NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF U.S. SECURITIES LAW

High Arctic Announces 2023 Fourth Quarter and Year End Financial and Operating Results and Provides Update on Plan to Reorganize

CALGARY, Canada – April 8, 2024, High Arctic Energy Services Inc. (TSX: HWO) (the "Corporation" or "High Arctic") released its' fourth quarter and year-end results today. The audited consolidated financial statements, management discussion & analysis ("MD&A"), and annual information form for the year ended December 31, 2023 will be available on SEDAR at www.sedar.com, and on High Arctic's website at www.haes.ca. All amounts are denominated in Canadian dollars ("CAD"), unless otherwise indicated.

The Corporation provided an update today on the intention to issue shareholders a tax efficient return of capital to a maximum of $38.2 million and plan to reorganize the Corporation at a special meeting of the Shareholders. The recommendation to reorganize is expected to include the following elements:

- a spinoff of the international business to shareholders as a Canadian publicly listed company,
- maintaining the Corporation as a Canadian publicly listed company focused on growing the Canadian business,
- distribution of a return of capital to shareholders of between $33.0 million and $38.2 million before July 26, 2024, and
- right-sizing the general and administrative infrastructure to align with the new corporate structure.

The Corporation is working with DLA Piper (Canada) LLP as legal advisor and Lightyear Capital Inc. as financial advisor on the revised reorganization plan. The completion of which will be subject to Board, stock exchange, applicable regulatory and shareholder approval at a special meeting of the Shareholders to be held before the end of June 2024.

Mike Maguire, Chief Executive Officer commented:

"*Our businesses in both Canada and PNG have finished the year with a solid quarter and we made an exciting acquisition with the purchase and amalgamation of Delta Rental Services in Canada.*

Following the receipt of feedback from our shareholders and consultation with our advisors, I am excited to provide today's update on the path the Board intends to take in order to reorganize the Corporation and release a tax-efficient return of cash to shareholders.

The proposed spin-off of the Papua New Guinean business as a publicly listed Canadian company will allow senior management to concentrate where we have had the most success in the past. The remaining publicly listed company with the Canadian assets has been further strengthened with the addition of Delta Rental Services and becomes an attractive vehicle for future growth and transactions.

I continue to believe our customers and employees in both PNG and Canada will appreciate and benefit from locally managed businesses."

Expectations that Rig 103 drilling activity will be concluded by the end of June 2024 have been confirmed with the receipt of formal notice from High Arctic's principal customer in PNG of its intention to suspend drilling operations and cold stack Rig 103 at the conclusion of this final approved well on the Rig 103 drilling schedule. The Corporation remains engaged with its principal customer on planning for 2025 drilling activity. Further, the PNG Government and Papua-LNG operator TotalEnergies have released a joint statement advising that the FID of the Papua-LNG project is now expected in 2025.

In the following discussion, the three months ended December 31, 2023 may be referred to as the "**Quarter**" or "**Q4 2023**", and similarly the year ended December 31, 2022 may be referred to as "**YTD 2022**". The comparative three months ended December 31, 2022 may be referred to as "**Q4 2022"** and similarly the year ended December 31, 2022 may be referred to as "**YTD 2022**". References to other quarters may be presented as "**QX 20XX**" with **X** being the quarter/year to which the commentary relates.

2023 Highlights

The following highlights the Corporations results for Q4 2023 and YTD 2023:

- Acquired Delta late in Q4 2023 which expanded High Arctic's geographical coverage in Alberta and offers both operational synergies and potential for cross deployment of underutilized assets in the Canadian rentals business.
- Realized a third continuous quarter of full utilization of PNG Rig 103 in Q4 2023, pursuant to a 3-year contract that was renewed in 2022.
- Improved liquidity with a working capital balance of $63.0 million, which includes a cash balance of $50.3 million, and long-term debt of $3.5 million.
- Generated Adjusted EBITDA from continuing operations of $11.8 million in FY 2023 and $3.2 million in Q4 2023.
- Realized a net loss from continuing operations of $12.8 million in FY 2023 and net income from continuing operations of $2.7 million in Q4 2023. The loss was primarily due to a non-cash impairment loss of $20.5 million on PNG asset carrying values.
- Sold the Corporation's Canadian Nitrogen transportation, hauling and pumping services business for cash consideration of $1.35 million.

