HIGH ARCTIC ENERGY SERVICES

NEWS RELEASE

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High Arctic Announces 2012 Capital Budget and Financial Update

Red Deer, Canada – February 1, 2012 – High Arctic Energy Services Inc. (TSX: HWO) ("High Arctic" or the "Corporation") is pleased to announce that its Board of Directors has approved a total capital budget of $23 million for 2012, an indication of the Company's positive outlook for growth opportunities and anticipated continued strong cash flows. Growth capital expenditures are expected to be $16 million, and maintenance capital expenditures are budgeted at $7 million. Capital expenditures are anticipated to be funded from operating cash flow.

Growth capital spending is intended to be focused primarily on adding to the Corporation's equipment rental fleet as well as the expansion of existing service offerings. Capital spending plans may be adjusted in in accordance with changes in market conditions or on the ability to secure contracts with acceptable returns.

Fourth Quarter

High Arctic has experienced strong activity levels in its Canadian operation in the fourth quarter. Revenue in Canada is expected to range between $15 million and $16.0 million, or more than a 30% increase over the fourth quarter of 2010. For the year, revenue in Canada is anticipated to range between $46 million to $48 million. The improvement in revenue reflects the strong demand for the Corporation's services in the unconventional shale gas and liquid rich plays and the benefit of improved day rates. Adjusted EBITDA(1) for the fourth quarter on a consolidated basis is anticipated to range between $11 million and $12 million, which would result in total Adjusted EBITDA(1) for 2012 of $33 million to $34 million. These results are based on management's review of the internally prepared preliminary operating results for the year ended 2011 and are subject to the review and approval of the Corporation's auditor and Board of Directors. The Corporation is expected to release its year end audited Consolidated Financial Statements on or about March 15, 2012.

Forward-Looking Statements

This news release may contain forward-looking statements relating to expected future events and anticipated financial and operating results of the Corporation, including for the fourth quarter and year ended December 31, 2011, 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 unanticipated adjustments to the fourth quarter and year-end operating results which could occur as a result of the year-end audit process, 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.

(1) Readers are cautioned that Adjusted EBITDA does not have standardized meanings prescribed by IFRS. Adjusted EBITDA is defined as net earnings before interest, income taxes, depreciation, stock based compensation and foreign exchange gains or losses.

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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