

Papua LNG Expansion Gas Agreement has Government Support

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CALGARY, Alberta, Sept. 09, 2019 -- High Arctic Energy Services Inc. (TSX: HWO) ("High Arctic" or the "Corporation") acknowledges the Ministerial Press Statement announcement September 3, 2019 by the Government of Papua New Guinea ("PNG") validating the Papua LNG Gas Agreement. High Arctic is pleased with this positive outcome for the project participants, especially the people of PNG.

The PNG Cabinet (National Executive Council), has completed its review of the Papua LNG Gas Agreement and has validated the Agreement as executed on April 9, 2019. The review was announced on July 25, 2019 by the Petroleum Minister following the change of Prime Minister on May 29, 2019 and new ministerial appointments that followed in June.

The announced validation by the Petroleum Minister includes new good faith concessions offered by the operator for the Papua LNG joint venture. The concessions include preparing a detailed National Content Plan, third party pipeline access, possible state participation in pipeline ownership as well as LNG transport tankers.

High Arctic has consciously developed its PNG operations to benefit and promote national content. Mike Maguire, President – International, said "We are pleased to advise that our major subcontracts are with PNG companies and that more than 70% of our PNG workforce is now comprised of PNG citizens including several managerial and supervisory roles. We have been operating a Well Control School and mentoring program in PNG for nearly two years which has been instrumental in developing the skills of our local technical workforce, opening customer opportunities underpinned by a deep understanding of drilling needed in this frontier and challenging drilling landscape. We are well positioned to contribute to local content plans for petroleum activity in PNG."

With the Government having cleared implementation of the Papua LNG Gas Project "to proceed full steam ahead", High Arctic anticipates an announcement soon on the PNG LNG expansion project announced by joint venture partners in 2018 to coincide and cohabitate with the Papua LNG processing facilities at the site of the existing two train PNG LNG gas plant.

Mr. J. Cameron Bailey, High Arctic's CEO stated: "High Arctic's extensive PNG experience, strong local content, technical and logistics capability combined with Tier-1 drilling and well site services assets places us in an excellent position to contribute to both the Papua LNG Project and PNG LNG expansion as well as the growing backlog of PNG onshore exploration licence commitments which have been deferred over the past 4 years."

About High Arctic

High Arctic is a publicly traded company listed on the Toronto Stock Exchange under the symbol "HWO". The Corporation's principal focus is to provide drilling and specialized well completion services, equipment rentals and other services to the oil and gas industry.

High Arctic is a market leader providing drilling and specialized well completion services and supplies rig matting, camps and drilling support equipment on a rental basis in Papua New Guinea. The Canadian and US operations provides well servicing, well abandonment, snubbing and nitrogen services and equipment on a rental basis to a large number of oil and natural gas exploration and production companies operating in Western Canada and the United States.

For more information, please contact:

J. Cameron Bailey
Chief Executive Officer
Phone: 587-318-3826
Email:
cam.bailey@haes.ca

Jim Hodgson
Chief Financial Officer
Phone: 587-318-2218
Email:
jim.hodgson@haes.ca