2024 Strategy

High Arctic's 2024 Strategic Objectives build on the platforms created and directions taken in 2023, and include:

- Continued relentless focus on safety excellence and quality service delivery,
- Distribute surplus capital and prepare for the spin out of the PNG Business to shareholders,
- Create appropriate capital and corporate structures for the current businesses, that provide the opportunity to consider transactions which would create value for the Corporation's shareholders,
- Grow the core businesses through selective and opportunistic investments,
- Steward capital to preserve balance sheet strength and financial flexibility, and
- Accretive acquisitions in Canada that allow the Corporation to optimize its available tax loss carry-forwards.

2023 Strategic Objectives and Accomplishments

Through 2023, High Arctic continued its relentless focus on quality and remains driven to be recognized as a trusted service provider in the energy industry. High Arctic works towards this by defining and measuring results against strategic priorities. Our 2023 strategic priorities and highlights of progress include:

- Safety excellence and quality service delivery:
    - High Arctic extended its recordable incident free activity in PNG to 7 years and over 3.5 million work hours.
    - In Canada, High Arctic completed 2023 without any recordable incidents, contributing to the Corporation's first calendar year with a zero Total Recordable Incident Frequency ("TRIF") Rate.
- Return idled assets to service in PNG:
    - Successfully reactivated Rig 103 and returned it to continuous reliable service.
    - Returned idled rental assets to service in PNG including cranes, trucks and material handling equipment.
- Scaling our Canadian business:
    - High Arctic completed the acquisition of Delta, representing a multi-fold increase in the Canadian rentals business in terms of revenue, deployable assets, personnel and geographic coverage.
- Opportunities for growth and corporate transactions that enhance shareholder value:
    - Acquired Delta, immediately adding free cash flow and operational synergies to the Canadian Rentals business.
    - Leveraged the Corporation's capability in the provision and development of labour and skilled personnel through the re-launch of the PNG Industry Manpower Solutions brand in PNG.
    - Announced an intention to reorganize and separate the Canadian and PNG businesses under focused local leadership and open up the separated businesses to a wider array of regional transaction opportunities in their respective markets.

- Examination of the Corporation's optimal capital structure and dividend policy:
    - Pursuant to the intended reorganization, the Corporation announced an intention to distribute surplus cash to shareholders by way of a tax-efficient return of capital.
    - Intended spin-out of the PNG Business from the Corporation to the Corporation's shareholders is anticipated to improve access to broader sources of cost-efficient capital for growth.
    - High Arctic paid out dividends of $2.2 million in 2023 and repurchased 18,296 shares for cancellation. Monthly dividends were suspended on October 23, 2023 to preserve cash to maximize the opportunity to tax-efficiently return capital.

RESULTS OVERVIEW

The following is a summary of select financial information of the Corporation:

