rigs, equipment and supplies are substantially greater. In addition, demand for, and wage rates of, qualified drilling rig crews rise with increases in the number of active rigs in service. If the unavailability or high cost of drilling rigs, equipment, supplies, or qualified personnel were particularly severe, the Fund's business could be materially and adversely affected.

Competition. The oil and natural gas industry is intensely competitive, and the Fund competes with other companies that have greater resources. The Fund's ability to acquire oil and gas properties in the future will depend on the ability to evaluate and select suitable properties and to consummate transactions in a highly competitive environment. Many larger competitors not only acquire properties and drill for and produce oil, natural gas and natural gas liquids, they also carry on refining operations and market petroleum and other products on a regional, national or worldwide basis. These companies may be able to pay more for oil and natural gas properties and evaluate, bid for and purchase a greater number of properties than the Fund's financial or human resources permit. Competition has been strong in hiring experienced personnel, particularly in the technical, accounting and financial reporting, tax and land departments. In addition, competition is strong for attractive oil and natural gas properties. The Fund may be often outbid by competitors in attempts to acquire properties. The inability to compete effectively with larger companies could have a material adverse impact on business activities, financial condition and results of operations.

Terrorist Activities. U.S. activities in Iraq and recent terrorist attacks of unprecedented scope have caused instability in the world financial markets and may generate global economic instability. The

continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices for oil and gas and could affect the Fund's financial results. Further, the U.S. government has issued public warnings indicating that energy assets might be specific targets of terrorist organizations. As a result of such a terrorist attack or of terrorist activities in general, the Fund may not be able to obtain insurance coverage and other endorsements at commercially reasonable prices or at all.

Natural Disasters. Hurricane activity, other natural disasters or other hazards affecting areas in which the Principals plan to acquire properties could have a material adverse effect on the Fund. There can be no assurance that these areas will fully recover or that properties acquired by the Fund in the future will not be severely impacted by future storms. Those properties may not be fully insured against all such environmental risks. If any of the Fund's properties incur a casualty loss that is not fully insured, the value of assets will be reduced by any such uninsured loss, which may reduce the value of investors' investments. In addition, other than any working capital reserve or other reserves the Fund may establish or borrow. The Fund has no source of funding to repair or reconstruct any uninsured property. Also, to the extent the Fund must pay unexpectedly large amounts for insurance, the Fund could suffer reduced earnings that would result in lower distributions to investors.

Joint Ventures. The Fund may enter into joint ventures, partnerships and other co-ownership arrangements for the purpose of making investments in oil and gas properties. In that event, the Fund may not be in a position to exercise sole decision-making authority regarding the operations of the joint venture. Investments in joint ventures may, under certain circumstances, involve risks not present were a third party not involved, including the possibility that partners or co-venturers might become bankrupt or fail to fund their required capital contributions. Co-venturers may have economic or other business interests or goals that are inconsistent with business interests or goals and may be in a position to take actions contrary to the Fund's policies or objectives. Such investments may subject the Fund to the potential risk of impasses on decisions, such as a sale, because neither the Fund nor the co-venturer may have full control over the joint venture.

Regulatory Risks

Energy Regulatory Risks. The energy industry is subject to comprehensive federal, state and local laws and regulations. Present, as well as future, statutes and regulations could cause additional expenditures, restrictions and delays that could materially and adversely affect the Fund and its investments. The Fund could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements. Moreover, additional regulatory approvals, including without limitation, renewals, extensions, transfers, assignments, reissuances or similar actions, may become applicable in the future due to a change in laws and regulations, a change in the companies' customers or for other reasons. There can be no assurance that the Fund or a given investment by the Fund will be able to (i) obtain all required regulatory approvals that it does not currently have or that it may be required to have in the future; (ii) obtain any necessary modifications to existing regulatory approvals; or (iii) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of a facility or sales to or from third parties or could result in additional costs to the Fund.

