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High Arctic Announces 2021 Fourth Quarter and Year End Financial and Operating Results

CALGARY, Canada – March 10, 2022, High Arctic Energy Services Inc. (TSX: HWO) (the "Corporation" or "High Arctic") released its' fourth quarter and year-end results today. The audited consolidated financial statements, management discussion & analysis ("MD&A"), and annual information form for the year ended December 31, 2021 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), Operating margin % and working capital are included in this News Release. See Non-IFRS Measures section below. All amounts are denominated in Canadian dollars ("CAD"), unless otherwise indicated.

Mike Maguire, Chief Executive Officer commented:

"High Arctic closed out the 2021 fiscal year in excellent position. As underlying business fundamentals began to improve, surplus pre-pandemic cash of $9.7 million was paid to shareholders in the form of a special one-time dividend. We exited the year with a net cash position of $4.0 million, strengthened capital structure with fixed rate mortgage financing and an undrawn revolving credit facility, and increasing revenue fueled by positive pricing trends and the return to work in PNG.

Entering 2022, global events have propelled the energy sector into significant supply constraint. Sanctions against Russia combined with the actions of global energy and transport corporations have removed substantial supply of both oil and gas, stressing the market at a time of increasing energy demand as Covid-19 restrictions are lifted.

As a result, commodity price strength coupled with long-term security of supply assurances are expected to drive further increases in service activity. More Canadian oil is needed to supply foreign markets, and LNG is increasingly becoming the mobile, low emissions energy source of choice through this period of energy transition. The signing of the P'nyang gas agreement and the progression of the Papua LNG project towards FID, positions Papua New Guinea as a key source of new LNG supply to Asia and the sub-continent. High Arctic is ideally placed to benefit in both of these markets, and as a result we have undertaken to reinstate a regular monthly dividend."

Highlights

The following highlights the Corporations results for Q4-2021 and YTD-2021:

- High Arctic's revenues increased 43% to $23.6 million in Q4-2021 relative to Q4-2020 and were 27% higher than Q3-2021, buoyed by renewed activity in the Drilling Services Segment during the quarter. In contrast, YTD-2021 revenues of $76.4 million were lower by 16% primarily due to significantly lower drilling services activity throughout 2021-year compared to the 2020-year which included a full quarter of pre-pandemic activity.
- High Arctic's oilfield services operating margin as a percentage of revenue was 19.9% in both Q4-2021 and YTD-2021, compared to 23% and 23.5% in the corresponding 2020-periods.
- High Arctic achieved positive EBITDA of $1.2 million and $4.4 million for Q4-2021 and YTD-2021, while the net loss in the respective 2021-periods was $4.6 million and $18.6 million.
- High Arctic returned value to shareholders through a $9.7 million special one-time cash dividend in Q4-2021 while maintaining a strong working capital balance of $29.7 million on December 31, 2021. At year end, High Arctic carried a cash balance of $12.0 million.
- Cost reduction initiatives delivered $2.5 million or 19.4% lower general and administrative costs YTD-2021 over prior year, and $5.5 million lower than pre-pandemic YTD-2019 costs.
- In December 2021, High Arctic completed a $8.1 million mortgage financing of Corporation owned and occupied land and buildings with an initial 5-year term and a fixed interest rate of 4.30%.

Strategy

Our 2022 Strategic Priorities build on the platform we created in 2021 and include:

- Safety excellence and quality service delivery,
- Actions aimed at generating free cash flow including:
  - Increased utilization of the Corporation's world-class fleet of equipment,
  - Improved efficiency and work force productivity, and
  - Operating cost control,
- Development of new and existing employees to grow our workforce to meet demand,
- Pursuit of opportunities that secure the Corporation's future as a lower emissions energy services provider,
- Pursuit of opportunities for growth and corporate transactions in well understood markets that enhance shareholder value, and
- Disciplined capital stewardship to improve returns for shareholders including dividends and common share buybacks.

The audited consolidated financial statements ("Financial Statements") and management discussion & analysis ("MD&A") for the year ended December 31, 2021 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, EBITDA for purposes of long-term debt covenants, 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 December 31, 2021 may be referred to as the "**Quarter**" or "**Q4-2021**", and similarly the twelve months ended December 31, 2021 may be referred to as "**YTD-2021**". The comparative three months ended December 31, 2020 may be referred to as "**Q4-2020**", and similarly the twelve months ended December 31, 2020 may be referred to as "**YTD-2020**". References to other quarters may be presented as "**QX-20XX**" with X being the quarter/year to which the commentary relates. All amounts are expressed in thousands of Canadian dollars, unless otherwise noted.

