



High Arctic Overseas Holdings Corp.

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF U.S. SECURITIES LAW

High Arctic Announces 2026 First Quarter Results

CALGARY, Alberta – May 29, 2026 – High Arctic Overseas Holdings Corp. (TSXV: HOH) ("High Arctic" or the "Corporation") has released its first quarter 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 March 31, 2026, 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 first quarter of 2026 financial and operating results and outlook:

"High Arctic's Q1 2026 results reflect low activity levels in PNG and expenditures related to our diversification strategy. I believe that High Arctic is approaching an inflection point. We expect the notice to commence mobilisation of Drilling Rig 103 will mark the beginning of a renewed focus on PNG as a secure and stable source of energy and critical minerals. The Papua-LNG project's community development forum will be held in June / July, one of the last significant steps towards a Final Investment Decision this year. Papua-LNG is a significant drilling opportunity that are we competitively placed for. Further, the project is expected to stimulate other drilling activity including exploration which is High Arctic's core specialty.

Progress has been made on expanding our customer base for Equipment Rentals and building out the new Fire Services business, predominantly in adjacent industries such as mining and industrial construction. Our appointment as the authorised distributor of Atlas Copco Power Technique products for Papua New Guinea contributes to our diversification strategy and is perfectly timed for maximizing potential participation in future major PNG projects.

Our strong working capital and debt-free balance sheet position us well for all of these organic growth opportunities, exploring potential acquisitions and maximising shareholder value."

2026 First Quarter Highlights

- Notice received subsequent to the quarter-end to remobilise and reactivate Rig103 as of July 1, 2026;
- Agreement signed with Atlas Copco as authorised distributor of the Atlas Copco Power Technique product range throughout PNG;
- Final stages of negotiation on a number of minor services agreements across the Rentals and Fire Services divisions broadening our customer base and exposure to the mining sector in PNG;
- Compared to Q1 2025, revenue dropped by 33% and operating margin reduced from 28.4% to 10.5% as a result of manpower services activities continuing to wind down upon completion of the customer's project which was partly offset by the introduction of the Fire Services activities which continued its ramp up in Q4 2025;
- Drilling rigs 115 and 116 remain cold-stacked; and
- Strong working capital position of \$16.9 million to support the continued ramp up of new activities and other strategic objectives.

In the above results discussion, the three months ended March 31, 2026 may be referred to as the "quarter" or "Q1 2026" and the comparative three months ended December 31, 2025 may be referred to as "Q4 2025". 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.

RESULTS OVERVIEW

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

(thousands of USD except per share amounts)	Three months ended March	
	2026	31, 2025
Operating results		
Revenue	1,683	2,510
Net loss	(1,687)	(1,225)
<i>Per share (basic and diluted) ⁽¹⁾</i>	(\$0.14)	(\$0.10)
Operating margin ⁽²⁾	177	714
<i>Operating margin as a % of revenue ⁽²⁾</i>	10.5%	28.4%
EBITDA ⁽²⁾	(781)	(286)
<i>EBITDA as a % of revenue ⁽²⁾</i>	(46.4%)	(11.4%)
<i>Per share (basic and diluted) ⁽¹⁾</i>	(\$0.06)	(\$0.02)
Adjusted EBITDA ⁽²⁾	(733)	(202)
<i>Adjusted EBITDA as a % of revenue ⁽²⁾</i>	(43.6%)	(8.0%)
<i>Per share (basic and diluted) ⁽¹⁾</i>	(\$0.06)	(\$0.02)
Operating (loss) income ⁽²⁾	(1,285)	(998)
<i>Per share (basic and diluted) ⁽¹⁾</i>	(\$0.11)	(\$0.08)
Cash flow from operations:		
Cash flow (used in) from operating activities	(568)	(825)
<i>Per share (basic & diluted) ⁽¹⁾</i>	(\$0.05)	(\$0.07)
Funds flow (used in) from operating activities ⁽²⁾	(1,091)	(256)
<i>Per share (basic & diluted) ⁽¹⁾</i>	(\$0.09)	(\$0.02)
Capital expenditures	257	74

(thousands of USD except per share amounts and shares outstanding)	As at Mar 31, 2026	As at Dec 31, 2025
Financial position:		
Working capital ⁽¹⁾	16,948	18,705
Cash and cash equivalents	11,011	11,954
Total assets	29,714	30,284
Shareholder's equity	25,373	27,011
<i>Per share (basic)</i>	\$2.09	\$2.17
<i>Per share (fully diluted)</i>	\$2.09	\$2.17
Weighted average common shares outstanding (000's)	12,142	12,432
Weighted average diluted shares outstanding (000's)	12,142	12,432

⁽¹⁾ 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 March	
	2026	31, 2025
Revenue	1,683	2,510
Operating expense	(1,506)	(1,796)
Operating margin ⁽¹⁾	177	714
Operating margin (%)	10.5%	28.4%

⁽¹⁾ See "Non-IFRS Measures"

Revenues totalled \$1,683 for the three months ended March 31, 2026, compared to \$2,510 for the comparative periods in 2025. Customer-owned rig 103 has been suspended since the second half of 2024. The majority of Q1 2026 revenue is from the provision of fire services and equipment rental. As noted above, revenue and operating margins have reduced as a result of major customer projects winding down activity. While minor, the Corporation is continuing to see increased equipment rental and fire services revenues from other industries and new customers within PNG.

The Corporation owns two heli-portable drilling rigs (Rigs 115 and 116) which remain preserved and maintained ready for deployment.

