



High Arctic Announces 2025 Fourth Quarter & Full Year Results

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CALGARY, Alberta, April 30, 2026 -- High Arctic Overseas Holdings Corp. (TSXV: HOH) ("High Arctic" or the "Corporation") has released its fourth quarter and full year 2025 financial and operating results and announces it has agreed to terms for a two-year drilling services contract renewal with its principal customer in Papua New Guinea ("PNG"). The audited consolidated financial statements (the "Financial Statements") and management's discussion & analysis ("MD&A") for the quarter and year ended December 31, 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 fourth quarter of 2025 financial and operating results and outlook:

"High Arctic's Q4 and 2025 results reflect reduced activity in PNG with additional expenditures related to our diversification strategy. We continue to focus on expanding our customer base for equipment rental, building out the new Fire Services business and exploring potential acquisitions. Our strong working capital and debt-free balance sheet position us well for future opportunities.

The drilling services contract renewal demonstrates our customer's faith in High Arctic as a dependable provider of critical drilling services in PNG. I am pleased to continue a relationship that now extends back two decades. Together we have forged a strong partnership that set the benchmark for safe and efficient operations in the remote and logistically challenging PNG environment.

While the 2-year contract renewal does not contain a specific drilling commitment, it is a strong signal of an intention to return to work soon. We believe that the Papua-LNG project has made significant steps towards a Final Investment Decision this year. Papua-LNG is a significant drilling opportunity that we are competitively placed for. Further, we expect the project to stimulate other drilling activity including exploration which is High Arctic's core specialty."

2025 Fourth Quarter Highlights

- Drilling rig 103 remains suspended and drilling rigs 115 and 116 remain cold-stacked;
- Fire Services activities ramped up during Q4 2025, leading to an increase in revenue which was offset by a reduction in manpower and rental services, providing an increase in income of 4% against Q3 2025. Compared to Q4 2024, there was a reduction in Manpower and Rentals services as a result of customer projects winding down;
- Operating margins reduced by 1.6% against Q3 2025 as rental equipment utilizations reduced and Fire Services still being in a ramp up phase. Compared to Q4 2024, margins reduced as a result of lower rental equipment utilizations;
- Costs associated with the execution of the diversification strategy, increasing insurance costs, temporary allocation of a property lease to operating costs, increases in working capital as new customers come onboard, combined with reduced revenue led to \$921 of cash used in operations for Q4 2025 (\$248 of cash generated in Q4 2024); and
- Strong working capital position of \$18.7 million maintained.

2025 Full Year Summary

- Revenue for 2025 was \$8,922, a reduction of \$15,153 or 63% compared to 2024
 - During 2024, rig 103 operated for 5 months until it was placed in suspension, it remained suspended during 2025 and drilling rigs 115 and 116 were cold-stacked over both periods; and
 - Manpower services and equipment rentals slowed in the second half of 2025 as customer projects started to wind down, this was somewhat offset by the fire services division starting to ramp up in Q4 2025.
- Operating margins reduced from 2024 of 37.7% to 20.7% in 2025 largely as a result of:
 - Reduced equipment rental utilizations which yield higher margins;
 - Repairs & maintenance associated with preparing the rental fleet for new markets; and
 - Establishment of the fire services division.
- Adjusted EBITDA for 2025 was a loss of \$1,642, a substantive reduction compared to 2024 EBITDA of \$4,290 as a result of decline in revenues and reduced operating margins, together with additional general and administrative costs associated with:
 - Transition of corporate services previously performed by HWO;
 - Establishment of the fire services division; and
 - Professional fees related to strategy development and business expansion.
- Strong liquidity with a working capital balance of \$18.7 million, which includes a cash balance of \$11.9 million.

In the above results discussion, the three months ended December 31, 2025 may be referred to as the “quarter” or “Q4 2025” and the comparative three months ended December 31, 2024 may be referred to as “Q4 2024”. References to other quarters may be presented as “QX 20XX” with X/XX being the quarter/year to which the commentary relates.

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.

2026 Strategic Objectives

- Relentless focus on safety excellence and quality service delivery;
- Grow the Equipment Rentals and Fire Services business offerings;
- Pursue pathways to return idle drilling assets into service;
- Maximize potential participation in future major Papua New Guinea projects; and
- Pursue expansionary transactions that increase shareholder value.

2024 Reorganization

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 twelve months ended December 31, 2025, including all comparative periods.