RESULTS OVERVIEW

The following is a summary of select financial information of the Corporation:

	For the three months ended December 31		For the year ended December 31	
($ thousands, except per share amounts)	**2021**	2020	**2021**	2020
Revenue	**23,644**	16,584	**76,442**	90,834
Net loss	**(4,608)**	(11,468)	**(18,607)**	(25,985)
Per share (basic and diluted)	**(0.09)**	(0.12)	**(0.38)**	(0.52)
Oilfield services operating margin	**4,700**	3,810	**15,216**	21,311
Oilfield services operating margin as a % of revenue	**19.9%**	23.0%	**19.9%**	23.5%
EBITDA	**1,175**	644	**4,429**	10,404
Adjusted EBITDA	**1,836**	1,154	**4,918**	8,529
Adjusted EBITDA as % of revenue	**7.8%**	7.0%	**6.4%**	9.4%
Operating loss	**(4,582)**	(11,613)	**(19,430)**	(27,510)
Cash provided by operating activities	**(3,472)**	2,389	**(1,797)**	20,152
Per share (basic and diluted)	**(0.07)**	0.05	**(0.04)**	0.41
Funds provided by operating activities	**1,390**	859	**3,697**	6,320
Per share (basic and diluted)	**0.03**	0.02	**0.08**	0.13
Dividends	**9,747**	-	**9,747**	1,638
Per share (basic and diluted)	**0.20**	-	**0.20**	0.03
Capital expenditures	**3,134**	1,050	**7,242**	4,874

	As at	
($ thousands, except share amounts)	**December 31, 2021**	December 31, 2020
Working capital	**29,724**	44,577
Cash, end of period	**12,037**	32,598
Total assets	**185,452**	214,159
Long-term debt	**7,779**	10,000
Total long-term financial liabilities	**13,414**	15,926
Shareholders' equity	**148,851**	177,221
Per share (basic and diluted)	**3.05**	3.58
Common shares outstanding, thousands	**48,733**	48,760

Fourth Quarter 2021 Summary ($ thousands, except share amounts):

- High Arctic's consolidated revenue and oilfield services operating margin rose in Q4-2021 to $23,644 and $4,700, respectively, as compared to $16,684 and $3,810 in Q4-2020.
- Net loss of $ 4,608 in Q4-2021 was lower as compared to net loss of $11,468 in Q4-2020, mainly due to one-off $5,600 higher depreciation expense in Q4-2020 as a result of a change in depreciation policy, specifically as it related to salvage value estimates.
- Consolidated oilfield services operating margin as a percentage of revenue for Q4-2021 was 19.9% compared to 23% in Q4-2020, due to lower profitability in Canada's production services segment.
- Utilization for High Arctic's 50 registered Concord Well Servicing rigs was 40% in the Quarter versus industry utilization of 42% (source: Canadian Association of Oilwell Energy Contractors "CAOEC"). Growth in rig utilization in Q4-2021 was constrained by lower activity with a certain contracted large customer and Covid-19 labour disruptions.
- Adjusted EBITDA of $1,836 in Q4-2021, higher relative to $1,154 in Q4-2020.
- In November 2021, the Corporation paid a one-time special $0.20 per share dividend to shareholders of $9,747.
- In December 2021, the Corporation strengthened its capital structure by securing fixed interest rate mortgage financing of $8,100 of long-term debt. Current portion of the long-term debt on December 31, 2021 is $296.

Year Ended December 31, 2021 Summary

- For the year ended December 31, 2021, consolidated revenue and oilfield services operating margin fell to $76,442 and $15,216, respectively, as compared to $90,834 and $21,311 in 2020. High Arctic was actively drilling in PNG in Q1-2020, and has since paused all drilling activity with drilling preparation activities recommencing in Q4-2021.
- YTD-2021 oilfield services operating margin as a percentage of revenue was lower at 19.9% compared to 23.5% in 2020, due to lower activity in PNG and lower wage subsidies received in Canada in 2021 versus 2020.
- Utilization for High Arctic's 49 registered Concord Well Servicing rigs was 43% YTD-2021 versus industry utilization of 37% (source: CAOEC).
- High Arctic continues to prioritize cost controls and inflationary influences as part of initiatives undertaken in the 2020-year, with YTD-2021 general & administrative costs decreasing 19% to $10,298.
- Cash balance decreased by $20,561 YTD-2021 to $12,037 mainly due to $9,787 of dividend payment, a $1,925 reduction to long term debt, and buildup of accounts receivable in Q4-2021.
- All activities in the US ceased during 2020 and Corporation owned property and equipment is in the process of being relocated to Canada or disposed pending continuing assessment of opportunities.

