



HIGH ARCTIC ENERGY SERVICES

the trusted provider of energy services

May 2023 Investor Presentation

TSX : HWO

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PRESENTATION OUTLINE

High Arctic Overview

Our Quality Difference

Geographic Markets | Service Capability

Papua New Guinea (“PNG”)

Drivers of future work

Differentiation

Canada

Current offerings

Team Snubbing Partnership

2023 Strategic Objectives

Quarterly Financial Results Summary

Corporate Profile

Return of Capital & Reorganization

“I am excited that the Board intends to reorganize the Corporation, starting with a tax efficient return of cash to shareholders. The proposed spin-off of the Papua New Guinean business will allow senior management to concentrate where we have had the most success in the past. The remaining publicly listed company with Canadian assets and tax pools creates an attractive vehicle for future growth and transactions.”

Our PNG business has been consistently undervalued by the public market, and we believe that the current market conditions make it appropriate to take steps to unlock value.

I believe our customers and employees in both PNG and Canada will appreciate and benefit from a locally managed business.”

- Mike Maguire CEO

HIGH ARCTIC OVERVIEW

High Arctic Energy Services has two distinct geographic businesses



PAPUA NEW GUINEA (PNG) **LNG Sector**

Drilling Services

Dominant market position, long term contracts

Provide services to super majors and large regional energy companies

16 Years of experience in PNG, in all producing and prospective areas

CANADA **Oil + Natural Gas Sector**

Well established brands in a highly active market

Multinational and large Canadian Investment grade customers

Well positioned in the Western Canadian sedimentary basin





VISION

with a relentless focus on quality, be recognized as a trusted provider of energy services

MISSION

providing services that unlock sustainable, reliable and affordable energy in demanding locations

VALUES

People

we care for our people

Community

we respect the people, cultures and places where we work

Trust

we do what we say

Challenge

we seek bespoke and innovative solutions

Customers

we use our expertise to meet our customers objectives



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RELENTLESS FOCUS ON QUALITY

- Winner of IADC–AC Safety Statistics Award
2015, 2017, 2018, 2019
- 6 Years Recordable Incident Free operations
- 3 Million Recordable Incident Free Work Hours

PNG

- Nitrogen - 6 Years Recordable Incident Free
- HAES Rental Services - LTI Free since 2016

CANADA





One of the world's great emerging markets

- Part of the British Commonwealth with a parliamentary democracy
- Natural Resources is primary GDP contributor
- Low-cost reliable source of LNG to Asian markets
- Positioned on the *Ring-of-fire* - untapped geothermal energy source

Frontier environment requires specialists

- Remote mountainous tropical jungle locations
- No road and communications infrastructure
- Culturally diverse – home to over 10% of the world's languages
- Ongoing community engagement essential

