



NEWS RELEASE

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High Arctic Cancels SARs; Issues Stock Options

Red Deer, Canada – January 14, 2009 – High Arctic Energy Services Inc. (TSX: HWO) (“High Arctic” or the “Corporation”) today announced that it has cancelled substantially all of the 5,375,000 issued and outstanding stock appreciation rights (“SARs”) and expects to complete the cancellation of all remaining SARs over the next 30 days. In connection with the cancellation of the SARs, the Corporation issued stock options to acquire an aggregate of 2,903,600 common shares under its existing Stock Option Plan. The stock options have an exercise price of \$0.15 per common share and expire on January 15, 2014.

Bruce Thiessen, Interim Chief Executive Officer, commented "The last year has been tumultuous for High Arctic. Nevertheless, 2008 saw a dramatic improvement in High Arctic's finances, which is fully to the credit of the dedicated efforts of our staff and management. It is an essential element of our restructuring plans to be able to recognize both the loyalty and successes of our team. As part of this, we are pleased to have normalized the long term compensation structure."

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