



MANAGEMENT'S DISCUSSION & ANALYSIS

**FOR THE THREE MONTHS ENDED
March 31, 2026 and 2025**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis ("MD&A") is a summary review of core operations, strategy, outlook, risks, the results of operations, liquidity, and capital resources of High Arctic Energy Services Inc. ("High Arctic" or the "Corporation"). This MD&A is based on information available to May 14, 2026 and should be read in conjunction with the unaudited condensed interim consolidated financial statements and notes for the three months ended March 31, 2026 and 2025 (the "Financial Statements") and the audited consolidated financial statements and notes for the years ended December 31, 2025 and 2024. Additional information relating to the Corporation, including the Corporation's Annual Information Form ("AIF") for the year ended December 31, 2025, is available under the Corporation's profile on SEDAR+ at www.sedarplus.ca. This MD&A and the Financial Statements were reviewed by High Arctic's Audit Committee and approved by the Board of Directors on May 14, 2026. Throughout the MD&A, all amounts are expressed in thousands of Canadian dollars ("CAD") unless otherwise noted and have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standard 34 – Interim Financial Reporting.

Readers are cautioned that this MD&A contains certain forward-looking information. Please refer to the "Forward-Looking Statements" section of this MD&A for the Corporation's discussion on forward-looking information including risk factors that could cause actual results to differ materially and certain assumptions used to underlie the forward-looking information. Definitions of certain non-IFRS financial measures are included under the "Non-IFRS Measures" section of this MD&A. Please refer to abbreviations listed on the last page of this MD&A.

In the following discussion, the three months ended March 31, 2026, may be referred to as the "quarter" or "Q1 2026" and the comparative three months ended March 31, 2025, may be referred to as "Q1 2025". References to other quarters may be presented as "QX 20XX" with X/XX being the quarter/year to which the commentary relates. Additionally, the year ended December 31, 2025, may be referred to as "FY 2025".

Corporate Profile

Headquartered in Calgary, Alberta, Canada, High Arctic's operations involve the provision of 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 in Canada. High Arctic is also vested in the energy service pressure control snubbing business in Western Canada and Alaska, US, through a minority interest equity investment in Team Snubbing Services Inc. ("Team Snubbing").

High Arctic conducts its business activities through two reporting segments. The rental services segment consists of its rental equipment assets in Western Canada. The investments and corporate segment contains all other assets and activity, namely, High Arctic's equity investment in Team Snubbing, industrial property, head office functional support, and other monetary investments and borrowings.

First Quarter 2026 Highlights and Summary

- Revenue of \$2,735 for Q1 2026 increased by \$400 or 17% compared to Q1 2025. The increase in revenue is attributable to improved overall customer demand combined with the impact of customer sales mix.
- High Arctic generated oilfield services operating margin of \$1,122 for Q1 2026 with a corresponding operating margin percentage of 42.9% compared to \$1,187 and 53.1% for the prior year comparative quarter. Operating margin was impacted by higher revenues as noted above, offset by the reduction in operating margin percentage which was driven by an increase in third-party rental revenues combined with an increase in repairs and maintenance expenses.
- High Arctic's rental services business delivered solid financial and operational results for Q1 2026 and continues to perform well despite volatile crude oil and natural gas pricing and lower activity levels and rig count when compared to Q1 2025.
- Adjusted EBITDA for Q1 2026 was \$388, or 14% of revenue, compared to the prior year comparative quarter of \$504 and 22% of revenue. Adjusted EBITDA was primarily impacted by the same factors impacting oilfield services operating margin as noted above.
- Operating loss was \$204 in the current year quarter compared to a loss of \$128 in Q1 2025. The increase in operating loss is attributable to the same factors impacting oilfield services operating margin, as noted above, combined with modestly higher general and administrative expenses.
- Net income was \$855 in Q1 2026 compared to a net loss of \$120 in Q1 2025. This increase in net income was a result of Team Snubbing's strong performance in the quarter and the gain on asset dispositions recorded, partially offset by the same factors impacting operating loss as noted above.
- The Corporation maintained operational excellence and safety throughout the quarter as evidenced by the continuation of recordable incident free work.
- Exited Q1 2026 with net working capital of \$4,700, including \$3,200 of cash and an undrawn credit facility.

Select Comparative Financial Information

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

(thousands of Canadian Dollars, except per share amounts)	Three months ended March 31,	
	2026	2025
Operating results from operations:		
Revenue	2,735	2,335
Net income (loss)	855	(120)
<i>Per share (basic & diluted) ^{(1) (3)}</i>	<i>0.07</i>	<i>(0.01)</i>
Oilfield services operating margin ⁽²⁾	1,122	1,187
<i>Oilfield services operating margin as a % of revenue ⁽²⁾</i>	<i>42.9%</i>	<i>53.1%</i>
EBITDA ⁽²⁾	1,440	459
<i>Per share (basic & diluted) ^{(1) (3)}</i>	<i>0.11</i>	<i>0.04</i>
Adjusted EBITDA ⁽²⁾	388	504
<i>Per share (basic & diluted) ^{(1) (3)}</i>	<i>0.03</i>	<i>0.04</i>
Operating loss ⁽²⁾	(204)	(128)
<i>Per share (basic & diluted) ^{(1) (3)}</i>	<i>(0.02)</i>	<i>(0.01)</i>
Cash flow from operations:		
Cash flow from (used in) operating activities	815	884
<i>Per share (basic & diluted) ^{(1) (3)}</i>	<i>0.06</i>	<i>0.07</i>
Funds flow from (used in) operating activities ⁽²⁾	352	495
<i>Per share (basic & diluted) ^{(1) (3)}</i>	<i>0.03</i>	<i>0.04</i>
Capital expenditures	515	382

(thousands of Canadian Dollars, except per share amounts and common shares outstanding)	March 31,	December 31,
	2026	2025
Financial position:		
Working capital ⁽²⁾	4,745	3,644
Cash and cash equivalents	3,183	3,294
Total assets	29,981	29,883
Long-term debt (non-current)	2,960	3,003
Shareholders' equity	23,053	22,043
<i>Per share ⁽⁴⁾</i>	<i>1.82</i>	<i>1.74</i>
Common shares outstanding ⁽⁴⁾	12,696,959	12,696,959

⁽¹⁾ The weighted average number of common shares used in calculating both basic and diluted net income (loss) per share, EBITDA (Earnings before interest, tax, depreciation and amortization) per share, Adjusted EBITDA per share, operating income (loss) per share, cash flow from operating activities per share, and funds flow from operating activities per share is detailed in Note 14(b) of the Financial Statements.

