



ACT ENERGY TECHNOLOGIES LTD.

ANNUAL INFORMATION FORM

For the year ended December 31, 2024

Date: March 25, 2025

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GLOSSARY OF TERMS

The following are defined terms used in this Annual Information Form:

"**ABCA**" means the *Business Corporations Act* (Alberta);

"**ACT**" or "**Corporation**" or "**our**" means ACT Energy Technologies Ltd;

"**AIF**" or "**Annual Information Form**" means this Annual Information Form;

"**BHA**" means bottom hole assembly;

"**Board of Directors**" or "**Board**" means the board of directors of ACT;

"**CAD**" means Canadian dollars;

"**Common Shares**" means common shares in the capital of ACT;

"**COVID-19**" means coronavirus disease 2019 (COVID-19), also known as the 2019 novel coronavirus, and severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) which causes the coronavirus disease 2019;

"**EM**" or "**Electro Magnetic**" means electro magnetic;

"**FUSION™ MWD**" means ACT's proprietary customizable modular MWD platform which is designed with the choice of EM transmission, positive mud pulse transmission or dual telemetry transmission;

"**FUSION™ DT**" means the dual telemetry transmission configuration of the FUSION™ MWD that uses both the FUSION™ EM and FUSION™ RP data transmission systems;

"**FUSION™ EM**" means ACT's proprietary EM data transmission system;

"**FUSION™ RP**" means ACT's proprietary rotary mud pulse data transmission system;

"**LP**" or "**Linear Pulse**" means linear pulse;

"**LWD**" means Logging-While-Drilling;

"**MD&A**" means ACT's management discussion and analysis for the year ended December 31, 2024;

"**MWD**" means measurement-while-drilling;

"**Preferred Shares**" means the preferred shares in the capital of ACT;

"**RapidFire**" means ACT's proprietary Dual Telemetry Retrievable MWD System;

"**RSS**" means Rotary Steerable System;

"**Shareholders**" means the holders from time to time of Common Shares;

"**SEDAR+**" means www.sedarplus.ca, the electronic filing system for electronic disclosure administered by the Canadian Securities Administrators;

"**TSX**" means the Toronto Stock Exchange;

"**TSXV**" means the TSX Venture Exchange;

"**U.S.**" means the United States of America;

"**USD**" means U.S. dollars;

"**WCS**" means Western Canadian Select; and

"**WTI**" means West Texas Intermediate.

FORWARD LOOKING INFORMATION

This Annual Information Form contains certain forward-looking statements and forward-looking information (collectively referred to herein as "**forward-looking statements**") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "achieve", "believe", "plan", "intend", "objective", "continuous", "ongoing", "estimate", "outlook", "expect", "may", "will", "project", "should" or similar words, including negatives thereof, suggesting future outcomes.

Examples of forward-looking statements contained in this AIF include, but are not limited to, statements with respect to: geographic allocation of equipment; ability to remain competitive; tax provisions are adequate; intention to continue relationships with customers; expected benefits from capital expenditures; demand for ACT's services and the factors contributing thereto; corporate strategy; ability to compete and maintain or expand; benefits associated with financial results, including cost reductions; activity levels; technology advances, including anticipated future developments of ACT's technology; timing of bringing technology to market; expected cost savings for ACT's customers as a result of using ACT's products; future dividend determinations; effects of proposed changes to environmental regulations; ACT's expectation to continue to selectively seek mergers, acquisitions and other types of business transactions in connection with its growth strategy; expected drilling activity post Canada's annual spring break up; and the expectation that petroleum prices will remain volatile for the near future.

ACT believes the expectations reflected in such forward-looking statements are reasonable as of the date hereof but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Various material factors and assumptions are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking statements. Those material factors and assumptions are based on information currently available to ACT, including information obtained from third party industry analysts and other third-party sources. In some instances, material assumptions and material factors are presented elsewhere in this AIF in connection with the forward-looking statements. You are cautioned that the following list of material factors and assumptions is not exhaustive. Specific material factors and assumptions include, but are not limited to:

- the performance of ACT's business;
- impact of economic and social trends;
- oil and natural gas commodity prices and production levels;
- capital expenditure programs and other expenditures by ACT and its customers;
- the ability of ACT to attract and retain key management personnel;
- the ability of ACT to retain and hire qualified personnel;
- the ability of ACT to obtain parts, consumables, equipment, technology, and supplies in a timely manner to carry out its activities;
- the ability of ACT to maintain good working relationships with key suppliers;
- the ability of ACT to retain customers, market its services successfully to existing and new customers and reliance on major customers;
- risks associated with technology development and intellectual property rights;
- obsolescence of ACT's equipment and/or technology;
- the ability of ACT to maintain safety performance;

- the ability of ACT to obtain adequate and timely financing on acceptable terms;
- the ability of ACT to comply with the terms and conditions of its credit facility;
- the ability to obtain sufficient insurance coverage to mitigate operational risks;
- currency exchange and interest rates;
- risks associated with future foreign operations;
- tax risks;
- the ability of ACT to integrate its transactions and the benefits of any acquisitions, dispositions and business development efforts;
- environmental risks;
- business risks resulting from weather, disasters and related to information technology;
- changes under governmental regulatory regimes, including trade disputes and tariffs and retaliatory measures in response to trade disputes, and tax, environmental, climate and other laws in Canada and the U.S.; and
- competitive risks.

Forward-looking statements are not a guarantee of future performance and involve a number of risks and uncertainties some of which are described herein. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause ACT's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Any forward-looking statements are made as of the date hereof and, except as required by law, ACT assumes no obligation to publicly update or revise such statements to reflect new information, subsequent or otherwise.

All forward-looking statements contained in this AIF are expressly qualified by this cautionary statement. Further information about the factors affecting forward-looking statements is available in the MD&A and ACT's annual report for the fiscal year ended December 31, 2024, which have been filed with Canadian provincial securities commissions and are available on SEDAR+.

ACT ENERGY TECHNOLOGIES LTD.

Name, Address and Incorporation

ACT Energy Technologies Ltd. is an energy services company engaged in the business of providing directional drilling services to oil and natural gas exploration and development entities in western Canada and the U.S. The Corporation carries on its activities in Canada under the name "*Altitude Energy Partners*", and in the U.S. under the names "*Altitude Energy Partners*", "*Discovery Downhole Services*", and "*Rime Downhole Technologies*".

ACT is a corporation governed by the ABCA. On July 3, 2024, the Corporation amended its articles to: (i) change its name from Cathedral Energy Services Ltd. to "*ACT Energy Technologies Ltd.*", and (ii) consolidate its outstanding Common Shares on the basis of seven (7) pre-consolidation Common Shares for one (1) post-consolidation Common Share. Concurrently with the July 3, 2024 change of corporate name and Common Share consolidation, the Corporation changed its trading symbol on the TSX for its Common Shares from "CET" to "ACX". ACT previously operated as an income trust, called "Cathedral Energy Services Income Trust" (the "**Trust**"). In December 2009, the trust units of the Trust were converted, under a statutory plan of arrangement, to Common Shares, trading on the TSX under the symbol CET. In 2022, pursuant to a normal course restructuring, the Corporation amalgamated with 2438126 Alberta Ltd. and continued as "Cathedral Energy Services Ltd." under the ABCA.

On April 25, 2022, the Corporation's common share purchase warrants ("**Warrants**") commenced trading on the TSX under the symbol CET.WT. Those Warrants expired and ceased trading on the TSX on April 25, 2023. See "*General Development of the Business – Three Year History and Significant Acquisitions*" under 2022 and 2023.

The principal corporate head office and registered office of ACT is at:

6030 – 3rd Street S.E., Calgary, Alberta, T2H 1K2
Phone: (403) 265-2560 / Fax: (403) 262-4682
www.actenergy.com

Inter-Corporate Relationships

The table below shows our organizational structure and material subsidiaries, including the jurisdiction where each was incorporated, formed, organized or continued and whether we hold the voting securities directly or indirectly. Non-material subsidiaries are excluded.

Entity Name	Jurisdiction of Formation	Ownership
ACT Energy Technologies Ltd.	Alberta	Publicly traded (TSX: ACX)
CET Holdco, Inc.	Delaware	100% direct ownership
Cathedral Energy Services Inc. (dba "Discovery Downhole Services")	Delaware	100% indirect ownership
CET Flight Holdco Inc.	Delaware	100% indirect ownership
Altitude Energy Holdco LLC	Delaware	100% indirect ownership
Altitude Energy Partners, LLC	Wyoming	100% indirect ownership
Rime Downhole Technologies, LLC	Texas	100% indirect ownership

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History and Significant Acquisitions ^{1, 2}

2022

- On February 10, 2022, the Corporation acquired the operating assets of Discovery Downhole Services ("**Discovery**"), a privately held, U.S.-based, high-performance mud motor technology rental business with operations in North Dakota, Texas, and Wyoming (the "**Discovery Transaction**"). The purchase price consisted of: (1) the issuance of 750,587 Common Shares at a deemed price of \$3.3929 per share; and (2) the payment of USD \$14,250,000 in cash. To fund the cash portion of the purchase price, the Corporation completed a non-brokered private placement of 2,094,143 Common Shares at a price of \$3.08 per share for gross proceeds of \$6,449,960 and also obtained the Discovery Term Loan (as defined below). The Common Shares issued to Discovery in the Discovery Transaction were subject to contractual restrictions on resale as follows: 25% were restricted until February 10, 2023; 25% were restricted until August 10, 2023; and the remaining 50% were restricted until February 10, 2024, subject to certain exceptions. As part of the Discovery Transaction, the Corporation retained key Discovery personnel under employment and consulting agreements.
- Concurrently with the closing of the Discovery Transaction, the Corporation entered into an amending agreement with its lender to amend the First Amended Facility to, among other things, provide for a non-revolving term loan in the amount of up to USD \$14,250,000 (the "**Discovery Term Loan**").
- On April 25, 2022, the Corporation completed a "bought deal" short form prospectus offering of units of the Corporation, in which the Corporation issued 5,398,100 units at a price of \$4.90 per unit, for gross proceeds of \$26,450,690 (the "**Public Offering**"). Each unit was comprised of one Common Share and one-half of one Common Share purchase warrant ("**Warrant**"). Each Warrant entitled the holder thereof to purchase one Common Share at an exercise price of \$5.95, for a period of 12 months following the closing of the Offering. The Warrants were listed on the TSX under the symbol (TSX: CET.WT).
- On June 17, 2022, the Corporation purchased 90.98% of the common shares of Lexa Drilling Technologies Inc. ("**Lexa**"), a privately held Calgary-based downhole technology company. The purchase price consisted of 230,413 Common Shares issued at a deemed price of \$5.2496 per share. The remaining 9.02% of the shares of Lexa, which were held by Mr. Rod Maxwell, a director of the Corporation, were acquired by the Corporation on July 19, 2022 on the same terms and conditions as the initial purchase, with 22,834 Common Shares issued.
- On June 22, 2022, the Corporation purchased all of the operating assets of Compass Directional Services Ltd. ("**Compass**"), a privately held directional drilling business operating in the WCSB (the "**Compass Transaction**"). The total consideration of \$9,500,000 was paid as follows: (1) the issuance of 1,091,877 Common Shares at a deemed price of \$5.04 per share; and (2) the payment of \$4,000,000 in cash. Of the Common Shares issued in connection with this transaction, 893,354 were subject to contractual restrictions on resale as follows: 25% were restricted until June 22, 2023; 25% were restricted until December 22, 2023; and 50% were restricted until June 22, 2024, subject to certain exceptions. The

¹ Throughout this section, Common Share numbers and values have been adjusted to reflect the consolidation of the Corporations' Common Shares on July 3, 2024, on the basis of one (1) post-consolidation Common Share for every seven (7) pre-consolidation Common Shares.

² Throughout this section, certain values are referenced as deemed prices, which may differ from accounting values.

remaining 198,523 Common Shares are or were subject to an escrow arrangement containing contractual restrictions on resale as follows: 25% were restricted until June 22, 2023; 25% were restricted until June 22, 2024; 25% are restricted until June 22, 2025; and the remaining 25% are restricted until June 22, 2026; subject to certain exceptions. As part of the Compass Transaction, the Corporation retained key Compass personnel under employment and consulting agreements.

- On July 13, 2022, the Corporation acquired all of the membership interests of Altitude Energy Partners LLC (“**Altitude**”), a privately held, U.S.-based directional services business operating in Wyoming and in Texas (the “**Altitude Transaction**”). The total consideration of approximately USD \$100,000,000 was paid as follows: (1) the issuance of 9,575,862 Common Shares at a deemed price of CAD \$4.9889 per share; and (2) the payment of USD \$62,675,000 in cash. The Common Shares issued are or were subject to contractual restrictions on resale, expiring on various dates calculated from the closing date over a period of 4 to 60 months, subject to certain exceptions. As part of the Altitude Transaction, the Corporation retained key Altitude personnel under employment agreements. A Form 51-102F4 Business Acquisition Report was filed on SEDAR+ with respect to the Altitude Transaction (the “**Business Acquisition Report**”).
- Immediately prior to the closing of the Altitude Transaction, on July 13, 2022 the Corporation entered into a second amended and restated credit agreement with its lenders (the “**Second Amended Facility**”) to, among other things, provide for a three-year syndicated credit facility in the aggregate amount of \$99,000,000, comprised of a \$74,000,000 syndicated term loan, a \$15,000,000 revolving borrowing base loan, and a \$10,000,000 revolving line with ATB Financial. The Second Amended Facility was secured by a general security agreement over all present and future personal property of the Corporation. See “*Material Contracts – The Credit Facility*”, and the Business Acquisition Report filed by the Corporation and available on SEDAR+.
- On October 26, 2022, the Corporation acquired the directional drilling business of Ensign Drilling Inc. (“**Ensign**”), a wholly owned subsidiary of Ensign Energy Services Inc., for consideration of \$5,000,000 (the “**Ensign Transaction**”). The purchase price was satisfied through the issue of 1,002,570 Common Shares to Ensign, at a deemed price of \$4.97 per Common Share. The Common Shares issued to Ensign were subject to contractual restrictions on resale as follows: 25% were restricted until April 26, 2023; 25% were restricted until October 26, 2023; and the remaining 50% were restricted until October 26, 2024; subject to certain exceptions. As part of the Ensign Transaction, the Corporation also retained key personnel under employment agreements.

