HIGH ARCTIC ENERGY SERVICES

NEWS RELEASE

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High Arctic Earns $12.8 million for the Year ended December 31, 2010

Red Deer, Canada – March 11, 2011 – High Arctic Energy Services Inc. (TSX: HWO) ("High Arctic" or the "Corporation") today announced its results for the year ended December 31, 2010.

Commenting on the results, Bruce Thiessen, High Arctic's CEO said, "Our goals going into 2010 were primarily to reduce our debt levels, concentrate on our core businesses and improve our profitability. I am pleased to say that we have successfully addressed those challenges. Most significantly, in the past three years the Corporation has reduced its credit facilities and convertible debentures from $146.2 million at December 31, 2007 to $36.5 million at December 31, 2010. We will continue to build upon our achievements during 2011 as we transition our efforts to growing our business and increasing shareholder value while maintaining our fiscal discipline."

Selected Comparative Financial Information

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

	Three Months Ended December 31			**Years Ended December 31**		
$ millions (except per share amounts)	**2010**	**2009**	**Change**	**2010**	**2009**	**Change**
OPERATING RESULTS						
Revenue - continuing operations						
Canada	12.1	7.7	4.4	39.1	27.2	11.9
International	21.2	19.0	2.2	80.2	95.4	(15.2)
Total Revenue - continuing operations	**33.3**	**26.7**	**6.6**	**119.3**	**122.6**	**(3.3)**
Net earnings (loss) from continuing operations	4.2	(11.7)	15.9	13.7	(13.3)	27.0
- per share (basic and diluted)	$0.03	$(0.26)	$0.29	$0.09	$(0.29)	$0.38
Net earnings (loss)	3.6	(11.5)	15.1	12.8	(16.5)	29.3
- per share (basic and diluted)	$0.02	$(0.25)	$0.27	$0.08	$(0.36)	$0.44
EBITDA(1) **-** continuing operations	8.2	7.1	1.1	30.6	23.3	7.3
- discontinued operations	(0.5)	(0.2)	(0.3)	(0.8)	(0.2)	(0.6)
- total	**7.7**	**6.9**	**0.8**	**29.8**	**23.1**	**6.3**
Operating earnings (loss)						
- continuing operations	6.3	5.2	1.1	22.8	14.0	8.8

(1) EBITDA is a Non-GAAP measure

Highlights for 2010

- Net earnings improved to $12.8 million ($0.08 per share) during 2010, a reversal of the net loss of $16.5 million ($0.36 per share) reported for 2009. The Corporation had positive net earnings in each quarter of 2010.

- EBITDA increased by $6.7 million (29%) to $29.8 million for 2010 as compared to EBITDA of $23.1 million for 2009.

- Cash generated by operating activities from continuing operations during 2010 was $18.4 million, a major improvement from the cash generated by operating activities of $8.0 million in 2009.

- Net debt, after deducting the positive working capital position, was only $4.6 million as at December 31, 2010; a $64.7 million improvement over net debt of $69.3 million as at December 31, 2009. The Corporation's net debt to EBITDA ratio was 0.15 as at December 31, 2010.

- The Canadian business enjoyed a major turnaround as revenue increased by $11.9 million (44%) to $39.1 million in 2010 as compared to revenue of $27.2 million in 2009. Revenue from international operations was $80.2 million during 2010 which was a decrease of $15.2 million (16%) over the 2009 revenue of $95.4 million.

Overview of Results for Three Months Ended December 31, 2010

There were 5,352 well completions in Canada in the fourth quarter of 2010 which was an increase of 3,609 completions (207%) over well completions in the fourth quarter of 2009 of 1,743. As a result the operations in Canada benefited from the improved activity levels as revenue increased $4.4 million (57%) to $12.1 million in the fourth quarter of 2010 compared to $7.7 million in the same quarter of 2009. The Corporation had one of its 250 K UB rigs working most of the fourth quarter of 2010 while in 2009 the 250K UB rigs were inactive. There was a nice increase in utilization in the Corporation's nitrogen services product line that also contributed to the revenue growth. In the snubbing services product line, the Corporation's revenue growth was weaker in the fourth quarter of 2010 being impacted by the availability of qualified and experienced personnel. The increase in industry activity has carried on into the first quarter of 2011 despite the continued weakness in natural gas prices.

Revenue from continuing international operations increased by $2.2 million (12%) to $21.2 million for the quarter ended December 31, 2010 as compared to revenue of $19.0 million during the quarter ended December 31, 2009. The Corporation had two drilling rigs active or mobilizing for the full fourth quarter of 2010 versus only one active rig drilling for most of the fourth quarter in 2009.

Operating earnings from continuing operations was $6.3 million for the quarter ended December 31, 2010 as compared to operating earnings of $5.2 million in the quarter ended December 31, 2009. Continuing operations had EBITDA [(1)] of $8.2 million in the fourth quarter of 2010 compared to $7.1 million in the fourth quarter of 2009. The Corporation recorded net earnings of $3.6 million ($0.02 per share) in the fourth quarter of 2010, as compared to a net loss of $11.5 million ($0.25 per share) in the same period of 2009. Continuing operations had net earnings of $4.2 million ($0.02 per share) during the fourth quarter of 2010 as compared to a net loss of $11.7 million ($0.26 per share) in the fourth quarter of 2009.

