

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

High Arctic Announces further details on its Restructuring Plan

Red Deer, Canada – April 9, 2010 – High Arctic Energy Services Inc. (TSX: HWO) (“High Arctic” or the “Corporation”) today announced further details of its proposed restructuring plan previously announced on March 25, 2010. The plan is part of the effort to reduce debt levels and to meet the conditions imposed by the senior creditors for an extension of the senior credit facilities.

Details of the Restructuring Plan

The key elements of the restructuring plan are as follows:

- a proposed issuance of 32,968,384 common shares of the Corporation (“Common Shares”) to Jed Wood and J.M. Wood Investments Ltd. (collectively, the “Wood Group”) at a price of \$0.25 per Common Share in settlement of all outstanding indebtedness and claims owing to the Wood Group by the Corporation, at a settlement value of \$8.2 million (the “Shares for Debt Private Placement”);
- a proposed conversion of the Corporation’s outstanding unsecured convertible debentures in the principal amount of \$27,900,000 (the “Convertible Debentures”) to 111,592,001 Common Shares at a price of \$0.25 per Common Share in full settlement of all currently outstanding principal owing plus 12,089,132 Common Shares at a price of \$0.25 per Common Share in full settlement of all accrued interest owing thereunder to the holders of the Convertible Debentures (the “Convertible Debenture Settlement”); and
- a proposed issuance of up to 12,630,740 Common Shares to its senior lenders as consideration for a one year term loan to refinance the existing senior credit facilities.

The issue price for the Shares for Debt Private Placement and the Convertible Debenture Settlement represents a 5% discount to the volume weighted average trading price of the Common Shares on the TSX for the five days preceding the date when the Shares for Debt Private Placement and the Convertible Debenture Settlement were first announced.

The Shares for Debt Private Placement

Pursuant to a conditional settlement agreement between the Corporation and the Wood Group, the Corporation has agreed to issue 32,968,384 Common Shares at a price of \$0.25 per Common Share, to settle the outstanding amounts owed to the Wood Group.

The Shares for Debt Private Placement is part of the overall restructuring plan and is subject to a number of conditions including:

- the Corporation receiving conditional approval of the Shares for Debt Private Placement and the listing of the Common Shares to be issued in the Shares for Debt Private Placement from the TSX;
- the successful completion of the Convertible Debenture Settlement; and
- the Corporation and its senior lenders entering into a one year term loan with its senior lenders to refinance the senior credit facilities.

The Wood Group may terminate its conditional settlement agreement if the conditions precedent are not satisfied on or before April 30, 2010.

The Convertible Debenture Settlement

It is proposed that the Convertible Debenture holders agree to convert all of their currently outstanding principal plus accrued interest under the Convertible Debentures into Common Shares at an issue price of \$0.25 per share. Currently, the Corporation has entered into a conditional settlement agreement with Cyrus Capital Partners, LP., as manager of certain funds (the "Cyrus Group") holding \$23 million principal amount and with other debenture holders holding in aggregate \$1.6 million principal amount of Convertible Debentures, out of the total of \$27.9 million, of outstanding Convertible Debentures. The conditional settlement agreement is also subject to a number of conditions including:

- the Corporation receiving conditional approval of the Convertible Debenture Settlement and listing of the Common Shares to be issued in settlement of the Convertible Debentures;
- the successful completion of the Shares for Debt Private Placement; and
- the Corporation and its senior lenders entering into a one year term loan with its senior lenders to refinance the senior credit facilities.

The Cyrus Group may also terminate its conditional settlement agreement if the conditions precedent have not been satisfied on or before April 30, 2010.

Restructuring and Renewal of the Corporation's Senior Credit Facilities

As previously announced, the Corporation has been in default of its senior credit facilities since June 12, 2009. The outstanding principal amount owing under its revolving facility as at March 31, 2010 is approximately \$35,181,000. A further approximately \$1,750,000 is owed in respect of unpaid fees incurred in 2007 and 2008 and approximately \$1,000,000 on account of an extra 2% interest charge that has applied since July 1, 2009. The outstanding amount owing under its bridge loan as at March 31, 2010 is approximately \$15,489,000.

As part of the overall restructuring plan, it is contemplated that the senior lenders will grant High Arctic a one year term loan to refinance the senior credit facilities. The terms and conditions of the one year term loan are still under negotiation between the parties and the restructuring plan is conditional upon on the parties reaching a mutually acceptable loan agreement.