Liquidity and Capital Resources

(thousands of USD)	Three months ended March	
	2026	31, 2025
Cash used in operations:		
Operating activities	(568)	(825)
Investing activities	(257)	(74)
Financing activities	(116)	(117)
Effect of exchange rate changes	(2)	(12)
(Decrease) in cash	(943)	(1,028)

(thousands of USD, unless otherwise noted)	As at Mar 31, 2026	As at Dec 31, 2025
Current assets	20,997	21,978
Working capital ⁽¹⁾	16,948	18,705
Working capital ratio ⁽¹⁾	5.2:1	6.7:1
Cash and cash equivalents	11,011	11,954

⁽¹⁾ See "Non-IFRS Measures"

Cashflows from Operating Activities

For the three months ended March 31, 2026, cash used in operating activities was \$568 (Q1 2025 – \$825). The change in operating cash flow was driven by reduced revenue generating activities, costs associated with the continued ramp up of the Fire Services division, professional fees related to strategic activity, corporate services, equipment readiness and changes in non-cash working capital. Changes in non-cash working capital are listed in Note 13 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 March 31, 2026, the Corporation's cash used in investing activities was \$257 (Q1 2025 – \$74). Cash outflows associated with investing activities were directed towards capital expenditure on rental assets. The increase in capital expenditures in 2026 is predominantly investment in rental assets to supply increasing customer activity. The Corporation will continue 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 March 31, 2026, the Corporation's cash used in financing activities was \$116 (Q1 2025 – \$117). Cash outflows associated with finance activities were mainly directed towards lease obligation payments and share repurchases via Normal Course Issuer Bid program.

Outlook

While the first half of 2026 remains subdued, the recent signing of the two-year renewal of the drilling services contract with our principal customer and their notice to remobilize and reactivate Drilling Rig 103 points to an improving second half of the year. We expect drilling to commence in late 2026 for a drilling plan that includes four approved wells with the potential to add several additional unapproved wells. The Corporation also keeps abreast of the pipeline of other regional drilling opportunities for its idle drilling rigs where its heli-portable solutions have a competitive advantage.

Current quarter operating results were largely driven by equipment rental and fire services delivered to the Corporation's increasingly diversified base of new customers in PNG. We are buoyed by the ongoing demand for these services and the negotiation of several minor services contracts across these revenue streams which have the added benefit of being within adjacent industries such as mining and industrial construction. Exposure to these adjacent industries is a key aspect of the Corporation's diversification strategy. We continue to focus on enhancing and optimizing our rental fleet for deployment into these industries and we are actively seeking opportunities to expand our fire services offerings.

The recently announced appointment as the authorised sole distributor of Atlas Copco Power Technique products for Papua New Guinea contributes to our diversification strategy and is perfectly timed for maximizing potential participation in future major PNG projects. Supported by Atlas Copco's regional technical specialists, High Arctic is well positioned to provide in-country sales, rentals & after-market solutions and claim a significant share of the current sizeable and expanding PNG light equipment market.

As a consequence of the war in the Middle East, LNG supply shortfalls are expected through the remainder of 2026 and potentially beyond that. This has resulted 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. The PNG Prime Minister's office this week confirmed plans are well advanced to hold this forum in June / July, and the project partners now target project FID in the second half of 2026. 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.

While there is currently substantive market volatility, circumstances appear favourable 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 developing both new and backfill 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 defence 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 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. Agreeing terms to become the authorised distributor of Atlas Copco Power Technique products in PNG positions us well to meet these demands both in terms of sales and equipment rentals. 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.

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 and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable securities laws. Forward-looking statements are based on management’s current expectations, estimates, projections, beliefs and assumptions as of the date of this press release. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements.

Forward-looking statements are often identified by words such as “may”, “will”, “would”, “could”, “should”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect”, “forecast”, “project”, “seek”, “continue” and similar expressions. In this press release, forward-looking statements include, among other things, statements regarding general economic and business conditions; the outlook for energy services globally and in Papua New Guinea (“PNG”); the timing, scope and effect of customer drilling, appraisal, development and other activity in PNG; the timing, scale and impact of existing and potential large-scale resource projects, including LNG-related developments; commodity prices and foreign exchange rates; government policy, regulation and fiscal regimes; the Corporation’s diversification strategy, including the expansion of rental equipment and fire services; the redeployment of idle drilling assets; customer demand; capital allocation decisions; liquidity, working capital and capital resources; and the Corporation’s anticipated financial and operating performance.

- 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
- 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
- credit risk
- cybersecurity risks
- access to capital

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

In preparing the forward-looking statements contained in this press release, the Corporation has made assumptions including, without limitation, assumptions regarding: the continuation of its relationships with major customers, suppliers and other stakeholders; the timing and level of customer demand and project activity; its ability to market and deliver drilling, rental equipment and fire services to existing and new customers; the availability, performance and timely deployment of equipment and assets; the availability of qualified personnel; the continued ability to obtain goods and services on commercially reasonable terms; the Corporation’s ability to execute its diversification strategy and strategic objectives; the management of foreign exchange exposure, settlement and repatriation processes in PNG; and the Corporation’s ability to maintain adequate liquidity and access capital, if required, on acceptable terms.

Although the Corporation believes that the expectations reflected in these forward-looking statements and the assumptions on which they are based are reasonable, there can be no assurance that such expectations or assumptions will prove to be correct. Actual results may differ materially from those expressed or implied by forward-looking statements as a result of the factors discussed above and elsewhere in this press release.

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.