2023

- As of the expiry date of April 25, 2023, the Corporation realized aggregate proceeds of \$16 million from the exercise of 2,691,127 Warrants, which had an exercise price of \$5.95 and were originally issued in connection with the Corporation’s Public Offering that closed on April 25, 2022 (described above). Approximately 99.7% of the Warrants were exercised. The Warrants ceased trading on the TSX and were delisted on their expiry date.
- On July 11, 2023, the Corporation acquired all of the membership interests of Rime Downhole Technologies, LLC (“**Rime**”), a privately-held, U.S.-based company engaged in the engineering, manufacture, sale and servicing of highly reliable, proprietary MWD components used downhole in oil and gas operations (the “**Rime Transaction**”). The aggregate purchase price of approximately USD \$41 million (approximately CAD \$54 million) was comprised of: (1) USD \$21 million in cash; and (2) USD \$20

million in subordinated exchangeable promissory notes issued by CET Flight Holdco, Inc., that are exchangeable under their terms into a maximum of 3,510,000 Common Shares of the Corporation (the “**EP Notes**”). The EP Notes have a term of three (3) years and bear interest quarterly at a rate of 5% per annum. The principal under the EP Notes is exchangeable into Common Shares in whole or in part at a rate of 176 Common Shares per each USD \$1,000 principal amount of EP Notes. The Corporation also has the right, in its discretion, to force the conversion of the remaining principal of the EP Notes into Common Shares if at any time during the term of the EP Note, the twenty (20) day volume-weighted average trading price of the Common Shares on the TSX is greater than \$7.70. As part of the Rime Transaction, the Corporation retained key Rime personnel under employment agreements.

- Concurrently with the Rime Transaction, on July 11, 2023 the Corporation entered into a third amended and restated credit agreement with its lenders (the “**Third Amended Facility**”), to further amend the Second Amended Facility to, among other things, increase the existing CAD \$99 million three-year syndicated credit facility to approximately CAD \$137 million, comprised of a CAD \$59 million syndicated term loan (replacing the existing term loan), a new USD \$21 million syndicated term loan, a CAD \$35 million syndicated revolving operating facility and a CAD \$15 million revolving operating facility. The Third Amended Facility remains secured by a general security agreement over all present and after acquired personal property of the Corporation. See “*Material Contracts – The Credit Facility*” filed by the Corporation and available on SEDAR+.
- On July 13, 2023, the Corporation announced that it would commence a normal course issuer bid on July 16, 2023 (the “**NCIB**”) permitting it to purchase, through the facilities of the TSX or other designated exchanges and/or alternative trading systems, up to 1,737,144 Common Shares of the Corporation over the term of the NCIB until the termination date of July 16, 2024. In 2023, a total of 613,557 Common Shares were purchased by the Corporation pursuant to this NCIB, at an average price of \$6.18 per Common Share for an aggregate purchase price of \$3.8 million.
- On August 17, 2023, the Corporation’s former auditor, KPMG LLP, resigned at the request of the Corporation, and PricewaterhouseCoopers LLP was appointed as the Corporation’s auditor.

2024

- At the Annual and Special Meeting of the Corporation’s shareholders held on May 9, 2024, Ms. Ami Arief was elected to the Board of Directors.
- Also on May 9, 2024 at the Annual and Special Meeting of the Corporation’s shareholders, the shareholders of the Corporation approved the change of name from “Cathedral Energy Services Ltd.” to “ACT Energy Technologies Ltd.” and the consolidation of the Corporation’s Common Shares on the basis of between five and ten pre-consolidation shares for every one post-consolidation share. These changes came into effect on July 3, 2024 (see below).
- On May 30, 2024, the Corporation entered into a fourth amended and restated credit agreement with its lenders (the “**Fourth Amended Facility**”), to, among other things, add a US-domiciled revolving operating facility in United States dollars in the amount of USD \$10 million. The Fourth Amended Facility remains secured by a general security agreement over all present and after acquired personal property of the Corporation. See “*Material Contracts – The Credit Facility*” filed by the Corporation and available on SEDAR+.

- On June 1, 2024, Mr. Daniel Adams was appointed to the Corporation's Board of Directors.
- On July 3, 2024, the Corporation filed articles of amendment to implement a corporate name change from "Cathedral Energy Services Ltd." to "ACT Energy Technologies Ltd.", and a share consolidation of the Corporation's Common Shares on the basis of one (1) post-consolidation Common Share for every seven (7) pre-consolidation Common Shares. ACT's Common Shares began trading under its new symbol, "ACX", and on a consolidated basis, on the TSX shortly thereafter. Concurrent with the name change, the Company's Canadian operations, which formerly operated as "Cathedral Energy Services", began operating under the name "Altitude Energy Partners". The operating divisions in the United States continued as "Altitude Energy Partners", "Discovery Downhole Services" and "Rime Downhole Technologies".
- Pursuant to the NCIB, from January 1, 2024 to July 16, 2024, the Corporation purchased 353,100 Common Shares at an average price of \$5.89 per Common Share, for an aggregate purchase price of \$2.1 million.
- On July 25, 2024, the Corporation announced that it had renewed its NCIB issuer bid which expired on July 16, 2024. The renewed NCIB permits the Corporation to purchase, through the facilities of the TSX or other designated exchanges and/or alternative trading systems, up to 1,902,008 Common Shares of the Corporation over the term of the NCIB from July 29, 2024 until the termination date of July 28, 2025. Pursuant to the renewed NCIB, from July 29, 2024 to December 31, 2024, a total of 793,550 Common Shares were purchased by the Corporation for an aggregate price of \$4.9 million, at an average price of \$6.17 per Common Share.

Recent Developments in 2025

- From January 1, 2025 to the date hereof, a total of 706,099 Common Shares were purchased by the Corporation under the NCIB for an aggregate price of \$4.3 million, at an average price of \$6.13 per share.
- On March 21, 2025, the Corporation entered into a fifth amended and restated credit agreement with its lenders (the "**Fifth Amended Facility**"), to, among other things, increase the existing revolving syndicated credit facility from CAD \$35 million to CAD \$100 million, and eliminate the existing term loans of CAD \$37 million and USD \$14.7 million. The Fifth Amended Facility has a maturity date of March 21, 2028 and remains secured by a general security agreement over all present and after acquired personal property of the Corporation. See "*Material Contracts – The Credit Facility*" filed by the Corporation and available on SEDAR+.

For further details, please see "*Description of the Business and Operations*" below.

DESCRIPTION OF THE BUSINESS AND OPERATIONS

Business of ACT

General

ACT is engaged in the businesses of providing directional drilling services, equipment rentals and sales and rentals of MWD equipment and components, to oil and natural gas companies in western Canada and the U.S. ACT carries on its activities in Canada under the name "Altitude Energy Partners", and in the U.S. under the names "Discovery Downhole Services", "Altitude Energy Partners" and "Rime Downhole Technologies".

Directional Drilling

ACT provides horizontal and directional drilling services. These services are provided in conjunction with the use of drilling rigs provided by drilling contractors who deal independently with ACT's customers.

Directional drilling is the controlled drilling of a wellbore to a prescribed bottom hole location. Horizontal drilling involves drilling a vertical wellbore with a horizontal leg extending from the vertical wellbore. By drilling horizontally into a formation, contact with the hydrocarbon bearing formation is significantly increased, allowing for substantially better production of hydrocarbons from the reservoir. In situations where low reservoir permeability exists, horizontal drilling allows operators to increase pay zone exposure resulting in increased production and recovery. As a result of advancements in well completion technologies by combining horizontal drilling with multi-stage fracturing, horizontal drilling is now the norm in Canada and the U.S.

Directional drilling technologies have continually advanced over the years and in the past decade have included drilling of multilateral (multi-leg) wells. A multilateral well is a single well with one or more wellbore branches radiating from the main wellbore. It may be as simple as a vertical wellbore with one sidetrack or as complex as a horizontal, extended reach well with multiple lateral and sub lateral branches. A successful multilateral well can replace several vertical wellbores and reduce overall drilling and completion costs, increase production and provide more efficient drainage for a reservoir. Furthermore, multilateral wells can make reservoir management more efficient and help increase recoverable reserves. Horizontal drilling can also occur from an existing vertical well as an economical method of increasing the recovery from an existing well. Through utilizing the existing wellbore, the costs of drilling down to the "kick-off point" (point where direction deviates) are saved, while the existing surface facilities may be re-utilized. The efficiency of drilling horizontal re-entry wells increases dramatically as the depth of the horizontal target increases.

Recently some oil and gas companies have drilled "U-turn" horizontal wells as a way to circumvent space constraints caused by tight lease boundaries. The initial lateral makes a 180° turn to create a second lateral parallel to the first in the same formation. The resulting horseshoe shape effectively doubles the lateral length possible within the lease from a single vertical section.

Conventional horizontal and directional drilling operations normally utilize three distinct and separate systems to steer the drill bit below the earth's surface to a pre-determined target – a mud motor, MWD technology systems and in some cases, an RSS system. Those systems may be supplemented with LWD systems such as gamma ray and resistivity sensors.

The use of horizontal and directional drilling equipment allows for previously unattainable bottom hole targets to be accessed. In addition, horizontal and directional drilling is used when:

- (a) it is necessary to reach a specific subsurface target that is not accessible using conventional vertical drilling practices;

the desired target zone is located directly beneath an extremely complex surface obstacle such as a mountain, lake, river and swamp or, in some instances, towns or environmentally sensitive areas;

it is desired to increase wellbore exposure to the reservoir frequently resulting in increased production volumes and recoverable reserves; and/or

in the case where multiple wells are drilled from the same location, as in the case of pad drilling where multiple wells are drilled from the same location.

The economic performance of horizontal and directional drilling results in a significant advantage over conventional vertical drilling in environments of low permeability or in situations where producers want to accelerate production from a reservoir. Increased production results from the increased exposure of the reserves to the producing wellbore. Since 2010, there has been an increasing shift towards the redevelopment of older, mature basins and targeting zones which were previously not viable until the introduction of new completion technologies that employ the use of horizontal, multi-stage fracturing technology. Hence, improved lifecycle economics of the well are realized due to the more efficient production of available reserves. The number of non-vertical wells drilled in Canada and the U.S. as a percentage of the total number of wells drilled has increased significantly over the years. Non-vertical wells now represent, and have over the past decade, represented in excess of 95% of the wells drilled in Canada and in the U.S.³

Tools and Equipment

To facilitate directional and horizontal drilling operations a number of tools are often supplied by ACT as part of the BHA:

Measurement-While-Drilling Systems

MWD systems are installed in the drill string as part of the BHA to provide real time measurements of basic trajectory parameters such as inclination, direction, tool-face and temperature. Additional sensors such as pressure, gamma-ray and resistivity may be added depending upon the specific application to provide LWD capabilities. The MWD/LWD system generally consists of three basic sections:

- Power Supply – Most tools are powered by batteries, however, some of ACT's MWD tools also use a downhole electricity generator to provide supplemental power.
- Sensor Section – Hole trajectory is measured by a sensor stack that contains accelerometers and magnetometers. The inclination and roll of the tool is obtained using accelerometers. Magnetometers measure the earth's local magnetic field and provide a reference direction relative to magnetic north. Other sensors such as pressure, gamma-ray, and resistivity are typically housed in separate dedicated tool sections.

³ Source: Daily Oil Bulletin, and Baker Hughes, North American Rotary Rig Count, Jan 2000 – Current (<https://rigcount.bakerhughes.com/na-rig-count>).

- Transmitter – MWD tools transmit in two basic manners, by sending pressure waves through the drilling mud (mud pulse) or by transmitting EM signals through the earth to surface. These signals are decoded at surface and used to determine the BHA trajectory parameters. The selection of mud pulse or EM transmission depends on a number of factors related to downhole conditions.

ACT's MWD fleet, marketed under the "Altitude Energy Partners" brand, consists of the following technologies:

- RapidFire™, the Corporation's current generation MWD system, can transmit data simultaneously via pulse and EM, allowing for high data rates and higher reliability through redundancy. The system can be configured in either a hard mount or retrievable configuration and is rated to operating temperatures that meet or exceed most competitive MWD systems.
- FUSION™, the Corporation's legacy proprietary MWD system, has multiple configurations:
 - FUSION™ EM is a proprietary EM transmission that allows continuous transmission of data from the BHA to surface which allows a number of benefits to customers related to drilling time savings and the ability to more efficiently retrieve additional downhole information. This EM system also provides for the ability for information to be transmitted downhole to manage power levels and other tool functions. ACT has demonstrated that this technology works in formations where many conventional third-party EM systems do not have the same performance capabilities.
 - FUSION™ RP (Rotary Pulse) is ACT's proprietary mud pulse data transmission system that uses a direct drive rotary valve assembly which significantly reduces the chance of plugging in high-viscosity or lost circulation applications compared to traditional hydraulic-assist linear pulse systems. Loss control materials are often added to the drilling mud to overcome mud circulation problems. These loss control materials have the potential to plug off rotary and linear pulse tools.
 - FUSION™ DT (Dual Telemetry) offers a data transmission system that uses both the FUSION™ EM and FUSION™ RP data transmission systems. The talk-down capabilities (from surface) of the FUSION™ platform enables the operating mode of the system to be quickly changed from its baseline EM setting to dual transmission mode in which EM and rotary pulse are both operating. The dual telemetry configuration captures the benefits of pulse or EM depending on drilling and formation conditions.

Rime Downhole Technologies MWD products current include the following:

- Rime's legacy MWD solutions include the Patented Slick-HD™ Pulser, which includes its pulser driver electronics solution called Agilis™. Rime also manufactures and provides SlickRide™, a patented shock mitigation tool for MWD systems. These components are compatible with nearly all "tensor style" or third-party MWD systems and have broad acceptance in the U.S. and Canadian marketplace.
- The legacy MWD system, called "Summit", is field proven and interfaces into many existing MWD sensors such as azimuthal gamma ray and RSS tools such as Schlumberger's "Orbit" and Halliburton's "iCruise". The "Summit" system is currently provided exclusively by Altitude Energy

Partners to operators across the U.S., with engineering and maintenance support provided by Rime Downhole Technologies.

- New MWD platforms include LOCUS-MP (a mud pulse system), and LOCUS-EM (an electromagnetic telemetry system). Both these systems leverage Rime’s legacy technologies and new state of the art intellectual property. LOCUS-MP is being developed to primarily support ACT’s US directional drilling operations, while LOCUS-EM is being designed primarily to provide solutions for the Canadian market. Both these platforms are modular and share a common architecture to allow for efficient asset utilization. Within Altitude Energy Partners, this tool is marketed as “Peak MWD”.

