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HIGH ARCTIC EARNS \$7.3 MILLION FOR THE FIRST QUARTER

Red Deer, Canada – June 2, 2011 High Arctic Energy Services Inc. (TSX: HWO) (“High Arctic” or the “Corporation”) today announced its results for the quarter ended March 31, 2011.

High Arctic achieved EBITDA of \$10.5 million during the quarter. Commenting on the results, Bruce Thiessen, High Arctic’s CEO said “I am pleased with the strong financial results for the first quarter for both Canada and Papua New Guinea. We continue to see strong demand for our services as the Canadian industry continues to target liquids rich gas to counter the impact of weak natural gas prices. With our new financing facility in place, we can take advantage of emerging opportunities to build on our momentum.”

Selected Comparative Financial Information

The following is a summary of selected financial information of the Corporation. All figures are presented in accordance with the International Financial Reporting Standards (“IFRS”):

\$ millions (except per share amounts)	Three Months Ended March 31			Year ended December 31
	2011	2010	Change	2010
Revenue	35.9	34.6	1.3	119.3
Net earnings for the period	7.3	4.5	2.8	14.5
per share (basic)	\$0.03	\$0.10	(\$0.07)	\$0.09
per share (diluted)	\$0.03	\$0.08	(\$0.05)	\$0.09
Cash flow provided by operating activities⁽¹⁾	10.4	6.4	4.0	22.6
Operating earnings from continuing operations	9.2	8.1	1.1	24.6
EBITDA⁽²⁾	10.5	10.0	0.5	33.3

(1) Cash flow provided by operating activities is defined as cash provided by continuing operating activities before the net change in non-cash operating assets and liabilities.

(2) EBITDA is a non-GAAP measure.

Highlights for First Quarter of 2011

- EBITDA increased by \$0.5 million (5%) to \$10.5 million for the quarter ended March 31, 2011 as compared to EBITDA of \$10.0 million for the quarter ended March 31, 2010.
- Net earnings for the period were \$7.3 million (\$0.03 per share) for the first quarter of 2011, an increase of \$2.8 million over net earnings of \$4.5 million (\$0.10 per share) for the same period of 2010.
- Cash generated by operating activities from continuing operations during the first quarter of 2011 improved by \$4.0 million (62%) to \$10.4 million as compared to \$6.4 million generated in the first quarter of 2010.
- The Corporation's financial position continued to improve in the first quarter of 2011 as debt was reduced by \$12.8 million to \$23.7 million as at March 31, 2011. The positive working capital balances of \$27.4 million exceeded the debt by \$3.7 million.
- The Canadian business continued to show improvement as revenue increased by \$2.9 million (23%) to \$15.6 million during the first quarter of 2011 as compared to revenue of \$12.7 million during the first quarter of 2010. Revenue from international operations was \$20.3 million during the quarter ended March 31, 2011 which was a decrease of \$1.6 million (7%) from the \$21.9 million for the first quarter.

Overview of Results for the Three Months Ended March 31, 2011

Canadian drilling activity continued to improve during the first quarter of 2011 which increased the demand for the Corporation's services, especially for High Arctic's nitrogen services which saw strong utilization rates. While much of the increased industry activity was targeted at oil, the industry also focused on liquids rich gas resulting in an increase of 11% in gas well completions during the first quarter of 2011 as compared to the same period of 2010. As a result of the stronger demand, the prices that the Corporation could charge for its services in Canada improved somewhat and the Corporation's overall equipment utilization rates was a healthy 77%. The Corporation's revenue decreased marginally in Papua New Guinea primarily as a result of some pricing concessions granted in the recent contract renewals.

The Corporation generated \$35.9 million in revenue from continuing operations during the quarter ended March 31, 2011; an increase of \$1.3 million (4%) from revenue of \$34.6 million in the quarter ended March 31, 2010. Revenue from the Canadian operations was \$15.6 million during the first quarter of 2011 which was a \$2.9 million (23%) increase over 2010 first quarter revenue of \$12.7 million. Revenue from international operations decreased by \$1.6 million (7%) to \$20.3 million for the quarter ended March 31, 2011 as compared to revenue of \$21.9 million during the quarter ended March 31, 2010.