Drilling Services Segment

($ thousands, unless otherwise noted)	Three months ended December 31 **2021**	2020	Year ended December 31 **2021**	2020
Revenue	**6,291**	1,447	**10,653**	25,357
Oilfield services expense	**4,831**	1,221	**8,990**	18,827
Oilfield services operating margin	**1,460**	226	**1,663**	6,530
Operating margin (%)	**23.2%**	15.6%	**15.6%**	25.8%

Production Services Segment

($ thousands, unless otherwise noted)	Three months ended December 31 **2021**	2020	Year ended December 31 **2021**	2020
Revenue	**13,637**	13,598	**55,440**	57,583
Oilfield services expense	**12,721**	11,182	**47,957**	47,644
Oilfield services operating margin	**916**	2,416	**7,483**	9,939
Operating margin (%)	**6.7%**	17.8%	**13.5%**	17.3%

Operating Statistics – Canada	Three months ended December 31 **2021**	2020	Year ended December 31 **2021**	2020
Service rigs:				
Average fleet	**50**	50	**49**	**50**
Utilization	**40%**	44%	**43%**	**43%**
Operating hours	**18,415**	20,070	**77,179**	**79,683**
Revenue per hour ($)	**630**	581	**603**	**587**
Snubbing packages:				
Average fleet	**8**	8	**8**	**8**
Utilization	**20%**	23%	**22%**	**21%**
Operating hours	**1,445**	1,696	**6,423**	**6,054**

Ancillary Services Segment

($ thousands, unless otherwise noted)	**Three months ended December 31** **2021**	2020	**Year ended December 31** **2021**	2020
Revenue	**4,227**	1,770	**12,274**	9,407
Oilfield services expense	**1,902**	901	**6,204**	4,834
Oilfield services operating margin	**2,325**	869	**6,070**	4,573
Operating margin (%)	**55.0%**	49.1%	**49.5%**	48.6%

Liquidity and Capital Resources

($ thousands)	**Three months ended December 31** **2021**	2020	**Year ended December 31** **2021**	2020
Cash (used in) provided by:				
Operating activities	**(3,472)**	2,389	**(1,797)**	20,152
Investing activities	**(2,722)**	(853)	**(5,572)**	(1,100)
Financing activities	**(2,088)**	(1,307)	**(13,389)**	4,600
Effect of exchange rate changes on cash	**109**	(879)	**197**	(363)
(Decrease) increase in cash	**(8,173)**	(650)	**(20,561)**	23,289

($ thousands, unless otherwise noted)	**As at** **December 31** **2021**	December 31 2020
Current Assets	**45,132**	55,589
Working capital	**29,724**	44,577
Working capital ratio	**3.1:1**	5.0:1
Cash	**12,037**	32,598
Net cash	**3,962**	22,598
Undrawn availability under revolving credit facility	**37,000**	35,000

The Bank of PNG continues to encourage the use of the local market currency, Kina or PGK. Due to High Arctic's requirement to transact with international suppliers and customers, High Arctic has received approval from the Bank of PNG to maintain its USD account within the conditions of the Bank of PNG currency regulations. The Corporation continues to use PGK for local transactions when practical. Included in the Bank of PNG's conditions is for PNG drilling contracts to be settled in PGK, unless otherwise approved by the Bank of PNG for the contracts to be settled in USD. The Corporation has historically received such approval for its contracts with its key customers in PNG. The Corporation will continue to seek Bank of PNG approval for future customer contracts to be settled in USD on a contract-by-contract basis, however, there is no assurance the Bank of PNG will continue to grant these approvals.

If such approvals are not received in future, the Corporation's PNG drilling contracts will be settled in PGK which would expose the Corporation to exchange rate fluctuations related to the PGK. In addition, this may delay the Corporation's ability to receive USD which may impact the Corporation's ability to settle USD denominated liabilities and repatriate funds from PNG on a timely basis. The Corporation also requires the approval from the PNG Internal Revenue Commission ("**IRC**") to repatriate funds from PNG and make payments to non-resident PNG suppliers and service providers. While delays can be experienced for the IRC approvals, such approvals have been received in the past.

Operating Activities

In Q4-2021, cash used in operating activities was $3,472 (Q4-2020: $2,389 cash from operating activities), of which $1,390 are funds provided by operations (Q4-2020: $859), see "Non-IFRS Measures" on page 22, and $4,862 cash outflow from working capital changes (Q4-2020: $1,530 cash inflow) mainly due to increase in accounts receivable during the Quarter.

