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High Arctic Announces 2020 Second Quarter Financial and Operating Results

CALGARY, Canada – August 13, 2020 – High Arctic Energy Services Inc. (TSX: HWO) (the "Corporation" or "High Arctic") released its' second quarter results today.

Highlights

The following highlights the Corporation's results for Q2-2020 and YTD-2020:

- Focus on working capital management to preserve our cash balances and maintain a strong balance sheet during the current global coronavirus ("**COVID-19**") crisis has positioned High Arctic to be ready once restrictions loosen through the following:
  - Increased net cash balance by $5.2 million.
  - Strong working capital position of $49.7 million at June 30, 2020, and
  - Unused bank credit facility of $35.0 million.
- Revenue of $16.1 million and $55.7 million for the three and six months ended June 30, 2020 (2019 - $46.6 million and $93.1 million, respectively) and adjusted EBITDA of $1.2 million and $3.9 million (2019 - $4.0 million and $9.5 million) for the Quarter and YTD, respectively.
- On a year to date basis as compared to 2019, capital expenditures and business acquisition expenditures have been reduced by $12.0 million, dividends have been reduced by $3.4 million and cost reduction and control measures have been implemented throughout the organization.
- Year to date oilfield services expenses have been reduced by $31.7 million as compared to 2019. After the inclusion of $0.9 million in YTD-2020 restructuring costs, as well as $0.6 million in bad debt provision, general and administrative expenses have decreased by $0.1 million.
- Service delivery to our customers with safety of personnel and quality of service top of mind during this COVID-19 crisis, lifted the Canadian market share of Concord Well Servicing to 26% in Q2-2020.
- Benefits from the Canadian Emergency Wage Subsidy ("CEWS") were obtained, which provided $2.1 million toward wages of Canadian workers and was utilized to retain a capable workforce to service current and prospective customers now, and when restrictions loosen and markets improve.

Mike Maguire, Chief Executive Officer commented: "*The health and economic environments have been exceptionally challenging and we have risen to the challenge. We have reacted swiftly to restructure and flatten our Management reporting lines, remove costs, suspend our dividend and reduce our Capex. In the field, our ability to react has been made possible because of our people. They range from dedicated individuals in Papua New Guinea who remained in working "isolation bubbles" for months without seeing their families, to teams in Canada and USA working in their own "bubbles" through harsh seasonal conditions wearing additional layers of PPE and adopting special protocols to prevent exposure to and spread of COVID-19.*

It is not possible at this point to predict when global economic conditions will improve, but we are confident that we have found a way to operate effectively through these challenges. Corporately, a disciplined balance sheet management approach will continue to be our objective, including cost control measures that will allow us to capitalize on strategic opportunities. In the meantime, we expect to continue to increase our activity through working closely with our customers who are planning work programs for resumption of shut-in production as commodity prices continue to lift, and from the various Western Canada well abandonment programs as the focus shifts more towards isolating and capping wellbores."

The Corporation's strategic priorities for 2020 continue to include:

- Safety excellence and a focus on quality through global standards, including safeguarding our people against COVID-19.
- Reinforcement of existing core markets evidenced by top-tier customer market share in Canada and PNG.
- Cost control focused on operating cash flow while balancing strategic priorities, to emerge from the current conditions ready to reactivate and grow, and
- Capital stewardship characterized by disciplined working capital management and capital allocation to maintain value for shareholders including common share buybacks, where appropriate.

The unaudited interim consolidated financial statements ("Financial Statements") and management discussion & analysis ("MD&A") for the quarter ended June 30, 2020 will be available on SEDAR at www.sedar.com, and on High Arctic's website at www.haes.ca. Non-IFRS measures, such as EBITDA, Adjusted EBITDA, Adjusted net earnings (loss), Oilfield services operating margin, Operating margin %, Percent of revenue, Funds provided from operations, Working capital and Net cash are included in this News Release. See Non-IFRS Measures section, below. All amounts are denominated in Canadian dollars ("CAD"), unless otherwise indicated.

Within this News Release, the three months ended June 30, 2020 may be referred to as the "**Quarter**" or "**Q2-2020**", and similarly the six months ended June 30, 2020 may be referred to as "**YTD-2020**". The comparative three months ended June 30, 2019 may be referred to as "**Q2-2019**", and similarly the six months ended June 30, 2019 may be referred to as "**YTD-2019**". References to other quarters may be presented as "**QX-20XX**" with X being the quarter/year to which the commentary relates.

