



High Arctic Overseas Announces 2025 Third Quarter Results

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CALGARY, Alberta, Nov. 28, 2025 -- High Arctic Overseas Holdings Corp. (TSXV: HOH) ("High Arctic Overseas" or the "Corporation") has released its third quarter 2025 financial and operating results. The unaudited condensed interim consolidated financial statements (the "Financial Statements") and management's discussion & analysis ("MD&A") for the quarter ended September 30, 2025, will be available on SEDAR+ at www.sedarplus.ca. All amounts are denominated in United States dollars ("USD"), unless otherwise indicated.

The common shares of the Corporation began trading on the TSXV on August 16, 2024 under the trading symbol HOH.

Mike Maguire, Chief Executive Officer, commented on the Corporation's third quarter of 2025 financial and operating results:

"High Arctic's Q3 results reflect reduced current activity in PNG. Our strong working capital and debt-free balance sheet position us well for future opportunities. We're focused on our diversification strategy, expanding our customer base for equipment rental and manpower services, building out the new Fire Services business and exploring potential acquisitions. We remain optimistic about upcoming PNG major projects and have been fielding increased service enquiries. Our strategy is to stay agile, diversify and remain ready for the next wave of expansion projects."

2025 THIRD QUARTER HIGHLIGHTS

- Adjusted EBITDA loss increased from Q2 2025 \$184 to Q3 2025 \$741, largely due to the planned wind down of customer project activities in our manpower and rental services businesses and costs associated with establishment of the Fire Services business.
- Drilling activities remained consistent with Q2 2025 with continuation of Rig 103 suspension and Rigs 115 and 116 cold stacked.
- General & Administrative expenses have increased to \$969 in Q3 2025 compared to \$693 in Q2 2025 with a number of one-time expenses related to strategy development and corporate services; and
- Disciplined cashflow management resulted in exiting Q3 2025 with working capital of over \$19 million.

2025 YEAR TO DATE HIGHLIGHTS

- Adjusted EBITDA loss for 9 months ending 30 September 2025 of \$1,008 against a gain for 9 months ending 30 September 2024 of \$4,849 is a reflection of drilling operations being suspended through year to date, 2025.
- Revenue and operating margins significantly reduced compared to Q3 2024 due to the higher portion of 2025 revenue activities being manpower rather than equipment, which has a higher operating cost;
- Cost to establish the Fire Services business, one off expense for strategy, corporate services and equipment readiness, combined with reduced revenue led to \$1,464 of cash used in operations year to date 2025, versus \$9,864 of cash generated year to date in 2024, which is reflection of cash generation through drilling activities.

In the above results discussion, the three months ended September 30, 2025 may be referred to as the "quarter" or "Q3 2025" and the comparative three months ended September 30, 2024 may be referred to as "Q3 2024". References to other quarters may be presented as "QX 20XX" with X/XX being the quarter/year to which the commentary relates. References to the six months ended June 30, 2025, may be referred to as the "first half" or "H1 2025" and the comparative six months ended June 30, 2024 may be referred to as "H1 2024".

Business strategy

Our business strategy focused on Papua New Guinea is underpinned by the following cornerstones:

- Leveraging our core PNG planning and logistics capability to diversify our service offerings;
- Deploying idle assets into profitable operations;
- Strengthening local content & participation in the PNG finance and investment communities;
- An established and efficient corporate structure; and
- Seeking opportunities to expand and root the business in the Australasian region.

2025 Strategic Objectives

- Relentless focus on safety excellence and quality service delivery;
- Reduce general and administrative expenditures;
- Grow the manpower business in Papua New Guinea;
- Maximize potential participation in future major Papua New Guinea projects; and
- Pursue expansionary transactions that increase shareholder value.

Since the Corporation and HAES-Cyprus were both wholly-owned by HWO, the transfer of all of the outstanding ordinary

shares of HAES-Cyprus to the Corporation was deemed a common control transaction. The Corporation's Financial Statements are presented under the continuity of interests basis. Financial and operational results contained within this Press Release present the historic financial position, results of operations and cash flows of HAES-Cyprus for all prior periods up to August 12, 2024, under HWO's control. The financial position, results of operations and cash flows from April 1, 2024 (the date of incorporation of the Corporation) to August 12, 2024, include both HAES-Cyprus and the Corporation on a combined basis and from August 12, 2024, forward include the results of the Corporation on a consolidated basis upon completion of the Arrangement.