YTD-2021, cash used in operating activities was $1,797 (YTD-2020: $20,152 cash from operating activities), of which $3,697 are funds provided by operations (YTD-2020: 6,320), see "Non-IFRS Measures" on page 22, and $5,494 cash outflow from working capital changes (YTD-2020: $13,832 cash inflow) mainly due to increase in accounts receivable during Q4-2021.

Investing Activities

During Q4-2021, the Corporation's cash used in investing activities was $2,722 (Q4-2020: $853). Capital expenditures during the Quarter were $3,134 (Q4-2020: $1,050) partially offset by $213 proceeds on disposal of property and equipment (Q4-2020: $182), and $199 cash inflow relating to working capital balance changes for capital items (Q4-2020: $15 cash inflow).

YTD-2021, the Corporation's cash used in investing activities was $5,572 (YTD-2020: $1,100). Capital expenditures during the period were $7,242 (YTD-2020: $4,874) partially offset by $1,196 proceeds on disposal of property and equipment (YTD-2020: $5,134), and $474 cash inflow relating to working capital balance changes for capital items (YTD-2020: $1,360 cash outflow).

Financing Activities

In Q4-2021, the Corporation's cash used in financing activities was $2,088 (Q4-2020: $1,307). During the quarter the Corporation paid $9,747 for a one-time special dividend, $416 lease liability payments (Q4-2020: $576) and made no purchases of common shares for cancellation (Q4-2020: $731). A total of $8,075 long-term debt proceeds, net of transaction costs, were received during the Quarter.

YTD-2021, the Corporation's cash used in financing activities was $13,389 (YTD-2020: $4,600 cash from financing activities). During 2021-year the Corporation paid $9,747 for a one-time special dividend (YTD-2020: $1,638), paid $1,925 net debt payments with $10,000 paid in Q1-2021 offset by $8,075 net proceeds in Q4-2021 (YTD-2020: $10,000 proceeds), $1,615 lease liability payments (YTD-2020: $2,121), and $102 purchases of common shares for cancellation (YTD-2020: $822). No changes to working capital balance changes for finance activities in 2021 (YTD-2020: $819 cash inflow).

Credit Facility

In December 2021, the Corporation amended its revolving credit facility from a borrowing limit of $45,000 to $37,000 and site-specific assets held as mortgage security for separate mortgage financing have been carved out. In addition, up to $5,000 of the revolving loan shall be available by way of account overdraft outside of covenant requirements described below.

The Corporation's revolving credit facility has a maturity date of August 31, 2023, is renewable with the lender's consent, and is secured by a general security agreement over the Corporation's assets.

Interest on the facility, which is independent of standby fees, is charged monthly at prime plus an applicable margin which fluctuates based on the Funded Debt to Covenant EBITDA ratio (defined below). The applicable margin can range between 0.75% – 1.75% depending on the level of principal outstanding; the higher the ratio the higher the margin. Standby fees also fluctuate based on the Funded Debt to Covenant EBITDA ratio and range between 0.40% and 0.60% of the undrawn balance; the higher the ratio the higher the standby fee percentage.

The facility is subject to two financial covenants which are reported to the lender on a quarterly basis. The first covenant requires the Funded Debt to Covenant EBITDA ratio to be less than 3.0 to 1 and the second covenant requires Covenant EBITDA to Interest Expense ratio to be a minimum of 3.0 to 1. Both are calculated on the last day of each fiscal quarter on a rolling four quarter basis. As at December 31, 2021, the Corporation was in compliance with these two financial covenants.

The financial covenant calculations at December 31, 2021 are:

Covenant	Covenant	**As at December 31, 2021**
Funded debt to Covenant EBITDA (1)	< 3.0x	-
Covenant EBITDA to Interest expense (1)	>3.0x	11.1

(1) As at December 31, 2021 the Corporation had access to $10,500 of the revolving facility.

Funded Debt to Covenant EBITDA is defined as the ratio of consolidated Funded Debt to the aggregate Covenant EBITDA for the trailing four quarters. Funded Debt is the amount of debt provided and outstanding at the date of the covenant calculation. Interest Expense excludes any impact related to lease liabilities. Covenant EBITDA for the purposes of calculating the covenants is defined as a trailing 12-month net income (loss) plus interest expense, current tax expense, deferred income tax expense (recovery), depreciation and amortization, share-based compensation expense, and non-cash inventory write-downs, less gains from foreign exchange and sale or purchase of assets and lease payments.

