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High Arctic Earns \$3.2 million for the Quarter ended June 30, 2010

Red Deer, Canada – August 13, 2010 – High Arctic Energy Services Inc. (TSX: HWO) (“High Arctic” or the “Corporation”) today announced its results for the three and six months ended June 30, 2010.

Commenting on the results, Bruce Thiessen, CEO, said, “I am pleased with our second quarter results. During the quarter we successfully concluded our restructuring transactions which provides the company with greater financial stability. Net earnings and EBITDA from continuing operations both improved despite having less revenue in the second quarter of this year as compared to last year. The improved performance tells me the changes we have introduced over the past eighteen months are having a positive impact. I am encouraged by the improvements in Canadian revenue and the opportunities we have identified for our equipment which is well positioned for use in unconventional gas plays”.

Selected Comparative Financial Information

The following is a summary of selected financial information of the Corporation:

	Three Months Ended June 30			Six Months Ended June 30		
	2010	2009	Change	2010	2009	Change
\$ millions (except per share amounts)						
Revenue - Canada	5.1	2.2	2.9	17.8	15.1	2.7
- International	17.3	29.0	(11.7)	39.2	57.9	(18.7)
- total	22.4	31.2	(8.8)	57.0	73.0	(16.0)
Net earnings (loss) from continuing operations	3.3	(3.1)	6.4	7.2	(0.5)	7.7
Per share (basic and diluted)	\$0.02	\$(0.07)	\$0.09	\$0.07	\$(0.01)	\$0.08
Net earnings (loss)	3.2	(2.6)	5.8	7.0	(0.7)	7.7
Per share (basic)	\$0.02	\$(0.06)	\$0.08	\$0.07	\$(0.01)	\$0.08
EBITDA⁽¹⁾ - continuing operations	6.2	4.9	1.3	15.6	14.9	0.7
- discontinued operations	(0.1)	1.5	(1.6)	(0.2)	2.1	(2.3)
- total	6.1	6.4	(0.3)	15.4	17.0	(1.6)
Operating earnings						
- continuing operations	4.3	2.4	1.9	11.7	9.8	1.9

(1) EBITDA is a Non-GAAP measure

Overview of Results for Three Months Ended June 30, 2010

On April 30, 2010 the Corporation completed a series of restructuring transactions to reduce debt levels and extend the senior credit facility. As part of the restructuring transactions, the Corporation issued a total of 169,280,257 common shares. The restructuring transactions resulted in a gain of \$2.7 million being recorded. As part of the restructuring transactions, the Corporation converted its senior debt into a one year term loan facility with a maturity date of April 30, 2011. On closing, the principal amount of the term loan facility was \$43.9 million.

From an operating perspective, oil and gas drilling activity in Canada was at higher levels in the second quarter of 2010 compared to the same period in 2009 and the prices that the Corporation could charge for its services in Canada remained relatively stable as compared to pricing declines seen in the last three quarters. The Corporation's international activity is primarily in Papua New Guinea where services are provided under longer term contracts and are less affected in the short term by fluctuations of oil and gas prices. Revenue in Papua New Guinea was down compared to 2009 as a result of only one drilling rig actively operating in 2010.

The Corporation generated \$22.4 million in revenue from continuing operations during the quarter ended June 30, 2010; a decrease of \$8.8 million (28%) from revenue of \$31.2 million in the quarter ended June 30, 2009. Second quarter results in Canada were better than expected as activity levels benefited from the extension of first quarter completions work into the second quarter, an overall increase in year-over-year industry activity and the Corporation's first call status with two major Canadian customers. Revenue from the Canadian operations was \$5.1 million during the second quarter of 2010 which was a 132% (\$2.9 million) increase over the 2009 second quarter revenue of \$2.2 million.

Revenue from continuing international operations decreased by \$11.7 million (40%) to \$17.3 million for the quarter ended June 30, 2010 as compared to revenue of \$29.0 million during the quarter ended June 30, 2009. The decrease in revenue is mainly attributable to the Corporation's hydraulic workover rig in Papua New Guinea not operating during 2010 and only one drilling rig operating at any one time during the second quarter of 2010 while in the second quarter of 2009 the Corporation was operating two drilling rigs throughout the quarter and its hydraulic workover rig for most of the quarter.

In the second quarter of 2009, the revenue generated by Optimal Pressure Drilling Services (Optimal) accounted for \$3.4 million of the \$3.9 million of discontinued revenue reported in the period. The Corporation sold its investment in Optimal during September, 2009.

The cost reduction initiatives taken in 2009 continue to help the control expenses and lessen the impact of revenue reductions on operating earnings. Operating earnings from continuing operations was \$4.3 million for the quarter ended June 30, 2010 as compared to \$2.4 million in the quarter ended June 30, 2009. Continuing operations had EBITDA of \$6.2 million in the second quarter of 2010 compared to \$4.9 million in the second quarter of 2009. The Corporation recorded net earnings of \$3.2 million (\$0.02 per share) in the second quarter of 2010, as compared to a net loss of \$2.6 million (\$0.06 per share) in the same period of 2009. The net earnings of \$3.2 million for the quarter ended June 30, 2010 includes a \$2.7 million net gain recognized on the restructuring transactions.

