



NEWS RELEASE

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High Arctic Announces \$155-Million Financing

Fully underwritten by GE Energy Financial Services affiliate

Red Deer, Canada – July 6, 2007 . High Arctic Energy Services Inc. (TSX: HWO) ("High Arctic"), an international oilfield services company, has secured a commitment on a fully underwritten basis for up to \$155 million of financing from a Canadian affiliate of GE Energy Financial Services. The financing is comprised of up to an \$80 million senior secured revolving credit facility and up to US\$75 million of senior second lien loans.

This financing will be used to refinance High Arctic's credit facility, in which the GE Energy Financial Services affiliate served as agent, and to fund working capital and future opportunities. The GE Energy Financial Services affiliate will also provide \$20 million in bridge financing until the new financing is completed.

The senior secured revolving credit facility is for an initial term of 364 days and amounts available to be drawn are based upon a borrowing base calculation that includes eligible accounts receivable and equipment. The revolving facility bears interest at prime plus 0.8%. The senior second lien notes have a term of 5.5 years, are repayable upon maturity, callable and bear interest at a rate of LIBOR plus 8%. The revolving credit facility and senior second lien loans are secured in a manner customary for such debt.

In securing these expanded commercial debt facilities, High Arctic has withdrawn the previously announced US\$130 million proposed bond financing from the market.

"High Arctic is pleased to have this committed financing from GE Energy Financial Services," said Jed Wood, President and Chief Executive Officer of High Arctic. "I am confident that we have a stable financial platform that allows us to pursue our long-term international growth strategy."

Forward-Looking Statements

This news release may contain forward-looking statements relating to expected future events and financial and operating results of the Company 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 the Company's MD&A and Annual Information Form available on SEDAR. Due to the potential impact of these factors, the Company 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.



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About High Arctic

High Arctic, through its subsidiaries, is a global provider of specialized oilfield equipment and services, including drilling, completion and workover operations. High Arctic's new underbalanced drilling technology and equipment is recognized for its ability to improve oil and gas production capabilities and is expected to develop greater acceptance in international markets. Based in Red Deer, Canada, High Arctic has Canadian operations in Alberta, British Columbia and the Northwest Territories. International operations are currently active in the Middle East and Asia.

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Further information:

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The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.