	Three months ended Dec 31,		Year ended Dec 31,	
(thousands of Canadian Dollars, except per share amounts)	2023	2022	2023	2022
Operating results from continuing operations:				
Revenue – continuing operations	**18,114**	12,090	**61,933**	77,368
Net income (loss) - continuing operations	**2,745**	(9,229)	**(12,834)**	(36,127)
Per share (basic & diluted)	***0.06***	*(0.09)*	***(0.25)***	*(0.74)*
Oilfield services operating margin - continuing operations	**6,048**	(3,242)	**21,263**	11,126
Oilfield services operating margin as a % of revenue	***33.4%***	*(26.8%)*	**34.3%**	14.4%
EBITDA - continuing operations	**2,982**	(5,860)	**(8,126)**	(8,859)
Adjusted EBITDA - continuing operations	**3,240**	(1,168)	**11,797**	5,519
Adjusted EBITDA as a % of revenue	***17.9%***	*(9.7%)*	***19.0%***	*7.1%*
Operating income (loss) - continuing operations	**1,720**	(8,127)	**1,348**	(16,233)
Cash flow from continuing operations:				
Cash flow from continuing operating activities	**8,002**	227	**11,394**	7,717
Per share (basic & diluted)	***0.16***	*0.00*	***0.23***	*0.16*
Funds flow from continuing operating activities	**3,452**	(8,315)	**11,922**	(3,125)
Per share (basic & diluted)	***0.07***	*(0.17)*	***0.24***	*(0.06)*
Dividends declared	**-**	975	**2,190**	2,193
Per share (basic & diluted)	**-**	*0.02*	***0.05***	*0.05*
Capital expenditures	**130**	97	**1,959**	4,037

		As at December 31	
(thousands of Canadian Dollars, except per share amounts)	2023	2022	2021
Financial position:			
Working capital	**62,985**	59,461	29,724
Cash and cash equivalents	**50,331**	19,559	12,037
Total assets	**123,137**	133,957	185,452
Long-term debt	**3,352**	4,028	7,779
Shareholders' equity	**99,332**	115,231	148,851
Per share (basic)	***2.04***	*2.37*	*3.05*
Common shares outstanding	**49,122,302**	48,691,864	48,733,145

Three-month period ended December 31, 2023 Summary:

- Drilling Rig 103 operated continuously through Q4 2023 driving substantive increases in both the Drilling Services and Ancillary Services segments from pull through rentals associated with drilling activity coupled with increased contribution from Canadian rentals. This delivered the following financial results:
  - Revenue for the quarter from continuing operations was $18,114, up marginally from Q3 2023 and an increase of $6,024 compared to Q4 2022 at $12,090, and
  - Adjusted EBITDA from continuing operations of $3,240 was achieved in Q4 2023, comparable to Q3 2023 and an increase of $4,408 over Q4 2022.
- The improved operations in Q4 2023 combined with increased investment income in the quarter and the impact of PNG inventory adjustment and obsolescence provision of $3,704 recorded in Q4 2022 drove the following improved financial results for the Corporation:
  - Net income of $2,745 from continuing operations in Q4 2023 compared to a net loss from continuing operations of $9,229 realized in Q4 2022, and
  - Increased oilfield services operating margins from (26.8%) in Q4 2022 to 33.4% in Q4 2023.

Year ended December 31, 2023 Summary:

- Revenue from continuing operations for 2023 was $61,933, a decrease of $15,435 compared to the revenue from continuing operations for 2022 at $77,368. The decrease is a result of revenue increases in the Drilling Services and Ancillary Services segments partially offsetting a revenue decrease of $36,100 in the Production Services segment as a result of the 2022 Sale Transactions' impact on Production Services segment results.
- Adjusted EBITDA from continuing operations was $11,797 in 2023, a significant increase of $6,278, or 114% when compared to 2022. This increase is primarily attributable to the 2022 Sale Transactions as the sale of these underperforming businesses has positively impacted the EBITDA-generating capability of High Arctic. Additionally, meaningful EBITDA was generated in FY 2023 with the increase in active drilling in PNG and the increased deployment of rental equipment in PNG.
- High Arctic generated a net loss of $12,834 from continuing operations in 2023 compared to a net loss of $36,127 in the corresponding period of 2022. This reduction in net loss was primarily attributable to improved PNG operating results and the sale of the underperforming Canadian assets and business disposed of in both 2022 and 2023. The Corporation would have recorded positive net income in 2023 had it not recorded an impairment loss of $20,500 in Q3 2023 on its PNG Operations cash generating unit ("CGU").
- Oilfield services operating margins improved as a percent of revenue from 14.4% in 2022 to 34.3% in 2023. This improvement is primarily a result of the strength in the Ancillary Services segment and the 2022 Sale Transactions impact on Production Services segment results and the impact of the inventory adjustment and obsolescence provision of $3,704 recorded in Q4 2022.
- Supported by operational performance during 2023, High Arctic strengthened its balance sheet as working capital increased by $3,524 and $2,190 was returned to shareholders in the form of dividends.