Environmental Liabilities. The oil and gas business is subject to environmental hazards, such as oil spills, gas leaks and ruptures and discharges of petroleum products and hazardous substances, and historic disposal activities. These environmental hazards could expose the Fund to material liabilities for property damages, personal injuries or other environmental harm, including costs of investigating and remediating contaminated properties. In addition, the Fund also may be liable for environmental damages caused by the previous owners or operators of properties it purchases. A variety of stringent Federal, state, and local laws and regulations govern the environmental aspects of the oil and gas business. Any noncompliance with these laws and regulations could subject the Fund to material administrative, civil or criminal penalties, or other liabilities, including the assessment of monetary penalties, the imposition of remedial requirements, and the issuance of orders enjoining future operations. Additionally, compliance with these laws may, from time to time, result in increased costs of operations or decreased production, and may affect acquisition costs. There can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on the Fund or potential investments.

Permits and Approvals. The Fund exploration, production and transportation operations will be subject to complex and stringent laws and regulations. In order to conduct operations in compliance with these laws and regulations, the Fund must obtain and maintain numerous permits, approvals and certificates from various federal, state and local governmental authorities. Failure or delay in obtaining and maintaining regulatory approvals or drilling permits could have a material adverse effect on the ability to develop properties, and receipt of drilling permits with onerous conditions could increase compliance costs. In addition, regulations regarding resource conservation practices and the protection of correlative rights may affect operations by limiting the quantity of oil, natural gas and natural gas liquids the Fund may produce and sell.

Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the adviser or the integrity of adviser's management.

There are no legal or disciplinary events that are material to an evaluation of the Adviser's advisory services or the integrity of management.

Item 10. Other Financial Industry Activities and Affiliations

Related General Partners

Limited liability companies and limited partnerships serve as General Partner of the Funds. For a description of material conflicts of interest created by the relationship among the Adviser and the General Partner, as well as a description of how such conflicts are addressed, please see Item 11 below.

The General Partner and its affiliates have the ability to engage in future activities involving the energy industry including financial advisory activities and investment activities that are independent from, and have the ability to conflict with, that of the Fund. There will likely arise instances where the interests of the General Partner and its affiliates conflict with the interest of the Fund and its investors.

Additional conflicts of interest will likely arise because employees of the Adviser and its affiliates currently do and will likely in the future serve on the boards of directors of portfolio companies (“Directors”). As a result, such employees of the Adviser will be subject to fiduciary obligations to make decisions that they believe to be in the best interests of the portfolio company. Although in most cases the interests of the Funds and their portfolio companies will be aligned, this will not always be the case, particularly if a portfolio company is in financial difficulty. This will likely result in a conflict between the relevant Director’s obligations to the portfolio company and its various stakeholders, on the one hand, and the interests of the Funds, on the other hand. In some circumstances, having a representative of the Adviser serve as a Director of a Fund’s portfolio company will likely restrict the ability of the Fund to invest directly in an investment opportunity that also constitutes an investment opportunity for such portfolio company.

From time to time, various potential and actual conflicts of interest have the ability to arise from the overall advisory, investment and other activities of the Adviser, its affiliates, and their personnel. Please see Item 11 below for a discussion of the Code of Ethics the Adviser has implemented to address any conflicts of interest that will likely arise with overall advisory, investment and other activities of the Adviser, its affiliates, and their personnel.

Conflicts related to the SPAC Investment. The investment in the SPAC involves many conflicts of interest due to the relationship between the SPAC and the principals and affiliates of the Adviser and General Partner. Affiliates and certain principals of the Adviser and the General Partner structured, sponsored, organized, financed and incubated the SPAC and the SPAC’s related entities and transactions. Fund I is an investor in the Sponsor of the SPAC and will benefit in different ways from the SPAC than Fund II. Fund II’s potential investment in the SPAC will be important to be able to complete a Business Combination and avoid liquidation of the SPAC and related transactions and is therefore not a disinterested recommendation as an investment for the Fund.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

For the purposes of this Item 11, references to the “Fund” or “Funds” shall include any successor investment Fund that will be established by the Adviser, the General Partners or affiliates of the Adviser or the General Partners.

