HIGH ARCTIC ENERGY SERVICES

NEWS RELEASE

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High Arctic Reports Increased Revenues and EBITDA

Calgary, Canada – March 14, 2014 – High Arctic Energy Services Inc. (TSX: HWO) ("High Arctic" or the "Corporation") today announced its operating and financial results for the fourth quarter and year ended December 31, 2013.

Highlights

During the year ended December 31, 2013 the Corporation saw the following achievements:

- Revenues increased by 4% to $152.7 million for 2013 as compared to $146.2 million for the year ended December 31, 2012.
- Adjusted EBITDA increased by 5% to $41.5 million for 2013 (2012 - $39.6 million) and was up 25% to $12.5 million for fourth quarter of 2013 (Q4 2012- $10.0 million).
- The Corporation renewed its contracts for Rigs 103 and 104 and the drilling support services in PNG. The extensions took effect on July 1, 2013 for a three year term to June 30, 2016.
- High Arctic entered into a contract with a major Canadian global upstream oil and gas company to provide equipment and services to their primary staging area in the southern forelands of PNG.
- High Arctic entered into a contract in December, 2013 with a new customer in PNG to drill two firm wells with spud of the first well targeted for late March 2014.
- High Arctic increased its monthly dividend to $0.0125 per share in March, 2013. The annual dividend paid in 2013 was $7.2 million, which was 20% of funds provided from operations for the twelve months ended December 31, 2013.
- The Corporation constructed its new facility in Grande Prairie, Alberta and will commence operations from the facility in March, 2014.

Commenting on the results, Dennis Sykora, High Arctic's Chief Executive Officer, stated:

"High Arctic posted another strong performance in 2013, led by our continued growth on PNG. We are excited by the opportunities ahead in PNG with the country's first LNG facility scheduled to come on stream this year. With additional LNG projects in the works, we have an opportunity to build on our strong position in the country. Our main customer recently expanded its footprint which bodes well for us and we think we can expand with other major operators. Our operations in Canada continue to be challenged by the low gas price environment but we are well positioned to benefit from the growing LNG related activity."

Revenues for 2013 increased by 4% to $152.7 million compared to $146.2 million for the year ended December 31, 2012. The growth in revenue for the period was driven by increased activity in PNG with revenues of $111.9 million for the year ended December 31, 2013 compared to $99.0 million for the same period in 2012 as a result of having a second active drilling rig operating for a longer period than during the prior year and a larger fleet of rental equipment in 2013.

The operations in PNG generated significantly higher revenue in 2013 which offset the slower activity levels in the Canadian operation. For the year ended December 31, 2013, Canadian revenues decreased by $6.4 million (14%) from the same period in 2012 due to reduced revenues from both the core snubbing and nitrogen businesses, which was consistent with the overall industry activity slowdown. The operating margins in Canada were adversely affected by the reduced activity levels and by competitive pricing conditions, primarily in the nitrogen operations. Fourth quarter revenue for Canada showed some improvement increasing to $12.7 million for the fourth quarter compared to $10.8 million in 2012.

The Corporation continues to generate strong cash flows from its operations. For the year ended December 31, 2013, High Arctic generated $35.3 million (2012- $34.9 million) of funds provided from operations. At December 31, 2013, the Corporation had $26.9 million of net cash on hand (December 31, 2012 - $13.6 million) and working capital of $41.9 million (December 31, 2012 - $36.6 million).

As a result of its continued strong financial results, High Arctic increased its monthly dividend to $0.0125 per share in March, 2013, a 25% increase from the previous monthly dividends paid. The annual dividend paid in 2013 was $7.2 million, which was 20% of funds provided from operations for the year ended December 31, 2013.

Adjusted EBITDA increased to $41.5 million for the year ended December 31, 2013 from $39.6 million for the same period in 2012.

