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 2024 Third Quarter Results

CALGARY, Alberta – November 13, 2024, High Arctic Energy Services Inc. (TSX: HWO) (the "Corporation" or "High Arctic") has released its' third quarter financial and operating results. The unaudited consolidated financial statements and management discussion & analysis ("MD&A") for the three and nine months ended September 30, 2024 will be available on SEDAR+ at www.sedarplus.ca, and on High Arctic's website at www.haes.ca. All amounts are denominated in Canadian dollars ("CAD"), unless otherwise indicated.

Mike Maguire, Interim Chief Executive Officer commented on the Corporation's third quarter 2024 financial and operating results:

> *"I am very pleased that we completed the strategic re-organization of the Corporation in the third quarter, returning a sizeable amount of capital to our shareholders and spinning out the PNG Business to shareholders via High Arctic Overseas Holdings Corp. listed on the TSX Venture Exchange.*
>
> *The acquisition and integration of Delta Rental Services has delivered positive adjusted EBITDA and cash generation. We have commenced cost rationalization, particularly focussed on general and administrative costs along with overhead cost reduction initiatives. Combined with our equity investment in Team Snubbing and owned real estate, High Arctic is positioned as an attractive vehicle for future growth and transactions."*

2024 THIRD QUARTER HIGHLIGHTS

- Completed the re-organization of High Arctic including the return of $37.8 million to shareholders and the spin-out of the PNG Business as High Arctic Overseas Holdings Corp., independently listed on the TSX Venture Exchange.
- Increased revenue from operations from $2.3 million to $8.0 million year to date on a comparative basis as a result of the Delta Acquisition.
- Exited Q3 2024 with net positive working capital of $4.9 million and access to $4.1 million of cash at bank.
- Reconciled and took action to reduce general and administrative costs, including a sizeable reduction in board cost and director compensation.
- Progressed post-reorganization transitional arrangements towards establishing dedicated stand-alone leadership of the Corporation.

2024 THIRD QUARTER RESULTS

- Increased revenue from continuing operations by $1,491 or 147% in the quarter when compared to revenue of $1,015 from Q3 2023 as a result of the impact of the Delta Acquisition on the 2024 results.
- Generated net income from continuing operations of $125 in the quarter as compared to $498 in Q3 2023. The decrease is primarily due to the 2023 $615 gain on sale of the nitrogen business, $373 lower interest income with the return of capital to shareholders, and $403 lower equity investment income from Team Snubbing in the quarter.
- Achieved positive Adjusted EBITDA from continuing operations of $383 in the quarter versus negative Adjusted EBITDA for Q3 2023 of $700.
- Production Service's 42% equity investment share of Team Snubbing Services Inc. ("Team Snubbing") net income returned to positive earnings of $105 in the quarter compared to a loss of $889 in Q2 2024 and earnings of $508 in the comparative third quarter of 2023.

2024 YEAR TO DATE RESULTS

- Similar to the discrete quarter results, High Arctic's revenue from continuing operations increased 242% to $8,027 compared to revenue of $2,347 achieved in the first nine months of 2023 as a result of the Delta Acquisition on 2024 results.
- Generated a net loss from continuing operations of $1,402 in the quarter as compared to $1,208 in Q3 2023. The higher loss, despite an improvement of $1,323 in operating income, is primarily due to the 2023 $615 gain on sale of the nitrogen business, $262 lower interest income with the July 2024 return of capital to shareholders, and $745 lower equity investment income from Team Snubbing in the year-to-date period.
- Achieved strong oilfield services operating margins from continuing operations of 50.6% for the nine months in 2024.
- Production Service's 42% equity investment share of Team Snubbing Services Inc. net loss was $294 for the nine months ended September 30, 2024 as compared to positive net income of $451 in the comparative period in 2023. Regional expansion into Alaska has weighed on earnings during the past twelve months.
- Cash from operating activities from continuing operations was $487 in the quarter and a use of $42 for the nine months ended September 30, 2024, an improvement for the quarter as compared to the respective prior year comparatives of $172 and $359.
- Significantly lowered the use of funds flow from operations from continuing operating activities as the nine months of 2024 generated a use of funds of $46 compared to a use of funds of $957 for the nine months of 2023 driven by strong operational performance from the Delta Acquisition partially offset by the significant additional G&A expenses incurred in 2024 due to the corporate reorganization initiatives.

