HIGH ARCTIC ENERGY SERVICES

NEWS RELEASE

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High Arctic – Reports 28% increase in Third Quarter EBITDA

Red Deer, Canada – November 14, 2012 – High Arctic Energy Services Inc. (TSX: HWO) ("High Arctic" or the "Company") today announced its operating and financial results for the third quarter of 2012.

High Arctic continued its strong year over year growth in revenue, EBITDA and net earnings in the third quarter of 2012. Adjusted EBITDA increased 28% to $10.1 million in the quarter and by 33% to $29.6 million for the nine months ended September 30, 2012 as compared to the same periods of last year. Papua New Guinea generated higher revenue and contributed to the strong showing in the quarter as the Company continued to benefit from the capital additions made during 2011 and early 2012.

Highlights

- Net earnings for the quarter and nine months improved to $6.5 million and $22.9 million, respectively, more than doubling the $3.0 million and $10.2 million reported in the same periods for 2011.

- Consolidated revenue for the third quarter increased 22% to $35.8 million compared to $29.3 million for the quarter last year. Year to date revenues of $107.6 million are up 19% compared to 2011.

- Consolidated operating margins continued strong at 33% for the quarter, the same as in 2011 and to 33% for 2012 year to date compared to 31% last year. The margins benefited from the favourable returns generated during 2012 on capital invested in new rental equipment offset somewhat by lower margins during 2012 on nitrogen sales and the supply of additional personnel services in PNG carrying a lower margin.

- The strong growth in revenue for the quarter was driven by increased activity in PNG and by the deployment of a 250K UB Unit in Canada. In PNG, the third quarter revenue was $22.6 million compared to $18.1 million in 2011, the 25% increase primarily from the growth in the matting and equipment rental business and from supplying additional personnel services as part of the start up of a second drilling crew. Year to date revenues in PNG of $71.2 million are up 21% for the same reasons plus from the operation of Rig 102 for the full nine months of 2012 compared to four months in 2011.

- Revenue for Canada was also strong, up 18% to $13.2 million for the quarter compared to $11.2 million in 2011. The quarter saw flat revenue levels in the core snubbing business, but benefited from the deployment of a 250K UB unit from mid-June to mid-September that generated $3.0 million of revenue during the third quarter. The nitrogen business did see a drop in revenue for the quarter as both nitrogen and snubbing activities were softer during September as overall industry activity was down. Year to date, Canadian revenue of $36.4 million in 2012 was up 17% compared to $31.2 million last year, driven by the 250K UB unit and strong activity levels during the first quarter in the liquids rich natural gas plays in Alberta and British Columbia.

- High Arctic continues to be in a very strong financial position. At September 30, 2012, the Company had $22.7 million of cash on hand, well in excess of its debt of $15.0 million.

- The Company continues to generate strong cash flows from its operations. For the third quarter, High Arctic generated $9.4 million (2011- $6.0 million) of cash flows provided by operations and $26.2 million (2011 - $19.1 million) year to date. The 12 months trailing Adjusted EBITDA was $40.6 million at September 30, 2012 compared to $31.8 million for the 12 months ended September 30, 2011.

- As a result of its strong financial position, High Arctic instituted a monthly dividend of $0.01 per share and the first monthly dividend was paid on June 14, 2012. At that monthly rate, the annual dividend will total $6.0 million, which leaves the Company with most of its current operating cash flow available for investment in its business.

High Arctic, with its strong cash position and available debt facilities is well positioned to take advantage of strategic growth and acquisition opportunities to enhance shareholder value. The Company expects to commit most of the remaining portion of its 2012 capital budget of nearly $30 million though some of the commitments may spill into 2013. In addition, High Arctic has committed to the purchase of a 5.8 acre parcel of land in Grande Prairie and plans to construct a regional office and support facility. The total budgeted costs for the land and building is $5.4 million to be spread out over the next 12 months.

"We have continued to demonstrate our ability to grow revenue and EBITDA despite the challenging conditions in the Canadian industry", commented Bruce Thiessen, Chief Executive Officer of High Arctic. "Looking ahead to 2013, we expect to continue to see our best investment opportunities in PNG as the country continues to develop its energy reserves."