Through our various acquisitions, ACT also owns, uses and modifies a number of other non-proprietary MWD systems. These systems function similarly to the ACT systems and will remain in operation until obsolete, lost-in-hole or damaged beyond repair.

In ACT’s Canadian operations, we occasionally rent or purchase third party MWD equipment to satisfy specific customer and technical requirements. In our U.S. operations (Altitude), is in the process of adopting Rime MWD technology and thereby replacing MWD tools that would have previously been rented. Prior to 2024, substantially all of Altitude’s MWD tools were rented.

The number of MWD systems in ACT’s fleet changes over time as the fleet is upgraded or optimized to meet market conditions, or if tools are lost during drilling operations or significantly damaged. Typically, ACT is reimbursed by the customer for tools that are lost-in-hole or damaged beyond repair.

Positive Displacement Mud Motors

Positive displacement drilling mud motors are designed to drill without drill string rotation by converting hydraulic energy (flow and pressure) into mechanical energy (torque and rotational speed). The drilling motor turns the drill bit. A bend in the mud motor is used to steer the wellbore trajectory in directional and horizontal drilling applications.

A drilling motor consists of a power section and a bearing section. The power section consists of a rotor and a stator which convert the hydraulic energy from the mud flowing through the drill string into rotational energy to turn the drill bit. The bearing section houses a mandrel which is stabilized by radial and thrust bearings and is connected by threads to the drill bit. The bearing section utilizes a drive shaft which transmits the torque and rotation from the power section to the mandrel in addition to accommodating the eccentricity resulting from the bend in the motor. The drill bit, bearing and power sections are all interchangeable allowing the entire motor assembly to be optimized for wellbore size, drilling and formation conditions.

The drill bit used with the motor assembly is typically specified and purchased by ACT’s customers. ACT typically influences the choice of drill bit to optimize the drill bit performance with the motor.

ACT utilizes a combination of its own proprietary bearing section, which is branded as nDurance®, and third-party supplied bearing sections. ACT’s bearing section assets are predominately a sealed bearing design, while the third-party bearing sections used by Discovery and Altitude are of a mud lube bearing design.

ACT purchases power sections from independent suppliers that also provide power sections to ACT’s competitors. ACT works with the power section suppliers to develop power sections specifications that best suit our customer’s drilling parameters. As such, several power section specifications are unique and proprietary to ACT. The key power section design parameters which impact motor performance are the mud

pressure and flow rate and the resulting torque and revolutions per minute generated by the power section. ACT typically works with up to six power section suppliers from time-to-time depending on their product offerings and other capabilities. A power section is comprised of two components: (1) rotor; and (2) stator.

During the drilling operation all the components of the drilling motor are subject to wear and tear resulting in them needing to be regularly repaired or refurbished. The frequency of repairs and maintenance of these components largely depends on the downhole drilling environment coupled with customer drilling practices. Energy companies continuously demand that wells be drilled, cheaper, longer and faster. As a consequence, drilling equipment is being pushed harder and faster than in the past resulting in equipment being damaged, more frequent equipment repairs and higher equipment lost-in-hole frequency.

Depending on the drilling application, the elastomer within the power section stator must be replaced frequently meaning it is effectively a consumable. The power section supplier provides the service associated with refurbishing the stator and the cost of replacement is typically borne by ACT's customer. Due to the power section repair and refurbishment requirements, along with transport time considerations, different quantities of rotors and stators are needed to support a directional drilling job. In ACT's fleet, there are approximately 3 stators for every 1 rotor, for each bearing section. ACT and most other directional drilling companies measure their motor fleet size based on the number of bearing sections available, however, the characteristics of the motor fleet can change depending on the power section configurations.

The number and type of motors in ACT's fleet changes over time as the fleet is upgraded or optimized to meet market conditions or if motors and assemblies are lost-in-hole during the drilling operation or significantly damaged.

Our current motor fleet includes sizes ranging from 3-1/2" to 9-5/8" which is consistent with the vast majority of customer applications. Certain motors with low customer demand remain in our fleet as there may be uses for them at a future date depending on the type of work and markets ACT targets.

ACT occasionally rents or purchases third party motors to satisfy specific customer and technical requirements.

Rotary Steerable System

RSS tools are used to drill directionally with continuous rotation from the surface, which reduces friction during drilling caused by the BHA. RSS typically are deployed when drilling extended-reach wells. State-of-the-art RSS have minimal interaction with the borehole, thereby preserving borehole quality.

Schlumberger's PowerDrive Orbit RSS tool is generally accepted as the industry leader in RSS technology. ACT acquired several Orbit RSS tools through its acquisition of Altitude and has added additional tools since that time. We also use RSS tools manufactured by Halliburton ("iCruise"), and by D-Tech Drilling Tools.

Drilling Jars

Drilling jars are tools typically run in the BHA to aid in the recovery of the drill-string in the event of it becoming stuck. Although there are several configurations of jars available (mechanical, hydraulic, hydra mechanical) the basic function remains the same. Once stuck the drill-string is pulled into tension, storing elastic energy in the pipe (stretch). When the tension exceeds a pre-set limit (known as the latch setting) the jar "fires" by releasing an internal mandrel allowing the drill string to slip by approximately 1/2 meter, delivering a slide-

hammer impact to the stuck section of drill-string. The jar may be reset and the process repeated until the drill-string section is freed.

Shock Subs

Shock subs are used in the BHA to cushion heavy axial loading and bit vibrations that are encountered in rough drilling operations. These tools assist in extending the drill string life by reducing vibration and shock that can cause failures in the drill string. Additional benefits include extending the life of bits by reducing "bit bounce" and increased rate of penetration as a result of consistently keeping the bit in contact with the drilling surface.

ACT occasionally rents or purchases third party motors, drilling jars, shock subs and other BHA equipment to satisfy specific customer and technical requirements.

Non-Magnetic Drill Collars

Drill collars are used as part of the BHA assembly to house the MWD equipment and to allow the BHA to flex to facilitate steering the wellbore. Drill collars are made from non-magnetic materials in order to reduce the interference with the MWD tool magnetometer sensors.

Drilling Optimization Services

ACT's Drilling Optimization Group utilize analytics and engineering software applications to deliver comprehensive recommendations to customers to improve drilling efficiencies and ensure an accurate wellbore placement. The Drilling Optimization Group also supports ACT's internal operations teams to improve service quality by aiding in equipment selection, configuration, and optimizing workflow processes.

Well Planning Services

ACT's Well Planning team develops comprehensive plans for customers on how to drill specific directional and horizontal wells. A complete well plan includes:

- a trajectory/directional profile that defines the well geometry;
- anti-collision and torque and drag analysis to confirm the drill-ability of the well; and
- BHA recommendations for each section of the well.

The main goal of ACT's Well Planning is to provide our customers with a plan to achieve an accurately placed, efficiently drilled wellbore that meets their objectives and any other regulatory constraints.

With the dramatic shift towards horizontal and multi-lateral (multi-leg) wells in the past decade, well planning has emerged as one of the most critical aspects of a drilling project.

Market for Services

ACT's revenues are directly impacted by the level of capital expenditures of oil and natural gas exploration and production entities in western Canada and the U.S. In turn, these levels of capital expenditures are affected by factors including, but not limited to, oil and natural gas prices, access to capital markets, government policies in both Canada and the United States, and weather. In response to investor pressures, in the last few years, oil and natural gas operators have generally shifted the focus of their free cash flow away from expanding operations and production, and towards shareholder returns including paying down debt, paying and/or increasing dividends and share buybacks. However, multiple years of under-investment in oil and gas development combined with rebounding global demand saw hydrocarbon prices start to rise in early 2021 and continue at generally healthier levels to the present time.

The 2023 and 2024 years in global oil markets were ones of relative steadiness, with the trading range for a barrel of WTI between USD \$65 and USD \$90. Most of our customers would generally view this range as healthy within which a profitable oil-related business can operate. Notwithstanding the generally strong economy in the United States, WTI had a difficult time staying above USD \$80, as government policy resulted in the continued release of oil from the U.S. Strategic Petroleum Reserve, in an effort to keep commodity prices down. A slowly weakening Canadian dollar in relation to the U.S. dollar over this period helped Canadian E&P companies generate economic returns. Conditions in the natural gas business over 2023-2024 were quite different. Other than cold periods in the winters of 2022-23 and 2023-24, U.S. natural gas prices generally traded in a USD \$1.50-2.75/mmbtu range over this two-year period, which tends to not produce strong returns on investment for our E&P customers. However beginning in November 2024, U.S. natural gas prices began moving higher (toward USD \$4.50/mmbtu) on the back of cold weather, but also higher gas demand forecasts related to new LNG export project phases coming online (Plaquemines and Corpus Christi) and upcoming natural gas-powered AI data centre facilities.

In 2024 specifically, the price per barrel of WTI fluctuated between a low of USD \$65.27 to a high of USD \$87.63, and averaged USD \$76.55 over the year (2023 – USD \$77.64).⁴ Since December 31, 2024, WTI has fluctuated between approximately USD \$66 and USD \$80, with the declining trend since mid-January 2025 attributed to growing signs of weakness in the U.S. economy as well as signs that OPEC+ may increase production modestly in mid-April 2025. WCS (Western Canadian Select) oil pricing for 2024 averaged CAD \$83.54, up 5% from CAD \$79.60 in 2023.⁵

Activity levels in the Canadian oilfield industry are subject to a degree of seasonality. ACT's operating activities are generally lower in March through May due to spring break-up conditions and local road bans during which heavy equipment is not permitted to move. More recently, our E&P customers have also been choosing to shut down operations earlier than in prior years heading into the Christmas holiday season as capital budgets are exhausted. This early activity shut-down can negatively impact fourth quarter results. Typically, the most active drilling activity in Canada is in January and February each year, and also tend to be strong from June through November owing to the ease of drilling location access which depends on weather conditions and other factors. Activity levels in the U.S. are not typically subject to the same degree of seasonality as is experienced in western Canada. Weather conditions such as winter storms and prolonged wet periods in the summer can impact site access, and localized major weather events such as hurricanes may also impact activity levels for short periods.

The active rig count is a good proxy for oilfield activity levels in the industry in which ACT operates.

⁴ Source: www.macrotrends.net

⁵ Source: Peters & Co.

- The U.S. land rig count started 2024 at 601 and averaged 580 rigs for the year, which compared to an average of 668 in 2023, a decline of 13% year over year.⁶ The active U.S. land rig count as at March 21, 2025 was 576, compared to 601 active rigs drilling on March 22, 2024, a decrease of 4% year over year.⁷
- The average number of active drilling rigs in Canada in 2024 was 169, up 6% from 159 active drilling rigs in Canada in 2023.⁸ The active Canadian rig count as at March 21, 2025 was 187, a decline of 9% from the 206 active rigs as at March 22, 2024.⁹

In 2024, 65% of ACT's revenues in Canadian dollars were derived from the U.S. market (70% in 2023).

Sales and Marketing

ACT's sales and marketing group identifies customers by way of monitoring historical, current and potential drilling activities in western Canada and the U.S. Information on current and prospective customer drilling programs is often obtained through industry reports or through meeting with existing or prospective customers. A sales representative of ACT then contacts potential customers that are identified as potential targets. In some instances, contacts are made with engineering firms that provide drilling and completions advice to the oil and natural gas producers. ACT's strategy is to have a diversified portfolio of customers. At present, ACT's customers include large, intermediate and junior oil and natural gas exploration and development entities which are diversified by geography, producing or exploration basin and petroleum target type (e.g. conventional and non-conventional source and oil and gas focus). However, at any one time ACT may have single customers that represent a large portion of its consolidated revenue (see "*Risk Factors*").

ACT does not enter into long-term contracts with customers which is typical and industry standard. The working relationship between ACT and its customers is often governed by a master services agreement. See "*Risk Factors – Performance of Obligations*".

Competition

ACT's competition ranges from large multinational companies to companies that are smaller than ACT. In addition to directly competing with ACT in providing horizontal and directional drilling services, many of the multi-national competitors carry out extensive research and development and manufacture their own drilling equipment or components thereof. Smaller directional drilling companies are often regional and procure or rent their equipment (e.g. motors and MWD equipment) from third party providers who also provide this equipment to other companies.

ACT believes it will remain competitive in its markets by capitalizing on:

- (a) the high quality of the state-of-art equipment including its proprietary MWD and drilling motor technology;
- (b) the ability of its personnel to effectively supervise all aspects of the services provided;

⁶ Source: Baker Hughes Company Rig Count Data

⁷ Source: Baker Hughes Company Rig Count Data

⁸ Source: Baker Hughes Company Rig Count Data

⁹ Source: Baker Hughes Company Rig Count Data

- (c) having a presence in all of the key North American oil and natural gas producing basins along with the size and scale to offer equipment, personnel and services to larger customers with multi-well drilling programs;
- (d) providing customers with additional value-added services such as well planning and drilling optimization;
- (e) the reputation of the Corporation and management to secure important relationships and to ensure the highest possible quality for the services provided;
- (f) the ability to provide safe, consistent, reliable and effective service and personnel performing the service; and
- (g) continued investment in new technology development to provide a competitive advantage over that of our competitors.

Geographical Location and Facilities

ACT's head office is located in Calgary, Alberta (the “**6030 Campus**”).

Canadian Operations

ACT has operations facilities located in Calgary, Alberta and Nisku, Alberta.

The engineering and manufacturing of ACT's proprietary motors is largely conducted out of the Nisku facility. Planning, engineering and coordination of Canadian field directional/horizontal drilling operations is largely carried out from the 6030 Campus in Calgary, Alberta. In addition, ACT services, repairs and develops and enhances its proprietary MWD technology at the 6030 Campus. Sales activities are coordinated from ACT's office in downtown Calgary, Alberta.

U.S. Operations

The Discovery Transaction saw ACT acquire three leased shops, located in Casper, WY, Dickinson, ND, and Conroe, TX. The Altitude Transaction resulted in the acquisition by ACT of leased operating facilities in Casper, WY, Midland, TX and Houston, TX, a machine shop in Houston, TX and a corporate and sales office in The Woodlands, TX. Altitude's operations and motor repair and servicing shops are located in regions where Altitude has the capability to provide and support its services. The Rime Transaction resulted in the acquisition by ACT of leased facilities in Benbrook, TX and in Conroe, TX.