For reporting purposes in the Financial Statements, the MD&A and this Press Release, it is assumed that the Corporation held the PNG business prior to August 12, 2024, and as such, information provided includes the financial and operating results for the three and nine months ended September 30, 2025, including all comparative periods.

RESULTS OVERVIEW

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

| | Three months ended Sept 30, | | Nine months ended Sept 30, | |
|---|--------------------------------|----------|-------------------------------|-------------------------|
| (thousands of USD except per share amounts) | 2025 | 2024 | 2025 | 2024 |
| Operating results: | | | | |
| Revenue | 1,983 | 2,891 | 6,861 | 21,654 |
| Net income (loss) | (1,330) | (1,421) | (3,077) | 1,051 |
| <i>Per share (basic and diluted) ⁽¹⁾⁽²⁾</i> | (\$0.11) | (\$0.11) | (\$0.25) | \$0.08 |
| Operating margin ⁽³⁾ | 321 | 1,064 | 1,544 | 8,376 |
| <i>Operating margin as a % of revenue ⁽³⁾</i> | 16.2% | 36.8% | 22.5% | 38.7% |
| EBITDA ⁽³⁾ | (741) | (365) | (1,008) | 4,846 |
| <i>Per share (basic and diluted) ⁽¹⁾⁽²⁾</i> | (\$0.06) | (\$0.03) | (\$0.08) | \$0.39 |
| Adjusted EBITDA ⁽³⁾ | (648) | (344) | (508) | 4,862 |
| <i>Adjusted EBITDA as a % of revenue ⁽³⁾</i> | (32.7%) | (11.9%) | (7.4%) | 22.5% |
| <i>Per share (basic and diluted) ⁽¹⁾⁽²⁾</i> | (\$0.05) | (\$0.03) | (\$0.04) | \$0.39 |
| Operating income (loss) ⁽³⁾ | (1,239) | (1,036) | (3,204) | 1,719 |
| <i>Per share (basic and diluted) ⁽¹⁾⁽²⁾</i> | (\$0.10) | (\$0.08) | (\$0.26) | \$0.14 |
| Cash flow: | | | | |
| Cash flow from (used in) operating activities | (800) | 1,219 | (1,464) | 9,864 |
| <i>Per share (basic and diluted) ⁽¹⁾⁽²⁾</i> | (\$0.06) | \$0.10 | (\$0.12) | \$0.79 |
| Funds flow from operations ⁽³⁾ | (727) | (630) | (1,002) | 4,103 |
| <i>Per share (basic and diluted) ⁽¹⁾⁽²⁾</i> | (\$0.06) | (\$0.05) | (\$0.08) | \$0.33 |
| Capital expenditures | (39) | 57 | 194 | 590 |
| | | | | |
| (thousands of USD except per share amounts and common shares outstanding) | | | September 30, 2025 | December 31, 2024 |
| Financial position: | | | | |
| Working capital ⁽³⁾ | | | 19,300 | 20,602 |
| Cash and cash equivalents | | | 12,952 | 14,930 |
| Total assets | | | 31,143 | 35,287 |
| Shareholder's equity | | | 28,035 | 30,953 |
| <i>Per share ⁽⁴⁾</i> | | | \$2.25 | \$2.48 |
| Common shares outstanding | | | 12,448,166 | 12,448,166 |

⁽¹⁾ For periods when the Corporation incurred a net loss the shares outstanding under the Corporation's equity incentive plans for the periods presented are excluded from the calculation of diluted weighted average number of common shares as the outstanding options were anti-dilutive.

⁽²⁾ For the purposes of computing per share amounts, the number of common shares outstanding for the periods prior to the Arrangement is deemed to be the number of shares issued by the Corporation to the shareholders of HWO upon completion of the Arrangement. See "2024 Corporate Reorganization" section of this Press Release and the Corporation's Financial Statements for additional details.

⁽³⁾ Readers are cautioned that Operating margin, Operating margin as a % of revenue, EBITDA (Earnings before interest, tax, depreciation, and amortization), Adjusted EBITDA, Adjusted EBITDA as a % of revenue, Operating income (loss), Funds flow from operations and Working capital do not have a standardized meanings prescribed by IFRS. See "Non IFRS Measures" in this Press Release for additional details on the calculations of these measures.