RESULTS OVERVIEW

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

(thousands of USD except per share amounts)	Three months ended Dec		Year ended Dec 31,	
	2025	31, 2024	2025	2024
Operating results				
Revenue	2,061	2,421	8,922	24,075
Net (loss) income	(1,016)	1,806	(4,093)	2,857
<i>Per share (basic and diluted)⁽¹⁾</i>	(\$0.08)	\$0.14	(\$0.33)	\$0.23
Operating margin ⁽²⁾	301	693	1,845	9,069
<i>Operating margin as a % of revenue⁽²⁾</i>	14.6%	28.6%	20.7%	37.7%
EBITDA ⁽²⁾	(643)	2,887	(1,651)	7,733
<i>EBITDA as a % of revenue⁽²⁾</i>	(31.2%)	119.2%	(18.5%)	32.1%
<i>Per share (basic and diluted)⁽¹⁾</i>	(\$0.05)	\$0.23	(\$0.13)	\$0.62
Adjusted EBITDA ⁽²⁾	(608)	(482)	(1,642)	4,290
<i>Adjusted EBITDA as a % of revenue⁽²⁾</i>	(29.5%)	(19.9%)	(18.4%)	17.8%
<i>Per share (basic and diluted)⁽¹⁾</i>	(\$0.05)	(\$0.04)	(\$0.13)	\$0.35
Operating (loss) income ⁽²⁾	(1,106)	(1,264)	(4,310)	455
<i>Per share (basic and diluted)⁽¹⁾</i>	(\$0.09)	(\$0.10)	(\$0.35)	\$0.04
Cash flow from operations:				
Cash flow (used in) from operating activities	(921)	248	(2,385)	10,112
<i>Per share (basic & diluted)⁽¹⁾</i>	(\$0.07)	\$0.02	(\$0.19)	\$0.81
Funds flow (used in) from operating activities ⁽²⁾	(542)	2,667	(1,544)	6,770
<i>Per share (basic & diluted)⁽¹⁾</i>	(\$0.04)	\$0.21	(\$0.12)	\$0.54
Capital expenditures	21	62	215	652

(thousands of USD)	As at Dec 31, 2025	As at Dec 31, 2024
Financial position:		
Working capital ⁽²⁾	18,705	20,602
Cash and cash equivalents	11,954	14,930
Total assets	30,284	35,287
Shareholder's equity	27,011	30,953
<i>Per share (basic)</i> ⁽¹⁾	\$2.17	\$2.48
<i>Per share (fully diluted)</i> ⁽¹⁾	\$2.17	\$2.47
Weighted average common shares outstanding (000's) ⁽¹⁾	12,432	12,448
Weighted average diluted shares outstanding (000's) ⁽¹⁾	12,432	12,539

⁽¹⁾ 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. For the period after the Arrangement, the number of shares outstanding in the computation of per share amounts is the total issued shares of the Corporation on August 12, 2024, and any common shares issued subsequent to August 12, 2024.

⁽²⁾ Operating margin, EBITDA (Earnings before interest, tax, depreciation, and amortization), Adjusted EBITDA, Operating income (loss), Funds flow from operating activities and Working capital do not have a standardized meanings prescribed by IFRS. See "Non IFRS Measures" in this press release for calculations of these measures.

Operating Results

(thousands of USD, unless otherwise noted)	Three months ended Dec 31,		Year ended Dec 31,	
	2025	2024	2025	2024
Revenue	2,061	2,421	8,922	24,075
Operating expense	(1,760)	(1,728)	(7,077)	(15,006)
Operating margin ⁽¹⁾	301	693	1,845	9,069
Operating margin (%)	14.6%	28.6%	20.7%	37.7%

⁽¹⁾ See "Non-IFRS Measures"

Revenues totaled \$2,061 and \$8,922 for the three months and year ended December 31, 2025, respectively, compared to \$2,421 and \$24,075 for the comparative periods in 2024. Customer-owned rig 103 has been suspended since the second half of 2024 and was operational for the first 5 months in 2024. The majority of Q4 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 and new customers within PNG.