⁽²⁾ Readers are cautioned that oilfield services operating margin, oilfield services operating margin as percentage of revenue, 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 "Non-IFRS Measures" for additional details on the calculations of these measures.

⁽³⁾ The number of weighted average common shares used in per share basic calculations for the three months ended March 31, 2026, was 12,696,959 (12,696,959 diluted per share calculations) and for the three months ended March 31, 2025, was 12,522,804 (12,522,804 diluted per share calculations). For periods when the Corporation incurs a net loss or equivalent negative measure, certain potentially dilutive instruments were excluded from the calculation of diluted per share metrics as the inclusion would be anti-dilutive.

⁽⁴⁾ Shareholders' equity per share calculated based on common shares outstanding as at the relevant date.

Outlook

High Arctic continues to anticipate firm customer activity levels in central Alberta for the remainder of 2026, as certain oil and gas producers continue to ramp their capital spending as they drill, complete and tie-in their Duvernay wells which are conveniently located in close proximity to our primary operations in Red Deer. For Team Snubbing, ongoing work in Alaska has driven profitable and meaningful cash flow in the quarter. Although High Arctic's revenues, Adjusted EBITDA and liquidity position are not directly impacted by the results of Team Snubbing due to the Corporation's minority equity ownership, the continued oversight of the capitalization of Team Snubbing, including its debt leverage levels remains a top priority for High Arctic.

High Arctic's business is driven by its customers' decisions to drill new oil and natural gas wells combined with the subsequent activity to complete these wells for production, both of which are tied to their expectations for commodity prices. As such, the financial and operational performance of High Arctic's rental assets and investment in the snubbing industry are highly dependent on the forecast for commodity prices combined with the fundamentals associated with both drilling and well completion trends in the WCSB and in the US state of Alaska.

Despite ongoing economic uncertainty and persistent geopolitical conflicts, global energy supply-demand dynamics have remained relatively resilient. Industry fundamentals, including global energy security dynamics, have been materially impacted by the ongoing conflict in the Middle East involving Iran, the US and Israel. This ongoing conflict appears to be supportive of oil and natural gas drilling and production activity, particularly in Canada, providing cautious optimism for supportive commodity pricing over the medium to longer term.

In the near term, our customers are closely monitoring volatility in oil and gas prices in the context of their underlying production economics, which influence their activity levels, capital spending plans, and, by extension, product pricing. Additionally, the current political landscape and the impact of tariffs in both the United States and Canada continue to introduce potential near-term uncertainty, including within the energy sector.

While global economic uncertainty persists, Canada's energy industry has opportunities for future growth, as evidenced by recent energy infrastructure developments and a new and seemingly more aggressive mandate at the federal level for Canada to become a global energy superpower. In addition to the potential implications related to global energy security as a result of the ongoing conflict in the Middle East, further recent developments include the announcement of the US approval of the Bridger Pipeline Expansion, completion of the Trans Mountain pipeline system expansion in 2024, and the commencement, and subsequent output ramp-up of West coast LNG exports in 2025, all of which are positive developments supporting improved long-term fundamentals for High Arctic's business and the upstream energy services sector.

In summary, the Corporation will build on the positive results achieved in the first quarter of 2026 as it continues to execute on its strategic objectives, with progress to date being evidenced by our leadership, safety performance, balance sheet preservation; general and administrative expense reductions, selective capital expenditure investments supporting organic growth in the rentals business, and oversight of its equity investments.

2026 Strategic Objectives

High Arctic's 2026 strategic objectives are as follows:

- Relentless focus on safety excellence and quality service delivery;
- Organically grow our core businesses through selective and opportunistic investments;
- Seek accretive acquisitions in Canada to drive shareholder value;
- Steward capital and liquidity to preserve balance sheet strength and financial flexibility; and
- Actively manage direct operating costs and general and administrative expenses.

Operating Results

Rental Services Segment

(thousands of Canadian Dollars, unless otherwise noted)	Three months ended March 31,	
	2026	2025
Revenue	2,613	2,237
Oilfield services expenses	(1,491)	(1,050)
Oilfield services operating margin ⁽¹⁾	1,122	1,187
Operating margin (%) ⁽¹⁾	42.9%	53.1%

⁽¹⁾ See "Non-IFRS Measures"

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

Revenue for Q1 2026 of \$2,613 was \$376 or 17% higher than the prior year comparative quarter. The increase in revenue for Q1 2026 compared to Q1 2025 is primarily the result of the Corporation's successful completion of a large-scale high-pressure stimulation project completed in Q1 2026 combined with stronger general customer activity throughout the current year quarter as compared to the prior year quarter. The increase in gross operating expenses in the current year quarter was the result of the increase in revenues, the impact of customer sales mix, increased utilization of third-party rental equipment and higher repairs and maintenance related expenses.

Oilfield services operating margin for Q1 2026 of 42.9% was approximately ten percent lower (on a gross basis) than the 53.1% realized in Q1 2025. Operating margin in Q1 2026 was negatively impacted by customer sales mix, increased utilization of third-party rental equipment and repairs and maintenance activity on certain pressure control equipment in the current year quarter as compared to the prior year quarter.

Other Rental Services Items

During Q1 2026, the Corporation recognized a gain of \$340 related to assets disposed of pursuant to a rent-to-own agreement. Additional details related to this transaction are fully described later in this MD&A.

Investments and Corporate Segment

The investments and corporate segment contains all other assets and activity of the Corporation, namely, High Arctic's equity investment in Team Snubbing, its equity investment in the Seh' Chene Well Servicing Partnership ("Seh' Chene Partnership"), industrial property in Clairmont, Alberta, head office functional support, and monetary investments and borrowings. Select analysis and discussion of these results follows by major heading. Readers are advised to reference Note 20, Segmented Information, in the Corporation's Financial Statements.

Clairmont Industrial Property

Revenue attributable to the Corporation's industrial property in Clairmont, Alberta, was \$122 for Q1 2026 compared to \$98 in the prior year comparative quarter. The change in revenue is due largely to the reclassification of the reimbursement of property taxes from the lessee as a component of revenue in Q4 2025; previously, the reimbursement was included as a reduction of the underlying operating expense. Gross lease revenue was positively impacted by inflation escalators that are provided for under the lease agreement.

