



HIGH ARCTIC ENERGY SERVICES

the trusted provider of energy services

March 2024 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

2024 Strategic Objectives

Quarterly Financial Results Summary

Return of Capital & Reorganization

Corporate Profile

HIGH ARCTIC OVERVIEW



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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

17 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





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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

RELENTLESS FOCUS ON QUALITY



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

PNG

- HAES Rental Services - LTI Free since 2016
- Delta Rental Services – LTI Free since inception

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

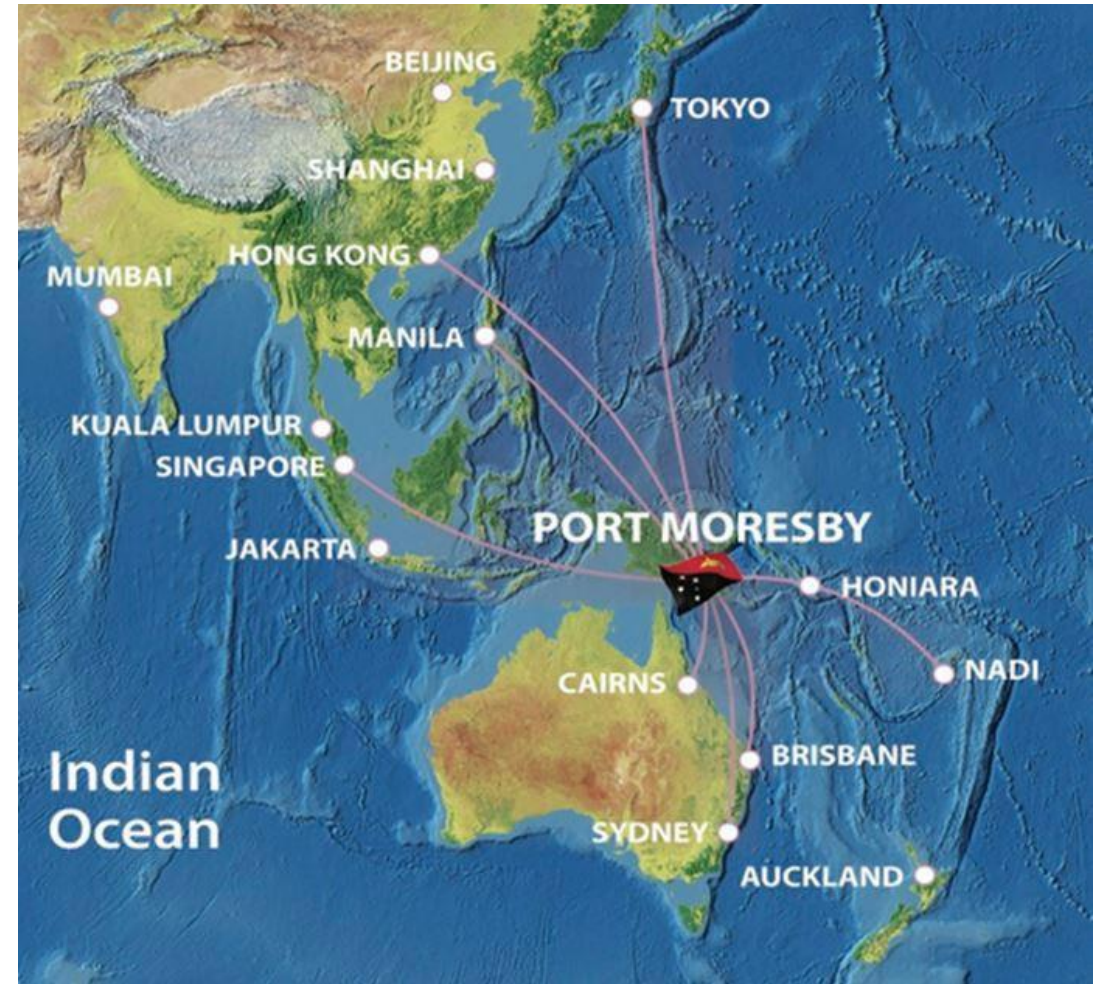
- Remote mountainous tropical jungle locations
- Minimal road and communications infrastructure
- Culturally diverse – home to over 10% of the world's languages
- Ongoing community engagement essential

