HIGH ARCTIC ENERGY SERVICES

NEWS RELEASE

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High Arctic close to doubles Adjusted EBITDA to $18.7 million

Calgary, Canada – November 12, 2015 – High Arctic Energy Services Inc. (TSX: HWO) ("High Arctic" or the "Corporation") today announced its operating and financial results for the quarter ended September 30, 2015.

Tim Braun, High Arctic's Chief Executive Officer, stated: "The Corporation continues to strengthen its balance sheet in a challenging period for the energy services industry. Rig 116 earning revenue in the quarter, coupled with full utilization of the other 3 rigs in PNG, stable Canadian utilization, and a stronger US dollar resulted in quarter over quarter EBITDA growth. High Arctic maintains an enviable position amongst its peers and is well positioned in the ongoing cycle of low commodity prices."

Highlights

- 2015's third quarter adjusted EBITDA of $18.7 million was almost double that of the prior year (2014 - $9.8 million).
- Revenues earned in the third quarter of 2015 increased by 42% to $58.5 million from the $41.3 million earned in the same period in 2014.
- The Corporation expects its investment in two modern heli-portable drilling rigs to continue to deliver contracted growth with large independents and major E&P companies.
- As part of its growth strategy, the Corporation intends to be an active participant in the consolidation of the oilfield services market. During the third quarter, High Arctic commenced investing in select public companies that it believes are strategic opportunities. With continued soft markets, the Corporation may add to these positions.
- High Arctic declared monthly dividends totaling $8.2 million during the first nine months of 2015 representing a trailing twelve month dividend payout of 23% of Funds provided from operations (2014 - $6.7 million; 21%).

Selected Comparative Financial Information

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

	Three Months Ended September 30				Nine Months Ended September 30			
$ millions (except per share amounts)	2015	2014	Change	%	2015	2014	Change	%
Revenue	**58.5**	**41.3**	**17.2**	**42**	**151.9**	**125.6**	**26.3**	**21**
EBITDA(1)	**14.0**	**8.3**	**5.7**	**69**	**36.9**	**34.0**	**2.9**	**9**
Adjusted EBITDA(1)(2)	**18.7**	**9.8**	**8.9**	**91**	**43.2**	**36.0**	**7.2**	**20**
Operating earnings	**13.9**	**6.4**	**7.5**	**117**	**31.0**	**25.6**	**5.4**	**21**
Net earnings	**6.1**	**3.7**	**2.4**	**65**	**18.1**	**19.7**	**(1.6)**	**(8)**
per share (basic)	0.11	0.07	0.04	57	0.33	0.39	(0.06)	(15)
per share (diluted)	0.11	0.07	0.04	57	0.32	0.39	(0.07)	(18)
Adjusted net earnings(1) (3)	**10.2**	**3.7**	**6.5**	**176**	**22.2**	**19.7**	**2.5**	**13**
per share (basic)(3) (4)	0.18	0.07	0.11	157	0.40	0.39	0.01	3
per share (diluted)(3) (4)	0.18	0.07	0.11	157	0.40	0.39	0.01	3

$ millions (except per share amounts)	Three Months Ended September 30 2015	2014	Change	%	Nine Months Ended September 30 2015	2014	Change	%
Funds provided from operations[1]	**14.3**	**7.6**	**6.7**	**88**	**33.0**	**30.5**	**2.5**	**8**
per share (basic)[4]	0.26	0.14	0.12	86	0.60	0.61	(0.01)	**(2)**
per share (diluted)[4]	0.26	0.14	0.12	86	0.59	0.60	(0.01)	**(2)**
Dividends	**2.7**	**2.4**	**0.3**	**13**	**8.2**	**6.7**	**1.5**	**22**
Capital expenditures	**2.9**	**36.8**	**(33.9)**		**39.4**	**41.0**	**(1.6)**	
Working capital					**35.5**	**44.8**	**(9.3)**	**(21)**
Total assets					**239.5**	**178.8**	**60.7**	**34**
Total non-current financial liabilities					**9.0**	**-**	**9.0**	
Net cash, end of period[1]					**12.5**	**46.0**	**(33.5)**	**(73)**
Shares outstanding - end of period[4]					**54.9**	**55.8**	**(0.9)**	**(2)**

(1) Readers are cautioned that EBITDA, Adjusted EBITDA, Adjusted net earnings, Funds provided from operations, net cash and working capital do not have standardized meanings prescribed by IFRS – see "Key Financial Measures".
(2) Adjusted EBITDA is calculated as EBITDA plus adjustments for share-based compensation, loss on short term investments, loss on sale of property and equipment, excess of insurance proceeds over costs and foreign exchange gains or losses.
(3) Adjusted net earnings is calculated as Net earnings plus an adjustment for loss on short term investments.
(4) The restricted shares held by a trustee under the Executive and Director Incentive Share Plan are included in the shares outstanding. The number of shares used in calculating the net earnings per share amounts is determined differently as explained in the Financial Statements.