Team Snubbing Equity Investment

The Corporation accounts for the results of its 42% interest in Team Snubbing using the equity method of accounting. The Corporation's proportionate share of Team Snubbing's net income for Q1 2026 was \$709 compared to an inclusion of \$12 for Q1 2025. Team Snubbing realized revenues for Q1 2026 of \$13,177 compared to \$8,092 for the prior year comparative quarter. See Note 9 in the Corporation's Financial Statements for additional details.

Team Snubbing realized improved financial and operational performance for Q1 2026 compared to the prior comparative year quarter. The improvements in both revenue and net income for the current year quarter are primarily attributable to improved customer activity in Team Snubbing's operations in Alaska, US combined with modestly improved activity levels within the Canadian operations. Activity levels in the US operations were positively impacted by strong customer activity levels on the Alaskan North Slope and performing complex workovers and plug and abandonment work in southern Alaska. Canadian operations benefitted from improved customer activity, driven by improvements in the current and expected outlook for energy prices. As a result of the improved Q1 2026 financial and operational performance, Team Snubbing was able to make meaningful debt repayments to its primary lender and accordingly improved its working capital position at March 31, 2026.

Seh' Chene Partnership

The Seh' Chene Partnership has experienced limited business activity since 2022. The partnership is still active and the Corporation, together with its partner, are looking to reposition their customer offerings by actively exploring other avenues to generate business activity in the future.

US Snubbing Assets

The Corporation had a fleet of snubbing equipment located in Greeley, Colorado, US. The equipment was originally positioned to provide fluid pumping, cleanup, pipe movement, equipment transportation, completion, well repair and well control services to producers in the Rockies region of the US. In light of overall market conditions and the Corporation's focus on its western Canadian rental assets, these assets were disposed of in the current year quarter for proceeds of US\$120 (CAD of \$163).

General and Administrative Expenses ("G&A")

(thousands of Canadian Dollars, unless otherwise noted)	Three months ended March 31,	
	2026	2025
G&A	856	781
Percent of revenue (%)	31.3%	33.4%

High Arctic recorded G&A expenses of \$856 in Q1 2026 compared to \$781 in the comparative quarter. G&A expenses for Q1 2026 were impacted by higher professional fees associated with the finalization of audit fees for the Corporation's 2025 fiscal year. Excluding the impact of higher professional fees, G&A expenses were consistent with the prior year quarter.

G&A expenses for Q1 2026 were consistent with management's expectations. Management continues to focus on actively managing G&A, ensuring that the cost structure is appropriately aligned and supportive of High Arctic's existing business.

Depreciation and Amortization Expenses

Depreciation and amortization expenses of property and equipment, intangibles and right-of-use assets totaled \$570 in Q1 2026 compared to \$584 for Q1 2025. Depreciation and amortization expenses were impacted by the normal course decline in these expenses, offset in part, by the impact of new capital spending which was directed primarily towards property and equipment.

Share-based Compensation

Share-based compensation expense is the charge to income over the service period relating to stock option or unit plans which generally contemplate the issuance of common shares upon vesting. The Corporation recorded \$22 of expense in Q1 2026 compared to \$48 in Q1 2025.

No stock options or other equity-based awards were issued during Q1 2026. On April 2, 2026, 475,000 stock options were granted at an exercise price of \$0.87 per common share.

Interest and Finance Expenses

(thousands of Canadian Dollars)	Three months ended March 31,	
	2026	2025
Interest on long-term debt	35	37
Finance expense – lease liabilities	17	19
Accretion on contingent consideration	33	56
Other expenses	25	2
Interest and finance expenses	110	114
Notes and other receivables accretion income	53	59
Interest income	42	60
Foreign currency gain (loss)	-	(9)

Interest expense is pursuant to a mortgage secured by lands and buildings owned by High Arctic located within Alberta, Canada. The reduction in interest expense for the current year quarter relative to the prior year comparative quarter is due to the normal course repayments of the outstanding mortgage balance resulting in modestly lower interest charges. The mortgage has a remaining initial term of less than one year with a fixed interest rate of 4.30% and payments occurring monthly. The Corporation's mortgage financing contains certain non-financial covenants requiring lenders' consent including changes to the underlying business. As at March 31, 2026, the total principal balance outstanding was \$3,135 (December 31, 2025: \$3,178).

Finance expense associated with lease liabilities for Q1 2026 was \$17 compared to \$19 in Q1 2025. The decrease in finance expense is due to a reduction in average lease obligations in the current year quarter compared to the prior year comparative quarter.

Accretion expense, which relates to the Corporation's contingent consideration payable for Q1 2026 was \$33 compared to \$56 in Q1 2025. The reduction in accretion expense for Q1 2026, compared to Q1 2025, is the result of the normal course payment of the second year payable in the first quarter of 2026. Additional details related to the Corporation's contingent consideration payable are provided later in this MD&A.

Other expenses of \$25 for Q1 2026 includes stand-by fees associated with the Corporation's credit facility combined with various interest and penalties related to historical tax filings.

Notes and Other Receivables

As at March 31, 2026, the Corporation has three notes and other receivables outstanding, with a combined carrying value of \$2,661 for which accretion income is required to be recognized. The carrying value of each note or receivable is adjusted over the individual items terms, resulting in the recognition of accretion income of \$53 for the three months ended March 31, 2026 (three months ended March 31, 2025: \$59). The reduction in accretion income in the current year quarter is due to the normal course reduction in the notes and other receivables as amounts are collected throughout the year. A summary of the individual terms is detailed below.

1) Team Snubbing 2022 Note Receivable

As part of the sale of the Canadian snubbing assets in 2022, the Corporation received a convertible promissory note for \$3,365 with a five-year term, annual interest rate of 4.5% accruing from January 1, 2023, and principal payments commencing in July 2024. As at March 31, 2026, the carrying value of the note receivable was \$1,531.

2) Team Snubbing 2026 Receivable

During Q1 2026, the Corporation provided property and equipment to Team Snubbing pursuant to a rent-to-own agreement. The property and equipment had a fair value of \$941 with an exchange amount of \$893, representing the present value of the expected cash flows under the agreement. The agreement requires Team Snubbing to make monthly payments and in addition provides Team Snubbing with the option to purchase the equipment at predetermined values no earlier than September 30, 2026 and no later than December 31, 2026, with December 31, 2026, being the expiration of the agreement.