U.S. sales activities are coordinated from Altitude and Discovery's Houston, The Woodlands and Conroe facilities respectively, and from Altitude's sales office in Denver, CO.

Environmental Protection

Being in the oilfield services business, ACT is subject to numerous environmental regulations and protection requirements. It is difficult to quantify the financial and operational effects of these regulations and requirements on our capital expenditures, profit or loss and competitive position. As part of the overall responsible management of our business, we actively manage, review and evaluate our compliance with these regulations and requirements to reduce risks of non-compliance that may have a negative impact on

our competitive position and on our financial results. Further discussion of these risks is found in the "*Risk Factors – Climate Change and Environmental Risks*" section of this AIF.

Employees

As at December 31, 2024, ACT had an approximate total of 875 salaried and hourly personnel (330 employees and 545 field consultants/subcontractors), broken down as follows:

	Salaried Employees	Hourly Employees	Total Employees	Field Consultants
Canada	70	70	140	310
United States	100	90	190	235
TOTALS:	170	160	330	545

Economic, seasonal and other conditions that influence drilling activity result in changes to our population of field personnel within a year and from year to year.

DIVIDENDS AND DISTRIBUTIONS

ACT does not presently pay any dividends or distributions on its Common Shares. Payment of any future dividends will be at the discretion of the Board of Directors, after taking into consideration a number of factors, including without limitation, the current performance of ACT, historical and future trends in the business, the expected sustainability of those trends, enacted tax legislation impacting future taxes payable as well as required long-term debt repayments, maintenance capital expenditures required to sustain performance, future growth capital expenditures, effects of acquisitions or dispositions on ACT's business, and other factors that may be beyond the control of ACT or not anticipated by management of ACT.

The Fifth Amended Facility provides restrictions with respect to the payment of dividends, as follows: (i) in the event a Default or Event of Default (as such terms are defined in the Fifth Amended Facility) has occurred and is continuing, or would result from, the making of such dividend payment; or (ii) where after giving effect to any such distribution or dividend, the Consolidated Funded Debt to Consolidated EBITDA Ratio (as such terms are defined in the Fifth Amended Facility) would exceed 1.50:1.00. See also "*Material Contracts*".

GENERAL DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series. The following is a summary of the rights, privileges, restrictions and conditions attaching to each class of shares of ACT.

As of the date hereof, there are 33,929,461 Common Shares, nil Preferred Shares issued and outstanding, and 2,831,516 stock options granted and outstanding. In addition, there are 3,510,000 Common Shares reserved for issuance upon exchange of the EP Notes, as described above under *General Development of the Business – 2023*.

Common Shares

The holders of Common Shares are entitled to: (i) receive notice of and to vote at every meeting of shareholders of ACT and shall have one vote thereat for each such Common Share so held; (ii) receive any dividend declared on the Common Shares by ACT subject to the rights of the holders of Preferred Shares; and

(iii) subject to the rights, privileges, restrictions and conditions attached to the Preferred Shares, receive the remaining property of ACT on dissolution, liquidation or winding up.

Preferred Shares

Preferred Shares may, from time to time, be issued in one or more series, each series to consist of such number of shares as may, before the issue thereof, be fixed by the directors of ACT. The directors may additionally determine the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares, including, without limiting the generality of the foregoing, the rate or amount of preferential dividends and the date of payment thereof, voting rights (if any), the redemption, purchase and/or conversion price and conditions of redemption, purchase and/or conversion, if any, and any sinking fund or other provisions. The Preferred Shares rank in priority to the Common Shares as to payment of dividends and the distribution of assets in the event of dissolution, liquidation or winding-up.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Reference is made to the section entitled "Management's Discussion and Analysis" prepared in connection with the consolidated financial statements for the year ended December 31, 2024 ("MD&A"). The MD&A is incorporated herein by reference and is available on SEDAR+.

MARKET FOR SECURITIES

The Common Shares are listed and posted for trading on the TSX under the trading symbol "ACX". The following table sets forth certain trading information in respect of the Common Shares on the TSX for the most recently completed financial year, adjusted where applicable for the consolidation of the Corporation's Common Shares described above:

2024	Price Range (\$)		Trading Volume
	High	Low	
January	6.58	4.76	1,110,129
February	6.58	5.81	622,129
March	6.37	5.74	853,864
April	6.79	5.88	1,731,089
May	6.86	5.74	3,009,306
June	6.51	5.95	1,192,536
July	6.90	5.99	1,370,645
August	6.55	5.80	2,320,275
September	6.24	5.19	876,422
October	6.30	5.82	1,797,184
November	6.57	5.81	3,167,343
December	6.68	6.03	3,143,968

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

Designation of Class	Number of securities held in escrow or that are subject to contractual restriction on transfer as of December 31, 2024	Percentage of class
Common Shares	2,308,353	6.71%

The table above represents, to the Corporation's knowledge, the number of Common Shares held in escrow and subject to contractual restrictions on transfer as of December 31, 2024.

Typically, as a condition of an acquisition agreement we enter into, a portion of the equity consideration (Common Shares) paid to vendors is subject to certain contractual escrow conditions for a specified period of time following closing of such acquisition transaction. These contractual escrow conditions and time frames, which restrict the vendors ability to sell the Common Shares for a period of time following closing, tend to be for periods between four (4) months and up to five (5) years. Following the applicable contractual escrow period, if all conditions applicable to the vendor(s) have been met (if any), all Common Shares issued in connection with the acquisition are released from escrow to the vendor(s).

See also: *General Development of the Business*.

The above escrowed shares can be further broken down as follows (adjusted for the consolidation of the Corporation's Common Shares described above):

Acquisition Reference	Number of securities issued on closing and subject to escrow or contractual restriction on transfer	Number of securities held in escrow or that are subject to contractual restriction on transfer as of December 31, 2024	Number of securities held in escrow or that are subject to contractual restriction on transfer as of March 25, 2025	Date Contractual Restrictions End / All Common Shares are Released from Escrow
Compass	1,091,877	99,262	99,262	June 22, 2026
Altitude	9,575,862	2,209,091	1,969,219	July 13, 2027
TOTAL:	10,667,739	2,308,353	2,068,481	

As noted above under *General Development of the Business - 2023*, EP Notes exchangeable into 3,510,000 Common Shares (adjusted to reflect the Common Share consolidation) were issued in connection with the Rime Transaction. If the EP Notes are exchanged into Common Shares, those Common Shares will be subject to resale restrictions as follows: 33% will be restricted until July 11, 2025; and 34% will be restricted until July 11, 2026, subject to certain exceptions.

DIRECTORS AND EXECUTIVE OFFICERS

Board of Directors

The Board presently consists of eight (8) directors, seven (7) of which were duly elected at ACT's annual meeting of Shareholders held on May 9, 2024 and one (1) of whom was appointed by the Board on June 1, 2024. The directors will hold office until the next annual meeting of Shareholders or until their successors are duly elected or appointed in accordance with the constating documents of the Corporation and the ABCA, unless their office is earlier vacated.

The names, municipalities of residence, positions with ACT, and principal occupations of the directors of ACT, and the number of voting securities of ACT and its subsidiaries beneficially owned, or controlled, directly or indirectly, by such directors as of December 31, 2024, are set out below.

Name, Municipality of Residence and Position	Director Since	Position Held with ACT	Principal Occupation	Common Shares Beneficially owned or Controlled, Directly or Indirectly
Adams, Daniel B. Calgary, Alberta, Canada	June 2024	Director Member – Audit Committee	Corporate director since 2023. Previously, Mr. Adams was a partner in the audit practice of KPMG LLP from 1997 until his retirement in 2023.	Nil
Aried, Nyimas H. (Ami) Houston, Texas, USA	May 2024	Director Member – Compensation Committee Member – Technology Committee (<i>ad hoc</i>)	Co-Founder and Chief Operating Officer of Red Wolfpack Resources LLC, since 2024. Previously, Ms. Arief was the Senior Vice President of Tellurian Production Company, the upstream division of Tellurian Inc., from 2017 to 2024. Prior to that she held various senior leadership and technical roles with other large exploration and production companies.	Nil
Brown, Ian S. Calgary, Alberta, Canada	December 2009	Director Chair – Audit Committee Member – Governance Committee	Corporate director and independent consultant since 2006. Previously, Mr. Brown was the Senior Managing Director of Raymond James Ltd. from May 1995 until December 2005.	54,584
Connors, Thomas (Tom) J. Calgary, Alberta, Canada	March 2021	Director President & Chief Executive Officer	President and Chief Executive Officer of ACT since March 8, 2021. Previously, Mr. Connors held senior leadership roles, including Executive Vice-President, with an international oilfield services provider, from 2003 until 2020.	364,243

Name, Municipality of Residence and Position	Director Since	Position Held with ACT	Principal Occupation	Common Shares Beneficially owned or Controlled, Directly or Indirectly
Goraya, Shuja Houston, Texas, USA	July 2021	Director Chair – Technology Committee (<i>ad hoc</i>) Member – Compensation Committee Member – Governance Committee	Chief Technical Officer of Precision since July 2018. Previously, Mr. Goraya was the SVP Technology and Operations of National Energy Services Reunited, an oilfield services provider in the MENA and Asian Pacific regions, from November 2017 to July 2018, and the VP, Drilling Group North America of Schlumberger Limited, an international oilfield services company, from May 2017 to November 2017.	8,483
Maxwell, Roderick (Rod) D. Calgary, Alberta, Canada	October 2000	Director, Executive Chair	Executive Chair of ACT since October 2022. Mr. Maxwell became a non-independent executive director of ACT, effective October 25, 2022, due to his expanded role working directly with the President & CEO on strategic business initiatives. Prior to that date, Mr. Maxwell was an independent, non-executive director. Mr. Maxwell is also a Managing Director of StoneBridge Merchant Capital Corp., a private equity investment firm, located in Calgary, Alberta, that invests in growing private companies.	1,348,401
Sarjeant, Scott Calgary, Alberta, Canada	April 2003	Lead Director Chair – Governance Committee Member – Audit Committee	Corporate director and private investor since June 2020. Prior thereto, Mr. Sarjeant was President and CEO of Premiax Financial Corp., a non-bank financial institution involved in leasing and other financial businesses targeted at the energy industry, since April 2003.	197,885
Tremblay, Dale E. Lila, Bohol, Philippines	October 2015	Director Chair – Compensation Committee Member – Audit Committee	Corporate director and independent businessman. From December 2009 to December 2013, Mr. Tremblay was the Chairman and Chief Executive Officer of Western Energy Services Corp., an oilfield drilling and well servicing company in western Canada and portions of the U.S.	74,355

Executive Officers

The names, municipalities of residence, positions with ACT, and principal occupations of the executive officers of ACT, and the number of voting securities of ACT and its subsidiaries beneficially owned, or controlled, directly or indirectly, by such executive officers, as of December 31, 2024, are set out below.

Name, Municipality of Residence and Position	Current Position with ACT and Positions Held within the Last Five Years	Common Shares Beneficially owned or Controlled, Directly or Indirectly
Connors, Thomas (Tom) J. Calgary, Alberta, Canada <i>President and Chief Executive Officer</i>	President and Chief Executive Officer of ACT since March 8, 2021. Previously, Mr. Connors held senior leadership roles, including Executive Vice-President, with Ensign Energy Services Inc., an international oilfield services provider, from 2003 until 2020.	364,243
Maxwell, Roderick (Rod) D. Calgary, Alberta, Canada <i>Executive Chair</i>	Executive Chair of ACT since October 2022. Mr. Maxwell became a non-independent executive director of ACT, effective October 25, 2022, due to his expanded role working directly with the President & CEO on strategic business initiatives. Prior to that date, Mr. Maxwell was an independent, non-executive director. Mr. Maxwell is also Managing Director of StoneBridge Merchant Capital Corp., a private equity investment firm, located in Calgary, Alberta, that invests in growing private companies.	1,348,401
MacFarlane, P. Scott Calgary, Alberta, Canada <i>Chief Financial Officer (Interim)</i>	Chief Financial Officer (Interim) of the Corporation since January 13, 2023. Mr. MacFarlane was the Chief Financial Officer of ACT for over 20 years, and in 2013 he also assumed President and CEO responsibilities, which he held until his retirement in March 2021.	74,998
Harns, W. Lee Houston, Texas, USA <i>Chief Operating Officer</i>	Chief Operating Officer of the Corporation since September 1, 2024. From July 2022 to August 2024, President of Altitude Energy Partners, a wholly owned subsidiary of ACT. Mr. Harns had been the President of Altitude since 2020, a role he continued in following the acquisition of Altitude by ACT in July 2022.	804,657
Clark, Tyler Houston, Texas, USA <i>President, Altitude Energy Partners</i>	President of Altitude Energy Partners (Canadian and US operations) since September 1, 2024. From July 2022 to August 2024, Mr. Clark was a Senior Vice President of Altitude Energy Partners, a wholly owned subsidiary of ACT. Mr. Clark had been a Vice President of Altitude Energy Partners since 2019, and continued as a Senior Vice President following the acquisition of Altitude by ACT in July 2022.	378,105
Spengler, Vaughn Calgary, Alberta, Canada <i>Senior Vice President, Altitude Energy Partners (Canada)</i>	Senior Vice President of Canadian Operations since March 23, 2023. Mr. Spengler was previously the Vice President Operations and Sales for Canadian operations, since July 1, 2022. He was the principal owner of Valiant Energy Services Ltd. and joined ACT in connection with its acquisition of Valiant on September 7, 2021. From that date until July 1, 2022, Mr. Spengler provided consulting services to ACT's Canadian operations.	567,381

Ownership of Common Shares

As of December 31, 2024, the directors and executive officers of ACT listed above, as a group, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 3,873,092 Common Shares, being approximately 11.25% of the issued and outstanding Common Shares.

Cease Trade Orders

To the knowledge of the Corporation, no director or executive officer of the Corporation is, or within ten years prior to the date of this AIF has been, a director, a chief executive officer or a chief financial officer of any company (including the Corporation), that: (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an “**Order**”), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

To the knowledge of ACT and other than as disclosed below, no director, executive officer or Shareholder holding a sufficient number of securities to affect materially the control of ACT is, as of the date of this AIF, or was within ten (10) years prior to the date of this AIF, a director or executive officer of any company (including ACT) that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets.