Selected Quarterly Consolidated Financial Information (Three Months Ended)

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

$ (millions, except per share amounts)	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014	Sep 30, 2014	Jun 30, 2014	Mar 31, 2014	Dec 31, 2013
Revenue	**58.5**	**48.7**	**44.7**	**46.2**	**41.3**	**39.8**	**44.5**	**38.7**
Adjusted EBITDA	18.7	14.1	10.4	13.3	9.8	11.1	15.1	12.5
Net earnings	6.1	7.2	4.8	8.5	3.7	6.7	9.3	6.4
per share – basic	0.11	0.13	0.09	0.15	0.07	0.13	0.19	0.13
per share – diluted	0.11	0.13	0.09	0.15	0.07	0.13	0.18	0.13
Adjusted net earnings	10.2	7.2	4.8	8.5	3.7	6.7	9.3	6.4
per share – basic	0.18	0.13	0.09	0.15	0.07	0.13	0.19	0.13
per share – diluted	0.18	0.13	0.09	0.15	0.07	0.13	0.18	0.13
Funds provided from operations	14.3	10.5	8.2	12.8	7.6	9.8	13.1	10.8

Outlook

High Arctic's business activities are reasonably resilient in the ongoing low commodity price environment. The majority of drilling activity is associated with LNG development in PNG, and the country's vast reserves of gas are some of the most competitive globally. A large percentage of the Company's Canadian activity is with larger exploration and development companies, which has benefited High Arctic in the current cycle.

There continues to be strong demand for top tier drilling services in PNG. The Company has a history of contract renewals over nine years with its customer on the basis of continuous improvements in quality and value. Management has proactively begun discussions with its customer for Rig 103 and 104 contract renewals in June 2016.

Rig 103 will be fully utilized through the remainder of 2015 completing its current well in the Gulf Province of PNG and then is expected to move to a two well project in the Western Province for a new customer. Rig 104 is currently completing a well in the PNG Highlands and is then scheduled to move to an additional well in the Western Province. Thereafter it is anticipated it will be moved to the P'nyang field in the Western Highlands of PNG.

Rig 115 completed drilling its first well on the customer's wholly owned lease. The rig has been assigned to drill one firm and one option well for the customer's joint venture partner in the Elk/Antelope field. With this assignment, High Arctic continues to expand its customer base in PNG. Upon completion of these wells, the rig will revert back to the original customer under its take or pay contract.

The second heli-portable rig that High Arctic purchased in 2014, Rig 116, arrived in Papua New Guinea during the quarter slightly earlier than the Company had forecasted. The rig is currently in Port Moresby and mobilization to its first location is expected to commence in mid-2016, once the customer has finalized their drilling plans. Rig 116 is under a take or pay contract currently earning standby rates and the contract will continue until two years after the first well is spudded.

The fleet of rental equipment in PNG continues to be sufficient for the current level of drilling activity. Matting utilization is expected to be just over 60% throughout the remainder of 2015, similar to the utilization during the fourth quarter of 2015. Utilization in the first half of 2016 will drop to the mid 50% range as a number of mats will come off their existing contracts and be waiting to be redeployed when Rig 116 mobilizes to its first location. Management continues to evaluate new opportunities for expansion and redeployment of rental assets.

Although year over year Canadian equipment utilization is down, the Canadian operations are expected to remain profitable in the fourth quarter as the business infrastructure has been adjusted to match the current demand for equipment and services.

Looking to 2016, as part of its growth strategy the Company intends to be an active participant in the consolidation of the oilfield services market. During the third quarter, High Arctic commenced investing in select public companies that it believes are strategic opportunities. With continued soft markets, the Corporation may add to these positions.

High Arctic's contracted status in Papua New Guinea, the strong US dollar exchange rate, continued delivery of high quality service, and similar year over year demand in Canada should result in further EBITDA growth when compared to 2015.

Key Financial Measures

This press release contains references to certain financial measures that do not have a standardized meaning prescribed by IFRS and may not be comparable to the same or similar measures used by other companies such as "EBITDA", "Adjusted EBITDA", "Adjusted net earnings", "Adjusted net earnings per share", "Adjusted net earnings per share – diluted", "Oilfield services operating margin", "Oilfield services operating margin %", "Percent of revenue", "Funds provided from operations", "Funds provided from operations per share", "Funds provided from operations per share – diluted", "Debt-to-capitalization percentage", "Working capital", and "Net cash". High Arctic uses these financial measures to assess performance and believes these measures provide useful supplemental information to shareholders' and investors. These financial measures are computed on a consistent basis for each reporting period and include the following:

EBITDA

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

Adjusted EBITDA

Adjusted EBITDA is calculated based on EBITDA (as referred to above) prior to the effect of loss on short term investments, share-based compensation, gains or losses on sale of assets or investments, and foreign exchange gains or losses. Management utilizes Adjusted EBITDA to present financial performance that is more comparable between periods. Adjusted EBITDA as presented is not intended to represent net earnings or other measures of financial performance calculated in accordance with IFRS. The following tables provide a quantitative reconciliation of consolidated net earnings to EBITDA and Adjusted EBITDA for the three and nine months ended September 30:

