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High Arctic Updates Restructuring Activity

Red Deer, Canada – June 10, 2008 – High Arctic Energy Services Inc. (TSX: HWO) (“High Arctic” or the “Corporation”) is pleased to announce substantial progress on its restructuring plan. High Arctic has recently announced an extension to the senior credit facilities, a rig sale for \$11 million, and a new contract in Papua New Guinea. EBITDA met expectations during 2008 through April and the Corporation expects this to continue through the second quarter in spite of a very long spring break up. Due to an improved second quarter compared to 2007 High Arctic also expects the consolidated leverage ratio of its senior credit facilities to improve materially as of June 30, 2008, compared to March 31, 2008.

High Arctic previously announced the formation of a restructuring committee (the “Committee”) with the primary mandate of dealing with the Corporation’s lenders and taking the necessary actions to put the Corporation back on a sound financial footing. The Committee is composed of Michael Binnion, Chairman of the Board; Jed Wood, President and Chief Executive Officer; and Dennis Sykora, Executive Vice President and General Counsel. Much progress has been made by the Committee and there is much work left to do to put the Senior Credit Facilities on to normalized terms and to restore confidence in the equity. We are optimistic about our plans to overcome the challenges remaining.

An extension to the senior credit facilities was announced in a June 6, 2008 press release. Gaining the support of the lenders was a very important step in the restructuring process. Going forward, the focus will be on continuing to improve the earnings by focusing on the core profitable activities and to sell the underutilized and underperforming assets to meet the requirements in the credit facilities to reduce the debt. The recent contract awards in Papua New Guinea are consistent with the strategy of building our business in our core operating areas. In Canada there is renewed optimism in the oilfield services sector as higher commodity prices are expected to lead to increased activity in the second half of 2008. All of that bodes well for increasing operating earnings. In a press release dated May 30, 2008, High Arctic announced it had entered into an agreement to sell one RAPAD Rig for \$11 million. The Corporation is actively marketing the other assets identified for sale and remains optimistic that it will achieve the asset sales target of at least \$50 million by January 31, 2009.

Related to the restructuring plan, the members of the Committee executed a Pooling Agreement effective on June 6, 2008 whereby they agreed to pool all of their shares of High Arctic solely for purposes of voting on the election of directors of the Corporation. The purpose of the Pooling Agreement is to create confidence for the Lenders in the stability of the board and management to execute the restructuring plan. The execution of the Pooling Agreement was a condition of the extension agreement for the Lenders. The pooled shares will be voted as one block based on the decision of the majority of the three Committee members. The Pooling Agreement will be effective until the earlier of January 31, 2010 or the normalization of the Corporation’s credit



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facilities, including the senior debt leverage ratio. The completion of the Pooling Agreement reflects the commitment to the restructuring by Mr. Jed Wood, who directly and indirectly holds approximately 41.7% of the outstanding shares of the Corporation.

An immediate challenge ahead is to develop an incentive plan to attract and retain key individuals and to provide an incentive for the directors, officers, key employees and consultants to contribute to the future success and prosperity of the Corporation. The Lenders' support of the restructuring plan is based on them being satisfied that the Committee and key employees will be retained. The added challenges of the current financial circumstances of the Corporation make employee retention that much more difficult. The current stock option plan is not effective as almost all of the options have been awarded at prices substantially higher than the current share price. The stock option plan does not provide the required incentive and enthusiasm among the employees. The Corporation's recent attempt to re-price the options and reserve additional options did not gain the support of the shareholders. The Corporation indicated in its Information Circular dated April 22, 2008 that if the new option plan was not approved, a cash based Stock Appreciation Rights ("SAR") plan could be implemented. A SAR plan may be implemented to provide cash payments to the holders, based on the growth in the share price of High Arctic above \$0.75 per share, and may be structured as a long term incentive plan. On June 6, 2008, the Board of Directors passed a resolution to authorize the Committee to prepare a SAR plan on terms and conditions that the Committee determines are reasonable. The Committee will need the approval of its Lenders to implement a SAR plan that gives confidence regarding retention and incentive for management while not prejudicing the Lenders' interests.

The Corporation has also signed employment agreements with Jed Wood, President and Chief Executive Officer; and Dennis Sykora, Executive Vice President and General Counsel. The Agreements formalize the terms of their employment but do not change their responsibilities or salaries other than to implement the bonus applicable to members of the Committee as detailed in High Arctic's Information Circular dated April 22, 2008. The agreements provide for termination rights of 18 months salary applicable in certain circumstances including a termination without cause and certain changes of control. The term of each agreement ends on February 28, 2010

Jed Wood said "I am very pleased that we have been able to gain the confidence of our Lenders', customers, management and employees. The underlying strength of the High Arctic franchise has much to do with this. I look forward to now working with the restructuring committee to maximize the value to the equity shareholders."

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 the Corporation's Management Discussion and Analysis for the year ended December 31, 2007 and in High Arctic's Annual Information Form for the year ended December 31, 2007 and High Arctic's Information Circular dated April 22, 2008, all 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.



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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, High Arctic has domestic operations in Alberta, British Columbia and the Northwest Territories. International operations are currently active in Mexico, the Middle East, Northern Africa and Asia.

Further Information:

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The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.

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