- Mr. Tremblay was a director of ATK Oilfield Transportation Inc. (“**ATK**”), a private oilfield services company, until April 1, 2016. ATK was placed into receivership following an application by its creditors on April 1, 2016.
- Rod Maxwell was a director of Iona Energy Inc. (“**Iona**”), a public oil and gas company that held assets in the United Kingdom's North Sea, until November 24, 2015, being the date on which Iona announced that it was highly likely that its wholly owned United Kingdom subsidiaries, Iona Energy (UK) Company plc (“**Iona UK**”) and Iona UK Huntington Limited (“**Iona Huntington**”) would commence insolvency procedures. All of the board of directors and officers of Iona, including Mr. Maxwell, resigned effective November 24, 2015. On January 6, 2016, representatives of FTI Consulting LLP were appointed as joint administrators of Iona UK and Iona Huntington.
- Ian Brown was a director of Lightstream Resources Ltd., a public oil and gas company that commenced proceedings under the CCAA on September 26, 2016. Effective December 29, 2016, concurrent with the completion of the sale of all of the assets and business of Lightstream Resources Ltd. to a third party, all directors, including Mr. Brown, resigned from the board of directors.

To the knowledge of ACT, no director or executive officer of ACT, or Shareholder holding a sufficient number of securities to affect materially the control of ACT has, within the ten (10) years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become

subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or Shareholder.

Penalties or Sanctions

To the knowledge of ACT, no director or executive officer of ACT, or Shareholder holding a sufficient number of securities to affect materially the control of ACT has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The Board has approved a Code of Business Conduct and Ethics (the "**Policy**") that applies to directors and executive officers among others. The Policy requires employees to conduct their business affairs in a manner that ensures their private or personal interests do not interfere with the interests of ACT including conflicts relating to personal, financial or other gain. While activities that pose a potential or perceived conflict of interest are not strictly prohibited, they are required by the Policy to be disclosed to the Board and/or executive officers as they arise. Any such potential conflicts of interest will be dealt with openly with full disclosure of the nature and extent of the potential conflicts of interests with ACT. In addition, conflicts, if any, will be subject to the procedures and remedies available under the ABCA. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of ACT, neither ACT nor any of its subsidiaries is a party to any legal proceeding nor was it a party to any legal proceeding during the financial year ended December 31, 2024, nor is ACT aware of any contemplated legal proceeding involving ACT or its subsidiaries or any of its property which involves a claim for damages exclusive of interest and costs that may exceed 10% of the current assets of ACT.

ACT is not aware of any penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2024, any other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision or any settlement agreement that the Corporation entered into before a court relating to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2024.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this AIF, no director or executive officer of ACT, or any person that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Common Shares, or any associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of ACT's three most recently completed financial years or during the current financial year, or in any proposed transaction, that has materially affected or is reasonably expected to materially affect ACT or any of its subsidiaries.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The auditors of ACT are PricewaterhouseCoopers LLP. Odyssey Trust Company is the registrar and transfer agent for the Common Shares.

MATERIAL CONTRACTS

The only material contracts entered into by the Corporation during the most recently completed financial year, or before the most recently completed financial year that was still in effect, other than during the ordinary course of business, are as follows:

The Credit Facility

On December 13, 2017, ACT entered into a new credit facility (the “**Facility**”) with ATB Financial (under its previous name, Alberta Treasury Branches) and Export Development Canada, which had an expiry date of December 31, 2019. On November 8, 2018, ACT extended the Facility to December 31, 2020 under the same terms and conditions. Subsequently, on December 19, 2019, ACT extended the Facility to December 31, 2021 under substantially the same terms and conditions. On June 29, 2020, the terms of the Facility were amended to reduce the size of the Facility, to extend it to June 30, 2022, and provide for a temporary covenant relief period from June 30, 2020 to the earlier of March 31, 2021 or the date of written notice by the lender requesting an end to the covenant relief period. ATB Financial also became the sole lender thereunder.

On June 22, 2021, the Corporation further amended the Facility to, among other things, extend its maturity to June 30, 2022, to remove the cap on the Facility and provide access to the Corporation to the full \$12,000,000 revolving credit line, and to increase the limit on aggregate capital expenditures of the Corporation during the 2021 fiscal year to \$6,000,000 from \$2,000,000. The Corporation also secured an additional \$1,000,000 of credit through the Highly Affected Sectors Credit Availability Program that sees Business Development Bank of Canada guarantee a fixed interest rate loan made available to the Corporation by its lender. Later in 2021, the limit on aggregate capital expenditures of the Corporation for the fiscal year was increased to \$9,000,000.

In 2022 in connection with the Discovery Transaction, the Corporation entered into an amending agreement with ATB Financial to amend the Facility to, among other things, provide for a non-revolving term loan in the amount of up to USD \$14,250,000.

Also in 2022, in connection with the Altitude Transaction, the Corporation entered into the Second Amended Facility with ATB Financial, as lead arranger and administrative agent, and Canadian Western Bank, HSBC Bank Canada and Toronto-Dominion Bank as lenders. The Second Amended Facility provided, among other things, for a three-year credit facility in the aggregate amount of \$99,000,000, comprised of a \$74,000,000 term loan, a \$15,000,000 operating facility, and a \$10,000,000 revolving line facility. The Second Amended Facility was secured by a general security agreement over all present and future personal property of the Corporation.

In 2023, in connection with the Rime Transaction, the Corporation entered into the Third Amended Facility, with ATB Financial, as lead arranger and administrative agent, and Canadian Western Bank, HSBC Bank Canada, The Toronto-Dominion Bank and the Business Development Bank of Canada, as lenders. The Third Amended Facility increased the existing CAD \$99 million three-year syndicated credit facility to approximately CAD \$137 million, comprised of a CAD \$59 million syndicated term loan (replacing the existing term loan), a new USD \$21 million syndicated term loan, a CAD \$35 million syndicated revolving operating facility and a CAD \$15 million revolving operating facility. Further, the Third Amended Facility extended the term of the credit facility to July 11, 2026. The Third Amended Facility remained secured by a general security agreement over all present and future personal property of the Corporation.

In 2024, the Corporation entered into the Fourth Amended Facility, with ATB Financial, as lead arranger and administrative agent, and Canadian Western Bank, Royal Bank of Canada, The Toronto-Dominion Bank, the Business Development Bank of Canada, and HSBC Bank USA, N.A., as lenders. The Fourth Amended Facility added a U.S. domiciled and denominated revolving operating facility in the amount of USD \$10 million. The Fourth Amended Facility remained secured by a general security agreement over all present and future personal property of the Corporation.

ACT's borrowings under the Fourth Amended Facility as of December 31, 2024 consisted of \$37.0 million on the syndicated term loan, USD \$14.7 million on the syndicated USD term loan, \$nil on the operating facility and \$5.0 million on the syndicated revolving operating facility.

The key financial covenants associated with the Fourth Amended Facility include a maximum Consolidated Funded Debt to Consolidated EBITDA Ratio (as defined in the Fourth Amended Facility) of 2.50 to 1.0 and a minimum Consolidated Fixed Charge Coverage Ratio (as defined in the Fourth Amended Facility) of not less than 1.25 to 1.0, both of which are calculated quarterly. The Fourth Amended Facility provides a definition of Consolidated EBITDA to be used in calculation of financial covenants.

Subsequent to December 31, 2024, the Corporation entered into the Fifth Amended Facility, as described elsewhere in this AIF.

RISK FACTORS

1. *Crude Oil and Natural Gas Prices*

Demand for the services provided by ACT is directly impacted by the prices that ACT's customers receive for the crude oil and natural gas they produce. The prices received and the volumes produced have a direct correlation to the cash flow available to invest in drilling activity and other oilfield services. The markets for oil and natural gas are separate and distinct and are largely driven by supply and demand factors. Oil is a global commodity with a vast distribution network. As natural gas is most economically transported in its gaseous state via pipeline, its market is dependent on pipeline infrastructure and is subject to regional supply and demand factors. Developments in the transportation of liquefied natural gas ("**LNG**") in ocean going tanker ships has introduced more of an element of globalization to the natural gas market. Crude oil and natural gas prices are quite volatile, which accounts for much of the cyclical nature of the oilfield services business.

Prices for oil and natural gas are subject to large fluctuations in response to relatively minor changes in the supply of, and demand for, oil and natural gas, market uncertainty and a variety of additional factors beyond the control of ACT. These factors include increased production, economic conditions in the U.S. and Canada, tariffs and trade disputes, concerns with respect to a recession, a strengthening of the U.S. dollar relative to most other currencies, the actions of the Organization of Petroleum Exporting Countries ("**OPEC**") and OPEC Plus, government regulation, political stability in the Middle East and elsewhere, an outbreak of a public health emergency such as COVID-19, the foreign supply of oil and natural gas, risks of supply disruption, the price of foreign imports, technological advances improving the efficiency of oil and natural gas extraction and production, and the availability of alternative fuel sources and other advances that reduce energy use efficiency impacting consumption. In addition to pricing determined based on worldwide or North American supply and demand factors, there are a number of regional factors that also influence pricing such as transportation capacity, oil and natural gas physical properties and local supply and demand. Petroleum prices are expected to remain volatile for the near future due to the nature of the underlying variables that cause price fluctuations.

The election of U.S. President Donald Trump in 2024 and that administration's policies have introduced and may continue to introduce additional volatility to oil and natural gas markets. In the first Trump administration, policies favored domestic energy production, rolling back environmental regulations, and increasing access to federal lands for drilling. A similar approach in the current term could increase U.S. oil and gas production, potentially lowering prices due to increased supply. Trade tensions, tariffs and any retaliatory measures of other countries, and shifts in foreign policy have and may continue to introduce additional uncertainties, which may result in reduced exploration and drilling activities. Further, the regulatory landscape could shift dramatically, with a possible relaxation of environmental restrictions and permitting processes affecting infrastructure development, pipelines, and drilling projects. These policy changes could have both positive and negative effects on the industry and on our operations and cash flow, depending on the balance between increased production, global market reactions, and investor confidence in long-term stability. These factors may impact E&P companies' willingness to commit to capital spending, which in turn may have a significant adverse effect on the rig count and thus on the Corporation's activity levels, business and financial results.

ACT attempts to partially manage the risks related to volatile commodity prices by way of maintaining a variable cost structure that can be scaled to reflect activity levels. Substantially all of ACT's fieldwork is performed by subcontractors and staff paid on a day rate or hourly basis, which allows ACT to operate with lower variable costs and fixed overhead costs in low activity periods including extended downturns in the

oilfield services sector. In addition, ACT also strives to continuously improve its operational efficiencies and reduce the cost of the equipment it deploys.

2. *International Conflict*

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes including tariffs and retaliatory trade policies, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global energy and financial markets.

The global economy has been greatly affected by the war between Russia and Ukraine, and more recently the war between Israel and Hamas. The ongoing conflict and associated sanctions levied against Russia led to sharp increases in, and supply shortages of, key commodities. Uncertainty regarding the duration and ultimate effects of these two wars have raised global concerns over the potential for major disruptions in oil and natural gas supply and continuing commodity price volatility. Any additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices, supply chains and global economies more broadly. Volatility in commodity prices may adversely affect our business, financial condition and results of operations. Reductions in commodity prices may affect oil and natural gas activity levels and therefore adversely affect the demand for, or price of, our services. The Russian-Ukrainian conflict and the latest tensions in the Middle East continue to highlight the importance of global energy security which may positively or negatively impact demand for and investment in hydrocarbons.

The extent and duration of the aforementioned conflicts and related international action cannot be accurately predicted at this time and the effects of such conflicts may magnify the impact of the other risks identified in this AIF, including those relating to commodity price volatility and financial conditions. Unforeseeable impacts, including on ACT, our stakeholders and counterparties on which we rely and transact with, may materialize and may have an adverse effect on our business, results of operation and financial condition.

3. *Competition*

The oil and natural gas service industry in which ACT and its operating entities conduct business is highly competitive. ACT competes with other more established companies which have greater financial, marketing and other resources and certain of which are large international oil and natural gas service companies which offer a wider array of oil and natural gas services to their customers than does ACT.

At any time, there may be an excess of certain classes of oilfield service equipment in North America in relation to current levels of demand. The supply of equipment in the industry does not always correlate to the level of demand for that equipment. Periods of high demand often spur increased capital expenditures on oilfield service equipment, and those capital expenditures may result in equipment levels which exceed actual demand. In periods of low demand, there may be excess equipment available within the industry resulting in equipment obsolescence. Excess equipment supply in the industry could cause competitors to lower their rates and could lead to a decrease in rates in the oilfield services industry generally, which could have an adverse effect on revenues, cash flows and earnings in the industry and for the Corporation.

4. *Uncertainty with respect to the United States*

The election in 2024 of U.S. President Donald Trump and the related change in political agenda has resulted in uncertainty as to the position the United States will take with respect to its international relationships, which may include issues such as U.S. support for existing treaty and trade relationships with other countries,

including Canada. The Canada-United States-Mexico Agreement (CUSMA) is set for review in 2026 and there is uncertainty as to whether the parties will seek to renegotiate its terms.

The potential for, and continuation of, tariffs imposed by the U.S. government and counter-tariffs imposed by the Canadian and other governments have created economic uncertainty, which could have a material adverse effect on our business, including impacts to commodity prices and potential impacts on cross-border supply chain. The impact of any tariffs by the U.S. and retaliatory measures from other countries remains uncertain. There is a possibility that trade disputes could escalate, which could have a material adverse impact on our operations and cash flows.

5. Access to Capital

The credit facilities of ACT contain covenants that require it to meet certain financial tests and that restrict, among other things, the ability of ACT to incur additional debt, make significant acquisitions, dispose of assets, pay dividends, or repurchase Common Shares in certain circumstances. To the extent the cash flow from operations is not adequate to fund ACT's cash requirements, external debt and/or equity financing may be required. Lack of timely access to such additional financing, or which may not be on favorable terms, could limit the future growth of the business of ACT. To the extent that external sources of capital, including public and private markets, become limited or unavailable, ACT's ability to make the necessary capital investments to maintain or expand its business and to make necessary principal payments under its credit facility may be impaired.