In conjunction with this transaction, the Corporation recognized a gross receivable, the ("2026 receivable") from Team Snubbing of \$941, with the present value being \$893, resulting in \$48 in non-cash accretion which will be recognized as interest income over the term of the agreement. The Corporation disposed of property and equipment with a net book value of \$307, resulting in a gain on this transaction of \$586, of which \$340 or 58% has been included as a component of net income, with 58% being the Corporation's non-ownership percentage of its investment in Team Snubbing. The remainder of the gain of \$246 or 42%, with 42% being the Corporation's ownership interest in Team Snubbing, has been recognized as a reduction to the carrying value of the Corporation's equity investment in Team Snubbing.

3) Delta Rentals Note Receivable

In 2023, as part of the assets acquired in the acquisition of Delta Services Ltd. ("Delta"), High Arctic received an interest-free note receivable for \$880 with a three-year term, accruing from December 28, 2023, with principal repayments commencing December 2024 in three equal payments. The carrying value of the note is determined by discounting the anticipated future cash flow impact of the note using an effective interest rate of 5.0% which approximates the credit risk associated with the principal amount outstanding of the note. As at March 31, 2026 the carrying value of the note receivable was \$283.

Interest Income

Interest income from notes receivable, cash invested in interest bearing accounts and GICs totalled \$42 during Q1 2026 (Q1 2025: \$60). As at March 31, 2026, the Corporation had \$3,183 maintained in a savings account earning an interest rate of approximately 2.5%.

Foreign Exchange Gains and Losses

Foreign exchange gains and losses are the result of changes in the US dollar ("USD") to CAD foreign currency exchange rate related to the revaluation of the Corporation's USD-denominated assets and liabilities. The Corporation currently has minimal USD-denominated assets and liabilities; as such, gains and losses associated with the revaluation of USD-denominated assets and liabilities and the underlying exposure to changes in the US and CAD dollar are not expected to have a significant impact on the Corporation's net earnings.

Contingent Consideration Payable

On December 28, 2023, High Arctic completed the acquisition of all the shares of Delta for cash consideration of \$3,430 and contingent consideration of \$2,952. The contingent consideration is payable in a combination of cash and common shares of the Corporation over a thirty-six-month period following the transaction's close. Common shares of the Corporation can be issued to settle a component of the contingent consideration if the Corporation's capital structure provides the ability to do so. As at March 31, 2026, the Corporation does not anticipate that any additional common shares would be issued as a component of existing or future settlements.

The contingent consideration is to be paid in three instalments being Year 1 (calculated based on fiscal 2024 financial results), Year 2 (calculated based on fiscal 2025 financial results) and Year 3 (calculated based on fiscal 2026 financial results). Payment of each respective year will occur during the first quarter of the fiscal year subsequent to the most recently completed fiscal year.

The contingent consideration is based on Delta achieving specific profitability targets, and is adjusted for capital expenditures incurred. The seller will receive a percentage of the profitability target achieved based on the following schedule:

Calculation of Contingent Consideration Percentage Multiplier:

Percent of profitability target achieved	Percentage multiplier
Less than 50% of profitability target	= 0x
50.1% to 95.0% of profitability target	= 1x minus (2 multiplied by (100% - % of profitability target achieved))
95.1% to 120.0% of profitability target	= 1x
120.1% of profitability target	= 1.2x plus (1.5 multiplied by (% of profitability target achieved - 120%))

As at March 31, 2026, the contingent consideration payable outstanding was \$1,370. In the first quarter of 2026, the Corporation settled the 2025 financial liability (Year 2 liability) of \$1,147 through a cash payment of \$854 and the net settlement of amounts owing to the Corporation related to the note receivable of \$293.

Other Comprehensive Income

(thousands of Canadian Dollars)	Three months ended March 31,	
	2026	2025
Foreign currency translation gain from foreign operations	6	9
Share of other comprehensive income from equity investments	127	-
Total	133	9

The Corporation recognized \$133 of other comprehensive income for Q1 2026 compared to \$9 in the prior year comparative quarter. As detailed above, included in other comprehensive income is a \$6 foreign currency translation gain for Q1 2026 (Q1 2025: \$9 gain) associated with the translation of the Corporation's wholly-owned subsidiaries that have a functional currency other than CAD. In addition, the Corporation recognized comprehensive income of \$127 during Q1 2026 (Q1 2025: nil) associated with its proportionate share of Team Snubbing's other comprehensive income.

Liquidity and Capital Resources

(thousands of Canadian Dollars)	Three months ended March 31,	
	2026	2025
Cash provided by (used in) operations:		
Operating activities	815	884
Investing activities	(797)	(689)
Financing activities	(135)	(135)
Effect of exchange rate changes on cash	6	-
Increase (decrease) in cash operations	(111)	60
(thousands of Canadian Dollars, unless otherwise noted)	As at Mar 31, 2026	As at Dec 31, 2025
Current assets	7,913	7,662
Working capital ⁽¹⁾	4,745	3,644
Working capital ratio ⁽¹⁾	2.5:1	1.9:1
Cash and cash equivalents	3,183	3,294

⁽¹⁾ See "Non-IFRS Measures"

Operating Activities

Cash generated from operating activities for Q1 2026 was \$815, compared to \$884 from operating activities in Q1 2025. Funds from operating activities totaled \$352 in Q1 2026 compared to \$495 for Q1 2025 (see "Non-IFRS Measures"). In Q1 2026, changes in non-cash operating working capital totaled an inflow of \$463 compared to an inflow of \$389 in Q1 2025.

Cash from operating activities and funds from operating activities for the three months ended March 31, 2026 were consistent with the prior year comparative quarter.

Investing Activities

During Q1 2026, the Corporation's net cash used in investing activities totaled \$797 compared to an outflow of \$689 for the prior year comparative quarter. For the first quarter of 2026 and 2025, the majority of investing related cash outflows related to sustaining and growth capital expenditures for the rental services segment combined with the payment of the contingent consideration payable related to the Corporation's 2023 acquisition of Delta. Offsetting investing cash outflows was the receipt of payments on notes and other receivables and proceeds received on the disposition of assets.