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, fiscal stability agreement signed in 2024
 - additional LNG train with 3rd party access



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

LNG - PNG'S LEADING EXPORT



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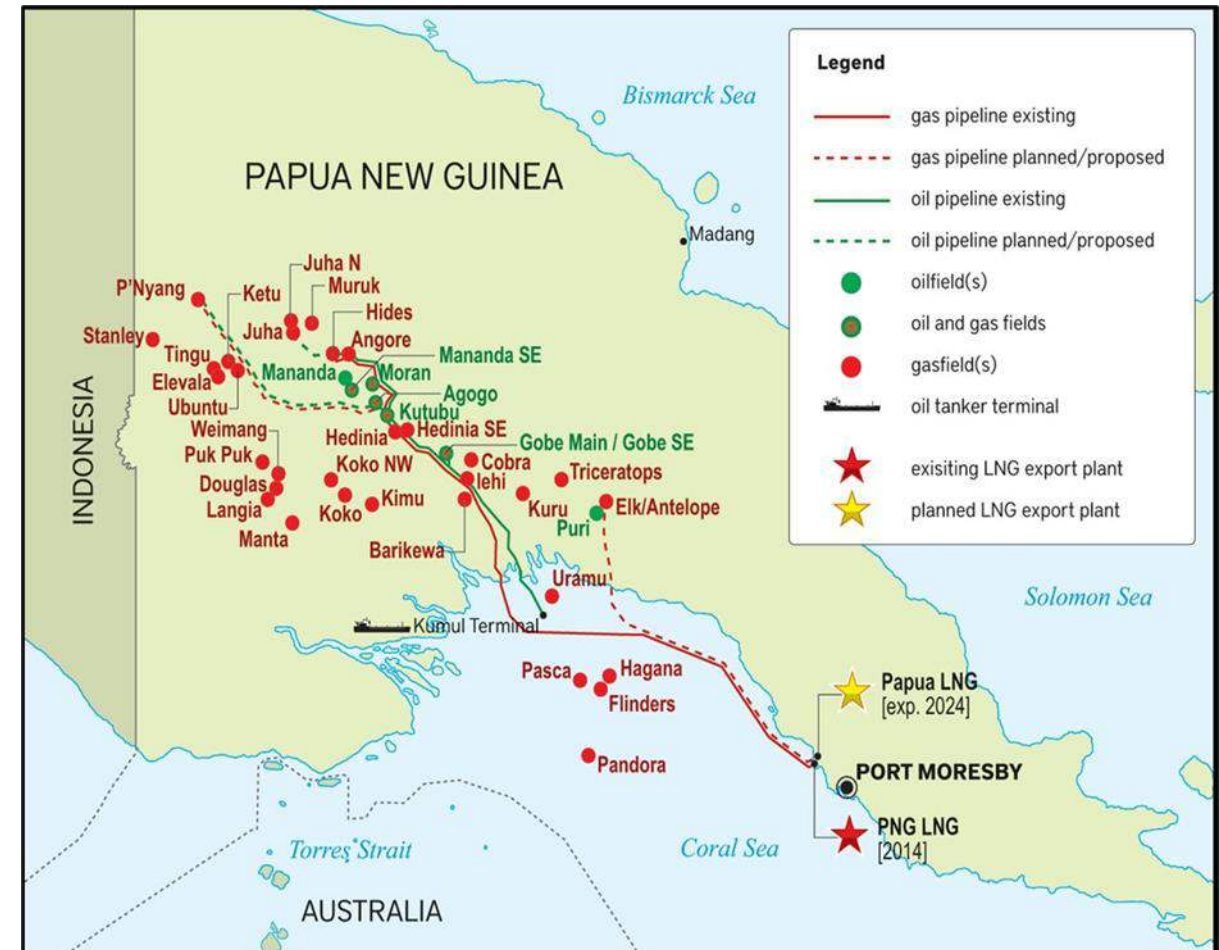