Outlook

High Arctic's Outlook dated March 12, 2020, outlined the instability which existed at that time due to COVID-19. As events unfolded we took very quick action to prepare for a serious disruption in economic growth and demand destruction. These steps included restructuring our work force, while ensuring the close relationships with our lender, customers and vendors were appropriately managed and maintained.

While the outlook for the global energy industry continues to be challenging, High Arctic has and is taking measures during this period of uncertainty to provide financial flexibility and reinforce our solid base of business. Commodity price increases at the end of June 2020 are signaling the likelihood of an increase in energy demand, moving forward from a very difficult time for the industry. With observations of second waves of COVID-19 in various communities around the world and the non-ceasing growth in cases in the US and elsewhere, it is entirely possible that the appreciation of commodity prices and improvement in price stability could be further compromised before a vaccine or other solutions is implemented. Resilience, adaptability, and seizing appropriate strategic opportunities will remain critical in the coming months and quarters.

We consider this an environment to continue to prudently conserve capital while remaining engaged with customers to implement sustainable strategies to deploy our assets on a continual basis. We are focussed on strategies that lead to cost efficiency, building upon our decision to combine management teams and generate positive cash flow in a depressed market. High Arctic has maintained adequate readiness of plant and personnel and is well positioned for an increase in activity. Our people continue to focus on quality as measured by safety performance excellence and long-term customer relationships.

In Papua New Guinea, the Corporation's Drilling Services are suspended, however, we continue to provide skilled personnel and rental services to assist our customers to maintain production while travel restrictions remain and tighten amid a late upswing in COVID-19 cases at the beginning of August, after relaxing the State of Emergency imposed in late March.

We are working with major customers to plan an effective return to work amid ongoing and substantive constraints, leveraging off the acknowledgment of our demonstrated recent and long-term capacity as a PNG specialist contractor.

In Canada we have been busy working with our core, high value customers to pass on cost savings, secure contract extensions and maintain preferred contractor status.

We have experienced a substantially better utilization than our peers and plan to use that position and our healthy balance sheet to invest in technology that will deliver on our customers needs for reliable, low cost well work solutions that reduce environmental impact while creating job opportunities for the new generation of oilfield workers. High Arctic is confident of increasing work driven in the near term by the well abandonment stimulus programs as the barriers to the Alberta Site Rehabilitation Program expansion start to dissipate, and are coupled with the positive work conducted in Canada suppressing the COVID-19 curve and our customers growing realization of the opportunity to deliver on ESG obligations while reducing end of life well abandonment cost liabilities. We are actively seeking out work partners who share our value of the opportunity to execute services while delivering on ESG objectives.

High Arctic believes we are positioned to manage through these challenging times given our decisive actions and our continued focus on pruning unprofitable operations, chasing cost efficiencies, maintaining adequate readiness and delivering quality services in a socially responsible manner. The health of our balance sheet, our strong working capital position and the skill of our management team provide us the ability to weather the economic slowdown for some considerable time. Business combinations and acquisitions will be reviewed to the extent they strengthen our service base but will not be our primary focus.

Results Overview

	For the three months ended June 30		**For the six months ended June 30**	
($ millions, except per share amounts)	**2020**	2019	**2020**	2019
Revenue	**16.1**	46.6	**55.7**	93.1
EBITDA (1)	**1.4**	4.6	**6.9**	10.8
Adjusted EBITDA (1) (3)	**1.2**	4.0	**3.9**	9.5
Adjusted EBITDA as % of revenue	**8%**	9%	**7%**	10%
Operating loss	**(6.2)**	(2.9)	**(10.9)**	(4.7)
Net loss	**(6.0)**	(4.0)	**(8.2)**	(5.0)
Per share (basic and diluted) (2)	**(0.12)**	(0.08)	**(0.17)**	(0.10)
Funds provided from operations (1)	**0.9**	2.1	**2.9**	6.9
Per share (basic and diluted) (2)	**0.02**	0.04	**0.06**	0.14
Dividends	**-**	2.5	**1.6**	5.0
Per share (basic and diluted) (2)	**-**	0.05	**0.03**	0.10
Capital expenditures	**1.3**	4.3	**3.2**	6.9
Capital expenditures - acquisitions	-	8.3	-	8.3

