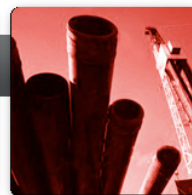




Arsenal Energy Inc.

*BACK TO GRASS ROOTS EXPLORATION*



## **ARSENAL ENERGY INC. ANNOUNCES NORMAL COURSE ISSUER BID**

**Calgary, Alberta, October 14, 2008** - Arsenal Energy Inc. (“Arsenal” or the “Corporation”) announces that it intends to purchase for cancellation up to 4,539,307 of its common shares by way of a normal course issuer bid (NCIB) through the facilities of the Toronto Stock Exchange. The 4,539,307 shares represent approximately 4.5% of the number of 101,409,646 currently issued and outstanding common shares for the Corporation. In accordance with the rules of the Toronto Stock Exchange the daily repurchase limit under the NCIB is 40,463 shares.

The purchases may commence on October 16, 2008 and will terminate on October 15, 2009, or on such earlier date as the Corporation may complete its purchases pursuant to a notice of intention to be filed with the Toronto Stock Exchange or provide notice of termination. Purchases will be made by Arsenal in accordance with applicable regulatory requirements and the price which Arsenal will pay for any such common shares will be the market price of such shares at the time of acquisition. All purchased common shares will be cancelled.

Arsenal believes that the market price of its common shares could be such that their purchase may be an attractive and appropriate use of corporate funds in light of potential benefits to remaining shareholders.

To the knowledge of the directors and officers of the Corporation, no director or officer, associate of a director or officer of the Corporation, nor any person holding 10 percent or more of the common shares has any present intention to sell common shares during the period of the NCIB.

### **Forward-Looking Information**

This press release contains “forward looking information” (as defined in applicable Canadian securities legislation) that is based on expectations, estimates and projections as of the date of this press release. Examples of such forward looking information in this press release include, but are not limited to factors relating to the business, financial position, operations and prospects of Arsenal, which are subject to significant risks and uncertainties. Forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Arsenal to be materially different from any future results, performance or achievements expressed or implied by the forward looking information in this press release.

We have no intention to update this forward looking information, except as required by applicable securities law. This forward looking information should not be relied upon as representing our views as of any date subsequent to the date of this press release.

For more information please contact Tony van Winkoop, President and Chief Executive Officer of the Corporation, 1900, 639-5<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 0M9, by telephone at (403) 262-4854, by fax at (403)-265-6877, by Internet at: [www.arsenalenergy.com](http://www.arsenalenergy.com) or by e-mail: [info@arsenalenergy.com](mailto:info@arsenalenergy.com).