Our Customers

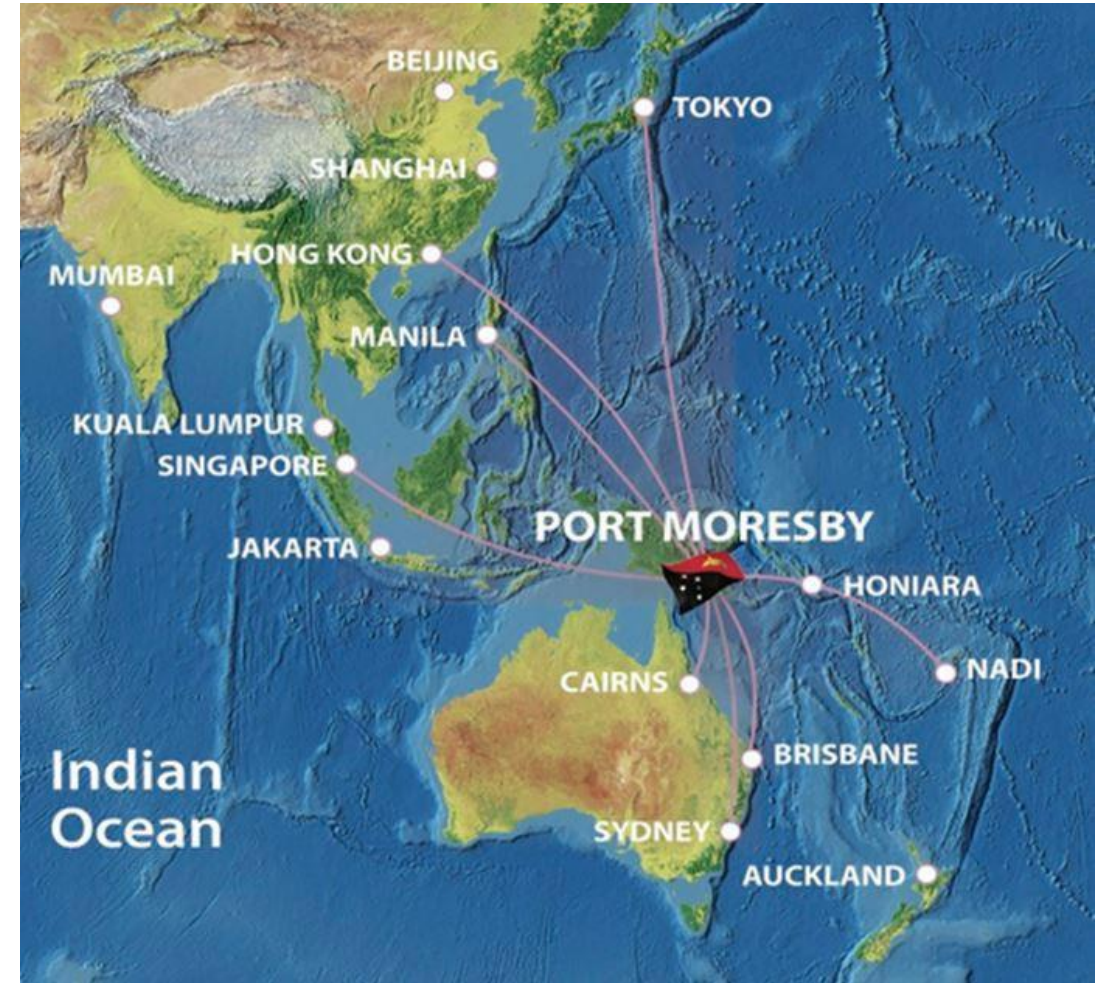


LNG - PNG'S LEADING EXPORT



PNG LNG

- De-risked PNG for major capital projects
- ExxonMobil is the operator, Santos is largest stakeholder
- Completed 2014
- 9.0 tcf of natural gas
- 1.0 bcf/d Capacity – 2 trains
- P'nyang gas development agreement signed 2022
 - additional LNG train with 3rd party access



bbl = US barrel; bcf = billion cubic feet; tcf = trillion cubic feet.

