High Arctic Energy Services Inc. Enters into a Definitive Agreement to be Acquired by Newport Capital in a Go-Private Transaction and Announces Intent to Make a Cash Distribution to Shareholders

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High Arctic Energy Services Inc
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CALGARY, Alberta, Nov. 13, 2026 (GLOBE NEWSWIRE) -- High Arctic Energy Services Inc. (TSX: HWO) (the “Corporation” or “High Arctic”) is pleased to announce that it has entered into a definitive arrangement agreement dated November 13, 2026 (the “Arrangement Agreement”) with Newport Capital Ltd. (“Newport”) pursuant to which Newport, directly or through a wholly-owned subsidiary, has agreed to acquire all of the issued and outstanding common shares of High Arctic (the “High Arctic Shares”) for cash consideration of $1.59 per High Arctic Share, subject to adjustment in accordance with the terms of the Arrangement Agreement (the “Transaction”). The aggregate base purchase price payable by Newport is approximately $20.2 million, subject to the adjustments described below.

In addition to the cash consideration payable by Newport, High Arctic shareholders (“High Arctic Shareholders”) are expected to receive, as part of the Transaction, a cash distribution by way of a return of capital and/or a dividend (the “Shareholder Distribution”). The Shareholder Distribution expected to be paid to the High Arctic Shareholders is expected to range from a minimum of $0.20 to a maximum of $0.30 per High Arctic Share. The final amount of the Shareholder Distribution will be determined by reference to High Arctic’s working capital at closing, as described below.

The Transaction will be completed by way of a statutory plan of arrangement (the “Arrangement”) under the Business Corporations Act (Alberta) (the “ABCA”) and, subject to the satisfaction or waiver of the conditions to closing described below, is expected to close in December 2026, and in any event prior to February 28, 2027.

Simon Batcup, Chairman of the Board of Directors, commented:

“This transaction and additional cash distribution to shareholders represents the successful culmination of the Board of Directors strategic review and delivers compelling and immediate value to High Arctic shareholders. The combination of a significant premium to High Arctic’s recent trading price and the anticipated additional cash distribution provides shareholders with an attractive opportunity to realize the maximum value for their shareholdings while eliminating the risks inherent in pursuing our business plan.

This transaction also marks the beginning of a new chapter in High Arctic’s history, a story that began in 1993 and since spanned multiple countries and a diverse range of oilfield services delivered to customers around the world. The Board of Directors and Executive Management are proud of what High Arctic and its people have accomplished over more than three decades, and we are confident that, under its new ownership, High Arctic and its exceptional employee group are well positioned to build on that legacy and achieve continued success.”

TRANSACTION HIGHLIGHTS

Certain and Immediate Cash Value

- The cash consideration of $1.59 per High Arctic Share represents a premium of approximately 19% to the closing price of the High Arctic Shares on the TSX on November 13, 2026, a premium of approximately 27% to the 20-day volume-weighted average trading price of the High Arctic Shares on the TSX for the period ended November 13, 2026 and a

premium of approximately 77% to the closing price of the High Arctic Shares on the TSX on May 14, 2026 when the Board of Directors (the "Board") initiated the strategic review described below.
- The all-cash consideration provides High Arctic Shareholders with immediate liquidity and certainty of value, without exposure to the execution, market and commodity price risks associated with High Arctic's stand-alone business plan.

Additional Return of Capital

- High Arctic Shareholders are expected to receive the Shareholder Distribution, by way of a return of capital, in addition to the cash consideration payable by Newport. The final amount of the Shareholder Distribution will be determined by reference to the amount by which High Arctic's working capital at closing exceeds the target working capital amount of $2,432,000 set out in the Arrangement Agreement and remains subject to the approval of Newport (acting reasonably) and the Board.

Certainty of Completion

- Newport has represented that it has, and at closing will have, sufficient funds available to satisfy its obligations under the Arrangement Agreement, and completion of the Transaction is not subject to a financing condition.
- All of the directors and officers of High Arctic, together with FBC Holdings Sàrl, a significant shareholder of High Arctic, holding in aggregate approximately 49.2% of the outstanding High Arctic Shares, have entered into voting support agreements pursuant to which they have agreed to vote in favour of the Transaction.

RATIONALE FOR THE TRANSACTION

The transaction and additional cash distribution to shareholders provides compelling value relative to the strategic alternatives available to the Corporation. Since completing its corporate reorganization in 2024, High Arctic has actively pursued opportunities for accretive acquisitions in Canada to enhance shareholder value. However, the persistent and significant discount between the trading price of High Arctic's shares and their underlying value has limited the Corporation's ability to use its shares as acquisition currency and made it challenging to structure transactions that would be accretive to existing shareholders.