Drilling services segment

	Three months ended Dec 31,		Years ended Dec 31,	
(thousands of Canadian Dollars, unless otherwise noted)	2023	2022	2023	2022
Revenue	14,257	10,126	47,910	30,671
Oilfield services expense	(11,122)	(13,498)	(36,597)	(29,330)
Oilfield services operating margin(1)	3,135	(3,372)	11,313	1,341
Operating margin (%)	***22.0%***	*(33.3%)*	***23.6%***	*4.4%*

Ancillary services segment

	Three months ended Dec 31,		Years ended Dec 31,	
(thousands of Canadian Dollars, unless otherwise noted)	2023	2022	2023	2022
Revenue – continuing operations	3,857	1,963	14,023	12,198
Oilfield services expense – continuing operations	(925)	(1,422)	(4,016)	(4,882)
Oilfield services operating margin(1)	2,932	541	10,007	7,316
Operating margin (%)	***76.0%***	*27.6%*	***71.4%***	*60.0%*

Production services segment

	Three months ended Dec 31,		Years ended Dec 31,	
(thousands of Canadian Dollars, unless otherwise noted)	2023	2022	2023	2022
Revenue	-	1	-	36,100
Oilfield services expense	(19)	(412)	(57)	(33,631)
Oilfield services operating margin(1)	(19)	(411)	(57)	2,469
Operating margin (%)	***nm***	***nm***	***nm***	*6.8%*

Liquidity and capital resources

	Three months ended Dec 31,		Years ended Dec 31,	
(thousands of Canadian Dollars)	2023	2022	2023	2022
Cash provided by (used in) continued operations:				
Operating activities	8,002	227	11,394	7,717
Investing activities	(3,825)	(61)	24,180	6,684
Financing activities	76	(4,523)	(3,933)	(6,737)
Effect of exchange rate changes on cash	(723)	256	(720)	(256)
Increase (decrease) in cash from continuing operations	3,530	(4,101)	30,921	7,408

(thousands of Canadian Dollars, unless otherwise noted)	As at Dec 31, 2023	As at Dec 31, 2022
Current assets	79,438	69,278
Working capital[(1)]	62,985	59,461
Working capital ratio[(1)]	4.8:1	7.1:1
Cash and cash equivalents	50,331	19,559
Net cash[(1)]	46,804	15,345

The Bank of PNG ("BPNG") continues to encourage the use of the local market currency, Kina, or PGK. Due to High Arctic's requirement to transact with international suppliers and customers, High Arctic has received approval from the BPNG to maintain its USD account within the conditions of the BPNG currency regulations. The Corporation continues to use PGK for local transactions when practical. Included in the BPNG's conditions is for PNG drilling contracts to be settled in PGK, unless otherwise approved by the BPNG for the contracts to be settled in USD. The Corporation has historically received such approval for its contracts with its key customers in PNG. The Corporation will continue to seek BPNG of PNG approval for contracts to be settled in USD on a contract-by-contract basis, however, there is no assurance the BPNG will grant these approvals.

If such approvals are not received, the Corporation's PNG drilling contracts will be settled in PGK which would expose the Corporation to exchange rate fluctuations related to the PGK. In addition, this may delay the Corporation's ability to receive USD which may impact the Corporation's ability to settle USD denominated liabilities and repatriate funds from PNG on a timely basis. The Corporation also requires the approval from the PNG Internal Revenue Commission ("IRC") to repatriate funds from PNG and make payments to non-resident PNG suppliers and service providers. While delays can be experienced for the IRC approvals, all such approvals have eventually been received in the past.

