



NEWS RELEASE

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High Arctic Implements Cost Reductions

Red Deer, Canada – March 2, 2009 – High Arctic Energy Services Inc. (TSX: HWO) (“High Arctic” or the “Corporation”) announced that it has implemented a cost reduction program and also updated the status of its credit arrangements.

Activity levels in the Canadian oilfield have experienced a sharp reduction in the first quarter of 2009, driven by the decreased commodity prices, particularly natural gas. High Arctic is taking proactive steps to deal with the situation. Executive Management has agreed to an immediate 5% salary cut and a suspension of contributions to their defined contribution pension plan; an overall compensation reduction of 9%. The Corporation completed layoffs of over 30 office and shop employees last week. The remaining Canadian employees have been asked to take a 4% reduction in their compensation levels through unpaid time off or suspension of their pension contributions. The Corporation will continue to implement changes to bring costs in line with current levels of revenue.

Bruce Thiessen, Interim CEO, commented, “We are acting quickly to be ahead of the market and remain a competitive supplier to our customers. Fortunately, High Arctic has the benefit of its international operations to partially offset the weakness in the Canadian market and the effort over the past 15 months to shut down unprofitable operations is starting to pay off.”

The Company also announced that it has not completed the mandatory asset sale requirements required under the terms of its senior credit facilities. Under the terms of its revolving credit facility dated June 6, 2008, as amended on December 26, 2008, the Corporation is required to raise net proceeds of \$50 million from the sale of equipment by March 31, 2009, of which \$37.5 million was to be completed by February 28, 2009. The Corporation has successfully sold equipment for net proceeds of \$30.8 million, resulting in a shortfall of \$6.7 million as at February 28, 2009. High Arctic continues to focus its efforts on selling assets, but timing remains uncertain in light of the current difficulties in the oil industry and the credit markets.

The Corporation is in ongoing discussions with its lenders with respect to the progress of its asset sales and anticipates it will obtain further time extensions. In addition, the revolving term period of the Corporation’s revolving credit facility ends on March 31, 2009, after which the outstanding principal will become payable over a 36-month period. The maturity date of the \$20 million Bridge Loan is also March 31, 2009. Based on discussions to date with its lenders, High Arctic believes it will receive further extensions to that date, though that is not certain and the terms of any extension are unknown at this time. The Corporation will issue further press releases as more information becomes available.

Michael Binnion, Chairman of the Board, commented, “Our restructuring plan has met with far more successes than not. The motivation of the management and staff to ensure High Arctic remains a premier supplier in the oilfield services business is demonstrated by our proactive cost reduction program. We believe we are making the right decisions to ensure the continued success of our restructuring plan.”



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Forward-Looking Statements

This news release may contain forward-looking statements relating to expected future events and financial and operating results of the Corporation that involve risks and uncertainties. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including market and general economic conditions and the risks and uncertainties detailed in the Corporation's Management Discussion and Analysis for the nine months ended September 30, 2008, in High Arctic's Annual Information Form for the year ended December 31, 2007 and High Arctic's Information Circular dated May 22, 2008, all found on SEDAR (www.sedar.com). Due to the potential impact of these factors, the Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

About High Arctic

The Corporation, through its subsidiaries, is a global provider of specialized oilfield equipment and services, including drilling, completion and workover operations. Based in Red Deer, High Arctic has domestic operations primarily in Alberta, British Columbia and the Northwest Territories. International operations are currently active in Mexico and Asia.

Further Information:

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The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.