The combined total cash consideration expected to be received by High Arctic shareholders upon completion of the Transaction represents an attractive premium to the Corporation's recent market trading price.

STRATEGIC REVIEW AND RECOMMENDATION OF THE BOARD OF DIRECTORS

In May, 2026, the Board established a special committee of independent directors to conduct a strategic review, with the ultimate goal to recommend to the Board a broad range of alternatives to maximize shareholder value. The strategic review culminated in the entering into of a letter of intent with Newport on October 2, 2026 and the Arrangement Agreement on November 13, 2026.

The Board, after receiving the advice of its financial and legal advisors, and having received the Fairness Opinion (as defined below), has unanimously: (i) determined that the Arrangement is fair to High Arctic Shareholders; (ii) determined that the Arrangement and the entering into of the Arrangement Agreement are in the best interests of the Corporation; (iii) approved the Arrangement Agreement and the transactions contemplated thereby; and (iv) resolved to recommend that High Arctic Shareholders vote in favour of the special resolution approving the Arrangement (the "Arrangement Resolution") at the High Arctic Meeting (as defined below).

TRANSACTION DETAILS

High Arctic and Newport have entered into the Arrangement Agreement to effect the Transaction by way of a plan of arrangement under section 193 of the ABCA. Under the terms of the Arrangement, each High Arctic Share (other than those held by High Arctic Shareholders who validly exercise dissent rights) will be transferred to Newport, or a wholly-owned

subsidiary of Newport, in exchange for $1.59 in cash, subject to adjustment in accordance with the Arrangement Agreement. Where the Transaction is completed through a subsidiary, Newport has unconditionally guaranteed the performance of that subsidiary's obligations.

Purchase Price Details

The aggregate base purchase price of $20,191,499 payable by Newport is subject to downward adjustment, on a dollar-for-dollar basis, as of the effective date of the Arrangement to the extent that: (i) High Arctic has any outstanding indebtedness; (ii) High Arctic's cash and cash equivalents are less than the minimum cash amount of $100,000 required under the Arrangement Agreement; or (iii) any High Arctic transaction costs are not expected to be paid and fully discharged by High Arctic as of the delivery of the final working capital statement (provided that High Arctic may instead elect to increase its minimum cash amount by the amount of such unpaid costs). High Arctic currently expects to repay and discharge its credit facility and mortgage financing, and to pay its transaction costs, prior to closing such that no adjustment to the $1.59 per share cash consideration is anticipated.

Shareholder Distribution

Prior to the acquisition of the High Arctic Shares by Newport, High Arctic expects, subject to the conditions described below, to reduce its stated capital and distribute an equal amount in cash to High Arctic Shareholders as a return of capital or issue a dividend or both. To the extent that High Arctic's working capital at closing, as reflected in the working capital statement agreed between High Arctic and Newport, exceeds the target working capital amount of $2,432,000, such excess may be distributed to High Arctic Shareholders as part of the Shareholder Distribution. The Shareholder Distribution will not exceed the unrestricted cash available to High Arctic immediately prior to closing after reserving for all transaction costs, the required minimum cash and any other cash High Arctic is required to retain under the Arrangement Agreement. The Shareholder Distribution is subject to the approval of Newport (acting reasonably) and the Board, and to the receipt of all required corporate, shareholder, court, securities law, stock exchange, tax and other regulatory approvals.

Treatment of Stock Options

Immediately prior to the Arrangement, all outstanding stock options of High Arctic (whether vested or unvested) will vest and will be surrendered to High Arctic in exchange for a cash payment equal to the amount, if any, by which $1.59 exceeds the exercise price of such option, less applicable withholdings in accordance with the Company's Omnibus Equity Incentive Plan.

Shareholder and Court Approvals

The Arrangement will require the approval of at least 66⅔% of the votes cast by High Arctic Shareholders present in person or represented by proxy at a special meeting of High Arctic Shareholders to be called to consider the Arrangement Resolution (the "High Arctic Meeting") and, if required, a majority of the votes cast by High Arctic Shareholders, excluding the votes of persons required to be excluded under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions. The High Arctic Meeting is expected to be held in December 2026. The Arrangement is also subject to the approval of the Court of King's Bench of Alberta.

Conditions to Closing

In addition to the shareholder and court approvals described above, completion of the Transaction is subject to the satisfaction or waiver of certain other conditions customary for a transaction of this nature, including, among others: the approval of the Toronto Stock Exchange (the "TSX"); holders of not more than 15% of the outstanding High Arctic Shares having validly exercised dissent rights; the repayment and discharge in full of High Arctic's credit facility and mortgage financing; the payment and discharge of all High Arctic transaction costs; the completion of the sale or other disposition of certain real estate assets owned by High Arctic, or the implementation of an alternative arrangement acceptable to Newport; and the absence of a material adverse change in respect of High Arctic.