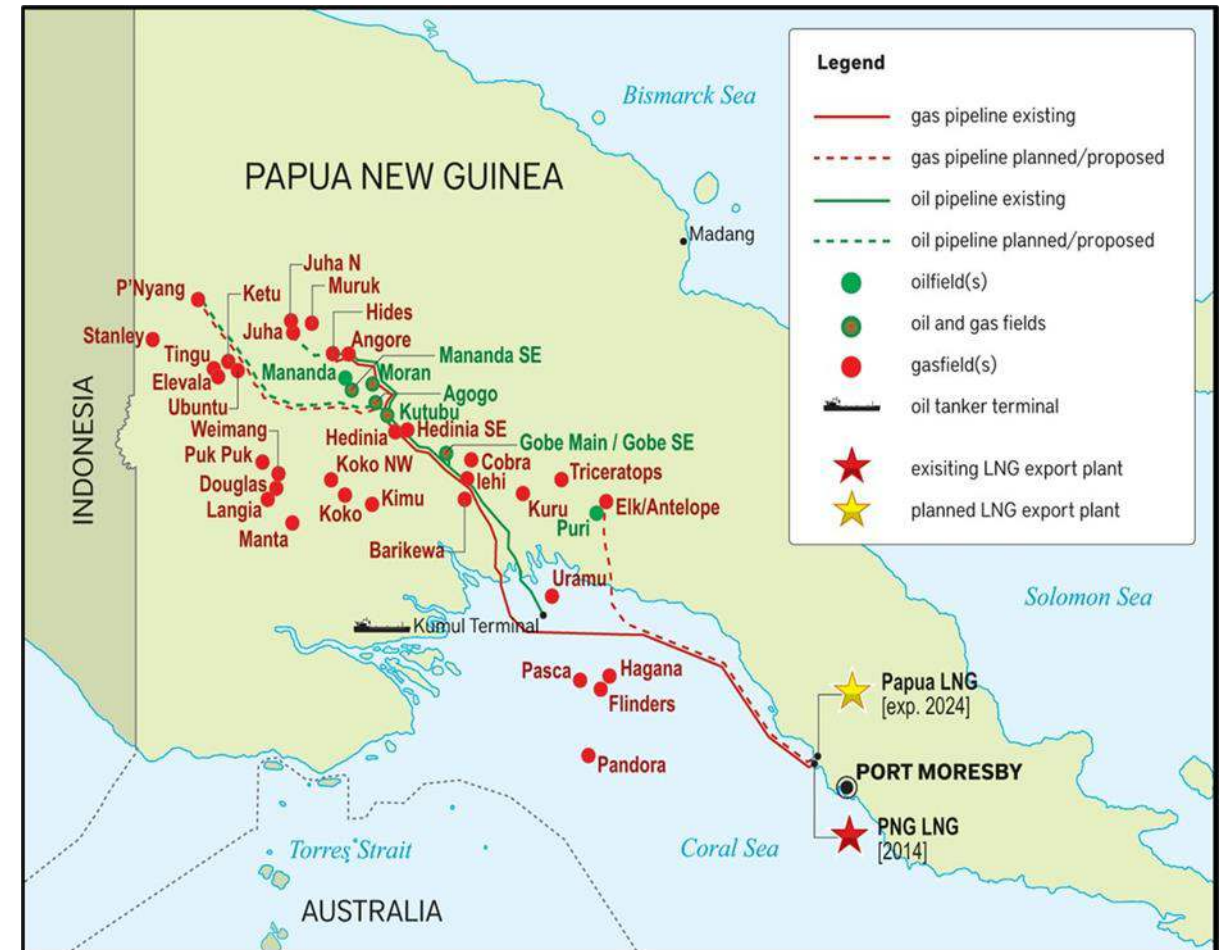
LNG - PNG'S LEADING EXPORT

Papua LNG Project

- Ownership: TotalEnergies (operator), ExxonMobil and Santos
- Elk-Antelope fields
- 4 train LNG plant under FEED
- FID expected late 2023, targeting first gas export in 2027
- Significant surrounding unexplored acreage