Mortgage Financing

($ thousands)	As at December 31, 2021
Current	$296
Non-current	7,779
Total	**$8,075**

In December 2021, the Corporation entered into a mortgage arrangement with the Business Development Bank of Canada (BDC) for $8,100, secured by lands and buildings owned and occupied by High Arctic within Alberta. The mortgage financing provides the Corporation with long term liquidity, and adds to existing cash balances. The mortgage has an initial term of 5 years with a fixed interest rate of 4.30% and an amortization period of 25 years with payments occurring monthly. The mortgage liability and associated financing costs are carved out of all revolving credit facility financial covenant calculations.

The Corporation capitalized $25 in financing fees incurred to set up the loan and applied this to the long-term debt liability. Financing fees will be amortized over the expected life of the mortgage financing.

Outlook

The rebound in global energy demand continued the rally in oil and gas commodity prices, which reached ten-year highs in the early months of 2022. A continuation of the easing of government-imposed restrictions related to the Covid-19 pandemic, periods of extreme cold in Europe, Asia and North America, war in Ukraine, and the underperformance of renewable energy supply in Europe reinforced demand for oil and gas. Coupled with the discipline of OPEC members in maintaining modest supply increases, a continued reduction in drilled-and-uncompleted wells in the USA and several years of underinvestment in upstream oil and gas sources, has set the table for sustained high commodity prices.

Though the impact of Covid-19 cases amongst crews remains unpredictable, and market volatility from global events lingers, High Arctic anticipates continuous improvement in profitability throughout 2022. On the backdrop of high commodity prices, continued economic recovery and the improved balance sheets of E&P companies, demand for energy services grows and High Arctic anticipates continued utilization increases across its service offerings. Improved fleet utilization in Canada, combined with cost inflation, has led to improvements in pricing, as seen in the rise of our hourly revenue during Q4-2021. This pricing trend is continuing in Q1-2022, with further increases being agreed with major customers.

Papua New Guinea continues to be key to High Arctic's long-term business strategy due to the significant LNG investments made by large oil and gas companies in the country and high barriers for entry due to the technical expertise required to operate the heli-portable drilling rigs in remote locations. With Rig 115 operations recently restarting, management is optimistic 2022 will be the start of an upward trend in revenue growth for High Arctic in PNG.

High Arctic anticipates further investments in LNG infrastructure in PNG in the coming years. The Shell LNG market update published in February 2022 highlighted a large and growing supply deficit through 2040 and the need for significant new project investment for supply to meet demand. The PNG-LNG project, commissioned in 2014, has demonstrably de-risked PNG as a source of world-class, low-cost gas supply in a location well positioned for the Asian market. LNG is ideal to both meet demand growth and deliver long-term climate benefits by reducing coal consumption in Asia. The Papua LNG project is underway again with personnel recently remobilised into PNG with indications they are progressing work towards a project FID in 2023. On February 22, 2022, the PNG government and PNG-LNG partners announced the signing of the P'nyang Gas Agreement. The development of P'nyang has been seen as a possible catalyst to expand the existing LNG plant and these two projects alone are anticipated to more than double LNG supply from the country. With Arran Energy announcing intention to make an FID for its Stanley Gas Condensate Development early this year, the stage is set for a meaningful near term ramp up of activity. High Arctic remains exceptionally well positioned to benefit.

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, EBITDA for purposes of long-term debt covenants, 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 press release contains forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", 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 press 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 MD&A as intended, planned, anticipated, believed, estimated or expected. Specific forward-looking statements in this MD&A include, among others, statements pertaining to the following: general economic and business conditions which will include, among other things, continued improvement in energy services outlook, impact of high commodity prices on demand for and market prices for the Corporation's services; continued impact of the Covid-19; ability to prioritize a strong balance sheet and liquidity position; activity increases in the medium and long-term in PNG; opportunities to invest and enhance shareholder value; improving and stabilizing economic environment, climate and weather predictions and their effect on energy demand; improving customer pricing trends; the Corporation's ability to maintain a USD bank account and conduct its business in USD in PNG; market fluctuations in interest rates, commodity prices, and foreign currency exchange rates; restrictions to repatriate funds held in PGK; customer activity to boost production; expectations regarding the Corporation's ability to raise capital and manage its debt obligations; estimated capital expenditure programs; projections of market prices and costs; expectations for improving customer demand in the near-term, 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; a final Papua LNG investment decision; expectations for the speed and efficacy of distributions relating to Covid-19 vaccines; developments in Ukraine; and estimated credit risks and tax losses.

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 press release, along with the risk factors set out in the most recent Management Discussion and Analysis and Annual Information Form filed on SEDAR at www.sedar.com.

The forward-looking statements contained in this press release are expressly qualified in their entirety by this cautionary statement. These statements are given only as of the date of this press 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 Western Canadian 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.

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