Deal Protections

The Arrangement Agreement contains representations and warranties, covenants and conditions customary for a transaction of this nature, including a non-solicitation covenant on the part of High Arctic, subject to customary “fiduciary out” provisions that entitle High Arctic to consider and accept a superior proposal, and a right in favour of Newport to match any superior proposal within five business days of receipt of the superior proposal. The Arrangement Agreement provides for a termination fee of $1 million payable by High Arctic to Newport in certain circumstances, including if High Arctic terminates the Arrangement Agreement to accept a superior proposal or the Board changes its recommendation to the shareholders to vote in favour of the Arrangement Resolution, and a termination fee of $1 million payable by Newport to High Arctic in the event that Newport breaches its covenants in a manner that would reasonably be expected to materially impede completion of the Arrangement and fails to cure such breach.

Further Information

Further details regarding the Arrangement will be included in the management information circular of High Arctic (the “Circular”) to be mailed to High Arctic Shareholders in connection with the High Arctic Meeting. Copies of the Arrangement Agreement and the Circular will be filed on High Arctic’s SEDAR+ profile and will be available for viewing at www.sedarplus.ca. Following completion of the Arrangement, the High Arctic Shares are expected to be delisted from the TSX and High Arctic is expected to apply to cease to be a reporting issuer under applicable Canadian securities laws.

FINANCIAL ADVISORS, FAIRNESS OPINION AND LEGAL COUNSEL

ATB Cormark Capital Markets is acting as financial advisor to High Arctic. Sayer Energy Advisors has provided an opinion to the Board (the “Fairness Opinion”) to the effect that, as of the date of such opinion and based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be received by High Arctic Shareholders under the Arrangement is fair, from a financial point of view, to High Arctic Shareholders. DLA Piper (Canada) LLP is acting as legal counsel to High Arctic. Burnet, Duckworth & Palmer LLP is acting as legal counsel to Newport and Gowling WLG is acting as special tax counsel to Newport.

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. The High Arctic Shares trade on the TSX under the symbol “HWO”.

Currency

All amounts in this Press Release are denominated in Canadian dollars, unless otherwise indicated.

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: the Transaction and the anticipated benefits thereof to High Arctic Shareholders; the consideration payable under the Transaction and any adjustments thereto; the expected amount, timing and tax treatment of the Shareholder Distribution; the treatment of High Arctic's stock options; the anticipated timing of the High Arctic Meeting and the mailing and contents of the Circular; the receipt of required shareholder, court, stock exchange and other approvals; the satisfaction of the conditions to completion of the Transaction, including the repayment of High Arctic's credit facility and mortgage financing and the disposition of High Arctic's owned real property; the anticipated timing of completion of the Transaction; and the expected delisting of the High Arctic Shares from the TSX and High Arctic ceasing to be a reporting issuer following completion of the Transaction.

With respect to forward-looking statements contained in this Press Release, the Corporation has made assumptions regarding, among other things: the ability of the parties to receive, in a timely manner and on satisfactory terms, the necessary shareholder, court, stock exchange and other approvals; the ability of the parties to satisfy, in a timely manner, the other conditions to the completion of the Transaction; Newport's ability to fund the consideration payable under the Transaction; High Arctic's working capital, cash, indebtedness and transaction costs at closing; the ability of High Arctic to complete the disposition of its owned real property and that no event, change or other circumstance will occur that could give rise to the termination of the Arrangement Agreement.

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: the risk that the Transaction may be varied, delayed or terminated, or may not be completed on the terms described herein or at all; the failure to obtain the required shareholder, court, stock exchange or other approvals, or to satisfy or waive the other conditions to completion of the Transaction, in a timely manner or at all; the risk that the consideration payable to High Arctic Shareholders may be reduced pursuant to the purchase price adjustment provisions of the Arrangement Agreement; the risk that the Shareholder Distribution may be less than anticipated or may not be paid; the possibility that a termination fee may become payable by High Arctic; the risk that the announcement or pendency of the Transaction may adversely affect High Arctic's business, operations and relationships with customers, suppliers and employees; the restrictions on the conduct of High Arctic's business prior to completion of the Transaction; 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 and, when available, the Circular. 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.

For further information contact:

Lonn BateInterim Chief Executive Officer P: 587-318-2218P: +1 (800) 688 7143

High Arctic Energy Services Inc.Suite 2350, 330 – 5th Ave SWCalgary, Alberta, Canada T2P 0L4website: www.haes.caEmail: info@haes.ca