



# NEWS RELEASE

**FOR IMMEDIATE RELEASE**

**NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF U.S. SECURITIES LAW**

## **Amendment to High Arctic Credit Facilities**

**Red Deer, Canada – December 29, 2008** – High Arctic Energy Services Inc. (TSX: HWO) (“High Arctic” or the “Corporation”) announced that its lenders have agreed to certain amendments 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 had successfully sold equipment for net proceeds of \$29.2 million as at November 30, 2008, resulting in a shortfall of \$8.3 million. The lenders have agreed to extend the due dates for completion of the remaining mandatory asset sales to February 28, 2009 for the \$8.3 million otherwise due on November 30, 2008 and to March 31, 2009 for the \$12.5 million that was otherwise due on January 31, 2009. High Arctic continues to focus its efforts on selling assets and hopes to achieve asset sales in excess of the mandatory minimum, though the ability to meet the new timelines remains uncertain in light of the current difficulties in the credit markets.

As part of the amendments, High Arctic agreed to pay down \$4 million against the revolving credit facilities out of surplus cash on hand. The Corporation has approximately \$17 million cash on hand following the \$4 million loan payment which should provide sufficient liquidity to meet its ongoing business needs.

The amendment to the revolving credit facilities and the related amendment to its bridge loan agreement will be filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

### **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.



**HIGH ARCTIC**  
ENERGY SERVICES

# NEWS RELEASE

**Further Information:**

Dennis Sykora  
Chief Restructuring Officer  
High Arctic Energy Services Inc.  
Tel: 403-340-9825

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