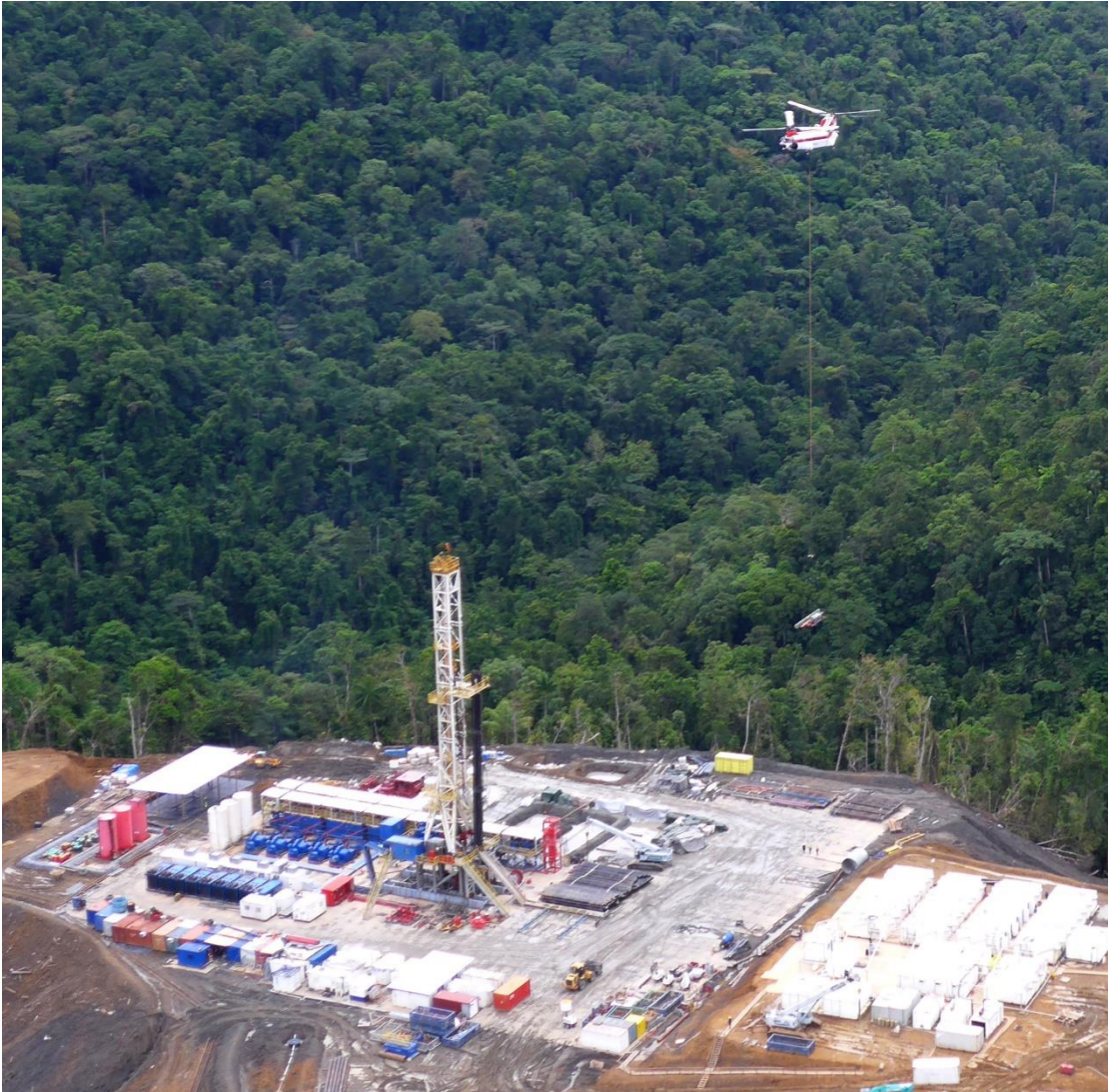
Western Corridor

- Significant number of gas discoveries with potential to aggregate
- Kumul Petroleum examining aggregation for further LNG expansion



bbl = US barrel; bcf = billion cubic feet; tcf = trillion cubic feet.

HIGH ARCTIC'S WORLD CLASS OPERATION



High Arctic Rigs

- Rig 115 and Rig 116
 - Tier – 1, 1500 HP, 750,000 lbs hookload
 - Highly versatile – road, light helicopter, heavy helicopter
 - Ideal exploration and appraisal workhorses
- Rig 102 - 340,000 lbs midsize hydraulic workover unit

Customer Rigs

- Rig 103
 - Tier – 1, 1500 HP, 750,000 lbs hookload
 - Road and heavy helicopter only
 - Proven efficient appraisal and development rigs

“Leapfrog” rig designs substantially improve time between completion of drilling activity and start of the next well.



