

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. Name and Address of Company

High Arctic Energy Services Inc. ("**High Arctic**" or the "**Corporation**")
Suite 2350, 330-5th Avenue S.W.
Calgary, Alberta T2P 0L4

2. Date of Material Change

August 12, 2024

3. News Release

A press release was disseminated on August 12, 2024 via Globe Newswire.

4. Summary of Material Change

The Corporation completed its previously-announced reorganization .

5.1 Full Description of Material Change

The Corporation completed its previously-announced reorganization of High Arctic to separate the Corporation's North American and Papua New Guinea businesses, by way of a court-approved plan of arrangement (the "Arrangement") between the Corporation and High Arctic Overseas Holdings Corp. ("SpinCo").

Pursuant to the Arrangement, among other things:

- High Arctic transferred all of the outstanding ordinary shares of High Arctic Energy Services Cyprus Limited, the subsidiary that owns and operates the Corporation's Papua New Guinea focused energy services business, to SpinCo;
- each shareholder of the Corporation ("Shareholder") received as consideration, one-quarter of one (1/4) common share of SpinCo ("SpinCo Common Share") and one-quarter of one (1/4) common share of post-Arrangement High Arctic (the "New High Arctic Common Share") for each common share of High Arctic ("Common Share") held;
- SpinCo became a reporting issuer in Alberta, British Columbia, Manitoba, Ontario, Saskatchewan and will be listed on the TSX Venture Exchange ("TSXV") and will trade under the trading symbol "HOH"; and
- High Arctic retained its interests in its existing North American energy services business and remains listed on the Toronto Stock Exchange ("TSX") and continues to trade under the trading symbol "HWO".

The Corporation has received conditional approval to list the New High Arctic Common Shares on the TSX and conditional approval to list the SpinCo Common Shares on the TSXV. Final listing approval will be subject to the Corporation and SpinCo satisfying all of the listing conditions of the TSX and the TSXV, respectively. The Corporation will announce by way of a further press release the date on which trading of the New High Arctic Shares and SpinCo Common Shares will commence, which is expected to be by the end of this week.

Following the completion of the Arrangement, High Arctic has 12,448,166 New High Arctic Common Shares outstanding and SpinCo has 12,448,166 SpinCo Common Shares

outstanding. Further details regarding SpinCo are contained in SpinCo's TSXV Form 2B Listing Application, which will be available under SpinCo's profile on SEDAR+ at www.sedarplus.ca.

Shareholders that hold their Common Shares through an intermediary (i.e., broker) will receive the consideration payable to them pursuant to the Arrangement through their broker or other intermediary. Such non-registered Shareholders should contact their intermediary for instructions and assistance in receiving the Arrangement consideration.

Registered Shareholders will be required to file a Letter of Transmittal with Odyssey Trust Company in order to receive the consideration to which they are entitled. Registered Shareholders of record on May 13, 2024 should have received a Letter of Transmittal by mail. Registered Shareholders requiring assistance to exchange their Common Shares may contact Odyssey Trust Company assistance at 1-888-290-1175 (Toll-Free).

The Arrangement was approved by shareholders, along with a distribution of \$0.76 per share to its Shareholders by way of return of capital (the "Return of Capital") and other matters, at the annual general and special meeting held on June 17, 2024. The Return of Capital was paid to shareholders on July 17, 2024.

Upon the completion of the Arrangement, SpinCo will have positive working capital of approximately US\$19 million inclusive of US\$13 million cash on hand, and High Arctic will have positive working capital of approximately CAD \$5 million inclusive of CAD \$4 million cash on hand.

For more information on the Arrangement and the Return of Capital, please see the management information circular of the Corporation dated May 9, 2024, and news releases dated May 11, 2024, May 21, 2024, May 29, 2024, June 12, 2024, June 18, 2024, June 27, 2024, June 28, 2024, July 31, 2024 and August 2, 2024 available on the Corporation's SEDAR+ profile at www.sedarplus.ca.

About High Arctic Energy Services Inc.

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.

About High Arctic Overseas Holdings Corp.

SpinCo is a market leader in Papua New Guinea providing drilling and specialized well completion services, manpower solutions and supplies rental equipment including rig matting, camps, material handling and drilling support equipment.

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, but are not limited to, statements pertaining to the Common Share being delisted from the TSX; the commencement of trading of the New High Arctic Common Shares on the TSX; and the commencement of trading of the SpinCo Common Shares on the TSXV.

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. 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.

5.2 **Disclosure for Restructuring Transactions**

Not Applicable

6. **Reliance on Section 7.1(2) of National Instrument 51-102**

Not Applicable

7. **Omitted Information**

Not Applicable

8. **Executive Officer**

The name and business number of the executive officer of High Arctic who is knowledgeable about the material change and this report is:

Mike Maguire - Chief Executive Officer
Telephone: (403) 318-3832

9. **Date of Report**

August 16, 2024