Operating Activities

In Q4 2023, cash generated from operating activities from continuing operations was $8,002, as compared with $227 of cash generated from operating activities from continuing operations in Q4 2022. Funds flow from continuing operations totaled $3,452 in the quarter whereas $8,315 of funds were used in continuing operations in Q4 2022 (see "Non-IFRS Measures"). In Q4 2023, changes in non-cash working capital totaled $4,550 versus $8,542 in Q4 2022.

For the year ended December 31, 2023, cash generated from operating activities from continuing operations was $11,394, up from $7,717 in the corresponding period of 2022. Funds flow from continuing operations totaled $11,922 in the year ended December 31, 2023 whereas $3,125 of cash was used in continuing operations in 2022 (see "Non-IFRS Measures"). In 2023, there was a $528 cash outflow from working capital changes compared to an inflow of $10,842 in 2022.

Investing Activities

During the year ended December 31, 2023, the Corporation's cash from investing activities from continuing operations was $24,180 (2022: $6,684) reflecting the receipt of the final cash proceeds of $28,000 from the Well Servicing Transaction in Q1 2023, and $1,598 proceeds on disposal of property and equipment (2022: $11,397) offset by $3,430 of cash used to acquire Delta and capital expenditures totaling $1,959 (2022: $4,037) and a cash outflow of $Nil relating to working capital balance changes for investing activities (2022: $676 outflow).

Financing Activities

During the year ended December 31, 2023, the Corporation's cash used in financing activities was $3,933 (2022: $6,737). During the period, the Corporation paid $2,190 in dividends (2022: $2,193), $687 (2022: $3,861) towards principal payments on its mortgage financing (see "Mortgage Financing" below), $1,148 against lease liability payments (2022: $866), $25 towards the purchase of common shares for cancellation (2022: $60) and a $243 outflow relating to non-cash working capital balance changes (2022: $243 inflow). During 2022, the Corporation incurred higher long-term debt repayments with the Sale Transactions.

Mortgage financing

(thousands of Canadian Dollars)	As at Dec 31, 2023	As at Dec 31, 2022
Current	175	186
Non current	3,352	4,028
Total	3,527	4,214

The Corporation has mortgage financing secured by lands and buildings owned by High Arctic located within Alberta, Canada. The mortgage has a remaining term of 3 years with a fixed interest rate of 4.30% with payments occurring monthly.

The Corporation's mortgage financing contains certain non-financial covenants requiring lenders consent including changes to the underlying business. In conjunction with the sale of the Corporation's Nitrogen business, the terms of the Corporation's mortgage financing were amended. The amendments resulted in a one-time repayment of $500 of mortgage principal on July 28, 2023, the release of the sold assets from the general security of the mortgage and reduced reporting obligations.

Intention to Return Capital and Reorganize

On May 11, 2023, the Corporation announced that the Board of Directors intended to recommend to shareholders a tax-efficient return of capital to a maximum of $38.2 million relating to the Q3 2022 sale of High Arctic's Canadian well servicing assets, and a reorganization of the Corporation.

After receipt of feedback from our shareholders and in consultation with its advisors, the Corporation has determined that a split of High Arctic into two publicly listed companies would meet both the goals of strategic business management and the governance concerns of High Arctic's stakeholders. The Corporation is now working on a plan to reorganize and if it meets board, stock exchange and regulatory approvals, it would be put forward for consideration and approval at a special meeting of the Shareholders. The plan to reorganize is expected to include the following key elements:

- a spinoff of the international business to shareholders as a Canadian publicly listed company,
- maintaining the Corporation as a Canadian publicly listed company focused on growing the Canadian business,
- distribution of a return of capital to shareholders of between $33.0 million and $38.2 million before July 26, 2024, and
- the further right sizing of the general and administrative infrastructure to align with the new corporate structure.