($ millions)	Three Months Ended Sept. 30, 2015	Three Months Ended Sept. 30, 2014	Nine Months Ended Sept. 30, 2015	Nine Months Ended Sept. 30, 2014
Net earnings for the period	**6.1**	**3.7**	**18.1**	**19.7**
Add:				
Interest and finance expense	0.1	0.1	0.3	0.4
Income taxes	3.4	1.3	7.7	4.5
Amortization	4.4	3.2	10.8	9.4
EBITDA	**14.0**	**8.3**	**36.9**	**34.0**
Add:				
Loss on short term investments	4.1	-	4.1	-
Share-based compensation	0.4	0.4	1.4	1.0
Loss (gain) on sale of assets	0.2	(0.2)	0.5	(0.2)
Foreign exchange loss	-	1.3	0.3	1.2
Adjusted EBITDA	**18.7**	**9.8**	**43.2**	**36.0**

Adjusted Net Earnings

Adjusted net earnings is calculated based on net earnings prior to the effect of the loss on short term investments. Management utilizes Adjusted net earnings to present a measure of financial performance that is more comparable between periods. Adjusted net earnings as presented is not intended to represent net earnings or other measures of financial performance calculated in accordance with IFRS. Adjusted net earnings per share and Adjusted net earnings per share – diluted are calculated as Adjusted net earnings divided by the number of weighted average basic and diluted shares outstanding, respectively. The following tables provide a quantitative reconciliation of net earnings to Adjusted net earnings for the three and nine months ended September 30:

($ millions)	Three Months Ended Sept. 30, 2015	Three Months Ended Sept. 30, 2014	Nine Months Ended Sept. 30, 2015	Nine Months Ended Sept. 30, 2014
Net earnings	**6.1**	**3.7**	**18.1**	**19.7**
Add:				
Loss on short term investments	4.1	-	4.1	-
Adjusted net earnings	**10.2**	**3.7**	**22.2**	**19.7**

Oilfield Services Operating Margin

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

Oilfield Services Operating Margin %

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

Percent of Revenue

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

Funds Provided from Operations

Management believes that, in addition to net cash generated from operating activities as reported in the consolidated statements of cash flows, cash flow from operating activities before working capital adjustments (funds provided from operations) is a useful supplemental measure as it provides an indication of the funds generated by High Arctic's principal business activities prior to consideration of changes in items of working capital. This measure is used by management to analyze funds provided from operating activities prior to the net effect of changes in items of non-cash working capital, and is not intended to represent net cash generated from operating activities as calculated in accordance with IFRS. The following tables provide a quantitative reconciliation of net cash generated from operating activities to funds provided from operations for the three and nine months ended September 30:

($ millions)	Three Months ended Sept. 30, 2015	Three Months ended Sept. 30, 2014	Nine Months ended Sept. 30, 2015	Nine Months ended Sept. 30, 2014
Net cash generated from operating activities	8.2	10.9	39.8	39.7
Less:				
Net changes in items of non-cash working capital	5.1	(3.3)	(6.8)	(9.2)
Funds provided from operations	**13.3**	**7.6**	**33.0**	**30.5**

Debt-to-capitalization percentage

Debt-to-capitalization percentage is used by management to assess its financial structure and determine how the Corporation is financing its activities. The amount is calculated as total debt divided by the sum of total debt and shareholders' equity.

Working capital

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

Net cash

Net cash is used by management to analyze the amount by which cash and cash equivalents exceed the total amount of debt. The amount, if any, is calculated as cash and cash equivalents less total long-term debt. The following tables provide a quantitative reconciliation of cash and cash equivalents to net cash:

($ millions)	September 30, 2015	December 31, 2014
Cash and cash equivalents	21.5	37.2
Less:		
Long-term debt	(9.0)	-
Net cash	**12.5**	**37.2**

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's Discussion and Analysis for the quarter ended September 30, 2015 and in the Annual Information Form for the year ended December 31, 2014 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

High Arctic is a publicly traded company listed on the Toronto Stock Exchange under the symbol "HWO". Based in Alberta, the Corporation'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's largest operation is in Papua New Guinea where it provides drilling and specialized well completion services and supplies rig matting, camps and drilling support equipment on a rental basis. The Canadian operation provides snubbing services, nitrogen supplies and equipment on a rental basis to a large number of oil and natural gas exploration and production companies operating in Western Canada.

Further Information

A full copy of High Arctic's results including the Management's Discussion and Analysis and the Consolidated Financial Statements for quarter ended September 30, 2015 and the notes contained therein, can be found on the Investor Relations page of High Arctic's website www.haes.ca or at www.sedar.com. The Corporation's most recent investor presentation can be found at www.haes.ca.

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