



# NEWS RELEASE

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## Update on High Arctic Credit Facilities

**Red Deer, Canada – December 1, 2008** – High Arctic Energy Services Inc. (TSX: HWO) (“High Arctic” or the “Corporation”) announced that it has not completed the mandatory asset sale requirements required under the terms of its senior credit facilities. Under the terms of its revolving credit facility dated June 6, 2008, the Corporation was required to raise net proceeds of \$50 million from the sale of equipment by January 31, 2009, of which \$37.5 million was to be completed by November 30, 2008. The Corporation has successfully sold equipment for net proceeds of \$28.9 million resulting in a shortfall of \$8.6 million as at November 30, 2008. High Arctic continues to focus its efforts on selling assets and hopes to achieve asset sales in excess of the mandatory minimum, though timing remains uncertain in light of the current difficulties in the credit markets. The Corporation has been in active discussions with its lenders to develop a plan to address the shortfall and hopes to negotiate a reasonable time frame to complete sales. The Corporation will issue further press releases as more information becomes available.

The Corporation also announces that it has notified the holders of its unsecured convertible debentures that the interest rate will decrease to 10% from 12% effective December 1, 2008. The decrease was triggered as a result of the consolidated leverage ratio, as calculated in accordance with the debenture agreement, being below 5.0 to 1.0 as at September 30, 2008.

### 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 May 22, 2008, all found on SEDAR ([www.sedar.com](http://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, High Arctic has domestic operations primarily in Alberta, British Columbia and the Northwest Territories. International operations are currently active in Mexico, the Middle East and Asia.

### Further Information:

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**HIGH ARCTIC**  
ENERGY SERVICES

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