Outlook

High Arctic has begun to refocus its Canadian business. The acquisition of Delta in December and its integration with our legacy rentals business in Canada, has delivered scale for a cash-positive operation. Over the past two years, the Corporation has divested underperforming and non-core assets and business. Now the Corporation's Canadian business consists of a high-margin equipment rental business centered upon pressure control, a minority interest in Canada's largest oilfield snubbing services business, Team Snubbing Services Inc., and industrial properties at Clairmont and Whitecourt in Alberta, Canada.

High Arctic's investment in Team Snubbing positively impacted our financial results. In Canada, Team Snubbing has reported consistent growth in service hours and revenue generation quarter over quarter in 2023 and the outlook for Q1 2024 and into the traditional spring break-up is for a continuation of this positive trend. Team's Snubbing's international partnership is planning with customers for high utilization operations for its two snubbing packages in 2024 as Alaska heads into spring. Coupling the outlook for Team Snubbing with the strategic growth of our rentals business through the acquisition of Delta, the Corporation anticipates strong demand for its equipment in 2024 and the delivery of improved financial performance in 2024.

During 2024, Canada is poised to expand oil and gas takeaway capacity to global markets. This is being accomplished through pipeline projects that finally access tidewater markets. These developments are expected to add a degree of prosperity and stability to the upstream energy services activity. So too, the evolving attitudes to energy security and decarbonization are stimulating investment in both alternative energy supply and carbon sequestration. Our Canadian business is now well positioned to benefit from these positive developments.

The outlook for the Corporation's PNG business in 2024 remains subdued. In the Drilling Services segment Rig 103 realized full utilization in Q4 2023 and it is expected to continue to operate through the first half of 2024. On Friday April 5, 2024, the Corporation received notice from its principal customer requesting High Arctic to suspend and cold-stack Rig 103 following the completion of the remaining approved well on their drilling schedule. The Ancillary Services segment's rental fleet of equipment continues to generate strong utilization and pricing and our manpower solutions continues to contribute a strong revenue stream at appropriate margins. With no additional wells for Rig 103, the Corporation expects associated PNG rental revenues to scale back in the second half of 2024 as well.

In the longer term, PNG is on the precipice of a new round of large-scale projects in the natural resources sector. The New-Porgera gold mine has recently commenced mining activity, representing the first of the major international investment projects. The others include the Papua LNG project headed up by French super-major TotalEnergies, which is anticipated to be the next major project. A final investment decision on Papua-LNG is progressing slowly with TotalEnergies and the PNG Government releasing a joint statement on April 7, 2024 guiding towards a decision in 2025. There is expectation for increased drilling activity through the latter half of this decade, not only to develop wells for the supply of gas to the Papua-LNG export facility, but also to explore for and appraise other discoveries. The recent signing of a fiscal stability agreement between the P'nyang gas field joint venture and the government of PNG is another positive signal for that project to follow Papua-LNG.

There are a number of other petroleum projects and substantive nation-building projects including infrastructure, electrification, telecommunications and defense projects planned for the development of PNG. These projects will require access to transport and material handling machinery, quality worksite mats and temporary road mats and a substantive amount of labour including skilled equipment operators, qualified tradespeople and engineers, geoscientists and other professionals. High Arctic's PNG business continues to position itself to be a meaningful supplier of services, equipment and manpower for this market.

Recent civil unrest in PNG has led to extra security measures and to this point, our operations have not been directly impacted.

Cost discipline and growth in Canada is supporting the Corporation's aims to optimize a tax-efficient return of capital to shareholders. High Arctic is moving to set a new direction in Canada as we prepare towards a recommendation for the reorganization and separation of the PNG and Canadian businesses.

NON - IFRS MEASURES

This press release contains references to certain financial measures that do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and may not be comparable to the same or similar measures used by other companies High Arctic uses these financial measures to assess performance and believes these measures provide useful supplemental information to shareholders and investors. These financial measures are computed on a consistent basis for each reporting period and include Oilfield services operating margin, EBITDA (Earnings before interest, tax, depreciation, and amortization), Adjusted EBITDA, Operating loss, Funds flow from operating activities, Working capital and Long-term financial liabilities. These do not have standardized meanings.