Rentals

- Cranes, trucks, Forklifts and other material handling equipment
- River pumps, generators, lighting towers and assorted oilfield equipment

Worksite Matting

- Inventory exceeding 5,000 rental mats

Manpower Solutions

- Labor hire, skilled and unskilled personnel
- Training & development
- Competency assessment

Camps

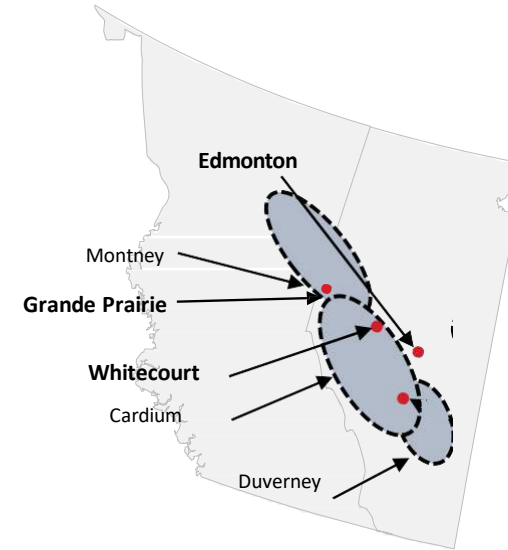
- Own and manage two 103 bed Heli-portable camps
- Operate and manage two 93 bed + two 34 bed Heli- portable camps
- Smaller “Pioneer” – first deployment camps

OUR BUSINESS IN CANADA



HAES Rental Services

- Leading provider of pressure control equipment
- Customers include contractors and energy companies
- Platform for Canadian growth



Nitrogen Supply and Pumping Services

- Modern fleet of energy efficient mobile pumpers
- Constructed for safe pumping at the well site

Equipment	Total
Nitrogen Pumpers	5
Nitrogen Bulklers	2
Blow Out Preventors	66
Accumulators	2
Lighting Towers	40
General Rental Equipment	820








We choose partners who share our values
and bring market differentiation

Team Snubbing Services Inc.

- Largest fleet of snubbing equipment in Canada
- Opportunities to expand internationally
 - Examining growth prospects in the USA and elsewhere
- Management invested in ownership
- High Arctic owns 42%, and holds 2 seats on 5-person board



2023 STRATEGIC OBJECTIVES

-  Safety excellence and quality service delivery
-  Return idled assets to service in PNG
-  Scaling our Canadian business
-  Opportunities for growth and corporate transactions that enhance shareholder value
-  Examination of the Corporation's optimal capital structure and dividend policy



FINANCIAL SUMMARY



	<u>2023</u>	<u>2022</u>	<u>2021</u>
<i>\$ millions</i> <i>(except per share amounts)</i>	3 Months to Mar 31	12 Months to Dec 31	12 Months to Dec 31
Consolidated Revenue	9.5	80.0	76.4
Canada	1.4	41.1	61.6
PNG	8.1	38.9	14.8
Adjusted EBITDA ⁽¹⁾	1.0	5.7	4.9
Adjusted EBITDA ⁽¹⁾ as % revenue	10%	7%	6%
Net loss per share ⁽²⁾	(0.01)	(0.75)	(0.38)
Adjusted net loss per share ⁽²⁾⁽⁴⁾	(0.01)	(0.31)	(0.38)
Funds flow from operations per share ⁽²⁾	0.03	(0.06)	0.08
Dividends per share ⁽³⁾	0.015	0.045	0.20
Long-term debt ⁽⁵⁾	4.2	4.2	8.1

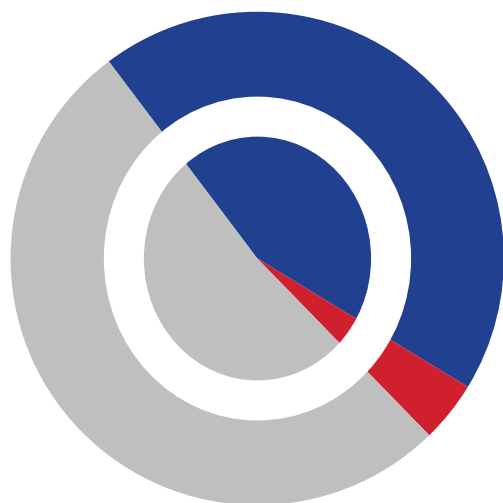
1. See Non IFRS Measures on the disclaimer slide
2. Basic and diluted shares outstanding
3. Dividends were reinstated starting May 2022