In the above results discussion, the three months ended September 30, 2024 may be referred to as the "quarter" or "Q3 2024" and the comparative three months ended September 30, 2023 may be referred to as "Q3 2023". References to other quarters may be presented as "QX 20XX" with X/XX being the quarter/year to which the commentary relates. Additionally, the nine months ended September 30, 2024 may be referred to as "YTD" or "YTD 2024". References to other nine-month periods ended September 30 may be presented as "YTD 20XX" with XX being the year to which the nine-month period ended September 30 commentary relates. All amounts are expressed as thousands of Canadian dollars.

RESULTS OVERVIEW

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

	Three months ended September 30		Nine months ended September 30	
(thousands of Canadian Dollars, except per share amounts)	2024	2023	2024	2023
Operating results from continuing operations:				
Revenue – continuing operations	**2,506**	1,015	**8,027**	2,347
Net income (loss) - continuing operations	**125**	498	**(1,402)**	(1,208)
Per share (basic & diluted) (1)	***0.01***	*0.04*	***(0.11)***	*(0.10)*
Oilfield services operating margin - continuing operations (2)	**1,335**	634	**4,064**	1,394
Oilfield services operating margin as a % of revenue (2)	***53.3%***	*62.5%*	***50.6%***	*59.4%*
EBITDA - continuing operations (2)	**528**	362	**(705)**	(1,393)
Adjusted EBITDA - continuing operations (2)	**383**	(700)	**662**	(2,031)
Operating income (loss) - continuing operations (2)	**1**	(1,317)	**(2,432)**	(3,755)
Cash flow from continuing operations:				
Cash flow from (used in) continuing operating activities	**487**	172	**(42)**	359
Per share (basic & diluted) (1)	***0.04***	*0.01*	***0.00***	*0.03*
Funds flow from (used in) continuing operating activities (2)	**640**	(331)	**(46)**	(957)
Per share (basic & diluted) (1)	***0.05***	*(0.03)*	***0.00***	*(0.08)*
2024 Return of capital/2023 dividends (3)	**37,842**	730	**37,842**	2,190
Capital expenditures	**630**	80	**1,445**	505

	As at	
(thousands of Canadian Dollars, except per share amounts and common shares outstanding)	Sept 30, 2024	Dec 31, 2023
Financial position:		
Working capital (2)	**4,933**	62,985
Cash and cash equivalents	**4,106**	50,331
Total assets	**32,977**	123,137
Long-term debt (non-current)	**3,222**	3,352
Shareholders' equity	**23,083**	99,332
Per share (basic) (1)	***1.87***	*8.16*
Per share (fully diluted) (1)	***1.85***	*7.81*
Common shares outstanding (4)	**12,448,166**	12,280,568

(1) The number of common shares used in calculating net loss per share, cash flow from (used in) operating activities, funds flow from operating activities per share, dividend payments per share, and shareholders' equity per share is determined as explained in Note 13 of the Financial Statements (continuing operations).

(2) Readers are cautioned that Oilfield services operating margin, EBITDA (Earnings before interest, tax, depreciation, and amortization), Adjusted EBITDA, Operating income (loss), Funds flow from operating activities and Working capital do not have standardized meanings prescribed by IFRS – see the "Non IFRS Measures" section in this MD&A for calculations of these measures.

(3) 2023 figures are cash dividends declared.

(4) Pursuant to the de facto four-to-one consolidation of the Corporation's outstanding common shares effective August 12, 2024, the number of common shares outstanding and all per-share amounts have been retroactively adjusted to effect the stock consolidation.