Selected Comparative Financial Information

The following is a summary of selected financial information of the Company. All figures are presented in accordance with the International Financial Reporting Standards ("IFRS"):

	Three Months Ended September 30				Nine Months Ended September 30			
$ millions (except per share amounts)	**2012**	**2011**	**Change**	**%**	**2012**	**2011**	**Change**	**%**
Revenue	**35.8**	**29.3**	**6.5**	**22**	**107.6**	**90.1**	**17.5**	**19**
EBITDA(1)	**9.8**	**6.7**	**3.1**	**46**	**28.4**	**21.0**	**7.4**	**35**
Adjusted EBITDA(1)	**10.1**	**7.9**	**2.2**	**28**	**29.6**	**22.2**	**7.4**	**33**
Operating earnings	**7.4**	**4.2**	**3.2**	**76**	**21.4**	**14.5**	**6.9**	**47**
Net earnings	**6.5**	**3.0**	**3.5**	**117**	**22.9**	**10.2**	**12.7**	**124**
per share (basic)(2)	0.14	0.07	0.07		0.49	0.23	0.26	
per share (diluted)(2)	0.13	0.06	0.07		0.47	0.21	0.26	
Cash Flows provided by operations(1)	**9.4**	**6.0**	**3.4**	**57**	**26.2**	**19.1**	**7.1**	**37**
Dividends	**1.5**	**-**	**1.5**	**-**	**2.5**	**-**	**2.5**	**-**
Capital expenditures	**10.1**	**4.5**	**5.6**	**124**	**17.0**	**13.5**	**3.5**	**26**
Net cash (net of debt) end of period (1)	**7.7**	**3.1**	**4.6**					
Shares outstanding - end of period(2)	**49.8**	**49.6**	**0.2**					

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

(2) On June 15, 2011, the Company completed a consolidation of its common shares on the basis of one (1) new post consolidation common share for every five (5) pre-consolidated common shares. For comparative purposes, all per share and share outstanding information presented in the table above reflect the share consolidation as if it had occurred prior to all periods presented above.

Selected Quarterly Financial Information

The following is a summary of selected financial information of the Company for the last eight completed quarters.

$ millions except per share amounts	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011	Jun 30, 2011	Mar 31, 2011	Dec 31, 2010
Revenue	**35.8**	**29.6**	**42.2**	**37.1**	**29.3**	**24.9**	**35.9**	**33.3**
Adjusted EBITDA	10.1	5.2	14.3	11.0	7.9	3.9	10.5	9.5
Net earnings (loss)	6.5	5.7	10.7	7.8	3.0	(0.1)	7.3	4.7
per share (basic)	$0.14	$0.12	$0.23	$0.17	$0.07	$(0.00)	$0.17	$0.11
per share (diluted)	$0.13	$0.12	$0.22	$0.16	$0.06	$(0.00)	$0.15	$0.11

Outlook

High Arctic is seeing reduced activity levels in Canada during the fourth quarter of 2012 compared to both 2011 and the third quarter of 2012. The reduction in the overall industry activity is attributable to the weak natural gas price and difficult capital market conditions reducing the cash available to E&P companies for capital spending. High Arctic's PNG operations are expected to be strong in the fourth quarter, though the year over year growth in the PNG results for Q4 may not fully offset the anticipated drop in Canadian activity.

The slower Canadian activity levels may continue into 2013, though High Arctic expects activity levels in 2013 will be comparable to 2012. Activity levels will be strongest in oil plays but the liquids rich gas plays should continue at reasonable levels and be the primary driver for High Arctic's business. The activity in the Montney and other deep basin plays of northwest Alberta and northeast British Columbia is expected to remain the strongest as producers focus on the reservoirs offering the highest liquids content. The growing interest in Canadian gas prospects by Asian based energy companies is encouraging in terms of bringing new capital to the industry and hopefully ultimately leading to improved access to Asian markets.

The Company expects that its customers will continue to focus on the longer reach horizontal wells, while striving to improve drilling and completion efficiencies. Our Stand Alone units with their small, environmentally friendly footprint and ability to work on pressurized wellbores are well suited to drill out the plugs and to complete the pressurized long lateral horizontal wells associated with the multi-stage fracs. The increased complexity and lateral length of these horizontal wells has increased our average time spent per wellbore. When combined with rate increases, High Arctic's average revenue per well has been increasing. Our snubbing and nitrogen offerings are complementary services that are commonly used in the same wellbores so we typically have multiple services on the same location, adding additional revenue per location. High Arctic will continue to adapt its snubbing and well completion technologies to the emerging needs of its customers and endeavour to add complementary services as part of its effort to increase its revenue base.

This past summer, one of High Arctic's 250K Underbalanced Workover Rigs completed a four month work program for one customer. The wells were long reach multiple stage horizontal wells each with lateral legs pushing the current limits. Operators continue to increase the lateral length of the wells and coil tubing has struggled on wells over 6000 meters. Each of High Arctic's three 250K UB units have a large push and pull capability and high torque rotary and are not constrained by the length of a coil spool, providing a possible opportunity to extend the lateral length. Deploying these technologically advanced rigs is an important strategy to increase the Canadian revenue but the demand has been limited by the number of wells needing their high pushing capacity. High Arctic will continue to consider uses for the three 250K UB units.