6. Credit Risk

Most of ACT's accounts receivables are with customers involved in the oil and natural gas industry, whose revenue may be impacted by fluctuations in commodity prices. Although collection of these receivables could be influenced by economic factors affecting this industry and thereby have a materially adverse effect on operations, management considers risk of significant loss to be minimal at this time. Additional accounts receivable may arise from non-routine contractual arrangements, including through mergers and acquisitions. To mitigate this risk, ACT's counterparties are subject to an internal credit review along with ongoing monitoring of the amount and age of receivables balances outstanding.

7. Tax Matters

The business and operations of ACT are complex and ACT and its predecessors have executed a number of significant financings, reorganizations, acquisitions and other material transactions over the course of its history. The computation of taxes payable as a result of these transactions involves many complex factors as well as ACT's interpretation of relevant tax legislation and regulations.

ACT's management believes that the provision for tax is adequate and in accordance with generally accepted accounting principles and applicable legislation and regulations. However, tax filing positions are subject to review by taxation authorities who may successfully challenge ACT's interpretation of the applicable tax legislation and regulations. It is also possible that tax authorities may retroactively or prospectively amend tax legislation or its interpretation, which could affect ACT's current and future taxes.

8. Business Transaction Risks

In 2022 and 2023, ACT completed the Discovery Transaction, the Lexa Transaction, the Compass Transaction, the Altitude Transaction, the Ensign Transaction and the Rime Transaction. Achieving the benefits of acquisitions depends on successfully consolidating functions and integrating operations and

procedures in a timely and efficient manner and our ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with ours. Business transactions may expose ACT to additional risks, including: difficulties in integrating administrative, financial reporting, operational and information systems and managing newly-acquired operations and improving their operating efficiency; difficulties in maintaining uniform standards, controls, procedures and policies through all of ACT's operations; entry into markets in which ACT has little or no direct prior experience; difficulties in retaining key employees of the acquired operations; disruptions to ACT's ongoing business; and diversion of management time and resources.

ACT expects to continue to selectively seek mergers, acquisitions and other types of business transactions in connection with its growth strategy. ACT's ability to consummate and to integrate effectively any future mergers, acquisitions or other business transactions on terms that are favorable to it may be limited by the number of attractive transaction targets, internal demands on ACT's resources, internal management capabilities and to the extent necessary, ACT's ability to obtain equity and/or debt financing on satisfactory terms for larger transactions, if at all.

9. *Additional Shares*

If the Board of ACT decides to issue additional Common Shares, Preferred Shares or securities convertible into Common Shares, existing shareholders may suffer significant dilution.

10. *Take-Away Capacity for ACT's Customers*

ACT's customers rely on various transportation methods to deliver the produced oil and natural gas to the end market, including pipelines, trucking and railway. If such take-away capacity becomes full and incremental capacity is not added, the price and production of hydrocarbons may be adversely impacted, which could be magnified by trade disputes and tariffs implemented by the U.S., resulting in lower oilfield service industry activity levels. This could have a material adverse effect on ACT's business operations, financial condition, results of operations and cash flow. In Canada take-away capacity issues have impacted local oil pricing and netbacks with the result that drilling activity levels have been negatively impacted. The commencement of commercial operations of the Trans Mountain Pipeline expansion on May 1, 2024 added additional oil export capacity in Canada, which supports Canadian drilling activity.

11. *Forward-looking Information May Prove Inaccurate*

Numerous statements containing forward-looking information are found in this AIF, documents incorporated by reference herein and other documents forming part of ACT's public disclosure record. Such statements and information are subject to risks and uncertainties and involve certain assumptions, some, but not all, of which are discussed elsewhere in this document. The occurrence or non-occurrence, as the case may be, of any of the events described in such risks could cause actual results to differ materially from those expressed in the forward-looking information.

12. *Access to Parts, Consumables and Technology and Relationships with Key Suppliers*

The ability of ACT to compete and expand will be dependent on ACT having access, at a reasonable cost, to equipment, parts and components for purchased equipment for the development and acquisition of new competitive technologies. An inability to access these items and delays in accessing these items could have a material adverse effect on ACT's business, financial condition, results of operations and cash flow. ACT's equipment may become obsolete or experience a decrease in demand due to competing products that are lower in cost, have enhanced performance capabilities or are determined by the market to be more preferable

for environmental or other reasons. Although ACT has very good relationships with its key suppliers, there can be no assurances that those sources of equipment, parts, components or relationships with key suppliers will be maintained. If these are not maintained, ACT's ability to compete may be impaired. If the relationships with key suppliers come to an end, the availability and cost of securing certain parts, components and equipment may be adversely affected.

13. Alternatives to and Changing Demand for Hydrocarbon Products

Fuel conservation measures, alternative fuel requirements, electric vehicles, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy, vehicle electrification and energy generation devices could reduce the demand for crude oil, natural gas and other hydrocarbons. The Corporation cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on the ACT's business, financial condition, results of operations and cash flows.

14. Climate Change and Environmental Risks

Reputational Risk

Due to the association of the oil and natural gas industry with climate change, environmental damage and other perceived negatives, a general unfavorable perception of the oil and natural gas industry (including the Canadian industry) has developed among some populations in more economically developed nations. Businesses operating in the oil and natural gas industry, including energy service companies such as ACT, are increasingly being specifically associated with such negatives of the oil and natural gas industry as a whole and perceived to be contributing them. Accordingly, there is a risk that ACT may be associated with the perceived negatives of the oil and natural gas industry, and that such negative association will reduce demand for the Corporation's securities.

A limited number of banks have recently announced their intentions to cease funding certain fossil fuel projects by a certain point in the future. There is a risk that if a greater portion of the population develops a negative perception of the oil and natural gas industry, more banks will implement some form of a prohibition on funding fossil fuel projects. A decrease in funding for oil and natural gas projects may reduce demand for ACT's services or if ACT requires additional financing, such financing may not be available or, if available, may not be available on favorable terms.

Environmental and Other Government Regulation Risk

The oil and natural gas industry in Canada and the U.S. is subject to federal, provincial, state and municipal legislation and regulation governing such matters as land tenure, commodity prices, production royalties, production rates, environmental protection controls, the exportation of crude oil and natural gas, greenhouse gas ("GHG") emissions and other products, as well as other matters. The industry is also subject to regulation by governments in such matters, including laws and regulations relating to health and safety, the conduct of operations, the protection of the environment and the manufacture, management, transportation, storage and disposal of certain materials used in ACT's operations.

Government regulations may change from time to time in response to economic or political conditions. The exercise of discretion by governmental authorities under existing regulations, the implementation of new regulations or the modification of existing regulations affecting the crude oil and natural gas industry could reduce demand for ACT's services or increase its costs, either of which could have a material adverse impact on ACT.

There can be no assurance that the provincial, state and local governments or the Federal Governments of Canada and U.S. and other jurisdictions in which ACT enters into to provide its services will not adopt new environmental regulations, rules or legislation or make modifications to existing regulations, rules or legislation which could lower the demand for hydrocarbons, increase ACT's costs and/or make capital expenditures by ACT's customers uneconomic.

ACT is subject to various environmental laws and regulations which govern the manufacture, processing, importation, transportation, handling and disposal of certain materials used in ACT's operations. ACT has established procedures to address compliance with current environmental laws and regulations and monitors its practices concerning the handling of environmentally hazardous materials. However, there can be no assurance that ACT's procedures will prevent environmental damage occurring from spills of materials handled by ACT or that such damage has not already occurred. On occasion, substantial liabilities to third parties may be incurred. ACT may have the benefit of insurance maintained by it or the operator; however, ACT may become liable for damages against which it cannot adequately insure or against which it may elect not to insure because of high costs or other reasons.

All of these developments have had, and could in the future have, a material adverse effect on ACT's business, financial condition, results of operations, cash flows, ability to collect on accounts receivable and future impairments of the Corporation's assets.

Policy Risk

The Corporation's operations and activities emit GHG which may require the Corporation to comply with GHG emissions legislation at the provincial or federal level. Climate change policy is evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place. Over the past several years both the Government of Canada and the Government of Alberta announced various programs related to climate change and have made certain commitments regarding regulating GHG and other air pollutants.

Canada and the U.S. were signatories to the Paris Agreement drafted at the United Nations Framework Convention on Climate Change (UNFCCC) in December 2015. On January 20, 2025, President Trump issued an Executive Order withdrawing the U.S. as a signatory to the Paris Agreement. The goals of the Paris Agreement are to prevent global temperature rise from exceeding 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels. The Paris Agreement may provide for climate targets that could result in reduced global demand for oil and natural gas.

In connection with commitments under the Paris Agreement, in 2019 the Government of Canada implemented a nation-wide price on carbon emissions. The federal levy applies to all Canadian provinces and territories in which no provincial or territorial carbon pricing mechanism has been adopted, or in which such provincial or territorial mechanism does exist but does not meet the criteria established by the Government of Canada. Some of ACT's operations may ultimately be subject to future regional, provincial and/or federal climate change regulations to manage GHG emissions.

As of the date hereof, it is not possible to predict the effect of the Paris Agreement or other climate change-related legislation in Canada, the U.S. and globally on our business or whether additional climate-change legislation, regulations or other measures will be adopted at the federal, state, provincial or local levels in Canada, the U.S. or globally. While some of these regulations are in effect, others remain in various phases of review, discussion or implementation, leading to uncertainties regarding the timing and effects of these

emerging regulations, making it difficult to accurately determine the cost impacts and effects on our operations.

Extreme Weather Risk

There has been public discussion that climate change may be associated with extreme weather conditions and increased volatility in seasonal temperatures. Extreme weather could interfere with ACT's operations and increase the Corporation's costs, including shortening the length of the Canadian and U.S. drilling seasons. At this time, the Corporation is unable to determine the extent to which climate change may lead to increased storm or weather hazards affecting its operations and on the areas the Corporation and its suppliers and customers operate in.

Legal Risk

Concerns about climate change have resulted in a number of environmental activists and members of the public opposing carbon intensive industries. Historically, political and legal opposition to carbon intensive industries focused on public opinion and the regulatory process. More recently, however, there has been a movement to more directly hold governments and certain companies responsible for climate change through climate litigation. There can be no assurance that such legal proceedings may not be directed towards the Corporation, its customers or other key players in the Canadian and U.S. oil and natural gas industry.

15. Technology

The success and ability of ACT to compete depends in part on the technologies that it brings to the market, and the ability of ACT to prevent others from copying such technologies. ACT currently relies on industry confidentiality practices ("trade secrets"), including entering into industry standard confidentiality agreements and in some cases patents (or patents pending) to protect its proprietary technology. ACT may have to engage in litigation in order to protect its intellectual property rights, including patents or patents pending, or to determine the validity or scope of the proprietary rights of itself or others. This kind of litigation can be time-consuming and expensive, regardless of whether or not ACT is successful.

Additionally, certain tools, equipment or technology developed by ACT may be the subject of future patent infringement claims or other similar matters which could result in litigation, the requirement to pay licensing fees or other results that could have a material adverse effect on ACT's business, results of operations and financial condition.

The intellectual property rights of ACT may be invalidated, circumvented, challenged, infringed or required to be licensed to others. It cannot be assured that any steps ACT may take to protect its intellectual property rights and other rights to such proprietary technologies that are central to ACT's operations will prevent misappropriation or infringement.

ACT competes with other more established companies which have greater financial resources to develop new technologies. Competitors may also develop similar or substitute tools, equipment and technology to ACT's thereby adversely affecting ACT's competitive advantage and/or market share. There may also be changes in customer or market requirements which make ACT's technology obsolete or result in a lower demand for ACT's products and services. Competing technologies may enter ACT's market which may have a negative impact on ACT long term. RSS technology is increasingly cost-effective and can be used as a substitute for certain methods currently used by ACT, although ACT owns its own RSS tools. Nonetheless, there is the risk that some of ACT's customer base will move away from technology provided by ACT. Although ACT intends to adopt processes to provide similar services and develop competing technology, there is no

guarantee that it will be successful and ACT is likely to face a number of challenges, including intellectual property matters and economic considerations, in order to implement new competing technology.

16. Risks associated with information technology systems

ACT is dependent upon information technology systems in the conduct of its operations. Any significant malfunction, breakdown, downtime, invasion, virus, cyber-attack, security breach, destruction or interruption of these systems due to equipment or software failures or by employees, others with access to ACT's systems, or unauthorized persons could negatively impact its operations. To the extent any breakdown, downtime, malfunction, invasion, cyber-attack or security breach results in disruption to ACT's operations, loss or disclosure of, or damage to, its data or confidential information, its reputation, business, results of operations and financial condition could be materially adversely affected. ACT's systems and insurance coverage for protecting against information technology or cyber security risks may not be sufficient. Although to date ACT has not experienced any material losses relating to information technology failures or cyber-attacks, it may suffer such losses in the future. ACT may be required to expend significant additional resources to continue to modify or enhance its protective measures, to investigate and remediate any information security vulnerabilities or to maintain its information technology systems in good repair.

17. Reliance on Key Management Personnel and Employee/Sub-contractor Relationships

Shareholders must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management and employees of ACT. The success of ACT is dependent upon our key management personnel and key sub-contractors. The unexpected loss or departure of any of ACT's key officers, employees or sub-contractors could be detrimental to the future operations of ACT. In addition, should circumstances exist that prevent ACT's employees and sub-contractors from performing their duties, such as natural disasters or impacts from global pandemics like the COVID-19 pandemic, it could impact ACT's ability to deliver its products and services. ACT does not maintain key man insurance on any of its officers.

The success of ACT's business will depend, in part, upon ACT's ability to attract and retain qualified personnel as they are needed. Additionally, the ability of ACT to expand its services is dependent upon its ability to attract additional qualified employees. During high levels of activity, attracting quality staff can be challenging due to competition for such services. ACT provides its staff with a quality working environment, effective training, tools with current technology and competitive remuneration packages that allows it to attract and retain the quality of its workforce, whether in the field, shop or office. There can be no assurance that ACT will be able to engage the services of such personnel or retain its current personnel.

18. Interest Rates

ACT's current credit facility bears interest at a floating interest rate and, therefore, to the extent ACT borrows under this facility, it is at risk of rising interest rates. Management continually monitors interest rates and would consider locking in the rate of its term debt.

19. Credit Facility

Although it is believed that the size of the Fifth Amended Facility is sufficient, there can be no assurance that the amount will be adequate for the financial obligations of ACT. As well, if ACT requires additional financing such financing may not be available or, if available, may not be available on favorable terms. ACT's lenders have been provided with security over substantially all of the assets of ACT. There is no assurance that the existing credit facility will be extended beyond its maturity date.