Operating Results

Rental Services segment (previously "Ancillary Services")

(thousands of Canadian Dollars, unless otherwise noted)	Three months ended Sept 30 2024	Three months ended Sept 30 2023	Nine months ended Sept 30 2024	Nine months ended Sept 30 2023
Revenue	**2,506**	1,015	**8,027**	2,347
Oilfield services expense	**(1,171)**	(381)	**(3,963)**	(953)
Oilfield services operating margin(1)	**1,335**	634	**4,064**	1,394
Operating margin (%)	***53.3%***	*62.5%*	***50.6%***	*59.4%*

(1) See "Non-IFRS Measures"

The Rental Services segment consists of High Arctic's oilfield rental equipment in Canada centred upon pressure control equipment and equipment supporting the high-pressure stimulation of oil and gas wells in the WCSB.

The significant increase in revenue for the three- and nine-month periods ended September 30, 2024 versus the comparable periods in 2023 is a direct result of the contribution from the Delta business that was acquired in late 2023. Specifically, revenues increased $1,491 or 147% in the quarter when compared to Q3 2023 and increased $5,680 or 242% when compared to year-to-date revenues from 2023. Operating margins of 53.3% and 50.6% for the three and nine months ended September 30, 2024, respectively, are approximately nine percent lower to the comparable periods in 2023 due to the impact of the Delta Acquisition as Delta utilizes some third-party rental equipment in its operations, increasing operating expenses.

Production Services segment

The Production Services segment operations consist of High Arctic's idled snubbing units in Colorado, U.S., and its equity investments in the Seh' Chene Partnership and Team Snubbing in Canada. Though the Seh' Chene Partnership has experienced limited business activity since the 2022 Canadian sales transactions, the partnership is still active and the Corporation together with its partner look to reposition its customer offerings and explore other avenues for business activity.

Liquidity and capital resources Liquidity and capital resources

(thousands of Canadian Dollars)	Three months ended Sept 30 2024	Three months ended Sept 30 2023	Nine months ended Sept 30 2024	Nine months ended Sept 30 2023
Cash provided by (used in) continued operations:				
Operating activities	**487**	172	**(42)**	359
Investing activities	**(461)**	1,155	**(1,276)**	28,798
Financing activities	**(37,382)**	(1,336)	**(37,640)**	(3,012)
Effect of exchange rate changes on cash	**67**	142	**1,186**	25
Increase (decrease) in cash from continuing operations	**(37,289)**	133	**(37,772)**	26,170

(thousands of Canadian Dollars, unless otherwise noted)	As at Sept 30, 2024 (2)	As at Dec 31, 2023
Current assets	**8,375**	79,438
Working capital(1)	**4,933**	62,985
Working capital ratio(1)	**2.4:1**	4.8:1
Cash and cash equivalents	**4,106**	50,331
Net cash(1)	**709**	46,804

(1) See "Non-IFRS Measures"

(2) Continuing operations

Operating Activities
In Q3 2024, cash from operating activities from continuing operations was $487, as compared with $172 from operating activities from continuing operations in Q3 2023. Funds flow from operating activities from continuing operations totaled $640 in the quarter, versus funds used of $331 for Q3 2023 (see “Non-IFRS Measures”). In Q3 2024, changes in non-cash operating working capital from continuing operations totaled an outflow of $153 versus an inflow of $503 in Q3 2023.

For the nine months ended September 30, 2024, cash used in operating activities from continuing operations was $42, as compared with $359 of cash flow from operating activities from continuing operations in 2023. Funds used in operating activities from continuing operations totaled $46 for the nine months ended September 30, 2024, versus a use of funds of $957 for the same period in 2023. Over the nine months ended September 30, 2024, changes in non-cash operating working capital from continuing operations totaled an inflow of $4 versus $1,316 for the comparable period in 2023.