Financing Activities

During Q1 2026, the Corporation's net cash used in financing activities of \$135 was consistent with the prior year comparative quarter of \$135. Cash flows related to finance activities consist of the normal course payments and receipts on the Corporation's lease liabilities and long-term debt.

Working Capital

As at March 31, 2026, the Corporation's working capital balance was \$4,745 compared to \$3,644 as at December 31, 2025. The increase in working capital was driven by positive EBITDA generated during Q1 2026 combined with the addition of the Team Snubbing 2026 receivable pursuant to the rent-to-own agreement and the sale of the Corporation's US snubbing assets in the quarter.

Long-term Debt

(thousands of Canadian Dollars)	As at March 31, 2026	As at Dec 31, 2025
Current	175	175
Non-current	2,960	3,003
Total	3,135	3,178

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 two years with a fixed interest rate of 4.30% with payments occurring monthly. The mortgage financing contains certain non-financial covenants requiring lenders' consent including changes to the underlying business. As at March 31, 2026 and December 31, 2025, the Corporation was compliant with all covenants associated with the mortgage financing.

Credit Facility

On December 29, 2025, the Corporation entered into a revolving credit facility (the "Facility") with a Canadian financial institution (the "Lender") for a maximum principal amount of \$3,000. The Facility is secured by a general security agreement, which specifically provides the Lender with a first priority lien over the majority of the Corporation's personal property, inclusive of the Corporation's trade accounts receivable (the "Borrowing Base"). The availability of the Facility is limited to eligible trade accounts receivable, subject to monthly borrowing base certificates and eligibility requirements, with eligibility requirements based on the age and credit worthiness of the Corporation's trade accounts receivables.

As at March 31, 2026 and December 31, 2025, there were no amounts drawn on the Facility. As at March 31, 2026, in accordance with the Borrowing Base calculation, the maximum amount available under the Facility was \$1,342 (December 31, 2025: \$1,424).

The Facility matures on December 28, 2026. Amounts drawn under the Facility are due on demand at the discretion of the Lender, whilst the Corporation maintains the ability to draw on, and make repayments at its discretion.

The interest rate on any drawn amounts is Canadian prime plus 2.25%. The Facility requires the payment of standby fees on any undrawn amounts.

The Facility has a number of financial covenants which include the Corporation maintaining certain financial ratios related to current assets and current liabilities, debt obligations to earnings before interest, income taxes, depreciation and amortization expenses, as defined in the Facility agreement, and a debt service coverage ratio. The Corporation was in compliance with all financial and non-financial covenants as at March 31, 2026 and December 31, 2025.

Off-Balance Sheet Arrangements

As at March 31, 2026 and December 31, 2025, the Corporation did not have any material off-balance sheet arrangements.

Acquisitions and Dispositions

For the three months ended March 31, 2026 and 2025, and for the year ended December 31, 2025, the Corporation did not enter into any acquisitions or divestitures.

Related Party Transactions

Refer to Note 21 of the Corporation's Financial Statements for disclosures related to related parties.

Outstanding Share Capital

The Corporation's authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares. Directors, officers, and certain employees have been granted stock options under the Corporation's approved equity-based compensation plan.

(Common shares issued and outstanding) ⁽¹⁾	Three months ended March 31, 2026		Year ended December 31, 2025	
	Shares	Amount	Shares	Amount
Balance, beginning of period	12,696,959	\$133,426	12,448,166	\$133,153
Issuance of common shares	-	-	248,793	273
Balance, end of period	12,696,959	\$133,426	12,696,959	\$133,426

⁽¹⁾ The Corporation's common shares do not have a par value and all issued shares are fully paid.

On March 5, 2025, the Corporation issued 248,793 shares as part of the settlement of the first-year contingent consideration payable pursuant to the 2023 acquisition of Delta.

As at the date of this MD&A, the number of common shares of the Corporation outstanding was 12,696,959.

Summary of Quarterly Results

The following is a summary of selected consolidated financial information from operations of the Corporation for the last eight completed quarters:

(thousands of Canadian Dollars, except per share amounts)	Three months ended							
	Mar 31, 2026	Dec 31, 2025	Sept 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sept 30, 2024	Jun 30, 2024
Revenue	2,735	2,985	2,930	2,391	2,335	2,443	2,506	2,553
Net income (loss)	855	(160)	931	(295)	(120)	(715)	125	(1,709)
Net earnings (loss) per share – basic and diluted ⁽¹⁾	0.07	(0.01)	0.07	(0.02)	(0.01)	(0.06)	0.01	(0.14)

⁽¹⁾ See "Non-IFRS Measures"

Revenue from operations is typically the highest in Q1 and Q3, traditionally the busiest periods for energy services in Canada, as customers execute major drilling and completions work ahead of the spring break-up usually experienced in Q2. Energy services activity is typically curtailed in Q2 due to restrictions on the movement of heavy equipment due to road bans in certain locations. Activity levels are usually subdued in Q4 due to the onset of winter weather conditions combined with lost work days as a result of year-end time off.

Fluctuations in net income reported quarter-over-quarter have largely been due to the impacts of G&A expenses related to the arrangement transaction completed in Q2 2024 and income and losses associated with the Corporation's equity investment in Team Snubbing. Net income realized in Q1 2026 and Q3 2025 was primarily driven by earnings from the Corporation's equity investment in Team Snubbing of \$709 for Q1 2026 and \$756 for Q3 2025, whereas losses reported in the second quarters of 2025 and 2024 were the result of net losses associated with the same of \$348 and \$889, respectively. The loss reported in the fourth quarter of 2024 is primarily a result of net losses associated with Team Snubbing of \$396 combined with G&A expenses related to the arrangement transaction of \$207. Team Snubbing results have historically fluctuated as a result of the seasonality in oil and gas activity levels combined with costs associated with the start-up of operations in Alaska, US.

Seasonality of Operations

The western Canadian oil and gas industry is subject to seasonality with drilling and well completion activity usually peaking during the winter months in the first and fourth quarters of a given calendar year. As temperatures rise in the spring, the ground thaws and becomes unstable, resulting in government road bans, which severely restrict activity in the second quarter. These seasonal trends typically lead to quarterly fluctuations in the Corporation's operating results, including the results of the Corporation's equity investment in Team Snubbing, which should be considered in any quarter-over-quarter analysis of the Corporation.

