

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See Attached Statement.

Blank lines for listing Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ See Attached Statement.

Blank lines for providing information regarding resulting loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attached Statement.

Blank lines for providing other information necessary for the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ Steven Tholen Date ▶ October 5, 2020

Print your name ▶ Steven Tholen Title ▶ Chief Financial Officer

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶	Firm's EIN ▶		Phone no.	
Firm's address ▶				

HighPeak Energy Acquisition Corp.
(formerly known as Pure Acquisition Corp.)

EIN: 82-3434680

Attachment to Form 8937—Part I

CUSIP Numbers

74621Q 106

74621Q 114

74621Q 205

Attachment to Form 8937—Part II

Line 14

On August 21, 2020, Pure Acquisition Corp., a Delaware corporation now known as HighPeak Energy Acquisition Corp. (“**Pure**”), consummated a business combination pursuant to which, among other things, (a) Pure Acquisition Merger Sub, Inc., a Delaware corporation (“**MergerSub**”), formed as a wholly owned subsidiary of HighPeak Energy, Inc., a Delaware corporation (“**HighPeak Energy**”), for the purpose of effecting the business combination, merged with and into Pure, with Pure surviving as a wholly owned subsidiary of HighPeak Energy (the “**Parent Merger**”), and (b) each outstanding share of Pure’s Class A common stock and Pure’s Class B common stock (“**Pure Common Stock**”), other than certain shares of Pure Class B common stock that were surrendered for cancellation, were converted into the right to receive (A) one share of HighPeak Energy common stock (and cash in lieu of fractional shares), and (B) solely with respect to each outstanding share of Pure’s Class A common stock, (i) a cash amount, without interest, equal to \$0.62 per share (the “**Cash Consideration**”), (ii) one contractual contingent value right (“**CVR**”) for each one whole share of HighPeak Energy common stock (excluding fractional shares) issued to holders of Pure’s Class A common stock pursuant to clause (A), and (iii) one warrant to purchase HighPeak Energy common stock for each one whole share of HighPeak Energy common stock (excluding fractional shares) issued to holders of Pure’s Class A Common Stock pursuant to clause (A) (“**HighPeak Energy warrants**”).

Each outstanding warrant to purchase shares of Pure Class A common stock (“**Pure warrants**”) were assumed by HighPeak Energy and became exercisable for shares of HighPeak Energy common stock pursuant to the terms of the warrant agreement.

For a further description of the CVRs and HighPeak Energy warrants and the other transactions that were part of the business combination, please see HighPeak Energy’s Combined Registration Statement on Form S-4 and Form S-1, declared effective by the Securities Exchange Commission on August 7, 2020 (File No. 333-235313) (as supplemented, the “**Registration Statement**”), which is available on HighPeak Energy’s website at <https://www.highpeakenergy.com/sec-filings/>.

Line 15

For purposes of this Form 8937, the term “U.S. Holder” has the meaning assigned to it in HighPeak Energy’s Registration Statement, which is available on HighPeak Energy’s website at <https://www.highpeakenergy.com/sec-filings/>.

Subject to the discussion below with respect to Pure warrants, the exchange by U.S. Holders of Pure Class A common stock for HighPeak Energy common stock, HighPeak Energy warrants, CVRs and the Cash Consideration pursuant to the Parent Merger, in combination with certain other transactions contemplated by the business combination, is expected to qualify as a tax-deferred transaction pursuant to Section 351 of the Internal Revenue Code of 1986, as amended (the “Code”). **Pure Class B Common Stock**

The aggregate tax basis of the HighPeak Energy common stock received by a U.S. Holder of Pure Class B common stock in the Parent Merger should be the same as the aggregate tax basis of the Pure Class B common stock for which it is exchanged.

Pure Class A Common Stock

The aggregate tax basis of the HighPeak Energy common stock received by a U.S. Holder of Pure Class A common stock in the Parent Merger should be equal to the aggregate adjusted tax basis of the Pure Class A common stock surrendered by the U.S. Holder in exchange therefor (i) decreased by the amount of consideration received by the U.S. Holder that is treated as boot (i.e., the aggregate Cash Consideration and fair market value of the HighPeak Energy warrants) and (ii) increased by the amount of gain recognized by the U.S. Holder in the Parent Merger (as discussed further below). Each U.S. Holder must allocate the adjusted tax basis of its shares of HighPeak Energy Common Stock (as increased and decreased as described in the immediately preceding sentence) across the total number of HighPeak Energy common stock received in the Parent Merger. It is possible that the U.S. Holder will not have any tax basis in the CVRs. Each U.S. Holder should have an adjusted tax basis in the HighPeak Energy warrants received in the Parent Merger equal to the fair market value of the HighPeak Energy warrants as of August 21, 2020.

