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High Arctic Announces Return of Capital and Distribution Dates

CALGARY, Alberta – June 28, 2024 – High Arctic Energy Services Inc. (TSX: HWO) ("High Arctic" or the "Corporation"), further to its news release dated May 11, 2024, is pleased to announce the dates for a distribution of \$0.76 per share to its shareholders by way of return of capital (the "Return of Capital"), which was approved by shareholders at the annual general and special meeting held on June 17, 2024. The record date for the Return of Capital will be July 9, 2024 and the payment date will be July 17, 2024. The Return of Capital is expected to be generally more tax advantageous to shareholders than a dividend.

The Toronto Stock Exchange (the "TSX") has determined to implement due bill trading for the Return of Capital. A due bill is an entitlement that will attach to each share traded, from the record date for the Return of Capital to the payment date, inclusive. Each due bill will notionally represent the \$0.76 distribution that a holder of a common share of High Arctic on the record date is entitled to receive pursuant to the Return of Capital. During the due bill trading period, a seller of shares (who is prospectively entitled to the \$0.76 distribution) will also sell to the purchaser the entitlement to the distribution (which is represented by the due bill attached to each share sold). Due bill trading defers the ex-distribution date and ensures shareholders are not deprived of the value of the Return of Capital between the record date and the payment date.

Key dates for the Return of Capital are:

- The record date to determine shareholders entitled to receive the distribution will be July 9, 2024;
- Due bill trading will commence on July 9, 2024;
- The payment date for the distribution will be July 17, 2024;
- The ex-distribution date will be July 18, 2024 (the first trading day after the payment date, so that trades on and after that date will not have due bills attached); and
- The redemption date used by CDS will also be July 18, 2024.

All of the foregoing dates are subject to the approval of the TSX.

The Return of Capital will be funded from the Corporation's cash balances. In July 2022, the Corporation made a strategic decision to divest certain well servicing assets in Canada for cash proceeds of \$38.2 million. As a result of receiving these cash proceeds plus, cash flow generated subsequently through operating, investing and financing activities, the Corporation had positive working capital of approximately \$67.6 million, which included a cash balance of approximately \$57.0 million as at March 31, 2024.

The Corporation expects to close the proposed plan of arrangement (the "Arrangement") between the Corporation and High Arctic Overseas Holdings Corp., also announced on May 11, 2024, on or about July 31, 2024. For more information on the Arrangement and the Return of Capital, please see the management information circular of the Corporation dated May 9, 2024, available on the Corporation's SEDAR+ profile at www.sedarplus.ca.

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 and other oilfield equipment on a rental basis to exploration and production companies, from its bases in Whitecourt and Red Deer, Alberta.

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Non- IFRS Measures - Working capital

Working capital is a non-IFRS financial measure that does not have a standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Working capital is used by management as another measure to analyze the operating liquidity available to the Corporation. It is defined as current assets less current liabilities. This measure is not intended to represent or be construed as an alternative to current assets as calculated in accordance with IFRS.

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 Return of Capital, including the amount of and the date of distribution thereof; the Corporation's ability to obtain TSX and other regulatory approvals for the Return of Capital; and the closing of the Arrangement. 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.