Papua LNG Project

- Ownership: TotalEnergies (operator), ExxonMobil and Santos
- Elk-Antelope fields
- 4 train LNG plant under FEED
- FID expected in early 2025, targeting first gas export in 2028
- Significant surrounding unexplored acreage

Western Corridor

- Significant number of gas discoveries with potential to aggregate
- Kumul Petroleum planning appraisal of Kimu & Barikewa

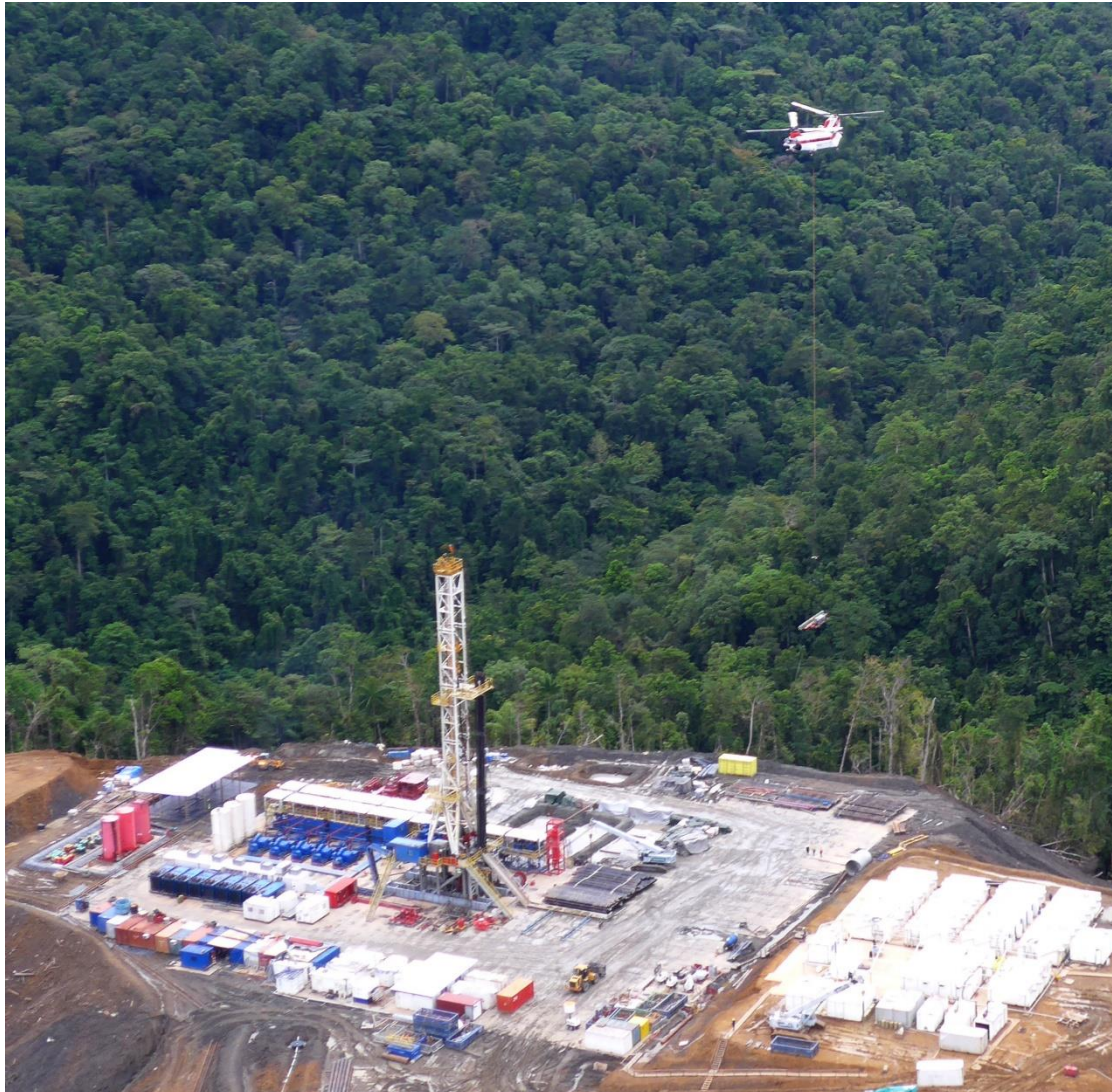


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HIGH ARCTIC'S WORLD CLASS OPERATION



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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

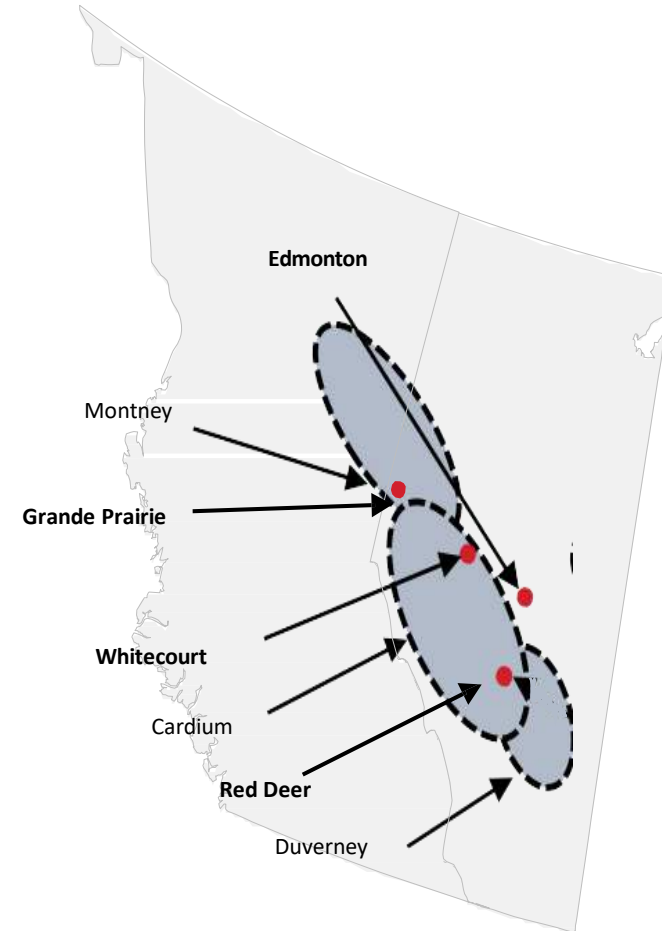
OUR BUSINESS IN CANADA



Delta Rental Services

- Delta Acquired December 28, 2023
- Seamlessly Integrated with HAES Rentals
- Rebranded combined business under Delta
- Quality provider of pressure control equipment
- Service 3 major basins from Whitecourt and Red Deer
- Customers include contractors and energy companies
- Platform for Canadian growth

Equipment	Total
Blow Out Preventors	71
Accumulators	3
Lighting Towers	48
High Pressure Valves	228
General Rental Equipment	2170





We choose partners who share our values and bring market differentiation







Team Snubbing Services Inc.

- Largest fleet of snubbing equipment in Canada
- High Arctic owns 42%, and holds 2 seats on 5-person board
- Management invested in ownership
- Opportunities to expand internationally
 - Team Snubbing International Partnership
 - Established operations in Alaska, USA in 2023
 - Active marketing in MENA and elsewhere





2024 STRATEGIC OBJECTIVES

-  Safety excellence and quality service delivery
-  Distribute surplus capital and the PNG Business to shareholders
-  Create appropriate capital and corporate structures for the current businesses
-  Grow the core businesses through selective and opportunistic investments
-  Steward capital to preserve balance sheet strength and financial flexibility
-  Accretive acquisitions that allow the optimization of available tax loss carry-forwards.