Until the CVRs are settled, the adjusted tax basis of the HighPeak Energy common stock received in the Parent Merger should be determined as if the maximum number of shares of HighPeak Energy common stock will be issued under the CVRs. An adjustment to the basis of the shares of the HighPeak Energy common stock received pursuant to the Parent Merger should be made once it becomes known how many shares of HighPeak Energy common stock (if any) the holders of the CVRs are entitled to receive. It is unclear how that adjustment should be made, particularly if a U.S. Holder no longer retains all of the shares of HighPeak Energy common stock received by them in the Parent Merger. The IRS has not issued guidance on how a U.S. Holder should make this adjustment.

Subject to the discussion under the heading “U.S. Federal Income Tax Considerations—U.S. Federal Income Tax Considerations to U.S. Holders—Tax Consequences of the Parent Merger” in the Registration Statement, for purposes of the above determination of the tax basis of the HighPeak Energy common stock received in the Parent Merger, the Company intends to treat (i) the Cash Consideration and the fair market value of the HighPeak Energy warrants received in exchange for Pure Class A common stock as taxable boot received in the Parent Merger and (ii) the CVRs as the receipt of the right to receive additional shares of HighPeak Energy common

stock pursuant to the Parent Merger which right is not required to be treated as taxable boot. Therefore, for purposes of this Form 8937, it is assumed that the Cash Consideration and the HighPeak Energy warrants are treated as taxable boot received in the Parent Merger, and the CVRs are not required to be treated as taxable boot. Further discussion of alternative characterizations that may apply can be found under the section of the Registration Statement referenced above.

As a result, U.S. Holders of Pure Class A common stock who exchange such stock for the Cash Consideration and HighPeak Energy warrants in addition to HighPeak Energy common stock and CVRs in the Parent Merger generally recognize gain for U.S. federal income tax purposes as a result of the exchange of their Pure Class A common stock for HighPeak Energy common stock, HighPeak Energy warrants, CVRs and the Cash Consideration equal to the lesser of (i) the amount of boot received (i.e., the amount of Cash Consideration and the fair market value of the HighPeak Energy warrants received in the exchange) or (ii) the gain realized by such holder in the Parent Merger. For purposes of determining the amount in clause (ii) of the preceding sentence, the gain realized by a U.S. Holder in the Parent Merger is equal to the fair market value of the HighPeak Energy common stock, HighPeak Energy warrants and CVRs plus the amount of Cash Consideration received in exchange for the Pure Class A common stock over the U.S. Holder's tax basis of Pure Class A common stock surrendered in the exchange.

Pure Warrants

The appropriate U.S. federal income tax treatment of the Pure warrants that became exercisable for shares of HighPeak Energy common stock in connection with the Parent Merger is uncertain. The tax basis of such warrants depend on the characterization of the transaction. For a discussion of the various characterizations, please see the discussion under the heading "U.S. Federal Income Tax Considerations—U.S. Federal Income Tax Considerations to U.S. Holders—Tax Consequences of the Parent Merger" in the Registration Statement

Further discussion of the material U.S. federal income tax consequences of the Parent Merger and other transactions of the business combination can be found under the heading "U.S. Federal Income Tax Considerations" in the Registration Statement. Each U.S. Holder participating in the Parent Merger should consult with its own tax advisor regarding the treatment of the Parent Merger and related business combination (including, but not limited to, the computation of gain and tax basis).

Line 16

For purposes of calculating the basis of HighPeak Energy common stock received in the Parent Merger, the gain (if any) recognized should be determined by reference to the fair market value of the HighPeak Energy common stock, CVRs, HighPeak Energy warrants and the amount of Cash Consideration. Although the U.S. federal income tax laws do not specify how to determine fair market value, one approach is to utilize the average of the highest and lowest trading price of HighPeak Energy common stock and HighPeak Energy warrants on the Nasdaq Global Market on the date of the Parent Merger. Because the Parent Merger occurred on August 21, 2020 after the Nasdaq Global Market was closed, the first day of trading for the HighPeak Energy common stock and the HighPeak Energy warrant was August 24, 2020. Using the aforementioned approach by

reference to August 24, 2020, the fair market value of each share of HighPeak Energy common stock (under the ticker symbol “HPK”) received in the Parent Merger was \$7.90 per share and the fair market value of each HighPeak Energy warrant (under the ticker symbol “HPKEW”) received in the Parent Merger was \$0.79 per warrant.

Line 17

Sections 351(a), 351(b), 358(a), 358(b), and 1001.

Line 18

Generally, no loss may be recognized pursuant the Parent Merger, except (i) that a former U.S. Holder of Pure Common Stock may recognize loss with respect to any cash received in lieu of a fractional share of HighPeak Energy common stock, and (i) as discussed above, it is possible that a U.S. Holder of Pure warrants could be treated as exchanging Pure warrants for “new” warrants exercisable for stock of HighPeak Energy, in which case a U.S. Holder could be required to recognize gain or loss in such deemed exchange in an amount equal to the difference between the fair market value of the warrants to acquire stock of HighPeak Energy received by it in the Parent Merger in exchange for the Pure warrants and the adjusted tax basis of the Pure warrants held by it immediately prior to the Parent Merger.

Line 19

The stock basis adjustments are taken into account in the taxable year of the U.S. Holder during which the Parent Merger occurred (e.g., 2020 for calendar year taxpayers).