The general increase in cash from operating activities from continuing operations for both the three and nine months ended September 30, 2024, when compared to the same periods in 2024, was largely the result of the positive impact on the business from the Delta Acquisition, partially offset by higher G&A costs related to the Corporation’s reorganization that was completed in the quarter.

Investing Activities
During the quarter, the Corporation’s cash spent on investing activities from continuing operations totaled $461, compared to $1,155 generated from investing activities for the same period the year prior mainly due to proceeds from asset sales of $1,350 in 2023. In addition to sustaining and growth capital spending related to its rental business, the Corporation’s Q3 2024 investing activity also included spending on new information systems and information technology infrastructure necessary to support the Canadian business going forward after the completion of the Arrangement. Year-to-date spending through September 30, 2024 totaled $1,445 on these same projects.

Financing Activities
During the quarter, the Corporation’s cash used in financing activities from continuing operations was an elevated $37,382, primarily a result of the $37,842 return of capital distribution High Arctic paid to its shareholders in the quarter. In addition, Team Snubbing began making its scheduled repayments in the quarter on the note receivable amounts owed to High Arctic. These payments totaled $589 in the quarter (Q3 2023 - nil). The Corporation also paid $43 (Q3 2023: $544) towards principal payments on its mortgage financing (see “Long-term debt” below) and $86 in lease liability payments (Q3 2023: $62).

For the nine months ended 2024, the Corporation’s cash used in financing activities from continuing operations was also an elevated amount totaling $37,640. The reasons for the elevated amount of cash used in financing activities from continuing operations are the same as above with additional mortgage and lease payments for nine months increasing the total amount of cash used.

Long-term debt

(thousands of Canadian Dollars)	As at Sept 30, 2024	As at Dec 31, 2023
Current	**175**	175
Non-current	**3,222**	3,352
Total	**3,397**	3,527

The Corporation has mortgage financing secured by lands and buildings owned by High Arctic located within Alberta, Canada. The mortgage has a remaining initial term of under three 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. At September 30, 2024, the Corporation was compliant with all covenants associated with the mortgage financing.

Outlook

With the spinoff of the PNG business complete, the resultant High Arctic operations now consist of a high-margin equipment rental business centered upon pressure control and well stimulation, a minority interest in Canada's largest oilfield snubbing services business, Team Snubbing and industrial properties at Clairmont and Whitecourt in Alberta. With the current equipment rental business generating steady funds flow from operations combined with the Corporation's working capital position, High Arctic is positioned to begin executing on an exciting new chapter in its corporate history.

The 2024 transformational developments returned capital to shareholders and enabled a reset of the Corporation's strategic direction. High Arctic looks to grow its Canadian business and position itself to benefit from positive industry developments. These developments are principally underpinned by upstream activity dynamics to meet, and then sustain, growing oil and natural gas export capacity. This capacity expansion is evident in the commercial start-up of the TransMountain oil pipeline expansion during 2024 and the widely-anticipated LNG expansion in 2025 through tidewater access.

The Corporation has begun executing on its strategic business plan as it has recently made selective investments in its rental business and has started the process of identifying new leadership and potential acquisition candidates for High Arctic.

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 Net cash. 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.sedarplus.ca 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: general economic and business conditions which will include, among other things, the outlook for energy services; right sizing of the general and administrative infrastructure; the performance of the Corporation's investment in Team Snubbing, and whether Team Snubbing can realize high utilization in its Canadian operations and for its snubbing packages in Alaska in 2024; demand for the Corporation's Canadian rental equipment in 2024, scaling the Canadian business, executing on one or more corporate transactions; and estimated credit risks.

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; obtain equity and debt financing on satisfactory terms and manage its liquidity risk.

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 energy services provider. High Arctic provides pressure control equipment and equipment supporting the high-pressure stimulation of oil and gas wells and other oilfield equipment on a rental basis to exploration and production companies, from its bases in Whitecourt and Red Deer, Alberta.

For further information, please contact:

Lonn Bate
Chief Financial Officer
P: 587-318-2218
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