FINANCIAL SUMMARY



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	<u>2023</u>	<u>2022</u>	<u>2021</u>
<i>\$ millions</i> <i>(except per share amounts)</i>	12 Months to Dec 31	12 Months to Dec 31	12 Months to Dec 31
Consolidated Revenue ⁽¹⁾	63.2	80.0	76.4
Canada	4.7	41.1	61.6
PNG	58.5	38.9	14.8
Adjusted EBITDA ⁽²⁾	11.8	5.7	4.9
Adjusted EBITDA ⁽²⁾ as % revenue	19.0%	7%	6%
Net income (loss) per share ⁽³⁾	(0.26)	(0.75)	(0.38)
Adjusted net income (loss) per share ⁽³⁾⁽⁵⁾	0.06	(0.31)	(0.38)
Funds flow from operating activities per share ⁽³⁾	0.24	(0.06)	0.08
Dividends per share ⁽⁴⁾	0.045	0.045	0.20
Long-term debt ⁽⁶⁾	3.4	4.2	8.1

1. Includes discontinued Nitrogen Pumping operation
2. See Non IFRS Measures on the disclaimer slide
3. Basic and diluted shares outstanding
4. Dividends were reinstated May 2022, and suspended November 2023

5. 2022 adjusted for write down of deferred tax asset (\$7.7m), impairment (\$9.6m), and inventory adjustment (\$3.9m). 2023 adjusted for impairment (\$20.5m) and deferred tax recovery \$4.8m.
6. Includes current portion of long-term debt

RETURN OF CAPITAL & REORGANIZATION



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Current structure is inefficient:

- two small businesses
- opposite side of the world
- impediment to local transactions
- management needs to be where they can have the most impact



Opportunity for a one-time tax-efficient return of capital up to \$38.2m



Key aspects of Reorganization:

- Separate and spin off the International business as public listed company
- Return surplus cash of between \$33 - \$38.2 million to shareholders
- Right-size G&A and optimize each corporation structure
- Maintain the Corporation as a listed Canadian tax-protected investment vehicle

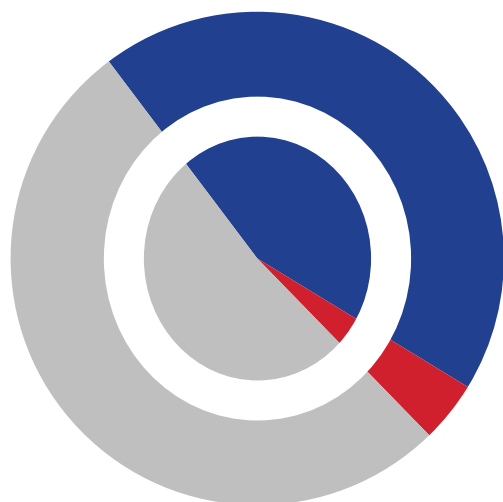


Subject to meeting board, stock exchange and regulatory approvals, a special meeting of the Shareholders will be held by end of **June 2024**.



TSX : HWO

Shareholder Composition



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

Insiders
5%

Public
50%

Shares Outstanding (Apr 5, 2024):	49.1 million
Share Price (Apr 5, 2024):	\$1.08
Market Cap (Apr 5, 2024):	\$53.0 million
Monthly Dividend:	Suspended
Working Capital (Dec 31, 2023):	¹ \$63.0 million
12 months trailing Adjusted EBITDA (Dec 31, 2023):	¹ \$11.8 million
Cash and Cash Equivalents (Dec 31, 2023):	\$50.3 million
Net Cash (Dec 31, 2023):	¹ \$46.8 million
Ownership in Team Snubbing:	42%

1. See Non IFRS Measures on slide #17



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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, 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 PNG 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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Steve Lambert *Chief Operating Officer*
Lonn Bate *Interim Chief Financial Officer*