HighPeak has adopted a Code of Ethics (the “Code”) that sets forth standards of conduct that are expected of HighPeak’s principals and employees and addresses conflicts that will likely arise from personal trading and outside business activities. The Code subjects each principal and employee to appropriate restrictions on activities and investments, and provides information on certain prohibited transactions, HighPeak’s internal review and compliance procedures, including quarterly and annual reporting requirements, and well-defined rules of business conduct, all intended to prevent or detect potential conflicts of interest. The Code also includes policies and procedures to prevent the misuse of material non-public information in HighPeak’s possession. Strict compliance with the Code and applicable securities laws is a condition of employment with HighPeak, and each principal and employee are obligated to individually read and retain a copy of the Code, as well as certify that he or she has read and understands the Code. HighPeak reviews compliance with the Code on an ongoing basis, and employees will be subject to disciplinary actions as severe as dismissal for certain infractions.

HighPeak and its affiliates will likely come into possession from time to time of material nonpublic or other confidential information. Under applicable law, HighPeak and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, including the Funds. Accordingly, should HighPeak or any of its affiliates come into possession of material nonpublic or other confidential information with respect to any public company, they would be prohibited from communicating such information to the Funds.

HighPeak’s Principals are partners of the Funds. Therefore, the Adviser has the ability to be deemed to recommend to Clients, or buy or sell for Clients, investments in which the Adviser has a material financial interest.

The Principals have made capital commitments to the Funds. Such amounts will likely be invested pro rata with the partners of the Funds in all Fund portfolio investments. In the view of the Principal, this aligns the interests of the Principal with the Funds and its investors and does not result in any conflicts of interest between the Adviser and the Funds.

All employees who are access persons (as defined by the Investment Advisers Act of 1940, as amended) (the “Advisers Act”) are required to submit an initial, and thereafter, annual, holdings report, as well as quarterly transaction reports or equivalent brokerage statements, detailing the securities held, purchased or sold during the relevant period, except as otherwise exempted by the Advisers Act. In addition, all employees must pre-clear securities trades in an initial public offering or private placement, to ensure that potential conflicts of interest are adequately identified and addressed in a timely manner, and in securities maintained on HighPeak’s restricted list, which consists of securities of companies that HighPeak has determined its employees should not be trading, generally because HighPeak will likely be in possession of material non-public information relating to such company. The trading restrictions of the Code do not apply to (i) purchases or sales in any discretionary managed account over which an employee has no direct or indirect influence or

control, or ability to direct any investment decision, (ii) purchases that are part of any automatic dividend reinvestment plan or direct investment program, and (iii) purchases effected upon the exercise of rights issued by an issuer pro-rata to all holders of a class of securities to the extent such rights were acquired from such issuer, sales of such rights.

The Code also includes, among other things, requirements that all employees (i) conform their business conduct to applicable state and federal laws and regulations, and (ii) obtain pre-approval of any outside business activities that involve a time commitment that could reasonably be expected to have an adverse effect on the employee's work at HighPeak or conflict with the limited partnership agreement of any Funds or provide for material compensation to the employee.

HighPeak has also adopted a compliance program, which includes, among other things, a records retention and communication policy, an information security program intended to protect the confidentiality of the information retained by HighPeak and policies designed to ensure compliance with applicable laws and regulations.

The foregoing policies are designed to comply with SEC requirements that registered investment advisers have a Code of Ethics. HighPeak's Code of Ethics is available for review upon request. You may request a copy of the Code by contacting our Chief Compliance Officer, Daniel Silver at (817) 850-9200 or dsilver@highpeakenergy.com.