The cash and cash equivalents balance decreased by \$7.7 million to \$19.9 million at June 30, 2010 as compared to \$27.6 million at December 31, 2009, largely as a result of a \$10 million payment made against the senior credit facility principal and outstanding fees. Excluding changes in working capital, cash provided by operating activities from continuing operations in the quarter ended June 30, 2010 was \$0.4 million, compared to \$0.7 million in the quarter ended June 30, 2009. Capital spending was \$1.3 million for the second quarter of 2010 which was primarily for new revenue generating assets for the Papua New Guinea operations.

Overview of Results for Six Months Ended June 30, 2010

Revenue from continuing operations decreased by \$16.0 million (22%) to \$57.0 million in the six months ended June 30, 2010, as compared to revenue of \$73.0 million during the same period of 2009. Canadian revenue increased by \$2.7 million (18%) to \$17.8 million for the six months ended June 30, 2010 as compared to \$15.1 million during the six months ended June 30, 2009. The increase in revenue in Canada is mainly the result of increased industry activity. In the first half of 2010, there was an average of 293 active drilling rigs as compared to an average of 213 active drilling rigs in the first half of 2009.

Revenue from continuing international operations decreased by \$18.7 million (32%) from \$57.9 million during the first half of 2009 to \$39.2 million during the first half of 2010. This reduction was the result of the hydraulic workover rig in Papua New Guinea being on a stacked rate and not active during the first half of 2010 and only one drilling rig operating in Papua New Guinea during the first half of 2010 as compared to two drilling rigs and the hydraulic workover rig operating in the first half of 2009.

There was no revenue generated from discontinued operations in the first half of 2010 as compared to \$8.7 million in revenue during the first half of 2009. The 51% interest in Optimal Pressure Drilling Services, which was sold in the third quarter of 2009, accounted for \$7.4 million of the \$8.7 million of revenue from discontinued operations reported in the period.

The Corporation recorded net earnings of \$7.0 million (\$0.07 per share) in the six months ended June 30, 2010, compared to a net loss of \$0.7 million (\$0.01 per share) in 2009. The 2010 results benefited from a gain of \$2.7 million as a result of the restructuring transactions and from the ongoing benefit of lower interest and financing costs. Continuing operations had EBITDA of \$15.6 million in the six months ended June 30, 2010 compared to EBITDA of \$14.9 million during the same period of 2009. Operating earnings from continuing operations were \$11.7 million for the six months ending June 30, 2010; an increase of \$1.9 million from operating earnings of \$9.8 million for the same period of 2009. Cash provided by operating activities, excluding changes in working capital balances was \$6.2 million for the six months ended June 30, 2010 compared to \$7.2 million in 2009.

In addition to the \$6.8 million paid against loan principal in the second quarter of 2010, during the first quarter of 2010 the Corporation used the \$14.7 million from the sale of three rigs to reduce the senior debt of the Corporation. The senior debt level was \$43.9 million at June 30, 2010 as compared to \$65.4 million at December 31, 2009 and \$91.5 million at June 30, 2009. The reduction in debt and the completion of the restructuring transactions has resulted in interest and financing expense decreasing by \$2.7 million (45%) from \$6.0 million in the first six months of 2009 to \$3.3 million in the first six months of 2010.

Outlook

Crude oil prices have been more stable during 2010 than 2009, while natural gas prices, although they have stabilized over the past number of months, are still at levels where any significant increase in Canadian natural gas drilling activity is not expected. Current industry estimates are for approximately 11,500 wells to be drilled in Canada which is up approximately 3,000 wells from previous forecasts. However, most of this increase will be targeted towards oil wells. High Arctic's activity levels are impacted to a greater degree by natural gas drilling than oil well drilling. Management hopes to maintain the gain in market share realized in the first six months of 2010 due mainly to the first call status with two of the largest producers in Canada. Activity for High Arctic should continue to be strongest in the northern foothills areas of Alberta and in northeast British Columbia where the focus will be on providing services for non-conventional shale and tight gas plays. High Arctic has recently contracted one of its three UB 250K units as part of its efforts to expand its market in those areas, particularly completions of the deeper multi zone wells.

In Papua New Guinea, management believes that the 2010 activity levels for the Corporation will continue to be lower than the previous year. Several oil and gas companies have recently invested in Papua New Guinea which is leading to additional work during 2010. The Corporation recently signed an agreement with a new customer in Papua New Guinea to use Rig 103 to drill two wells with an option for up to an additional two wells. Mobilization of the rig has begun and it is estimated that drilling will begin in the fourth quarter of 2010. As a result, both Rig 103 and Rig 104 should be actively drilling during the fourth quarter of 2010. Rig 102 continues to be stacked with an uncertain call up date.

The primary contracts related to Papua New Guinea expire at the end of 2010 and the Corporation expects to commence renewal negotiations in the third quarter of 2010. It is too early to know if any new contracts will be subject to a competitive tender process.

Non-GAAP Measure

EBITDA (being earnings before the deduction of depreciation, amortization, interest expense, income taxes, gain on restructuring transactions and other items) is not a recognized measure under GAAP. Management believes that, in addition to net earnings, EBITDA is a useful supplemental measure of the Corporation's performance prior to consideration of how operations are financed or how results are taxed. Investors are cautioned that this should not be construed as an alternative to net earnings determined in accordance with GAAP as an indicator of the Corporation's performance. The Corporation's method of calculating EBITDA may differ from the methods used by other issuers and, accordingly, it may not be comparable to similarly titled measures used by other issuers.

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 in 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 global 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. International operations are currently active in Papua New Guinea.

Further Information

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