

PRESS RELEASE

**ARSENAL ENERGY INC.
(TSX – AEI)(FRANKFURT – A1E)**

**ARSENAL ENERGY RELEASES RESULTS FROM ITS EVI DRILLING
PROGRAM**

FOR IMMEDIATE RELEASE

Calgary, Alberta, September 21, 2007, 4:00 EDT- Arsenal Energy Inc. is pleased to announce that it has completed its three well drilling program at Evi in northern Alberta. Drilling costs have come in 20% under budget and all 3 wells have been cased. The first well (100% working interest) has been completed in the Slave Point formation and swab tested at 150 bbls/d of light sweet crude. The second well (30% working interest) has log indicated oil pay in the Granite Wash, Gilwood and Slave Point formations. Completion operations are scheduled to begin within a week. The third well (50% working interest) has been cased with log indicated pay in the Granite Wash formation. All three wells are scheduled to be on production by early in the fourth quarter. Arsenal has increased its acreage position in the Evi area to 1488 net acres from 696 acres at year-end 2006.

Arsenal is an aggressive junior oil and gas company engaged in the exploration, development, and production of oil and natural gas in western Canada, North Dakota, U.S.A. and Egypt. Arsenal's common shares trade on the Toronto Stock Exchange under the symbol "AEI", and on the Frankfurt Exchange under the symbol "A1E".

Certain statements in this material may be "forward looking statements" including outlook on oil and natural gas prices, estimates of future production, estimated completion dates of acquisitions and construction and development projects, business plans for drilling and exploration, estimated time and amount of capital expenditures and anticipated future debt levels and royalty rates. Information concerning reserves contained in this material may also be deemed forward looking statements as such statements involve the implied assessment the resources can be profitably produced in the future. These statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties, which could cause the actual results to differ from those anticipated from Arsenal.

FOR FURTHER INFORMATION PLEASE CONTACT:

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