Industry Indicators and Market Trends

The following table provides information for the last eight quarters to assist with the understanding of the Canadian oilfield services industry and the effect that commodity prices have on industry activity levels.

	Three months ended							
	Mar 31, 2026	Dec 31, 2025	Sept 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sept 30, 2024	Jun 30, 2024
Oil and natural gas prices – Average for each period:								
West Texas Intermediate (WTI) (USD/bbl) ⁽¹⁾	72	59	65	63	71	70	75	88
West Canada Select (WCS) (CAD/bbl) ⁽¹⁾	79	67	75	76	84	81	85	92
Canada Light Sweet Oil (CLS) (CAD/bbl) ⁽¹⁾	94	77	85	87	95	93	98	106
AECO (CAD/mmbtu) ⁽¹⁾	2.00	2.28	0.61	1.72	2.13	1.48	0.70	1.17
USDCAD Exchange Rate ⁽²⁾	1.3714	1.3901	1.3836	1.3737	1.4433	1.3990	1.3637	1.3684
Cdn Average Rig Count ⁽³⁾	186	180	178	128	214	193	207	134

⁽¹⁾ Source: Sproule

⁽²⁾ Average for the respective quarter

⁽³⁾ Source: JuneWarren-Nickles, ATB or Baker Hughes

During Q1 2026, WTI, WCS and CLS index prices experienced significant volatility driven largely by ongoing conflict in the Middle East. In addition to the conflict in the Middle East, crude oil prices continue to be impacted by supply and other related dynamics within the OPEC+ group combined with ongoing global economic uncertainty that has been driven by a wide variety of political tensions/conflicts and trade disputes. It is expected that the combination of these factors should be favourable to the Canadian energy industry, providing oil and gas producers with support for continued upstream capital investment.

AECO and US natural gas pricing in Q1 2026 was generally consistent with pricing levels compared to Q4 2025. The changes in natural gas pricing experienced in Q4 2025 and Q1 2026, were largely due to a combination of seasonal strength, as a result of colder weather conditions in the first and fourth quarters, combined with incremental international export volumes as a result of the commencement of LNG Canada shipments in Q3 2025. AECO natural gas pricing was very volatile in Q1 2026 as it too was impacted by the ongoing conflict in the Middle East.

Historically, Canadian based natural gas pricing has been impacted disproportionately relative to other North American pricing points as a result of the greater physical distance Canadian AECO pricing is from certain natural gas markets, combined with variations in regional natural gas storage levels. Future AECO pricing is expected to experience reduced volatility and potentially stronger pricing, supported by LNG Canada's commencement of shipments in Q3 2025 and continued ramp-up toward the facility's design capacity.

Financial Risk Management

Financial and other risks

The Corporation is exposed to financial risks arising from its financial assets and liabilities. These include geopolitical risks which are potential risks that a business may face due to changes in global events, policies, or regulations. These could impact the Corporation's workforce and operations by limiting market access and increasing costs. Cyber-security risks increase as the Corporation outsources its IT servers to cloud providers and employees work remotely.

Market and other related risk

Market risk is the risk that the fair value or future cash flows of financial assets or liabilities will fluctuate due to movements in market rates:

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates. The Corporation has mortgage financing with a fixed interest rate of 4.30%. The Corporation is exposed to interest rate risk upon renewal or expiration of the initial term on December 15, 2026. In addition, the Corporation is also exposed to interest rate risk on any future borrowing, including its undrawn credit facility, as rates fluctuate in response to changes in monetary policy and the prime interest rates. The Corporation had no risk management contracts that would be affected by interest rates in place as at March 31, 2026.

Commodity price risk

Commodity price risk is the risk that the Corporation's future cash flows will fluctuate due to changes in demand for High Arctic's services, given that almost all the Corporation's customers are oil and gas producers. High Arctic's customers' activity and strategic decisions are impacted by the fluctuations of oil and gas pricing.

These prices are sensitive to not only the relationship between the Canadian and US dollar, but more importantly local, regional and world economic and geopolitical events. This includes implications from changing oil demand and supply, policy direction taken by OPEC including the role taken by Russia, ongoing conflict in the Middle East, climate change driven transitions to lower emission energy sources, and the implications of changes to government and government policy.

While the Corporation recognizes it will be impacted by these risks, the Corporation also strongly believes that there is a significant role for the energy services industry in the current, transitional, and future phases of energy industry changes.

The Corporation had no risk management contracts that would be affected by commodity prices in place as at March 31, 2026.

Credit risk, customers, and economic dependence

Credit risk is the risk of a financial loss occurring as a result of a default by a counterparty on its obligation to the Corporation. The Corporation's financial instruments that are exposed to credit risk consist primarily of accounts receivable and cash balances held in banks. The Corporation mitigates credit risk by regularly monitoring its accounts receivable position and depositing cash in properly capitalized banks. The Corporation also institutes credit reviews prior to commencement of contractual arrangements.

The Corporation's accounts receivable is predominantly with customers who explore for and develop petroleum reserves and are subject to industry credit risk consistent with the industry. The Corporation assesses the creditworthiness of its customers on an ongoing basis and monitors the amount and age of balances outstanding.

In providing for expected credit losses, the Corporation uses the historical default rates within the industry between investment grade and non-investment grade customers as well as forward-looking information to determine the appropriate loss allowance provision.

The net carrying amount of accounts receivable represents the estimated maximum credit exposure on the accounts receivable balance. The Corporation has a range of customers comprised of small independent, intermediate and large multinational oil and gas producers in North America.

The Corporation provided services to two large customers who individually accounted for greater than 10% of its consolidated revenues during the three months ended March 31, 2026 with total sales of \$763 (three months ended March 31, 2025: one customer with total sales of \$252).

As at March 31, 2026, three customers represented a total of \$970 or 40% of outstanding accounts receivable (December 31, 2025: two customers represented a total of \$1,499 or 51% of outstanding accounts receivable).

The aging of the Corporation's accounts receivable is as follows:

(thousands of Canadian Dollars)	As at Mar 31, 2026	As at Dec 31, 2025
Less than 31 days	1,280	967
31 days to 60 days	1,056	857
61 days to 90 days	100	999
Greater than 90 days	22	234
	2,458	3,057
Provision for expected credit losses	(17)	(109)
Total	2,441	2,948

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Corporation's processes for managing liquidity risk include preparing and monitoring capital and operating budgets, working capital management, coordinating, and authorizing project expenditures, authorization of contractual agreements, managing compliance to debt finance agreements, and remaining attentive to the relationship with High Arctic's bankers and other creditors. The Corporation seeks to manage its financing based on the results of these processes.