The Corporation continued to successfully reduce its debt, paying down its term loan by $5.3 million to $36.5 million in the fourth quarter of 2010. The cash and cash equivalents balance increased by $3.3 million during the fourth quarter to $24.3 million at December 31, 2010. Before consideration of working capital adjustments, cash generated by operating activities from continuing operations in the quarter ended December 31, 2010 was $7.1 million, compared to cash generated by operating activities of $2.4 million in the quarter ended December 31, 2009. Capital spending related to continuing operations was $2.2 million for the fourth quarter of 2010 which was primarily for new revenue generating assets for the Corporation's Papua New Guinea operations. This compares to capital spending of $1.4 million in the fourth quarter of 2009.

(1) EBITDA is a Non-GAAP measure

Overview of Results for Year Ended December 31, 2010

The Corporation generated $119.3 million in revenue from continuing operations during 2010; a decrease of $3.3 million (3%) from revenue of $122.6 million in 2009. Revenue in the Canadian operations increased while there was a decline in revenue from the Corporation's international operations.

Oil and gas drilling activity in Canada was at higher levels in 2010 compared to 2009, especially after the first quarter of 2010. Most of the increased activity was in oil well drilling, however, there was also an increase of 15% in gas well completions during 2010 as compare to 2009. As a result of the increased activity, the prices that the Corporation could charge for its services in Canada remained relatively stable as compared to pricing declines seen in 2009. The increase in drilling activity in Canada resulted in the Canadian operation's revenue increasing by $11.9 million (44%) to $39.1 million in 2010 compared to $27.2 million in 2009.

The Corporation's international activity is primarily in Papua New Guinea where services are provided under longer term contracts and are less affected in the short term by fluctuations of oil and gas prices. Revenue from continuing international operations decreased by $15.2 million (16%) to $80.2 million during the year ended December 31, 2010 as compared to revenue of $95.4 million during the year ended December 31, 2009. The decrease in revenue is mainly the result of the Corporation's Rig 102 being on a reduced standby rate for all of 2010 whereas in 2009 it was on full operating rate for approximately half of the year. Another contributing factor is the weakening U.S. dollar as the contract rates in Papua New Guinea are based in U.S. dollars.

The Corporation recorded net earnings of $12.8 million ($0.08 per share) in 2010, as compared to a net loss of $16.5 million ($0.36 per share) in 2009. Continuing operations had net earnings of $13.7 million ($0.09 per share) during 2010 as compared to a net loss of $13.3 million ($0.29 per share) in 2009. Continuing operations had EBITDA [(1)] of $30.6 million in 2010 compared to $23.3 million in 2009. Overall, the improved industry conditions in Canada have resulted in the improved operating earnings for the Corporation. Operating earnings from continuing operations was $22.8 million in 2010 as compared to operating earnings of $14.0 million in 2009.

Outlook

Canadian drilling activity improved in 2010 which increased the demand for the Corporation's services and improved the operational and financial results in Canada, especially for High Arctic's nitrogen services which had much stronger utilization rates. The favourable market conditions in Canada also helped to reduce the pricing declines experienced by the Corporation in 2009. The forecast for drilling activity in 2011 is for continuing improvement over the 2010 levels. The first two months of 2011 has seen a significant increase in drilling activity, however most of the increase in activity has been oil related. High Arctic's activity levels are impacted to a much greater degree by natural gas drilling than oil well drilling. Management is not anticipating a meaningful increase in the price of natural gas during 2011, providing a drag on natural gas well drilling activity. The Corporation is in a relatively strong position given its relationships and first call commitments with some of the natural gas industry's most active operators. Management hopes to maintain the gain in market share realized in 2010 and remains focused on maintaining a competitive cost structure and improving operating efficiencies. Activity in the northern foothills areas of Alberta and northeastern British Columbia should remain the strongest and High Arctic will continue to market to these areas where the focus will be on providing services for non-conventional shale and tight gas plays.

In Papua New Guinea, High Arctic has recently signed new contracts with its major customer for Rig 102 and Rig 104 along with the related drilling support contracts that run into 2013, subject to certain cancelation rights. Those contracts provide a significant base level of activity to support the operations in the country. Rig 104 is expected to operate continuously throughout 2011. Rig 102 is being substantially upgraded and should be ready to commence operations in late May 2011. The Corporation is also providing drilling services with Rig 103 to other customers in Papua New Guinea on a well to well basis, having recently completed one well and currently mobilizing the rig for a one well contract that should run to the end of the second quarter of 2011. The Corporation is looking for additional work for Rig 103 following completion of that well. Drilling a well in Papua New Guinea is a substantial undertaking due in part to the cost of moving a rig over difficult terrain with helicopters.

High Arctic also provides drilling support equipment on a rental basis to several other customers in Papua New Guinea under shorter term contracts and hopes to expand that business line through additions to its rental fleet.

(1) EBITDA is a Non-GAAP measure

Non-GAAP Measure

EBITDA (being earnings before the deduction of depreciation, amortization, interest expense, income taxes, gain on restructuring transactions and other items) is not a recognized measure under GAAP. Management believes that, in addition to net earnings, EBITDA is a useful supplemental measure of the Corporation's performance prior to consideration of how operations are financed or how results are taxed. Investors are cautioned that this should not be construed as an alternative to net earnings determined in accordance with GAAP as an indicator of the Corporation's performance. The Corporation's method of calculating EBITDA may differ from the methods used by other issuers and, accordingly, it may not be comparable to similarly titled measures used by other issuers.

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 both the Corporation's Management Discussion and Analysis for the year ended December 31, 2010 and in the Annual Information Form for the year ended December 31, 2009 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, Alberta, High Arctic has domestic operations throughout Western Canada. International operations are currently active in Papua New Guinea.

Further Information

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