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

Operating Results

| | Three months ended Sept 30, | | Nine months ended Sept 30, | |
|--|-----------------------------|---------|----------------------------|----------|
| (thousands of USD, unless otherwise noted) | 2025 | 2024 | 2025 | 2024 |
| Revenue | 1,983 | 2,891 | 6,861 | 21,654 |
| Operating expenses | (1,662) | (1,827) | (5,317) | (13,278) |
| Operating margin ⁽¹⁾ | 321 | 1,064 | 1,544 | 8,376 |
| Operating margin percentage ⁽¹⁾ | 16.2% | 36.8% | 22.5% | 38.7% |

⁽¹⁾ See “Non-IFRS Measures”

Customer-owned rig 103 has been suspended since the second half of 2024 and was operational for the first 5.5 months in 2024. The majority of Q3 2025 revenue is from the provision of equipment rental and skilled personnel to key customers within PNG's oil and gas industry. As noted above, revenue and operating margins have reduced as a result of major customer projects commencing the planned wind down of activities. While minor, the Corporation is continuing to see increased equipment rental revenues from other industries within PNG.

The Corporation owns two heli-portable drilling rigs (Rigs 115 and 116) which remain preserved and can be made ready for deployment with limited investment.

Liquidity and Capital Resources

| | Three months ended Sept 30, | | Nine months ended Sept 30, | |
|---|-----------------------------|---------|----------------------------|---------|
| (thousands of USD) | 2025 | 2024 | 2025 | 2024 |
| <u>Cash provided by (used in) operations:</u> | | | | |
| Operating activities | (800) | 1,219 | (1,464) | 9,864 |
| Investing activities | 39 | (57) | (194) | (590) |
| Financing activities | (88) | (5,128) | (318) | (5,374) |
| Effect of foreign exchange rate changes | 2 | - | (2) | - |
| Increase (decrease) in cash | (847) | (3,966) | (1,978) | 3,900 |

| | As at Sept 30, 2025 | As at Dec 31, 2024 |
|--|---------------------|--------------------|
| (thousands of USD, unless otherwise noted) | | |
| Current assets | 22,397 | 24,706 |
| Working capital ⁽¹⁾ | 19,300 | 20,602 |
| Working capital ratio ⁽¹⁾ | 7.2:1 | 6.0:1 |
| Cash and cash equivalents | 12,952 | 14,930 |

⁽¹⁾ See “Non-IFRS Measures”

Cashflows from Operating Activities

For the three months ended September 30, 2025, cash used in operating activities was \$800 (Q3 2024 – cash generated was \$1,219). The change in operating cash flow was driven by reduced revenue generating activities, costs associated with the establishment of the Fire Services business, one off expense related to strategy development, corporate services, equipment readiness and changes in non-cash working capital. Changes in non-cash working capital are listed in Note 14 of the Financial Statements and represent temporary differences as inventory previously purchased in support of anticipated sales, deferred revenue is earned and related party balances post the Arrangement reduce.

Cashflows from Investing Activities

For the three months ended September 30, 2025, cash generating in investing activities was \$39 (Q3 2024 – cash used was \$57). The positive balance is the result of cost base adjustments to finalised capital projects. Actual cash outflows during the quarter of \$30 were directed towards capital expenditure on rental assets. The Corporation continues to seek opportunities to invest in additional capital assets where there is strong market demand.

Cash flows from Financing Activities

For the three months ended September 30, 2025, cash used in financing activities was \$88 (Q3 2024 - \$5,128, inclusive of \$5,000 dividend as part of the 2024 Corporate Reorganisation). Cash outflows associated with finance activities were directed towards lease obligation payments.

Outlook

Consistent with the outlook provided by the Corporation in Q2 2025 the outlook for the Corporation's core business in PNG for the remainder of 2025 remains subdued. Current quarter operating results were largely driven by manpower and rental services

delivered to its key customers in PNG's oil and gas industry. With no near-term drilling activity currently contracted, the Corporation expects equipment rental and manpower to continue as the primary revenue generating activity for the remainder of 2025 and into next year. Q4 of 2025 is expected to see a continued decline in these activities as certain projects supported by the Corporation conclude, and customers continue to defer non-essential work. This is expected to be somewhat offset by positive contributions from the newly established Fire Services business.

The Corporation is buoyed by an increase in recent enquiries for services and requests for pricing which may lead to a future upswing in revenue generating activity. The Corporation remains engaged with its principal customer on planning for future drilling activity and continues to focus on enhancing and optimizing its existing rental fleet deployment and manpower solutions offerings. The Corporation also keeps abreast of regional drilling opportunities where its heli-portable solutions have a competitive advantage.