(1) Readers are cautioned that EBITDA (Earnings before interest, tax, depreciation and amortization), Adjusted EBITDA, Adjusted net earnings, Funds provided from operations, and working capital do not have standardized meanings prescribed by IFRS – see "Non IFRS Measures" on page 19 of the MD&A for calculations of these measures.
(2) The number of common shares used in calculating net loss per share, funds provided from operations per share, dividends per share and shareholders' equity per shares is determined as explained in Note 7 of the Financial Statements.
(3) Adjusted EBITDA includes the impact of wage subsidies (CEWS) received.

($ millions, except share amounts)	As at and for six months / year ended June 30 2020	December 31 2019
Working capital [(1)]	**49.7**	35.8
Cash, end of period	**33.5**	9.3
Total assets	**243.7**	251.8
Long-term debt	**10.0**	-
Total long-term financial liabilities	**18.5**	9.1
Shareholders' equity	**200.4**	205.6
YTD/share (basic and diluted) (2)	**4.04**	4.11
Common shares outstanding, millions	**49.6**	49.6

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(2) The number of common shares used in calculating net loss per share, funds provided from operations per share, dividends per share and shareholders' equity per shares is determined as explained in Note 7 of the Financial Statements.

Operating Highlights	Three months ended June 30 2020	2019	Six months ended June 30 2020	2019
Revenue:				
Drilling Services	**$ 5.2**	$ 20.5	**$ 19.1**	$ 39.3
Production Services	**9.6**	21.0	**31.4**	43.8
Ancillary Services	**1.6**	5.9	**6.1**	11.6
Inter-segment eliminations	**(0.3)**	(0.8)	**(0.9)**	(1.6)
	$ 16.1	$ 46.6	**$ 55.7**	$ 93.1
Production Services - Canada:				
Service rigs:				
Average fleet	**50**	57	**51**	57
Utilization	**32%**	54%	**46%**	54%
Operating hours	**14,759**	27,889	**41,657**	55,299
Revenue per hour ($)	**556**	606	**599**	620
Snubbing rigs:				
Average fleet	**8**	18	**9**	18
Utilization	**8%**	10%	**20%**	14%
Operating hours	**574**	1,565	**3,129**	4,490
Production Services - US:				
Service rigs:				
Average fleet	**2**	2	**3**	2
Utilization	**5%**	51%	**27%**	40%
Operating hours	**99**	932	**1,213**	1,435
Revenue per hour ($)	**638**	997	**909**	1,001
Snubbing rigs:				
Average fleet	**6**	5	**6**	5
Utilization	**10%**	23%	**9%**	24%
Operating hours	**538**	1,063	**1,004**	2,144

Second Quarter 2020:

- High Arctic reported revenue of $16.1 million, incurred a net loss of $6.0 million and realized Adjusted EBITDA of $1.2 million during Q2-2020. This compares to Q2-2019, with revenue of $46.6 million, and a net loss of $4.0 million and Adjusted EBITDA of $4.0 million. Changes were mainly due to $30.5 million of reduced revenue, attributable predominantly to reduced drilling in PNG and production services activity in Canada, offset by reduced operating and administrative costs of $27.7 million compared to Q2-2019. During Q2-2019, $0.7 million of other revenue was recorded, which was not replicated in Q2-2020.

- CEWS provided $2.1 million in wage subsidy relief, of which $1.8 million related to Oilfield services expenses and $0.3 million to General and administrative expenses.
- Protocols regarding new and enhanced safety measures were initiated, both as legislated by various levels of government and as best practice to protect our customers, employees and the communities in which we provide our services.
- Utilization for High Arctic's 50 registered Concord Well Servicing rigs was 32% in the Quarter versus industry utilization of 9% (source: Canadian Association of Oilwell Drilling Contractors "**CAODC**").
- There were no dividends declared or paid in Q2-2020, compared to $2.5 million in Q2-2019 ($0.05 per share).
- Cash increased by $5.2 million during Q2-2020 as compared to a decrease of $8.3 million in Q2-2019.
- No further amounts were drawn on the Corporation's remaining $35.0 million loan facility, and
- High Arctic did not repurchase any shares during the Quarter.