Liquidity and Capital Resources

(thousands of USD)	Three months ended Dec 31,		Year ended Dec 31,	
	2025	2024	2025	2024
Cash provided by (used in) operations:				
Operating activities	(921)	248	(2,385)	10,112
Investing activities	(21)	(62)	(215)	(652)
Financing activities	(57)	(113)	(375)	(5,487)
Effect of exchange rate changes	1	(1)	(1)	(1)
(Decrease) increase in cash	(998)	72	(2,976)	3,972

(thousands of USD, unless otherwise noted)	As at Dec 31, 2025	As at Dec 31, 2024
Current assets	21,978	24,706
Working capital ⁽¹⁾	18,705	20,602
Working capital ratio ⁽¹⁾	6.7:1	6.0:1
Cash and cash equivalents	11,954	14,930

(1) See “Non-IFRS Measures”

Cashflows from Operating Activities

For the three months and year ended December 31, 2025, cash used in operating activities was \$921 (Q4 2024 – generated from operating activities \$248) and \$2,385 (2024 – generated from operating activities \$10,112), respectively. The change in operating cash flow was driven by reduced revenue generating activities, costs associated with the establishment and ramp up of the Fire Services division, professional fees 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 is reduced.

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 and year ended December 31, 2025, the Corporation’s cash used in financing activities was \$57 (Q4 2024 – \$113) and \$375 (2024 – \$5,487 inclusive of \$5,000 dividend as part of the 2024 Corporate Reorganization). Cash outflows associated with finance activities were mainly directed towards lease obligation payments and share repurchases via Normal Course Issuer Bid program.

Outlook

Consistent with 2025, the outlook for 2026 remains subdued, with some potential for drilling activity towards the end of the year. Current quarter operating results were largely driven by manpower and rental services delivered to the Corporation’s key customers in PNG’s oil and gas industry. With no approved and scheduled near-term drilling activity, the Corporation expects equipment rental and fire services to be the primary revenue generating activity for 2026 as manpower services winds down as existing customer projects conclude.

The Corporation is buoyed by the signing today of a two year renewal of the drilling services contract with our principal customer in PNG including High Arctic’s services to support future drilling operations. The contracts are effective May 1, 2026 and include an option to further extend the contracts on the same terms and conditions beyond April 30, 2028. While the contracts include no minimum drilling commitment and Drilling Rig 103 remains suspended, the Corporation remains engaged with its principal customer on planning for future drilling activity. The Corporation also keeps abreast of other regional drilling opportunities where its heli-portable solutions have a competitive advantage.

We are further buoyed by the ongoing enquiries and increasing demand for rental equipment and fire services in PNG, including from adjacent sectors such as mining and industrial construction, which may lead to a future upswing in revenue generating activity. We continue to focus on enhancing and optimizing our existing rental fleet deployment and we are actively seeking opportunities to expand our fire services offerings.

The escalation of the war in the Middle East has resulted in damage to LNG facilities, cessation of shipping through the Strait of Hormuz and impacted confidence in reliable oil and gas supply. As a consequence, LNG supply shortfalls are expected in the northern summer of 2026 which may extend out to the subsequent northern winter at year end and beyond. This is expected to result in substantive competition for uncontracted LNG supply and a shift in global focus on energy security and alternate oil and gas sources. This should create a supportive economic backdrop for a 2026 Papua-LNG Final Investment Decision “FID”.

The Papua-LNG project partners have indicated that target cost reductions have been realized and that capital expenditure has been “optimized”. A major Papua-LNG plant EPC contract has been awarded as a result (conditional on a FID). The next major project milestone is the convening of the Development Forum with the affected landowners from communities impacted by the project, to agree on benefit sharing and development commitments. We understand that preparations are well underway to hold this forum in the coming weeks, aligning with mid-2026 FID guidance provided by project partners. The Corporation drilled the last 4 appraisal wells in the Antelope gas field, which will be the primary gas source for the project. We expect High Arctic to offer a highly competitive and compelling case for drilling the Papua-LNG development wells.

Despite these positive developments there remains uncertainty around the feasibility and timing of new oil and gas projects in PNG. There is, however, a growing need for customers to re-commence drilling to infill existing production capacity. While there is currently substantive market volatility, circumstances appear favorable for high international commodity pricing into the future and PNG presents an attractive proven and secure supply source for Asian buyers seeking alternatives to sources impacted by war or sanctions. This should provide the Corporation’s customers with confidence in a healthy return on the cost of backfilling production.

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. 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 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, both temporary and permanent power generation assets, quality worksite and temporary road mats and personnel. High Arctic's business continues to position itself to be a meaningful supplier of services and equipment for this market.