Business Strategy

Our rationale for a business strategy focussed on PNG is unchanged. Papua New Guinea possesses substantial deposits of natural resources including significant reserves of oil and natural gas and has emerged as a reliable low-cost energy exporter to Asian markets, particularly for liquefied natural gas ("LNG"). A significant investment in the country's oil and gas industry was evidenced by the successful construction of the PNG-LNG project in 2014, with the primary partners in the venture being customers of the Corporation. In the period following, the Corporation's predecessor company committed to the purchase and upgrade of drilling rigs 115 and 116 and expansion of the Corporation's fleet of rentable equipment including camps, material handling equipment and worksite matting. These investments contributed to a substantive lift in revenues and earnings as PNG enjoyed its highest period of exploration and development activity.

Since the onset of COVID-19 in early 2020, there has been a substantive reduction in drilling services in PNG. This follows some consolidation among the active exploration and production companies and evolving political and economic influences. In the longer term, High Arctic believes PNG is on the precipice of a new round of large-scale projects in the natural resources sector. The next significant LNG project currently being planned is Papua-LNG, a project lead by the French oil and gas super-major TotalEnergies, with a final investment decision anticipated in late 2025. There is an expectation for increased drilling activity through the latter half of this decade, not only to develop wells for the supply of gas to the Papua-LNG export facility, but also to explore for and appraise other discoveries. The signing of a fiscal stability agreement between the P'nyang gas field joint venture and the government of PNG is another positive signal for that expansionary project to follow Papua-LNG.

The Corporation is strategically positioned to support these developments, given its dominant position for drilling and associated services in PNG, existing work relationships with the operating companies, and proximity to the proposed sites of operation. The Corporation's drilling rigs 115 and 116 are portable by helicopter and have been maintained and preserved for future use.

There are a number of other petroleum and mining projects and substantive nation-building projects including infrastructure, electrification, telecommunications and defense projects planned for the development of PNG. These projects will require access to transport and material handling machinery, quality worksite and temporary road mats and a substantive amount of labour including skilled equipment operators, qualified tradespeople and engineers, geoscientists and other professionals. High Arctic's business continues to position itself to be a meaningful supplier of services, equipment and manpower for this market.

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 Overseas 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 Q3 2025 MD&A, which is available online at www.sedarplus.ca.

About High Arctic Overseas Holdings Corp.

High Arctic delivers drilling, equipment rentals, fire protection services, asset management and workforce solutions across Papua New Guinea. Together, we combine international standards with local expertise and an unwavering focus on quality, to support oil and gas, mining, and infrastructure projects nationwide.

For further information, please contact:

Matt Cocks

Chief Financial Officer
1.587.320.1301

High Arctic Overseas Holdings Corp.
Suite 2350, 330–5th Avenue SW
Calgary, Alberta, Canada T2P 0L4
www.higharctic.com
Email: info@higharctic.com

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 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; the role of the energy services industry in future phases of the energy industry; the outlook for energy services both globally and within PNG; the impact of conflict in the Middle East and Ukraine; the timing and impact on the Corporation’s business related to potential new large-scale natural resources projects and increased drilling activity in PNG; the impact, if any, related to existing or future changes to government regulations by the government of PNG; the impact, if any, on the Corporation’s future financial and operational results related to non-resource development opportunities in PNG; market fluctuations in commodity prices, and foreign currency exchange rates; restrictions on repatriation of funds held in PNG; expectations regarding the Corporation’s ability to manage its liquidity risk; raise capital and manage its debt finance agreements; 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; customers’ drilling intentions; the Corporation’s ability to position itself to be a significant supplier of services, equipment and manpower for other resource and non-resources based projects in PNG; the Corporation’s expectations related to financial and operational results in 2025, including the expectation that the equipment rental and manpower services portion of the Corporation’s business will be the primary revenue generating activity for fiscal 2025 and into 2026; the Corporation’s ability to convert the recent enquiries for services and requests for pricing into revenue generating activities; the Corporation’s ability to benefit from access to new markets which the Fire Service business provides; expectations that current legal claims will be covered by insurance policies; the Corporation’s ability to invest in additional capital assets, including the impact on the Corporation’s future financial and operational results; the impact, if any, of geo-political events, changes in government, changes to tariff’s or related trade policies and the potential impact on the Corporation’s ability to execute on its 2025 business plan and strategic objectives; the ability of the Corporation to expand its geographic customer base outside of PNG, and the deploying idle heli-portable drilling rigs 115 and 116 and securing future work with other exploration companies in PNG.

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; and obtain equity and debt financing on satisfactory terms and manage liquidity related risks.

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 in this MD&A and in the Corporation’s annual 2024 MD&A, which is available on SEDAR+.

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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.