In the coming years, natural gas takeaway capacity from Canada will be partially reliant on the ability to introduce liquified natural gas (“LNG”) export facilities such as LNG Canada, which is currently being built on the coast of British Columbia and is expected to begin deliveries in mid-2025. Any delay in timing of the onset of Canadian LNG gas exports or the delay or cancellation of future LNG projects or phases could have a material impact on Canadian natural gas drilling levels, which would impact ACT as a supplier of directional drilling services. In the U.S., the build-out of LNG export facilities has occurred at a rapid pace, which also could serve as a risk to ACT if one or many of these projects are delayed or cancelled in the years to come.

20. Unpredictability and Volatility of Share Price

The prices at which the Common Shares trade cannot be predicted. The market price of the Common Shares could be subject to significant fluctuations in response to variations in quarterly financial results and other factors including prevailing financial market factors and investor interest in the Corporation or the industry the Corporation operates in. The market price of the Common Shares may also be impacted by other factors including the net asset value of ACT’s assets which will vary from time to time depending on factors beyond our control.

In addition, the securities markets have experienced significant market wide and sectorial price and volume fluctuations from time to time that often have been unrelated or disproportionate to the operating performance of particular issuers. Such fluctuations may adversely affect the market price of the Common Shares.

21. Performance of Obligations

The Corporation's success depends in large part on whether it fulfills its obligations with customers and maintains customer satisfaction. If ACT fails to satisfactorily perform its obligations, makes errors in the provision of its services, or does not perform its services to the expectations of its customers, its customers could terminate working relationships, including master service agreements, exposing ACT to loss of its professional reputation and risk of loss or reduced profits, or in some cases, the loss of a project and claims by customers for damages. ACT's master service agreements do not contain any guaranteed payments and can generally be terminated on 30 or less days' notice.

22. Safety Performance

ACT has programs in place to address compliance with current safety and regulatory standards. ACT has safety managers responsible for maintaining and developing policies and monitoring operations consistent with those policies. Poor safety performance could lead to lower demand for ACT's services. Standards for accident prevention in the oil and natural gas industry are governed by company safety policies and procedures, accepted industry safety practices, customer-specific safety requirements, and health and safety legislation. Safety is a key factor that customers consider when selecting an oilfield service company. A decline in ACT's safety performance could result in lower demand for services, and this could have a material adverse effect on revenues, cash flows and earnings. ACT is subject to various health and safety laws, rules, legislation and guidelines which can impose material liability, increase costs or lead to lower demand for services.

23. Business Development Risks

In implementing its strategy, ACT may pursue new business or growth opportunities. There is no assurance that ACT will be successful in executing those opportunities. ACT may have difficulty executing its strategy because of, among other things, increased competition, difficulty entering new markets or geographies,

difficulties in introducing new products, the ability to attract qualified personnel, barriers to entry into geographic markets, and changes in regulatory requirements.

24. Inflation

The Corporation has experienced inflationary pressures in recent years, resulting in increases to our development, operation and labour costs. Although inflation has somewhat moderated in recent months, if inflationary pressures re-emerge and cost increases continue, we may not be able to fully offset such higher costs through corresponding increases in the costs of our products and services to our customers. Our inability or failure to do so could harm our business, financial condition and results of operations. Further, there can be no assurance that any governmental action to mitigate inflationary cycles will be taken or be effective. Central banks increased interest rates beginning in 2022 in response to inflation, and although interest rates declined in 2024, increases may again be implemented. Governmental action, such as the imposition of higher interest rates or wage controls, may also negatively impact ACT's costs and may magnify the risks identified in this AIF. Continued inflation, any governmental response thereto, or ACT's inability to offset inflationary effects may have a material adverse effect on our business, results of operations, financial condition or value of our Common Shares.

25. Potential Replacement or Reduced Use of Products and Services

Certain of ACT's equipment or systems may become obsolete or experience a decrease in demand through the introduction of competing products that are lower in cost, exhibit enhanced performance characteristics or are determined by the market to be more preferable for environmental or other reasons. A change in customer requirements, may result in some of its equipment becoming technically obsolete or creating market obsolescence based on lower demand which has resulted in write-downs of certain equipment and associated parts inventory. In addition, the drilling industry is experiencing a trend towards automation, the impact of which on ACT's business is not yet known. ACT will need to keep current with the changing market for oil and natural gas services and technological and regulatory changes. If ACT fails to do so, this could have a material adverse effect on its business, financial condition, results of operations and cash flows.

26. Operating Risks and Insurance

ACT has an insurance and risk management plan in place to protect its assets, operations and employees. However, ACT's oilfield services are subject to risks inherent in the oil and natural gas industry, such as equipment defects, equipment obsolescence, malfunctions, failures, natural disasters and errors and omissions by staff, some of which may not be covered by insurance. These risks could expose ACT to substantial liability for personal injury, loss of life, business interruption, property damage or destruction, pollution and other environmental damages. ACT attempts to obtain indemnification from its customers by contract for some of these risks in addition to having insurance coverage. These indemnification agreements may not adequately protect against liability from all of the consequences described above. There may be situations in which indemnifications provided by ACT are not covered by insurance. In addition, ACT's operating activities includes a significant amount of transportation of equipment and vehicle travel by staff and therefore is subject to the inherent risks including potential liability which could result from, among other things, personal injury, loss of life or property damage derived from motor vehicle accidents. ACT carries insurance to provide protection in the event of destruction or damage to its property and equipment, subject to appropriate deductibles and the availability of coverage. Liability insurance is also maintained at prudent levels to limit exposure, but not necessarily fully eliminate exposure to unforeseen incidents. An annual review of insurance coverage is completed to assess the risk of loss and risk mitigation alternatives. It is anticipated that appropriate insurance coverage is in place and will be maintained in the future, but there can be no assurance

that such insurance coverage will be available in the future on commercially reasonable terms or be available on terms as favorable as ACT's current arrangements. The occurrence of a significant event outside of the coverage of ACT's insurance policies could have a material adverse effect on the results of the Corporation. If there is an event that is not fully insured or indemnified against, or a customer or insurer does not meet its indemnification or insurance obligations, it could result in substantial losses.

Energy companies are continuously demanding wells be drilled, cheaper, longer and faster, which has adversely impacted ACT's drilling equipment and may continue to do so.

27. Business continuity, disaster recovery and crisis management

An inability to restore or replace critical capacity in a timely manner may impact business and operations. A serious event could have a material adverse effect on ACT's business, results of operations and financial condition. This risk is mitigated by the development of business continuity arrangements, including disaster recovery plans and back-up delivery systems, to minimize any business disruption in the event of a major disaster. Insurance coverage may minimize any losses in certain circumstances.

28. Weather and Seasonality

A portion of ACT's operations are carried on in western Canada where activity levels in the oilfield services industry are subject to a degree of seasonality. Operating activities in western Canada are generally lower during "spring breakup" which normally commences in March and continues through to May. Canadian operating activities generally increase in the fall and peak in the winter months from December until early to mid-March, depending on weather conditions.

Activity levels in the oil and natural gas basins in the U.S. are not subject to the seasonality to the same extent that it occurs in the western Canada region, however, U.S. operations can also be impacted by weather related issues. In general, activity levels in North America can be impacted year-round by weather conditions and temperatures, including major weather events such as summer and winter storms and hurricanes which can create additional unpredictability in operational results.

29. Foreign Currency Exchange Rates

ACT derives a significant portion of its revenues from the U.S. which are denominated in the local currency. This causes a foreign currency exchange rate risk which ACT attempts to mitigate by matching local purchases in the same currency. Furthermore, ACT's Canadian operations are subject to foreign currency exchange rate risk in that some purchases for parts, supplies and components in the manufacture of equipment are denominated in USD. ACT's foreign currency policy is to monitor foreign current risk exposure in its areas of operations and mitigate that risk where possible by matching foreign currency denominated expense with revenues denominated in foreign currencies.

In addition, ACT is exposed to currency exchange risk on those of its assets denominated in U.S. dollars. Since ACT presents its financial statements in Canadian dollars, any change in the value of the Canadian dollar relative to the USD during a given financial reporting period would result in a foreign currency loss or gain on the translation of its assets measured in other currencies into Canadian dollars. Consequently, ACT's reported earnings could fluctuate materially as a result of foreign exchange translation gains or losses. Other than natural hedges arising from the normal course of business in foreign jurisdictions, ACT does not currently have any hedging positions.

30. Reliance on Major Customers

Management of ACT believes it currently has a diverse mix of customers. In 2022 and 2023, no one customer represented in excess of 10% of the Corporation's revenues. In 2024, ACT has one customer that accounted for 12% of the Corporation's revenues. While ACT believes that its relationship with existing customers is good, the loss of multiple customers, or a significant reduction in business done with ACT by multiple customers, if not offset by sales to new or existing customers, could have a material adverse effect on ACT's business, results of operations and prospects. Mergers and acquisitions activity in the oil and natural gas exploration and production sector can impact demand for our services as customers focus on internal reorganization prior to committing funds to significant oilfield services. In addition, demand for ACT's services could be negatively affected in that upon completion, the merger and acquisitions customers may re-direct their work to ACT's competitors.

31. Public Health Emergencies including COVID-19 Pandemic

In March 2020, the World Health Organization declared a global pandemic due to COVID-19. In response to the COVID-19 outbreak, governments around the world implemented measures to control the spread of the virus, including closing non-essential businesses and implementing travel bans and stay-at-home restrictions. These measures resulted in volatility and disruptions in regular business operations, supply chains and financial markets, as well as declining trade and market sentiment, and contributed to a material deterioration in the global economy, including a dramatic decline in the demand for oil, which resulted in a material decrease in the price of oil.

In 2020 and early 2021, ACT made significant changes to its cost structure including laying off staff, reducing compensation, closing facilities, eliminating discretionary expenses, deferring tool repairs and reducing capital expenditures. These efforts were undertaken to better match ACT's cost structure to its expected operating levels at those times and manage the financial risk presented by ACT's contract counterparties and potentially their ability to perform contractual obligations.

Many of restrictions imposed by governmental bodies to limit the spread of COVID-19 were removed by late 2022. However, the COVID-19 pandemic or a similar public health epidemic continues to pose a material risk to ACT's business, operations and financial condition should governments be forced to reintroduce restrictions similar to those experienced in 2020 through 2022. Such public health crises can result in volatility and disruptions in the supply and demand for oil and natural gas, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to ACT of such public health crises also include risks to employee health and safety and a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak.

32. Risks Associated with Foreign Operations

In the future, ACT may conduct a portion of its business outside North America through a number of means including projects, joint ventures and partnerships and other business relationships. As such, ACT could be exposed to risks inherent in foreign operations including, but not limited to: loss of revenue, property and equipment as a result of expropriation and nationalization, war, civil and/or labour unrest, strikes, terrorist threats, civil insurrection and other political risks; fluctuations in foreign currency and exchange controls; increases in duties, taxes and governmental royalties and renegotiation of contracts with governmental entities; trade and other economic sanctions or other restrictions imposed by the Canadian government or other governments or organizations; as well as changes in laws and policies governing operations of foreign-

based companies.

Carrying on business outside of Canada gives rise to the risk of dealing with business and political systems that are different than ACT is accustomed to in Canada.

33. Conflict of Interest

Circumstances may arise from time to time where our members of the Board or executive officers are also directors or officers of other companies, which have conflicting interests to those of ACT. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as apply under, the ABCA.

34. Legal Proceedings

ACT is involved in litigation from time to time. No assurance can be given as to the final outcome of any legal proceedings or that the ultimate resolution of any legal proceedings will not have a materially adverse effect on ACT.

35. There are risks involved with the design of disclosure controls and procedures

Management has designed disclosure controls and procedures to provide reasonable assurance that material information relating to ACT is made known to the Chief Executive Officer and the Chief Financial Officer by others within ACT, particularly during the period in which the annual and interim filings of ACT are being prepared, in an accurate and timely manner in order to comply with our disclosure and financial reporting obligations. Consistent with the concept of reasonable assurance, ACT recognizes that the relative cost of maintaining these controls and procedures should not exceed their expected benefits. As such, ACT's disclosure controls and procedures can only provide reasonable assurance, and not absolute assurance, that the objectives of such controls and procedures are met.

36. There are risks involved with internal controls over financial reporting

The Chief Executive Officer and the Chief Financial Officer of ACT are responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes. While management of ACT has put in place certain plans and procedures to mitigate the risk of a material misstatement in ACT's financial reporting, a system of internal controls can provide only reasonable, not absolute, assurance that the objectives of the control system are met, no matter how well conceived or operated.

AUDIT COMMITTEE

General

The Board has developed written terms of reference outlining the Audit Committee's roles and responsibilities and which provide appropriate guidance to Audit Committee members as to their duties. These terms of reference are reviewed annually by the Board. The Audit Committee reviews the annual and interim financial statements of ACT and makes recommendations to the Board with respect to such statements. The Audit Committee also reviews the nature and scope of the annual audit as proposed by the auditors and management, and the adequacy of the internal accounting control procedures and systems within ACT. The Audit Committee is responsible to ensure that management has implemented an effective system of internal control and has oversight responsibility for management reporting on internal control. The full text of the Audit Committee Charter is attached as Schedule "A" to this AIF.

Composition of the Audit Committee

The Audit Committee is currently comprised of Ian Brown (Chair), Daniel Adams, Scott Sarjeant and Dale Tremblay. All members of the Audit Committee are independent and financially literate under National Instrument 52-110 – *Audit Committees*.

