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High Arctic Provides Reorganization and PNG Update

Calgary, Alberta, September 28, 2023: High Arctic Energy Services Inc. (TSX: HWO) "High Arctic" or the "Corporation" provides an update on the contemplated reorganization of the Corporation, including the associated tax efficient \$38.2 million return of capital, the Papua New Guinea focused business spin-out to shareholders, refocus of the Canadian business and an update on its Papua New Guinea ("PNG") operations.

The Corporation has received feedback from shareholders and is working with its advisors on the reorganization plan to incorporate key elements of the shareholder feedback. The High Arctic board has reserved its final decision to proceed with the reorganization until these matters and ongoing strategic review have been addressed to their satisfaction, requisite regulatory approvals have been received, and the materials are ready to present to shareholders.

The Corporation cautions readers that there is no certainty that the reorganization will proceed in the format previously announced, or at all.

In PNG, Rig 103 has continued to operate reliably since returning to work and in the process our crews have passed through 7 years and 3.5 million work hours of recordable incident free operations. Activity is nearing the halfway point of the four currently committed wells for our primary customer, under the three-year operations and management contracts that mature in August 2025.

High Arctic observes that the Papua-LNG partners have pushed back guidance for the target final investment decision on the project website <https://papualng.com.pg/> to "early 2024". We have also observed that the project planning involves the creation of road access to the development well sites and as a result will likely not specifically require heli-portable drilling rigs. High Arctic was involved in drilling four of the Antelope field appraisal wells with our heli-portable drilling rigs. While High Arctic has specialist PNG drilling knowledge that we strongly believe is critical to successful well delivery, there is no guarantee that our rigs will be deemed suitable for, or that we will be contracted to conduct the Papua-LNG development drilling at the Elk / Antelope fields.

Forward-Looking Statements

This press release contains forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions are intended to identify forward-looking statements. Such statements reflect the Corporation's current views with respect to future events and are subject to certain risks,

uncertainties and assumptions. Many factors could cause the Corporation's actual results, performance or achievements to vary from those described in this press release.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this press release as intended, planned, anticipated, believed, estimated or expected. Specific forward-looking statements in this press release include, but are not limited to, statements pertaining to the following:

- the High Arctic board's final decision to proceed with the reorganization,
- the level of certainty that the reorganization will proceed in the format previously announced, or at all,
- that Rig 103 will drill the four currently committed wells for our primary customer, and any wells following those,
- Papua-LNG partners target final investment decision on the project of "early 2024",
- whether High Arctic's heli-portable drilling rigs will be suitable for the Papua-LNG project, and
- whether High Arctic will be contracted to conduct the Papua-LNG development drilling.

The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth above and elsewhere in this press release.

The forward-looking statements contained in this press release are expressly qualified in their entirety by this cautionary statement. These statements are given only as of the date of this press release. The Corporation does not assume any obligation to update these forward-looking statements to reflect new information, subsequent events or otherwise, except as required by law.

About High Arctic

High Arctic is an energy services provider. High Arctic is a market leader in Papua New Guinea providing drilling and specialized well completion services and supplies rental equipment including rig matting, camps, material handling and drilling support equipment. In western Canada, High Arctic provides pressure control equipment on a rental basis to exploration and production companies.

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