The Corporation recorded net earnings of \$7.3 million (\$0.03 per share) in the first quarter of 2011, as compared to net earnings of \$4.5 million (\$0.09 per share) in the same period of 2010. The 2011 results include a \$2.0 million gain on the sale of an investment.

The cash and cash equivalents balance decreased \$4.9 million to \$19.4 million at March 31, 2011 as compared to \$24.3 million at December 31, 2010. The decrease was due to a \$12.8 million loan repayment. After consideration of working capital adjustments, cash provided by operating activities in the quarter ended March 31, 2011 was \$10.0 million, compared to cash provided by operating activities of \$6.5 million in the quarter ended March 31, 2010. Net capital expenditures to acquire rigs, equipment and other operational assets were \$1.7 million for the first quarter of 2011 which included maintenance capital projects in Canada and new revenue generating assets for the Corporation's Papua New Guinea operations. This compares to capital spending of \$1.1 million in the first quarter of 2010 which was primarily for new revenue generating assets for the Papua New Guinea operations.

The credit facility was reduced by \$12.8 million in the first quarter of 2011 to \$23.7 million at March 31, 2011 down from \$36.5 million at December 31, 2010. Management also worked on a new credit facility that was successfully completed after March 31, 2011 and resulted in a new \$20 million term loan facility for the Corporation.

Outlook

Canadian exploration and development activity in the unconventional natural gas and oil plays gained further momentum in the first quarter of 2011 with continued focus on the use of horizontal wells incorporating multi-stage completions. The shift towards oil and liquids-rich gas completions activity became more prominent due to the strong oil and natural gas liquids prices. Overall, the price of crude oil and natural gas liquids is anticipated to remain strong. The favourable market conditions in Canada should help to improve the day rates and other pricing for the Corporation's services.

High Arctic's activity levels are impacted to a much greater degree by natural gas drilling than oil well drilling. Management is not anticipating a meaningful increase in the price of natural gas during 2011 which will continue to hamper natural gas well drilling activity, especially in the conventional natural gas areas. However, overall stronger demand for the Corporation's services in Canada is supported by the Petroleum Services Association of Canada's drilling forecast of 12,950 wells to be drilled across western Canada in 2011, of which an increasing proportion is projected to be the multi stage completion horizontal wells. Completions activity in the Montney and deep basin plays of northwest Alberta and northeast British Columbia is expected to remain robust in 2011 as these regions are amongst the most economic natural gas plays in North America and are generally rich in natural gas liquids.

The Corporation is in a relatively strong position given its relationships and first call commitments with some of the natural gas industry's most active operators. The Corporation has equipment that is well suited for the growing activity in shale gas plays and for longer lateral horizontal wells that are becoming more prevalent. Management hopes to maintain recent gains in market share and remains focused on maintaining a competitive cost structure, improving operating efficiencies and increasing its workforce to activate underutilized equipment.

In Papua New Guinea, High Arctic has recently signed new contracts with its major customer for Rig 102 and Rig 104 along with the related drilling support contracts that run into late 2013, subject to certain cancellation rights. Those contracts provide a significant base level of activity to support the operations in the country. Rig 104 is expected to operate continuously throughout 2011. Rig 102 is being substantially upgraded and should be ready to commence operations in June, 2011. The Corporation is also providing drilling services with Rig 103 to other customers in Papua New Guinea on a well to well basis, having completed one well during the first quarter and more recently drilling a well for another customer. The rig is currently moving off that latest drilling location. The Corporation hopes to negotiate a renewal contract for Rig 103, though it is likely the rig will be stacked following completion of the well being drilled during the second quarter.

High Arctic provides drilling support equipment on a rental basis to several other customers in Papua New Guinea. The Corporation sees opportunities to expand that business line through additions to its rental fleet.

Non-GAAP Measure

EBITDA (being earnings before the deduction of depreciation, amortization, interest expense, income taxes, and other items) is not a recognized measure under IFRS. 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 IFRS 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, 2010 and the Annual Information Form for the year ended December 31, 2010 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

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