These financial measures should not be considered as an alternative to, or more meaningful than, net income (loss), cash from operating activities, current assets or current liabilities, cash and/or other measures of financial performance as determined in accordance with IFRS.

For additional information regarding non-IFRS measures, including their use to management and investors and reconciliations to measures recognized by IFRS, please refer to the Corporation's MD&A, which is available online at www.sedar.com and through High Arctic's website at www.haes.ca.

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, among others, statements pertaining to the following: general economic and business conditions which will include, among other things, the outlook for energy services; continued impact of Russia-Ukraine conflict; the impact of conflict in the middle east; the Corporation's ability to maintain a USD bank account and conduct its business in USD in PNG; market fluctuations in interest rates, commodity prices, and foreign currency exchange rates; restrictions to repatriate funds held in PGK; expectations regarding the Corporation's ability to manage its liquidity risk; raise capital and manage its debt finance agreements; projections of market prices and costs; factors upon which the Corporation will decide whether or not to undertake a specific course of operational action or expansion; the Corporation's ongoing relationship with its major customers; the return of capital to the Corporation's shareholders and reorganization including spinoff of the PNG Business to shareholders as a Canadian publicly listed company, distribution of a return of capital to shareholders, and obtaining applicable regulatory and shareholder approvals; right sizing of the general and administrative infrastructure to align with the new corporate structure; expansion of Canadian oil and gas takeaway capacity to global markets; the performance of the Corporation's investment in Team Snubbing, and whether Team can realize high utilization operations for its two snubbing packages in 2024 in Alaska; strong demand for the Corporations Canadian rental equipment in 2024 and the delivery of improved financial performance in 2024, Papua New Guinea being on the precipice of a new round of large-scale projects in the natural resources sector; if and the timing of when a final investment decision will be made on the Papua-LNG project; whether the development of the P'nyang gas field will follow Papua-LNG; whether Rig 103 will continue to operate through the first half of 2024 and beyond that through the term of its contract; if the Corporation's primary customers will add approved wells to its current drilling schedule, and the corporation's expectation of maintaining current financial performance if they do; the Corporation's ability to position itself to be a significant supplier of services, equipment and manpower for other projects in PNG deploying idle heli-portable drilling rigs 115 and 116; future work with other exploration companies in PNG; scaling the Canadian business; executing on one or more corporate transactions; estimated credit risks and the utilization of tax losses.

With respect to forward-looking statements contained in this press release, the Corporation has made assumptions regarding, among other things, its ability to: maintain its ongoing relationship with major customers; successfully market its services to current and new customers; devise methods for, and achieve its primary objectives; source and obtain equipment from suppliers; successfully manage, operate, and thrive in an environment which is facing much uncertainty; remain competitive in all its operations; attract and retain skilled employees; and obtain equity and debt financing on satisfactory terms.

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, along with the risk factors set out in the most recent Annual Information Form filed on SEDAR+ at www.sedarplus.ca.

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 Energy Services

High Arctic is an oilfield services company currently operating in PNG and Western Canada. In PNG, the product line consists of drilling services, workover services and equipment rental including rig mats, cranes, and oilfield related equipment. In Canada, the product line consists primarily of oilfield equipment and pressure control rentals. The Corporation also offers snubbing and well servicing activities through its interests in Team Snubbing Services Inc. and in the Seh' Chene Well Services Limited Partnership.

For further information contact:

Mike Maguire
Chief Executive Officer
P: +1 (403) 508-7836
P: +1 (800) 688 7143

High Arctic Energy Services Inc.
Suite 2350, 330 – 5th Ave SW
Calgary, Alberta, Canada T2P 0L4

website: www.haes.ca
Email: info@haes.ca