Relevant Education and Experience

Audit Committee member education and experience that is relevant to the performance of the responsibilities as an Audit Committee member are as follows:

Audit Committee Member	Relevant Education and Experience
Brown, Ian S. Chair	Mr. Brown is a Chartered Professional Accountant and has been an independent businessman since January 2006. Prior thereto, Mr. Brown was a Senior Managing Director of Raymond James Ltd. from May 1995 until December 2005. Mr. Brown has been a member of and chaired numerous audit committees since 2006. He is an audit financial expert.
Adams, Daniel B. Member	Mr. Adams is a Chartered Professional Accountant and was granted the Fellow or Chartered Professional Accountants designation (FCPA, FCA) in 2020. He was a partner in the audit practice of KPMG LLP from 1997 until his retirement in 2023, during which time he led or participated in the audits of several public and private companies in the energy services sector, in Western Canada and in the Atlantic region of Canada. He has served on the boards and audit / finance committees of a number of non-profit organizations and of KPMG LLP. He is an audit financial expert.
Sarjeant, Scott Member	Mr. Sarjeant holds a Master of Business Administration and a law degree. He has been an independent businessman and private investor since June 2020. Prior thereto, Mr. Sarjeant was President and CEO of Premiax Financial Corp., a non-bank financial corporation that operates financial businesses targeted at the energy industry. From 1994 to 2003, Mr. Sarjeant was co-founder of AltaGas Services Inc., a publicly listed Canadian energy services company, where he served as Executive Vice President. From 1987 to 1994, Mr. Sarjeant was a Vice President in the Corporate Finance Group of Citibank Canada. He has served on the audit committees of other publicly listed entities, including: AltaGas Services Inc. (TSX), Champion Resources Ltd. (TSXV) and Rare Method Interactive Corp. (TSXV).
Tremblay, Dale Member	Mr. Tremblay retired in 2013 with more than 30 years of experience in the domestic and international oilfield services industry. He was the Founder, Chairman and Chief Executive Officer of Western Energy Services Corp., from 2009 to 2013. Prior to that, from 2005 through 2009 he was the President and Chief Executive Officer of Saxon Energy Services Inc. ("Saxon") and Chairman of SES Holdings Limited, the parent company to Saxon. From 1988 to 2005, Mr. Tremblay was Senior Vice President, Finance and Chief Financial Officer of Precision Drilling Corporation. Mr. Tremblay has previously served as a director on two Canadian public company boards and one private, including McCoy Global Inc. and CleanTek Industries Inc.

Pre-Approval Policies and Procedures

The Audit Committee has adopted a pre-approval policy with respect to permitted non-audit services. Under the policy, the Audit Committee approved non-audit services performed by the Corporation's auditor of \$200,000 for fiscal 2024. For fiscal 2025, the Audit Committee has approved \$175,000 in non-audit services performed by the Corporation's auditor.

External Auditor Service Fees (By Category)

The following table provides information about the fees billed by PricewaterhouseCoopers LLP (“**PWC LLP**”) for professional services rendered to the Corporation with respect to fiscal 2023 and 2024.

PWC LLP are the current auditors of the Corporation and were appointed on August 17, 2023 following the resignation of KPMG LLP at the request of the Corporation’s Board.

Description	2023 (\$)	2024 (\$)
Audit Fees ⁽¹⁾	550,000	690,150
Audit-Related Fees ⁽²⁾	32,100	96,300
Tax Compliance Fees ⁽³⁾	Nil	38,199
Tax Advisory Fees ⁽⁴⁾	Nil	100,131
All Other Fees	Nil	Nil
Total:	582,100	924,780

Notes:

- (1) Billed or estimated to be billed for services related to the annual audit of the applicable year.
- (2) Audit-related fees are the fees incurred in connection with quarterly reviews.
- (3) Tax compliance fees include aggregate fees paid to the auditor for tax return preparation.
- (4) Tax advisory fees include aggregate fees paid to the auditor for tax advice and tax planning and advisory services.

INTERESTS OF EXPERTS

PWC LLP are the auditors of ACT and have confirmed that they are independent with respect to ACT within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

ADDITIONAL INFORMATION

Additional information relating to ACT may be found on SEDAR+. Additional information, including information as to directors' and officers' remuneration and indebtedness, principal holders of ACT's securities and securities authorized for issuance under equity compensation plans is contained in ACT's information circular dated March 25, 2024 in respect of ACT's annual meeting of Shareholders held on May 9, 2024. Additional financial information is provided in ACT's comparative consolidated financial statements for the year ended December 31, 2024, and in the MD&A.

Unless otherwise specifically herein provided, the information contained in this AIF is stated as at March 25, 2025.

Schedule "A"



AUDIT COMMITTEE CHARTER

Approved by: Board of Directors

ROLE AND RESPONSIBILITIES

1. The Audit Committee ("**Committee**") is a committee of the Board of Directors (the "**Board**", each member of the Board a "**Director**") of ACT Energy Technologies Ltd. (the "**Corporation**"), established to assist the board in fulfilling its responsibility for oversight of the Corporation's financial reporting process. The primary functions of the Committee are to assist the Board in fulfilling its responsibilities with respect to:
 - (a) Oversight, review and approval of the financial statements and the accounting and financial reporting processes of the Corporation;
 - (b) Oversight of the assessment of the system of internal controls that management has established; and
 - (c) Oversight of the external audit process.

In addition, the Committee shall assist the Board, as requested, in fulfilling its oversight responsibilities with respect to enterprise risk management practices.

MEMBERSHIP

2. The Committee shall be comprised of a minimum of three (3) Directors, all of whom must qualify as "independent" Directors pursuant to National Instrument 52-110 *Audit Committees* (as implemented by the Canadian Securities Administrators and as amended from time to time). Each member of the Committee shall be financially literate, as defined in NI 52-110, and the Chair of the Committee shall have accounting or related financial managerial expertise.
3. The members of the Committee and its Chair shall be appointed by the Board. The Chair shall be responsible for leadership of the Committee, including preparing meeting agendas, presiding over meetings, and reporting to the Board.
4. Each member of the Committee shall serve until the member resigns, is removed, or ceases to be a member of the Board. Any member of the Committee may be removed or replaced by the Board. The Board has the power to fill vacancies on the Committee by appointment from existing members of the Board at such times as determined by the Board.

MEETINGS

5. The Committee shall meet as frequently as is necessary, but not less frequently than four (4) times per year. The Chair may call additional meetings as required. A meeting may also be called by the Board Chair, the President & Chief Executive Officer (the “**CEO**”), any member of the Committee or the external auditors. The Committee shall report to the Board on its activities following each meeting.
6. The CEO and the Chief Financial Officer are expected to be available to attend the Committee’s meetings or portions thereof. The Committee shall have the opportunity to meet without management present and with such officers or Directors as it considers necessary.
7. Quorum for any meeting shall be a majority of the Directors on the Committee.
8. The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution, provided that where permitted by applicable law, resolutions of the Committee may also be approved by consent in writing by all of the members of the Committee. In the event of a tie vote on any matter, such matter shall be presented to the Board for its consideration and determination.
9. Directors who are not members of the Committee may attend Committee meetings, upon invitation of the Committee Chair or a majority of the members of the Committee.
10. The Chair of the Committee shall designate a person who need not be a member of the Committee or a Director to act as secretary. Minutes of all meetings of the Committee shall be taken by the secretary.

SPECIFIC DUTIES AND RESPONSIBILITIES

11. The duties and responsibilities of a member of the Committee are in addition to the duties as a member of the Board.

Oversight of Financial Reporting and Public Disclosure

12. It is a primary responsibility of the Committee to review the financial statements of the Corporation prior to their submission to the Board for approval. The Committee shall review, with management and the independent external auditor:
 - (a) the independent external auditors annual audit plan;
 - (b) the Corporation’s annual audited financial statements, including any significant issues including accounting principles, practices and significant management estimates and judgments, any significant changes in the Corporation’s selection or application of accounting principles, any major issues as to the adequacy of the Corporation’s internal controls and any special steps adopted in light of material control deficiencies;
 - (c) the Corporation’s annual management's discussion and analysis (“**MD&A**”);
 - (d) the independent external auditors’ audit examination of the annual financial statements and their report thereon; and

- (e) all public disclosure documents containing audited or unaudited financial information before release, including, but not limited to, any prospectus, the Corporation's annual report, the Corporation's annual information form, the Corporation's management proxy circular and any press releases.
13. Review, with management and if appropriate, the independent external auditor engaged to perform a limited scope review of the interim reports:
 - (a) the Corporation's interim unaudited financial statements;
 - (b) the Corporation's interim MD&A;
 - (c) related press releases; and
 - (d) any significant changes to the Corporation's accounting principles.
 14. Oversee an investigation sufficient to provide reasonable grounds for believing that the financial statements and reports referred to in paragraphs 12 and 13 above are complete in all material respects and consistent with the information known to Committee members, and assess whether the financial statements reflect appropriate accounting principles.
 15. Review with senior management and the independent external auditor, management's handling of any proposed audit adjustments identified by the independent external auditors.
 16. Meet with the independent external auditor to review the results of the audit examination of the financial statements and their report thereon, their judgments about the quality and appropriateness of the Corporation's accounting principles, and any audit problems or difficulties and management's response.
 17. Review and resolve any significant disagreement between management and the independent external auditors encountered during the course of their audit or review, including any restrictions in the scope of the independent external auditor's work or access to required information.
 18. Review the integrity of the Corporation's internal and external financial reporting process, in consultation with the independent external auditors.
 19. Review tax, legal and any financial reporting aspects of the Corporation as the Committee considers appropriate.
 20. Consider, evaluate and recommend to the Board such changes as are appropriate to the Corporation's auditing and accounting principles and practices as suggested by the independent external auditors or senior management.
 21. Review with the independent external auditors and senior management the extent to which changes and improvements in financial and accounting practices, as approved by the Committee, have been implemented.
 22. Formally recommend approval to the Board of the Corporation's annual financial statements, interim financial statements and reports referred to in paragraphs 12 and 13 above. The annual audited financial

statement review shall include a report from the independent external auditors about the quality of the most critical accounting policies upon which the Corporation's financial status depends, and involve the most complex, subjective or significant judgmental estimates, decisions or assessments.

Independent External Auditor

23. The Committee shall recommend to the Board, subject to the rights of shareholders and applicable law, the nomination, appointment and compensation, of the independent external auditor, and oversee the work of the independent external auditors for the purposes of preparing or issuing an audit report, or performing other audit, review, or attest services for the Corporation. The independent external auditors shall report directly to the Committee.
24. The Committee shall establish and maintain free, open and transparent communication with the independent external auditor, and between the external auditor and senior management, ensuring that the ultimate accountability of the external auditor is to the shareholders of the Corporation. The Committee shall periodically meet separately with each of them.
25. At least annually, obtain and review a report by the independent external auditor describing:
 - (a) the independent external auditors' internal quality-control procedures; and
 - (b) any material issues raised by the most recent internal quality-control review, or peer review, of the independent external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent external auditors, and any steps taken to deal with any such issues.
26. Confirm the independence of the independent external auditor by discussing and reviewing all significant relationships that the independent external auditors have with the Corporation and obtaining their assertion of independence in accordance with professional standards.
27. Review and evaluate:
 - (a) the performance of the independent external auditor, and make a recommendation to the Board regarding the reappointment or discharge of the independent external auditors for presentation to the shareholders;
 - (b) the terms of engagement, audit scope and audit plans of the independent external auditors together with their proposed fees; and
 - (c) the engagement of the independent external auditors firm or affiliates to perform non-audit services, together with the fees thereof, and the impact thereof, on the independence of the independent external auditors.
28. Approve all non-audit services with the Corporation's independent external auditors other than services related to limited scope reviews of interim reports.
29. When there is to be a change in the independent external auditor, review all issues relating to the change to be included in the required notice to securities regulators of such change.

30. Review and approve the hiring policies for the Corporation's hiring of employees or former employees of the present and any former independent external auditors.

Internal Controls

31. Evaluate whether senior management is adequately communicating the importance of internal controls to all relevant personnel.
32. Periodically privately consult with the independent external auditor about internal controls and the completeness and accuracy of the Corporation's financial statements. Any significant recommendation made by the independent external auditor for the strengthening of internal controls shall be reviewed and discussed with senior management.
33. Review whether the internal control recommendations made by internal auditors and the independent external auditor are being implemented by senior management and, if not, why not.

Compliance with laws and regulations

34. Periodically obtain updates from senior management regarding procedures and processes to ensure compliance with applicable laws and regulations (including but not limited to, securities, tax and environmental matters).
35. Review and receive reports from the Corporation's Disclosure Committee.
36. Monitor and approve the Corporation's Disclosure Policy.

Other Responsibilities

37. Review policies and procedures with respect to officers' and directors' expense accounts and perquisites, including the use of corporate assets.
38. Review the financial risks arising from the Corporation's exposure to such things as interest rates, credit, insurance programs, remittances, assessments, tax policies and planning initiatives and government audits and report the results of such reviews to the Board for the purpose of assisting the Board in identifying the principal business risks associated with the business of the Corporation.
39. Review the procedures established for the receipt, retention, and treatment of complaints received by the Corporation of concerns regarding accounting, internal accounting controls, auditing or code of conduct matters and resolution of such concerns, if any.
40. Review the procedures established allowing the confidential, anonymous submission by the Corporation's employees of concerns regarding questionable accounting or auditing matters and resolution of such concerns, if any.

41. Review with the Board, any issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's compliance with legal or regulatory requirements and the performance and independence of the Corporation's independent external auditors.
42. Review and/or approve other financial matters delegated specifically to it by the Board.
43. Review and assess the adequacy of this Charter and, where necessary, recommend changes to the Board for its approval, and conduct an annual review of the Committee's performance against this Charter.

PROCEDURE GOVERNING ERRORS OR MISSTATEMENTS IN FINANCIAL STATEMENTS

44. In the event a Director of the Corporation has reason to believe, after discussion with management, that a material error or misstatement exists in the Corporation's financial statements, that Director shall forthwith notify the Committee and the independent external auditor of the error or misstatement of which the Director becomes aware in a financial statement that the independent external auditor or a former independent external auditor has reported on.
45. When the Committee or the Board is made aware of an error or misstatement in a financial statement the Board shall prepare and issue revised financial statements or otherwise inform the shareholders and file such revised financial statements as required.

AUTHORITY

46. The Committee has the authority to conduct any review or investigation appropriate to fulfilling its responsibilities. The Committee has the sole authority to approve any non-audit engagement by the Corporation's independent external auditors and to approve all audit engagement fees and terms. The Committee shall have unrestricted access to personnel and information, and any resources necessary to carry out its responsibility.

EXTERNAL CONSULTANTS

47. The Committee shall have the authority to engage and compensate any external consultants or advisors that it determines to be necessary to permit it to carry out its duties, including independent legal counsel, accountants or others as it deems necessary in fulfilling its duties. The Corporation will adequately fund the budget of the Committee including, if necessary, funding for external consultants or advisors retained by the Committee from time to time.

LIMITATION ON COMMITTEE MEMBERS' DUTIES

48. Nothing in this Charter is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard required by law. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than inflexible rules and the Committee may adopt such additional procedures and standards it deems necessary from time to time to fulfill its responsibilities.