The Corporation's future financial results and longer-term success are dependent upon its working capital, and its ability to secure additional capital from debt or equity financings or complete other arrangements to fund the Corporation's activities while the Corporation

attempts to generate recurring positive cash flows from operations. The Corporation will continue to monitor its liquidity position in future periods.

Critical Accounting Judgements and Estimates and Material Accounting Policies

Information on the Corporation's critical accounting judgements and estimates can be found in Note 2 of the Financial Statements. Additional information on the Corporation's critical accounting judgements and estimates can also be found in Note 2 of the audited annual consolidated financial statements for the year ended December 31, 2025. Although estimates and assumptions must be made during the financial statement preparation process, it is management's opinion that none of the estimates or assumptions were highly uncertain at the time they were made. The Corporation's material accounting policies can be found in Note 3 of the audited annual consolidated financial statements for the year ended December 31, 2025.

The audited consolidated financial statements of Team Snubbing for the year ended December 31, 2025 include a note stating that they are prepared on a going concern basis which contemplates that Team Snubbing will be able to continue its operations in the foreseeable future and realize its assets and discharge its liabilities in the normal course of operations. This note identified the following factors which may cast doubt on the appropriateness of the going concern assumption, specifically: Team Snubbing's negative working capital as at December 31, 2025 and non-compliance with certain bank indebtedness. If in the future the going concern assumption is not appropriate for Team Snubbing then the carrying value of the equity investment in and the note receivable from Team Snubbing, as reflected in the Corporation's Financial Statements, would be subject to impairment and that impairment amount may be material.

Future Accounting Pronouncements

Future accounting policy changes

In April 2024, the IASB issued IFRS 18, Presentation and Disclosures in Financial Statements, to replace IAS 1, Presentation of Financial Statements, effective January 1, 2027, with early adoption permitted. The new standard sets out the requirements for presentation and disclosures in the financial statements. Management is presently reviewing the impact the standard will have on the Financial Statements.

Disclosure Controls and Procedures ("DC&P") and Internal Controls over Financial Reporting ("ICFR")

ICFR is a process designed by or under the supervision of management and effected by the Board, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and preparation of consolidated financial statements for external purposes in accordance with IFRS. Management is responsible for establishing and maintaining adequate ICFR, which no matter how well designed, has inherent limitations and can provide only reasonable assurance with respect to the preparation and fair presentation of published financial statements. There have been no changes to High Arctic's internal controls over financial reporting during the three months ended March 31, 2026, that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

For information regarding the corporate governance policies and practices of High Arctic, the reader should refer to High Arctic's Annual Information Form ("AIF") dated March 31, 2026, in respect of the year ended December 31, 2025, and other information and documents, all of which are available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Business Risks and Uncertainties

In addition to the financial risks discussed above under "Financial Risk Management", below under "Forward-Looking Statements" and elsewhere in this MD&A, High Arctic is exposed to a number of business risks and uncertainties that could have a material impact on the Corporation. Readers of the Corporation's MD&A should carefully consider the risks described under the heading "Risk Factors" in the Corporation's December 31, 2025, AIF, which are specifically incorporated by reference herein. The AIF is available on SEDAR+ at www.sedarplus.ca, and copies of the AIF can be obtained on request from the Corporation.

Non-IFRS Measures

This MD&A contains references to certain financial measures that do not have a standardized meaning prescribed by 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 the following:

Earnings from operations before interest, taxes, depreciation, and amortization ("EBITDA")

EBITDA from operations 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. EBITDA from operations is defined as net income (loss) adjusted for income taxes, interest and finance expenses, depreciation and amortization expenses. Management believes that, in addition to net income (loss) reported in the consolidated statements of income (loss) and comprehensive income (loss), EBITDA from operations is a useful supplemental measure of the Corporation's performance prior to consideration of how operations are financed or how results are taxed or how depreciation and amortization affects results. EBITDA from operations is not intended to represent or be construed as an alternative to net income (loss) calculated in accordance with IFRS. Refer to table in Adjusted EBITDA from operations below that provides a reconciliation of net income (loss), as disclosed in the consolidated statements of comprehensive income (loss) to EBITDA from operations.

Adjusted EBITDA

Adjusted EBITDA 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. Adjusted EBITDA is defined as EBITDA (as defined above) prior to the effect of share-based compensation, certain gains or losses on sales or purchases of assets or investments, business acquisition costs, impairment charges, equity earnings from investments, foreign exchange gains or losses, certain fair value adjustments, and other costs related to reorganization or restructurings, consolidating facilities or excess of insurance proceeds over costs.

Management believes the addback for these items provides a more comparable measure of the Corporation's operational financial performance between periods. Adjusted EBITDA as presented is not intended to represent or be construed as an alternative to net income (loss) in accordance with IFRS.

The following table provides a quantitative reconciliation of consolidated net income (loss), as disclosed in the consolidated statements of comprehensive income (loss), to EBITDA and Adjusted EBITDA for the three months ended March 31, 2026, and 2025:

(thousands of Canadian Dollars)	Three months ended March 31,	
	2026	2025
Net income (loss)	855	(120)
<u>Adjustments to net income (loss):</u>		
Interest and other income	(42)	(60)
Interest and finance expenses	110	114
Accretion income on notes and other receivables	(53)	(59)
Depreciation and amortization expenses	570	584
EBITDA	1,440	459
<u>Adjustments to EBITDA:</u>		
Share-based compensation expense	22	48
Income from equity investments	(709)	(12)
Gain on sale of property and equipment	(25)	-
Gain on assets disposed of pursuant to a rent-to-own agreement	(340)	-
Foreign exchange loss (gain)	-	9
Adjusted EBITDA	388	504

Oilfield services operating margin

Oilfield services operating margin 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. Oilfield services operating margin is used by management to analyze overall operating performance. Management believes this non-IFRS financial measure provides useful information to investors and others in understanding the Corporation's operating performance. Oilfield services operating margin is calculated as revenue less oilfield services expense. Oilfield services operating margin as presented is not intended to represent or be construed as an alternative to revenue or net income (loss) or other measures of financial performance calculated in accordance with IFRS. The table disclosed under "Oilfield services operating margin %" below provides a quantitative reconciliation of revenue, as disclosed in the consolidated statements of comprehensive income (loss), to oilfield services operating margin and oilfield operating margin % for the three months ended March 31, 2026, and 2025.