Item 12. Brokerage Practices

As the Fund invests primarily in private equity, the Adviser anticipates that investments in publicly traded securities will be infrequent occurrences (e.g., money market instruments pending investment in a portfolio company, securities held as a result of initial public offerings of portfolio companies, going-private transactions, etc.). However, to meet its fiduciary duties to the Fund, the Adviser would adopt written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities, as follows:

If the Adviser sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by HighPeak. In such event, the Adviser will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Adviser will likely consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

The Adviser has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although the Adviser generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. Transactions will likely involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Adviser seeking to obtain best execution, brokerage commissions on client transactions will be directed to brokers in recognition of research furnished by them, although the Adviser generally does not make use of such services at the current time and has not made use of such services since its inception. Such research services could include economic research, market strategy research, industry research, company research, fixed income data service, computer-based quotation equipment and research services and portfolio performance analysis. As a general matter, research provided by these brokers would be used to service all of the Adviser’ Funds. However, each and every research service will not be used for the benefit of each and every Fund managed over time by the Adviser, and brokerage commissions paid by one Fund will likely apply towards payment for research services that might not be used in the service of such Fund. Research services will likely be shared between the Adviser and its affiliates.

The Adviser currently does not engage in soft dollar transactions but has the ability to engage in soft dollar transactions in the future.

The Adviser does not anticipate engaging in significant public securities transactions; however, to the extent that the Adviser engages in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, the Adviser is also able purchase or sell the same securities or instruments for several Funds simultaneously. From time

to time, the Adviser is able to, but is not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders will likely be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of The Adviser is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they will likely have the effect of increasing brokerage commissions or other costs.

In the Adviser’s private company securities transactions on behalf of the Funds, the Adviser has the ability to retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In determining to retain such parties, the Adviser will likely consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although the Adviser generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds will likely not pay the lowest commission or fee for such services.

Item 13. Review of Accounts

Oversight and Monitoring

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors companies in which the Funds invest, and the Adviser's Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

Reporting

Annually, the Fund will furnish audited financial statements to all Limited Partners and tax information necessary for the completion of U.S. income tax returns.

Item 14. Client Referrals and Other Compensation

The Adviser does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the Fund.

Any directors', transaction, break-up, advisory or other fees, net of expenses, received by the General Partner will inure to the benefit of the Fund.

Investors in each Fund are advised to review the relevant Fund's offering materials for more extensive descriptions of the risks of investing in the Fund and the required procedures for resolving conflicts of interests and management fee offsets.

Item 15. Custody

The Adviser is deemed, under Rule 206(4)-2 of the Advisers Act, to have custody of the assets of the Fund by virtue of the common control of the Adviser and the General Partner of the Fund. All assets and securities of the Fund are held by qualified custodians in accordance with Rule 206(4)-2. As noted in Item 13 above, Fund investors receive annual financial statements audited by an independent public accounting firm. Fund investors are urged to carefully review these statements.

Item 16. Investment Discretion

Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner of each Fund, and not individually to the investors in the Fund. Services are provided to the Fund in accordance with the Governing Documents of the applicable Fund. Investment restrictions for the Fund, if any, are generally established in the Governing Documents of the applicable Fund.

Item 17. Voting Client Securities

The Adviser does not currently vote its Clients' securities.

In the future event that the Adviser may vote its Clients' securities, the general partners of the Fund(s) may have conflicts of interest where they have a substantial business relationship with the portfolio company and the failure to vote in favor of company management could harm the relationship of the general partners of the Fund(s) with management. Conflicts may also arise in the event a senior executive of a portfolio company and principal of the Adviser have a significant personal relationship that could affect how the adviser would vote on a matter relating to the portfolio company.

Should the Adviser decide to vote its Clients' securities at a future date, the Adviser will adopt and implement policies and procedures which it believes are reasonably designed to ensure that it votes proxies in the best interests of its respective Funds. In the event that a material conflict of interest is identified, the Chief Compliance Officer or designee will take such steps as he or she deems necessary in order to determine how to vote the proxy in the best interests of the Funds, including, but not limited to, consulting with the legal department, outside counsel, a proxy consultant or the investment professionals responsible for the relevant portfolio company. In each instance, when exercising their voting discretion, the general partners of the Funds will seek to avoid any direct or indirect conflict of interest between their respective Funds and their voting decision.

You may contact our office at (817) 850-9200 for any questions about a particular solicitation.

Item 18. Financial Information

The Adviser does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.