Reflecting upon 2025 and our views on the emerging PNG market, we have conducted a review of our short-term strategic objectives. The result is a decision to suspend our focus on manpower where the market demand beyond our traditional customers has been limited and of low value. However, our review identified a substantive appetite beyond our traditional customers for in-country solutions for the provision of rental equipment and fire services, particularly in the mining sector and for the provision of reliable power generation equipment, for which we are experiencing demand beyond our capacity to supply. We are currently focussed on investing in the renewal and expansion of our rental equipment fleet to meet these needs. We have found fire services in PNG to be under-serviced and we are focussed on expanding our capacity and adding depth to our team with an aim of becoming the premier provider of fire safety solutions in PNG. We believe that this renewed focus will deliver our diversification goals and will provide a solid, profitable and sustainable business foundation in the absence of continuous drilling activity.

NON-IFRS MEASURES

This Press Release contains references to certain financial measures that do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and may not be comparable to the same or similar measures used by other companies. High Arctic uses these financial measures to assess performance and believes these measures provide useful supplemental information to shareholders and investors. These financial measures are computed on a consistent basis for each reporting period and include Oilfield services operating margin, EBITDA (Earnings before interest, tax, depreciation and amortization), Adjusted EBITDA, Operating loss, Funds flow from operating activities, Working capital and Net cash. These do not have standardized meanings.

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

For additional information regarding non-IFRS measures, including their use to management and investors and reconciliations to measures recognized by IFRS, please refer to the Corporation's Q4 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.

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Forward-Looking Statements

This press release contains forward-looking statements. When used in this document, the words "may", "would", "could", "will", "should", "intend", "plan", "anticipate", "believe", "estimate", "expect", "forecast", "project", "seek", "continue", and similar expressions are intended to identify forward-looking statements. Such statements reflect the Corporation's current views with

respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the Corporation's actual results, performance, or achievements to vary from those described in this press release.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this press release as intended, planned, anticipated, believed, estimated or expected. Specific forward-looking statements in this press release include, among others, statements pertaining to general economic and business conditions; the role of the energy services industry in future phases of the global energy market; the outlook for energy services both globally and within Papua New Guinea ("PNG"); the impact of geopolitical conflict, including in the Middle East, Ukraine and surrounding regions, and related trade restrictions, tariffs or sanctions, on global energy markets and economic activity; the timing, scale and impact of existing or potential large-scale natural resource projects and drilling activity in PNG, including LNG-related developments; changes in government policy, regulation or fiscal regimes in PNG; the Corporation's diversification strategy, including the expansion of rental equipment and fire services and reduced focus on manpower services; market fluctuations in commodity prices and foreign currency exchange rates; restrictions on the repatriation of funds held in PNG; expectations regarding the Corporation's ability to manage liquidity, working capital and capital resources, including access to financing; projections of market prices and costs; decisions regarding capital allocation, investment and strategic initiatives; the Corporation's ongoing relationships with major customers and customers' drilling intentions; the redeployment of idle heli-portable drilling rigs and securing future work with existing or new customers; the Corporation's ability to expand its customer base within PNG and adjacent sectors; and expectations regarding future financial and operational performance. Actual results are also subject to a number of other risks, as described in this press release, including the following:

- volatility in commodity prices
- reliance on a limited number of significant customers
- risks relating to evolving trade relations and tariffs
- risks associated with diversification initiatives
- geopolitical instability and armed conflict, including disruptions to global energy supply chains
- inflationary pressures and supply chain disruptions
- credit risk
- cybersecurity risks
- access to capital
- uncertainty regarding the timing and scope of customer drilling and development activity
- under utilization of drilling assets
- foreign exchange volatility and currency controls in PNG
- changes in government policy, taxation, environmental and climate-related regulation
- operational, safety and environmental risks

Additional risks and uncertainties are described elsewhere in this press release under "Business Risks and Uncertainties" and "Financial Risk Management".

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 relationships with major customers and key stakeholders; successfully market its drilling, rental equipment and fire services to existing and new customers within PNG and adjacent sectors; execute its diversification strategy and achieve its primary business objectives; source, maintain and deploy equipment and assets, including idle drilling rigs, in a timely and cost-effective manner; obtain goods, services and equipment from suppliers on commercially reasonable terms; operate effectively and adapt its business in an environment characterized by commodity price volatility, geopolitical uncertainty and evolving regulatory and market conditions; remain competitive in all aspects of its operations; attract, retain and develop qualified personnel; manage foreign exchange exposure, currency settlement and repatriation processes in PNG; access capital and manage liquidity and capital resources prudently; and obtain equity and debt financing, if required, on satisfactory terms.

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 press release and in the Corporation's Listing Application dated August 12, 2024, which is available on SEDAR+.

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.

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.