Oilfield services operating margin %

Oilfield services operating margin % is a non-IFRS measure in line with oilfield services operating margin discussed above. Oilfield services operating margin % is used by management to analyze overall operating performance. Oilfield services operating margin % is calculated as oilfield services operating margin divided by revenue.

The following table provides a quantitative calculation of oilfield services operating margin and %:

(thousands of Canadian Dollars, unless otherwise noted)	Three months ended March 31,	
	2026	2025
Revenue	2,613	2,237
Oilfield services expenses	(1,491)	(1,050)
Oilfield services operating margin	1,122	1,187
Oilfield services operating margin %	42.9%	53.1%

Operating income (loss)

Operating income (loss) 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. Operating income (loss) is used by management to analyze overall operating performance. Management believes this non-IFRS financial measure provides useful information to investors and others in understating the Corporation's operating performance. Operating income (loss) is calculated as revenue less oilfield services expenses, general and administrative expenses, depreciation and amortization expenses, and share-based compensation expense. Operating income (loss) as presented is not intended to represent or be construed as an alternative to revenue or net earnings (loss) or other measures of financial performance calculated in accordance with IFRS.

The table disclosed below provides a quantitative reconciliation of revenue, as disclosed in the consolidated statements of comprehensive income (loss) to operating income (loss) for the three months ended March 31, 2026, and 2025:

(thousands of Canadian Dollars)	Three months ended March 31,	
	2026	2025
Revenue	2,735	2,335
Oilfield services expenses	(1,491)	(1,050)
G&A expenses	(856)	(781)
Depreciation and amortization expenses	(570)	(584)
Share-based compensation	(22)	(48)
Operating loss	(204)	(128)

Percentage of revenue

Certain figures are stated as a percentage of revenue and are used by management to analyze individual components of expenses to evaluate the Corporation's performance from prior periods and to compare its performance to other companies.

Funds flow from operating activities

Funds flow from operating activities 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. Funds flow from operating activities is defined as net cash generated from operating activities adjusted for changes in non-cash working capital. Management believes that, in addition to net cash generated from operating activities as reported in the consolidated statements of cash flows, cash generated from operating activities before changes in non-cash working capital adjustments is a useful supplemental measure as it provides an indication of the funds generated by High Arctic's principal business activities prior to consideration of changes in items of working capital. This measure is not intended to represent or be construed as an alternative to net cash generated from operating activities as calculated in accordance with IFRS.

The following tables provide a quantitative reconciliation of net cash generated from (used in) operating activities, as disclosed in the consolidated statements of cash flows, to funds flow from (used in) operations for the three months ended March 31, 2026, and 2025:

(thousands of Canadian Dollars)	Three months ended March 31,	
	2026	2025
Net cash generated from operating activities	815	884
Less: Changes in non-cash working capital balances – operating	(463)	(389)
Funds flow from operations	352	495

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. Working capital ratio is defined as current assets divided by current liabilities. This measure is not intended to represent or be construed as an alternative to current assets as calculated in accordance with IFRS.

The following tables provide a quantitative reconciliation of current assets, as disclosed in the consolidated statements of financial position, to working capital as at March 31, 2026 and December 31, 2025:

(thousands of Canadian Dollars)	As at	As at
	March 31, 2026	December 31, 2025
Current assets	7,913	7,662
Current liabilities	(3,168)	(4,018)
Working capital	4,745	3,644
Working capital ratio	2.5:1	1.9:1

Forward-Looking Statements

This MD&A 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 MD&A.

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 MD&A as intended, planned, anticipated, believed, estimated or expected. Specific forward-looking statements in this MD&A include, among others, statements pertaining to the following: general economic and business conditions, which will include, among other things, the outlook for the energy industry inclusive of commodity prices, producer activity levels (inclusive of drilling and completions activity) and general energy supply and demand fundamentals that may impact the energy industry as a whole and more specifically as it relates to the Corporation’s customers in Western Canada and Alaska, United States; expectations related to current and future LNG export projects and the impact, if any, on future pricing; the impact, if any, of geo-political events, changes in government, changes to tariffs or related trade policies and the potential impact on the Corporation’s ability to execute its 2026 strategic objectives; fluctuations in interest rates and commodity prices; expectations regarding the Corporation’s ability to manage its liquidity risk, raise capital and manage its debt finance agreements; expectations regarding the impact, if any, of foreign currency exchange rate changes; the nature and the timing of the settlement of future contingent consideration payments; 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 Corporation’s ability to seek and execute accretive acquisitions including the timing thereof and the potential operational and financial benefits; management of general and administrative expenses; the maintenance of a strong balance sheet and related financial flexibility; the performance of the Corporation’s investment in Team Snubbing and Team Snubbing’s ability to continue as a going concern; operational and financial performance of the Corporation’s Canadian rental equipment business in 2026; the Corporation’s expectations for customer activity levels for 2026; scaling the Corporation’s Canadian business; execution on one or more corporate transactions; and estimated credit risks.

With respect to forward-looking statements contained in this MD&A, 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 MD&A, 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 MD&A are expressly qualified in their entirety by this cautionary statement. These statements are given only as of the date of this MD&A. 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.

Abbreviations

The following is a summary of abbreviations used in this Management Discussion and Analysis:

AIF	- Annual information form
AECO	- Alberta Energy Company natural gas spot price
bbl	- Barrel
CAD	- Canadian dollars
CLS	- Canadian Light Sweet
DCP	- Disclosure controls and procedures
EBITDA	- Earnings before interest, tax, depreciation, and amortization
FY	- Financial Year
G&A	- General and administrative expenses
ICFR	- Internal controls over financial reporting
IFRS	- International Financial Reporting Standards
MD&A	- Management discussion and analysis
mmbtu	- Million British thermal units
OPEC	- Organization of Petroleum Exporting Countries
US	- United States of America
USD	- United States dollars
USDCAD	- Exchange rate that represents the amount of CAD required to buy one USD
WCS	- West Canada Select
WCSB	- Western Canadian Sedimentary Basin
WTI	- West Texas Intermediate