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LAW**

High Arctic Announces 2026 First Quarter Results

CALGARY, Alberta – May 14, 2026, High Arctic Energy Services Inc. (TSX: HWO) (the “Corporation” or “High Arctic”) released its first quarter 2026 financial and operating results. The unaudited condensed interim consolidated financial statements (the “Financial Statements”) and management discussion & analysis (“MD&A”) for the quarter ended March 31, 2026 will be available on SEDAR+ at www.sedarplus.ca, and on High Arctic’s website at www.haes.ca.

All amounts are denominated in thousands of Canadian dollars (“CAD”), unless otherwise indicated.

In the following disclosure, 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”.

Lonn Bate, Interim Chief Executive Officer commented:

“Our rental services business delivered solid financial and operational results in Q1 2026 despite volatile crude oil and natural gas pricing and lower activity levels and rig count. We witnessed an acceleration of customer activity in central Alberta, driven by increased development in the Duvernay near our Red Deer operations. Our current service offerings and facility locations position us to provide our customers with the assets they need while allowing us to maintain an exceptional level of customer service.

Team Snubbing, of which High Arctic maintains a 42% equity interest, continued to be active in 2026 on the Alaskan North Slope and elsewhere in Alaska performing complex workovers and plug and abandonment work. These developments have validated their strategic entry into the Alaskan market, providing them with increased scale and a solid platform for future profitable growth.

As always, we remain committed to delivering our high standard of customer service with a relentless focus on safety, service quality, and continued cost management across the business.”

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.

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 strong financial liquidity, with net working capital of \$4.7 million, including \$3.2 million of cash.

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
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(thousands of Canadian Dollars, except per share amounts and common shares outstanding)	March 31, 2026	December 31, 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.

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.

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).

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	As at
	Mar 31, 2026	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	As at
	March 31, 2026	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.

Non-IFRS Measures

This Press Release 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 EBITDA (Earnings before interest, tax, depreciation and amortization), Adjusted EBITDA, oilfield services operating margin and margin percentage, operating income (loss), funds flow from operating activities and working capital. These do not have standardized meanings.

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

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

Forward-Looking Statements

This Press Release contains forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions are intended to identify forward-looking statements. Such statements reflect the Corporation's current views with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the Corporation's actual results, performance, or achievements to vary from those described in this Press Release.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this Press Release as intended, planned, anticipated, believed, estimated or expected. Specific forward-looking statements in this Press Release include, among others, statements pertaining to the following: general economic and business conditions, which will include, among other things, the outlook for 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; 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 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.

Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: economic and financial conditions, including volatility in commodity prices; volatility in interest and exchange rates and capital markets; the level of demand and financial performance of the energy industry; changes in customer demand; and developments and changes in laws and regulations, including in the energy industry.

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. Additionally, High Arctic maintains a minority equity interest in Team Snubbing, a leading provider of well-control services to the oil and gas drilling industry with operations in Western Canada and Alaska, US.

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