Year to date 2020:

- High Arctic reported revenue of $55.7 million, incurred a net loss of $8.2 million and realized Adjusted EBITDA of $3.9 million YTD-2020. This compares to YTD-2019, which had revenue of $93.1 million, a net loss of $5.0 million and Adjusted EBITDA of $9.5 million. Changes were mainly attributable to $37.4 million of reduced activity and therefore revenue, offset by reduced operating and administrative costs of $31.8 million. Income tax amounts were also lower by $1.9 million, year over year. YTD-2020 results included $0.9 million in restructuring costs and additional bad debt provision of $0.6 million that did not exist YTD-2019.
- YTD-2020 dividends amounted to $1.6 million ($0.03 per share), compared to $5.0 million in YTD-2019 ($0.10 per share).
- Dividends were suspended in March 2020, which had amounted to approximately $0.8 million per month.
- High Arctic has not repurchased any common shares through the normal course issuer bid ("NCIB") YTD-2020.

Responding to Global Developments

The impact of volatile oil prices and COVID-19 has been challenging. At the outset, and during Q2-2020, COVID-19 continued to have much of the global economy halted, with governments around the world attempting to balance the implementation of measures to contain the virus against the need to start opening up economies. As economies start to open up, the demand for crude oil along with other products and services will also increase, however the timing of these events continues to be uncertain.

Market pressures, movement restriction and the actions by the Organization of Petroleum Exporting Countries ("**OPEC**") and non-OPEC members, led by Saudi Arabia, returned some stability to the overall global supply of oil during Q2-2020. The emergence of China and other Asian nations from COVID-19 restrictions also resulted in a net increase in LNG imports, which coupled with an increase in energy use in developed nations improved natural gas demand. Notwithstanding the ongoing commodity price instability, closing benchmark crude oil prices at June 30,2020 have increased by 39% over March 31, 2020.

As customers continue to complete their capital and other spending re-forecasts in order to manage through this crisis event, the services needed for drilling and completions and other services to the oil and gas industry continue to come under pressure, with an uncertain end date. This is offset with government stimulated initiatives that include abandonment and reclamation opportunities at a time when the marketplace looks favorably on such activity.

High Arctic's quick adjustment to the severe financial impact of COVID-19 together with commodity price pressure implications, has resulted in measures to reduce certain cash outflows by approximately $25.0 million over prior-year 2019 levels including:

- A 54% reduction in capital expenditures, where YTD-2020 capital spending of $3.2 million compares to YTD-2019 capital spending of $6.9 million.
- The suspension of monthly shareholder dividends in March 2020 has decreased cash outflows by $2.5 million in Q2-2020 compared to Q2-2019.
- The Company was forced to downsize its workforce, where a total reduction of approximately 40% at executive, management and support personnel levels was made.
- Acceleration of changes to globalize processes and reduce fixed infrastructure costs, and
- Board Executive Committee oversight as the Corporation operates through the COVID-19 crisis and beyond.

High Arctic's focus remains on being well positioned to navigate through the uncertainty with capacity ready for deployment as markets recover and activity levels increase, and includes:

- Resilient emphasis on the safety and well being of our people through mature health, safety and environment policies.
- Renewal and extension of contracts at modest rate reductions with a core customer base in Canada including a term contract through Q3-2022 for well servicing with a large investment grade customer in western Canada.
- Continued support services to our major customer in PNG where we are contracted through Q3-2021 for heli-portable drilling services, and a ramp up in support operations for a large multi-national investment grade customer in PNG.
- Use of wage subsidy programs to maintain regional workforce strength while carefully controlling recertification and maintenance expenditures results in equipment poised for quick activation from all our regional bases.
- Our dominant market share and niche service offering positioned for liquified natural gas development with heli-portable drilling services in PNG, and snubbing services in western Canada, and
- Strong and improved liquidity, increasing $5.2 million to $68.5 million, with cash of $33.5 million combined with $35.0 million in Bank Facility borrowing capacity.

High Arctic's near-term outlook will continue to be impacted until such time as the COVID-19 pandemic stabilizes including the reduction of rebound shut-downs, world economies are able to heat back up, and when travel restrictions are removed. In addition, the impact of potential impairment charges, the increased risk of collectability of accounts receivable and measurement uncertainty associated with these considerations will continue to be relevant in future periods if conditions persist or worsen. The Corporation's operating plan provides options to prudently manage operations and preserve financial flexibility.