Selected Comparative Financial Information

The following is a summary of selected financial information of the Corporation. All figures are derived from financial information that is prepared or presented in accordance with International Financial Reporting Standards ("IFRS"):

	Three Months Ended December 31				Year Ended December 31			
$ millions (except per share amounts)	**2013**	**2012**	**Change**	**%**	**2013**	**2012**	**Change**	**%**
Revenue	**38.7**	**38.6**	**0.1**	**-**	**152.7**	**146.2**	**6.5**	**4**
EBITDA[(1)]	**11.6**	**9.8**	**1.8**	**18**	**42.7**	**38.2**	**4.5**	**12**
Adjusted EBITDA[(1)]	**12.5**	**10.0**	**2.5**	**25**	**41.5**	**39.6**	**1.9**	**5**
Operating earnings	**7.7**	**7.1**	**0.6**	**8**	**30.4**	**28.5**	**1.9**	**7**
Net earnings	**6.4**	**5.9**	**0.5**	**8**	**24.6**	**28.8**	**(4.2)**	**(15)**
per share (basic)[(2)]	0.13	0.13	-		0.51	0.62	(0.11)	
per share (diluted)[(2)]	0.13	0.12	0.01		0.50	0.59	(0.09)	
Funds provided from operations[(1)]	**10.8**	**8.7**	**2.1**	**24**	**35.3**	**34.9**	**0.4**	**1**
per share (basic)[(2)]	0.22	0.19	0.03		0.73	0.75	(0.02)	
per share (diluted)[(2)]	0.22	0.18	0.04		0.72	0.71	0.01	
Dividends	**1.9**	**1.5**	**0.4**		**7.2**	**4.0**	**3.2**	
Capital expenditures	**4.2**	**2.9**	**1.3**		**21.9**	**19.9**	**2.0**	
Working Capital					**41.9**	**36.6**	**5.3**	**14**
Total assets					**137.1**	**118.9**	**18.2**	**15**
Total non-current financial liabilities					**6.7**	**13.7**	**(7.0)**	**(51)**
Net cash, end of period [(1)]					**26.9**	**13.6**	**13.3**	**98**
Shares outstanding - end of period[(2)]					**50.0**	**49.8**	**0.2**	

(1) Readers are cautioned that EBITDA, Adjusted EBITDA, Funds provided from operations and net cash do not have standardized meanings prescribed by IFRS – see "Key Financial Measures".

(2) The restricted shares held by a trustee under the Executive and Director Incentive Share Plan are included in the shares outstanding. The number of shares used in calculating the net earnings per share amounts is determined differently as explained in the Financial Statements.

Selected Quarterly Consolidated Financial Information (Three Months Ended)

The following is a summary of selected financial information of the Corporation for the last eight completed quarters:

$ (millions, except per share amounts)	**Dec 31, 2013**	**Sep 30, 2013**	**Jun 30, 2013**	**Mar 31, 2013**	**Dec 31, 2012**	**Sep 30, 2012**	**Jun 30, 2012**	**Mar 31, 2012**
Revenue	**38.7**	**36.3**	**32.9**	**44.8**	**38.6**	**35.8**	**29.6**	**42.2**
Adjusted EBITDA	12.5	9.8	6.6	12.6	10.0	10.1	5.2	14.3
Net earnings	6.4	7.7	2.1	8.4	5.9	6.5	5.7	10.7
per share – basic	0.13	0.16	0.04	0.17	0.12	0.14	0.12	0.23
per share – diluted	0.13	0.16	0.04	0.17	0.12	0.13	0.12	0.22
Funds provided from operations	10.8	8.2	5.1	11.2	8.7	9.4	3.4	13.4

Outlook

The previously announced contract to mobilise Rig 103 for a new major customer in PNG continues to ramp up. The rig and associated equipment are in the process of being transported to the drilling site in anticipation of a spud date late in March. The two firm wells are expected to take approximately one year to drill including the mobilisation period and the customer has an option to extend for up to two more wells. The equipment included in the agreement comprises Rig 103 and a leap frog rig, together with the rig camps and High Arctic owned drilling support equipment and matting.

It is anticipated that Rig 104 will be operational for all of 2014 drilling development oil wells to replace depleting production, as well as drilling gas wells to continue to provide feedstock for the LNG liquefaction plant.