Activity in PNG should continue to be strong leading to more growth opportunities for High Arctic. Rigs 103 and104 and the related support services have been contracted until December 2013 and Rig 102 is contracted until May 2014. Those long term contracts provide a stable base of activity. In early November, we added a full second drilling crew and moved from a one rig drilling program to two rigs (Rigs 103 and104) operating simultaneously. Only one drilling crew has been active since June 2011. The hydraulic workover Rig 102 is also scheduled to work the remainder of 2012 and into 2013.

We will continue to invest in our relationship with that key customer to ensure we continue to meet their expectations with an emphasis on high safety standards and maintaining our effectiveness across multiple remote locations. We have recently contracted to bring in a new camp for that customer and are exploring other equipment and services that we can provide. The customer has expressed an intention to begin discussions on long term contract renewals early in 2013.

We should continue to see growth in our rental business in PNG that services an increasing base of customers. High Arctic provides drilling support equipment on a rental basis to a number of customers in Papua New Guinea. The matting rental business has expanded significantly over the past two years. High Arctic currently has 7,100 Dura-Base® mats in the country (up from 5,900 at September 30, 2012) substantially all of which are under contract. The Company will continue to pursue opportunities to expand that business line and increase its rental fleet.

In 2013 and beyond, the Company will continue to invest in growth opportunities to enhance shareholder value. We are in the early stages of budgeting for 2013 but are looking to have a capital budget in line with the 2012 capital budget of $29.0 million. PNG will continue as an important focus, particularly in terms of expanding our rental fleet. Additionally, we will continue with our program to upgrade and retrofit our Canadian equipment fleet to ensure we remain leaders in service and quality in our markets.

Financial Measures

This document contains references to certain financial measures that do not have any standardized meaning prescribed by IFRS and previous Canadian GAAP and may not be comparable to other companies. For a more complete list of these Financial Measures, including their calculation, please refer to the Management's Discussion and Analysis for the Year Ended December 31, 2011. High Arctic uses these financial measures to assess performance and believes these measures provide useful supplemental information to 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 (loss) reported in the consolidated statement of income, EBITDA is a useful supplemental measure of the Company'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 prior to the effect of stock based compensation, gain on sale of assets or investments and foreign exchange gains or losses, and is not intended to represent net earnings as calculated in accordance with IFRS

The following tables provide a quantitative reconciliation of net earnings to EBITDA and Adjusted EBITDA for the three and nine months ended September 30, 2012 and 2011:

	Three months ended September 30, 2012	Three months ended September 30, 2011
Net earnings	6.5	3.0
Add (deduct)		
Interest and finance expenses	0.2	0.4
Income taxes	0.7	0.8
Amortization	2.4	2.5
EBITDA	**9.8**	**6.7**
Add (deduct)		
Share-based compensation	0.5	0.4
Foreign exchange (gain) loss	(0.2)	0.8
Adjusted EBITDA	**10.1**	**7.9**

	Nine months ended September 30, 2012	Nine months ended September 30, 2011
Net earnings	22.9	10.2
Add (deduct)		
Interest and finance expenses	0.8	1.5
Income taxes	(2.3)	2.8
Amortization	7.0	6.5
EBITDA	**28.4**	**21.0**
Add (deduct)		
Share-based compensation	1.3	2.3
Gain on sale of investments	-	(2.0)
Foreign exchange (gain) loss	(0.1)	0.9
Adjusted EBITDA	**29.6**	**22.2**

Oilfield Services Operating Margin
Oilfield services operating margin is used by management to analyze overall and segment 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.

Cash Flow Provided by Operations
Management believes that, in addition to net cash generated from operating activities as reported in the Consolidated Statement of Cash flow, cash flows from operating activities before working capital adjustments 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 working capital.

Net debt and Net Cash
Net debt is used by management and the investment community to analyze the amount of total debt that would be remaining after cash balances are applied against the debt. The amount, if any, is calculated as total debt (including current portion) less cash. Net cash refers to the amount, if any, by which cash exceeds the total debt.

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's Discussion and Analysis for the year ended December 31, 2011 and in the Annual Information Form for the year ended December 31, 2011 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 Company 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 and international operations in Papua New Guinea.

Further Information

A full copy of High Arctic's third quarter results including Management's Discussion and Analysis, Consolidated Financial Statements and Notes to the Consolidated Financial Statements can be found on the Investor Relations page of High Arctic's website www.haes.ca or at www.sedar.com.

Dennis Sykora
Executive Vice President and General Counsel
(403) 340-9825
dennis.sykora@haes.ca