The Corporation's suspension of its monthly dividend in March 2020 will continue indefinitely.

High Arctic continues to maintain close working relations with its customers and focus on high quality service and customer service differentiation as an absolute imperative. These attributes have been, and continue to be, key principles for High Arctic throughout the energy industry economic cycle.

The Corporation remains acutely aware that the impact to our customers' capital spending and operating budgets and their ability to pay for work completed on a timely basis could have a significant impact on High Arctic's financial and operating results as the time period associated with the global slow-down extends beyond the Quarter. We continue to work closely with our customers to ensure credit and operating risks are minimized.

The Canadian federal government's $1.7 billion well abandonment and site reclamation stimulus plan announced in April 2020 has begun, with responsibility for fund distribution assigned to the British Columbia, Alberta and Saskatchewan provincial governments. High Arctic has directly applied for hundreds of wells across the first tranches of the Alberta controlled process, receiving only a handful of approvals as the early tranches focussed on above ground site reclamation and low complexity works. With tens of thousands of inactive oil and gas wells across western Canada, we expect that over the stimulus period, there will be meaningful opportunity for High Arctic to participate in the resulting work programs through our Production Services segment, as the government becomes more focussed on award grants and focus shifts to securing, isolating and capping wellbores.

Liquidity and Capital Resources

Operating Activities

Cash provided from operations of $7.8 million for the Quarter (Q2-2019 - $8.9 million) resulted from $0.9 million of funds provided from operations (Q2-2019 - $2.1 million), as well as $6.9 million due to working capital changes (Q2-2019 - $6.8 million), predominantly the collection of accounts receivable of over $17.0 million, offset by payments to vendors of $8.9 million during the Quarter.

YTD-2020, cash provided from operations amounted to $16.4 million (YTD-2019 - $8.9 million), with funds provided from operations amounting to $2.9 million (Q2-2019 - $6.9 million), where the collection of approximately $23.0 million of accounts receivable, offset by payments to vendors of $10.5 million were the primary reasons for the increase in cash.

Investing Activities

During the Quarter, the Corporation's cash used in investing activities amounted to $1.5 million (Q2-2019 – use of $12.3 million). Capital expenditures during the Quarter of $1.3 million (Q2-2019 - $4.3 million) accounted for the majority of this activity. Q2-2019 included cash used of $8.3 million associated with the acquisition of the snubbing business from another company.

YTD-2020, cash provided from investing activities totalled $0.4 million (YTD-2019 – use of $13.7 million). YTD-2020 capital expenditures amounted to $3.2 million (YTD-2019 - $6.9 million), proceeds of disposal were $4.9 million (YTD-2019 - $1.4 million), with working capital changes representing the balance of the change. YTD-2019 included the business acquisition amounting to $8.3 million, as discussed above.

Financing Activities

During the Quarter, the Corporation did not draw further on its available long-term debt facility. YTD-2020, $10.0 million of the available $45.0 million long-term debt facility has been drawn. No long-term debt existed at June 30, 2019.

High Arctic suspended dividends in March 2020, and as such no dividends were paid during Q2-2020. YTD-2020, $1.6 million in dividends were paid to shareholders, down $3.4 million from $5.0 million YTD-2019.

No common share buy-backs were completed in the Quarter or YTD-2020, compared to $1.8 million and $4.7 million that were purchased and cancelled in Q2-2019 and YTD-2019, respectively, under the Normal Course Issuer Bid ("**NCIB**").

Credit Facility

As noted above, the Corporation has drawn $10.0 million of the $45.0 million revolving loan facility available, which matures on August 31, 2021. The facility is renewable with the lender's consent and is secured by a general security agreement over the Corporation's assets.

The available amount under the $45.0 million revolving loan facility is limited to 60% of the net book value of the Canadian fixed assets plus 75% of acceptable accounts receivable (85% for investment grade receivables), plus 90% of insured receivables, less priority payables as defined in the loan agreement.

The Corporation's loan facility is subject to two financial covenants which are reported to the lender on a quarterly basis. As at June 30, 2020, the Corporation remains in compliance with these two financial covenants under the credit facility.

The first covenant requires the Funded Debt to Covenant EBITDA ratio to be under 3.0 to 1.0, and the second covenant requires Covenant EBITDA to Interest Expense ratio to be a minimum of 3.0 to 1.0. Both are calculated on the last day of each fiscal quarter on a rolling four quarter basis.