After working continuously throughout 2012 and through the first ten months of 2013, Rig 102 is now stacked at a much lower rate while the customer evaluates its future workover and completion needs. Rig 102 remains under contract through May 2014. High Arctic is currently marketing rig 102 to other operators in PNG.

The logistics and materials handling contract with a major Canadian global upstream oil and gas company to provide equipment, services and manpower to their primary staging area in southern forelands of PNG is now fully operational and providing the necessary support required by the customer. This staging area provides both ship and helicopter borne logistics and materials support to the drilling activities in the area. The client is pleased with the development of the site and has indicated there may be future expansion opportunities as a result.

During the past two years, High Arctic has significantly grown its equipment rental business in PNG serving an increasing base of customers. At the beginning of 2013, the Corporation had approximately 7,000 mats under contract and with several new contracts added throughout the year, has increased that to the current amount of nearly 10,000. The Corporation believes that the PNG market is currently well supplied with mats but opportunities for further growth in rentals are anticipated in the latter part of 2014 as drilling activity expands.

The PNG LNG project is on schedule to deliver first gas towards the end of 2014. The long term outlook in PNG continues to be favourable as the LNG production will be an important cash flow stream available to be invested in new projects. Recently, our main customer and another major have each announced deals to acquire interests in a large scale undeveloped gas resource that is expected to underpin a major new LNG development or expansion. In addition to the wells that Rig 103 is targeted to drill, development of that gas resource should create demand for additional drilling rigs. The continued investment into PNG gas development should increase demand for oilfield services which High Arctic is well positioned to deliver.

While activity levels for the fourth quarter of 2013 improved for High Arctic compared to the prior year, it is expected that our 2014 Canadian activity levels will be similar to those experienced in 2013 for both the snubbing and nitrogen service lines. Although there is speculation in the market that activity in the fourth quarter of 2014 associated with BC LNG development may start to accelerate, it is still early to make plans around those predictions. The longer term impact of the cold North American winter on gas storage levels and gas prices is also yet to be determined.

The Board of Directors has approved an initial capital budget of $19 million for 2014 with $13 million directed towards growth capital and the remainder to maintenance capital expenditures. In PNG, growth spending in 2014 will include

Dura-Base® matting and other pieces of rental equipment to support operations. High Arctic is currently evaluating potential opportunities for the deployment of Dura-Base® matting solutions elsewhere in the world and has budgeted for the purchase of an initial inventory of five hundred new mats. In Canada, growth spending includes one new 170K Stand-Alone Snubbing Unit which is designed for certain unique well completions tasks and will help to ensure that the Company remains the snubbing market leader in the Western Canadian Sedimentary Basin. The Corporation continues to invest in high pressure BOP (blow out preventer) rental equipment as it is a good fit with our core business lines. It is anticipated that revenues generated from the 2014 capital expenditures will be realized no sooner than the fourth quarter.

Key Financial Measures

This Press Release contains references to certain financial measures that do not have a standardized meaning prescribed by IFRS and may not be comparable to the same or similar terms used by other companies. High Arctic uses these financial measures to assess performance and believes these measures provide useful supplemental information to shareholders' and investors. These financial measures are computed on a consistent basis for each reporting period and include the following:

EBITDA
Management believes that, in addition to net earnings reported in the consolidated statement of earnings and comprehensive income, EBITDA (earnings before interest, taxes and depreciation and amortization) is a useful supplemental measure of the Corporation's performance prior to consideration of how operations are financed or how results are taxed or how depreciation and amortization affects results. EBITDA is not intended to represent net earnings calculated in accordance with IFRS.

Adjusted EBITDA
This measure is used by management to analyze EBITDA (as referred to above) prior to the effect of share-based compensation, gains or losses on sale of assets or investments, foreign exchange gains or losses and excess of insurance proceeds over costs, and is not intended to represent net earnings as calculated in accordance with IFRS.

