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High Arctic Announces Rig 103 Contract extension

Red Deer, Canada – August 11, 2011 – High Arctic Energy Services Inc. (TSX: HWO) (“High Arctic” or the “Corporation”) is pleased to report that it has signed a contract extension for Rig 103. The contract extension extends the term for approximately 2 ½ years to December 17, 2013, which coincides with the term of Rig 104 and the related drilling support services contract.

Rig 103 is a heli-portable drilling rig operated by High Arctic in Papua New Guinea. The rig is owned by High Arctic’s principal customer in the country and is leased to High Arctic. The term of the lease is also being extended to match the extension of the drilling contract. High Arctic has operated Rig 103 in Papua New Guinea since 2007. The rig has been active throughout the first half of 2011 drilling wells for two new customers in Papua New Guinea. The last well was completed in late June and the rig is currently being prepared for mobilization to a new drilling location for further work with our principal customer expected to begin later in the third quarter.

Rig 103 will share drilling activity with Rig 104 for the balance of 2011 and into 2012 with only one of the rigs likely to operate at any one time. That situation is the same as was experienced for much of 2010. The extension grants the customer the benefit of a lower warm stacking rate for one of the rigs whenever either of the rigs is not active. A lower cold stacking rate has also been established for Rig 103 if the rig was to be stacked for a longer period, but at this time High Arctic does not anticipate such a scenario.

The customer has also contracted High Arctic’s 160 ton Kobelco crane for a minimum of six months. That crane was purchased new by High Arctic earlier this year and has completed a six month commitment with another customer. The lifting capacity and extended reach of the crane make it well suited for areas where access can be a problem such as unloading barges at riverside locations. The crane is being deployed to a staging area for the next well to be drilled by Rig 103.

Commenting on the contract signings, Kevin Doran, Vice President, International Operations, said “The Rig 103 contract extension is a further demonstration of commitment from our key customer and provides High Arctic with additional operational visibility. The crane contract confirms my expectation that a crane of this type will be well received by operators and will prove an important asset in our growing rental fleet.”

As previously announced, High Arctic has completed an upgrade of its Rig 102 hydraulic workover rig. Rig 102 commenced work on its first well in July 2011 under a three year contract that runs to May, 2014.

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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