The covenant calculations at June 30, 2020 are:

Covenant	Required	**As at June 30, 2020**
Funded debt to Covenant EBITDA (1)(2)	3.0 : 1 Maximum	**0.75 : 1**
Covenant EBITDA to Interest expense (2)	3.0 : 1 Minimum	**19.17 : 1**

(1) Funded debt to Covenant EBITDA is defined as the ratio of consolidated Funded Debt to the aggregate EBITDA for the trailing four quarters. Funded debt is the amount of debt provided and outstanding at the date of the covenant calculation.
(2) EBITDA for the purposes of calculating the covenants, "Covenant EBITDA," is defined as net income plus interest expense, current tax expense, depreciation, amortization, future income tax expense (recovery), share based compensation expense less gains from foreign exchange and sale or purchase of assets. Interest expense excludes an impact from IFRS 16.

There have been no changes to these financial covenants subsequent to June 30, 2020.

Non - IFRS Measures

This News Release contains references to certain financial measures that do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and may not be comparable to the same or similar measures 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 EBITDA, Adjusted EBITDA, Adjusted net earnings (loss), Oilfield services operating margin, Percent of revenue, Funds provided from operations, Working capital, and Net cash, none of which have standardized meanings prescribed under IFRS.

These financial measures should not be considered as an alternative to, or more meaningful than, net income (loss), Cash from operating activities, current assets or current liabilities, cash and/or other measures of financial performance as determined in accordance with IFRS.

For additional information regarding non-IFRS measures, including their use to management and investors and reconciliations to measures recognized by IFRS, please refer to the Corporation's MD&A, which is available online at www.sedar.com and through High Arctic's website at www.haes.ca.

Forward-Looking Statements

This News Release contains forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", "prepare", "determine" and similar expressions are intended to identify forward-looking statements. Such statements reflect the Corporation's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Corporation's actual results, performance or achievements to vary from those described in this News Release.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this News Release as intended, planned, anticipated, believed, estimated or expected. Specific forward-looking statements in this News Release include, among others, statements pertaining to the following: general economic and business conditions which will, among other things, impact demand for and market prices for the Corporation's services; expectations regarding the Corporation's ability to raise capital and manage its debt obligations; commodity prices and the impact that they have on industry activity; initiatives to reduce cash outlays by $25.0 million over 2019 levels; continued safety performance excellence; realization of work from Site Rehabilitation Programs; oversight of working capital to maintain a strong balance sheet; estimated capital expenditure programs for fiscal 2020 and subsequent periods; projections of market prices and costs; factors upon which the Corporation will decide whether or not to undertake a specific course of operational action or expansion; the Corporation's ongoing relationship with major customers; treatment under governmental regulatory regimes and political uncertainty and civil unrest; the Corporation's ability to maintain a USD bank account and conduct its business in USD in PNG; and the Corporation's ability to repatriate excess funds from PNG as approval is received from the Bank of PNG and the PNG Internal Revenue Commission.

With respect to forward-looking statements contained in this News Release, the Corporation has made assumptions regarding, among other things, its ability to: obtain equity and debt financing on satisfactory terms; market successfully to current and new customers; the general continuance of current or, where applicable assumed industry conditions; activity and pricing; assumptions regarding commodity prices, in particular oil and gas; the Corporation's primary objectives, and the methods of achieving those objectives; obtain equipment from suppliers; construct property and equipment according to anticipated schedules and budgets; remain competitive in all of its operations; and attract and retain skilled employees.

The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth above and elsewhere in this News Release, along with the risk factors set out in the most recent Annual Information Form filed on SEDAR at www.sedar.com.

The forward-looking statements contained in this News Release are expressly qualified in their entirety by this cautionary statement. These statements are given only as of the date of this News Release. The Corporation does not assume any obligation to update these forward-looking statements to reflect new information, subsequent events or otherwise, except as required by law.

About High Arctic Energy Services

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

For further information contact:

Michael J. Maguire
Chief Executive Officer
P: (587) 318-3826
E: mike.maguire@haes.ca

Christopher C. Ames, CPA, CA
Vice-President Finance & CFO
P: (587) 318-2218
E: chris.ames@haes.ca