The following tables provide a quantitative reconciliation of consolidated net earnings to EBITDA and Adjusted EBITDA for the three months and years ended December 31:

($ millions)	Three months ended December 31, 2013	Three months ended December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2012
Net earnings for the period	6.4	5.9	24.6	28.8
Add:				
Interest and finance expense	0.2	0.2	0.8	1.0
Income taxes	1.1	1.0	5.0	(1.3)
Amortization	3.9	2.7	12.3	9.7
EBITDA	**11.6**	**9.8**	**42.7**	**38.2**
Add:				
Share-based compensation	0.4	0.1	0.8	1.4
Loss on sale of property and equipment	-	-	0.3	-
Excess of insurance proceeds over costs	-	-	(2.7)	-
Foreign exchange loss	0.5	0.1	0.4	-
Adjusted EBITDA	**12.5**	**10.0**	**41.5**	**39.6**

Oilfield Services Operating Margin
Oilfield services operating margin is used by management to analyze overall operating performance. Oilfield services operating margin is not intended to represent operating income nor should it be viewed as an alternative to net earnings or other measures of financial performance calculated in accordance with IFRS. Oilfield services operating margin is calculated as revenue less oilfield services expense.

Oilfield Services Operating Margin %
Oilfield services operating margin % is used by management to analyze overall operating performance. Oilfield services operating margin % is calculated as oilfield services operating margin divided by revenue.

Percent of Revenue
Certain figures are stated as a percent of revenue and are used by management to analyze individual components of expenses to evaluate the Corporation's performance from prior periods and to compare its performance to other companies.

Funds Provided from Operations
Management believes that, in addition to net cash generated from operating activities as reported in the consolidated statements of cash flows, cash flow from operating activities before working capital adjustments (funds provided from operations) is a useful supplemental measure as it provides an indication of the funds generated by High Arctic's principal business activities prior to consideration of changes in items of working capital.

This measure is used by management to analyze funds provided from operating activities prior to the net effect of changes in items of non-cash working capital, and is not intended to represent net cash generated from operating activities as calculated in accordance with IFRS.

The following tables provide a quantitative reconciliation of net cash generated from operating activities to funds provided from operations for the three months and year ended December 31:

($ millions)	Three months ended December 31, 2013	Three months ended December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2012
Net cash generated from operating activities	**9.9**	**10.0**	**36.8**	**38.0**
Less:				
Net changes in items of non-cash working capital	0.9	(1.3)	(1.5)	(3.1)
Funds provided from operations	**10.8**	**8.7**	**35.3**	**34.9**

Working capital
Working capital is used by management as another measure to analyze the operating liquidity available to the Corporation. It is defined as current assets less current liabilities.

Net cash
Net cash is used by management to analyze the amount by which cash and cash equivalents exceed the total amount of debt. The amount, if any, is calculated as cash and cash equivalents less total gross debt.

The following tables provide a quantitative reconciliation of cash and cash equivalents to net cash as at December 31:

($ millions)	December 31, 2013	December 31, 2012
Cash and cash equivalents	33.7	27.4
Less:		
Long-term debt	(6.8)	(13.8)
Net cash	**26.9**	**13.6**

Forward-Looking Statements

This news release may contain forward-looking statements relating to expected future events and financial and operating results of the Company 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 both the Company's Management Discussion and Analysis for the year ended December 31, 2013 and in the Annual Information Form for the year ended December 31, 2013 found on SEDAR (www.sedar.com). Due to the potential impact of these factors, the Company 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 is a provider of specialized oilfield equipment and services for drilling, completion and work over operations. Based in Alberta, High Arctic has operations throughout Western Canada and in Papua New Guinea. The Corporation's most recent investor presentation can be found at www.haes.ca.

Further Information

A full copy of High Arctic's results including Management's Discussion and Analysis, and the Audited Consolidated Financial Statements for the years ended December 31, 2013 and 2012 and the notes contained therein, can be found on the Investor Relations page of High Arctic's website www.haes.ca or at www.sedar.com.

Ken Olson
Chief Financial Officer
(403) 340-9825
ken.olson@haes.ca