Under the terms of the proposed refinancing with the senior lenders, the outstanding balances under the existing Senior Credit Facilities would be combined into a single term loan facility (the "Term Loan Facility") with a one year period of maturity. The total amount of the Term Loan Facility would be approximately \$50,700,000 at the closing of the restructuring transaction due in full at the date of maturity. The Term Loan Facility would be secured by all present and future acquired real and personal property of the Corporation and be subject to interest at market rates currently being negotiated between the Corporation and the senior lenders, but which are anticipated to be within a range based on floating lending rates plus a spread to be agreed, which we anticipate will aggregate approximately 9.0% based on today's rates. It is anticipated that contemporaneously with the closing of the restructuring transactions, the Corporation would apply at least \$10,000,000 of its cash on hand to repay the unpaid fees, any new fees and the extra 2% interest with the balance to reduce the principal amount of the outstanding Term Loan Facility. That cash payment, if made, would reduce the proposed Term Loan Facility to approximately \$44,000,000.

Ownership of High Arctic

As of April 9, 2010, the Wood Group, who is an insider of the Corporation, is believed to hold approximately 17,718,079 Common Shares (representing approximately 39% of the issued and outstanding shares). Under

the Shares for Debt Private Placement, the number of Common Shares issuable to the Wood Group is 32,968,384 which represents 73% of the currently outstanding Common Shares. Immediately following the completion of the restructuring plan, the Wood Group is expected to hold 50,686,463 Common Shares (representing approximately 23.6% of the then outstanding Common Shares). If the restructuring plan is completed, the Cyrus Group is expected to hold 47.5% of the then outstanding Common Shares and the other holders of Convertible Debentures are expected to hold an aggregate of 10% of the then outstanding Common Shares, and as such, the Cyrus Group would be in a position to effectively control High Arctic.

In total, if the maximum number of shares is issued to the senior lenders, the number of Common Shares issuable under the restructuring plan is 169,280,257 which represents approximately 373% of the currently outstanding Common Shares.

Regulatory matters

High Arctic will apply to list the Common Shares under the Shares for Debt Private Placement, the Convertible Debt Settlement and the Common Shares issuable to the senior lenders on the TSX. Pursuant to the policies of the TSX, High Arctic would be required to obtain shareholder approval (included on a disinterested basis with respect to the Shares for Debt Private Placement) of the restructuring plan, for a number of reasons, including, but not limited to, the fact that (i) it materially affects the control of High Arctic, (ii) it involves a private placement of securities at a discount to market representing more than 25% of the number of Common Shares currently outstanding, and (iii) it involves a private placement to an insider of Common Shares representing more than 10% of the number of Common Shares currently outstanding. However, High Arctic has applied to the TSX for an exemption from the TSX security holder approval requirement pursuant to section 604(e) of the TSX Company Manual in connection with the restructuring plan due to an imminent financial hardship facing the Corporation. The Corporation is relying on the exemption from the requirement for a formal valuation and minority securityholder approval, as necessary, contained in Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* in connection with the Shares for Debt Private Placement and the Convertible Debenture Settlement.

Having received the advice of its legal and financial advisors, the restructuring committee of the board of directors have recommended entering in the restructuring plan and the board of directors have concluded that (i) High Arctic is in serious financial difficulty, (ii) the overall restructuring plan is designed to improve High Arctic's financial condition and (iii) the terms of the restructuring plan are reasonable in the circumstances.

There are no assurances that the TSX will accept the application for the use of the financial hardship exemption. The TSX has advised High Arctic that reliance on the financial hardship exemption will automatically result in a TSX delisting review to confirm High Arctic continues to meet TSX listing requirements. High Arctic believes it complies with applicable TSX listing requirements and expects to continue to comply with such requirements following the completion of the restructuring plan.

There is no assurance that High Arctic will be successful with its restructuring plan and it is subject to entering into definitive agreements with respect to the Shares for Debt Private Placement, the Convertible Debenture Settlement and the Term Loan Facility.

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 Discussion and Analysis for the year ended December 31, 2009 and the Annual Information Form for the year ended December 31, 2009 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

The Corporation, through its subsidiaries, is a provider of specialized oilfield equipment and services, including drilling, completion and workover operations. Based in Red Deer, Alberta, High Arctic has domestic operations throughout Western Canada and international operations primarily in Papua New Guinea.

Further Information

Dennis Sykora
Chief Restructuring Officer
403 340 9825
Dennis.sykora@haes.ca