4. 2022 adjusted for write down of deferred tax asset (\$7.7m), impairment (\$9.6m), and inventory adjustment (\$3.9m).
5. Includes current portion of long-term debt

CORPORATE PROFILE


TSX : HWO

Shareholder Composition




FBC Holdings
S.A.R.L.
45%


Insiders
5%


Public
50%

Shares Outstanding (May 11, 2023):	48.7 million
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Share Price (May 11, 2023):	\$1.10
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Market Cap (May 11, 2023):	\$53.5 million
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Monthly Dividend (Recommended in May 2022):	\$0.005 (5% annualized yield)
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Working Capital (Mar 31, 2023):	¹ \$59.6 million
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12 months trailing adjusted EBITDA (Mar 31, 2023):	¹ \$3.7 million
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Cash and Cash Equivalents (Mar 31, 2023):	\$46.7 million
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Net Cash (Mar 31, 2023):	¹ \$42.6 million
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1. See Non IFRS Measures on the disclaimer slide of this presentation.

RETURN OF CAPITAL & REORGANIZATION

-  Trading price does not reflect the full value of High Arctic:
 - the retained business and assets in Canada
 - the PNG business
 - the Canadian tax losses
-  \$40m & \$130m in Canadian capital and non-capital tax losses, respectively
-  Opportunity for a one-time tax-free return of capital up to \$38.2m
-  Examining the most efficient method to:
 - Spin off the International business to shareholders
 - Return surplus cash to shareholders
 - Maintain the Corporation as a Canadian tax-protected investment vehicle

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Readers are cautioned that this presentation contained certain forward-looking information which are subject to particular risks associated with the energy services industry. High Arctic Energy Services Inc. believes there are reasonable grounds for the expectations on which the statements are based. However actual outcomes could differ materially due to a range of factors including general economic and business conditions, ability to raise capital and manage debt obligations, demand for and market prices for the Corporation's services, commodity prices (particularly oil and gas) and the impact that they have on industry activity, continued safety performance excellence, ongoing relationship with major customers, marketing successfully to current and new customers, realization of growth opportunities in PNG, materialization of gas projects in PNG, Papua LNG project advancement, P'nyang gas field development, LNG expansion in PNG, development of the western corridor, treatment under governmental regulatory regimes, other government issues and approvals, political uncertainty and civil unrest, currency fluctuations, the impact of climate change policy, the corporation's ability to spinoff the international business, return surplus cash to shareholders and maintain the corporation as a Canadian tax protected investment vehicle, and whether the trading price reflects the full value of High Arctic. For additional information on these risks, please take a look under the heading Risk Factors in our Management's Discussion and Analysis and the current Annual Information Form published on our website and on Sedar.

Adjusted EBITDA or (adjusted earnings before interest, tax, depreciation and amortization), *Funds Flow from Operating Activities* or (net cash from operating activities adjusted for changes in non-cash working capital), *Net Cash* (cash less long-term and short-term debt) and *Working Capital* (current assets less current liabilities) do not have standardized meanings prescribed by IFRS and are presented to provide a more meaningful understanding of High Arctic Energy Services Inc.'s underlying financial performance. These non-IFRS financial measures are derived from the financial statements, which have been subject to review by the Corporation's auditor and are available on our website www.haes.ca and are not intended to represent IFRS measures such as net earnings, refer to "Non-IFRS Measures" section in our Management's Discussion and Analysis.

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Doug Strong

Simon Batcup

Joseph Oliver

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Mike Maguire *Chief Executive Officer*

Lance Mierendorf *Chief Financial Officer*

Steve Lambert *Chief Operating Officer*