

## **Arsenal Energy Announces \$5.5 Million Equity Financing**

Calgary, Alberta – November 30, 2009 – Arsenal Energy Inc. (TSX: AEI) (“Arsenal”) is pleased to announce that it has entered into an agreement with Wellington West Capital Markets Inc. (the “Agent”) to complete a private placement financing (the “Offering”) of up to 8,000,000 common shares (“Common Shares”) at a price of \$0.50 per Common Share and up to 2,500,000 flow-through common shares (“Flow-Through Shares”) at a price of \$0.60 per Flow-Through Share for aggregate gross proceeds of up to \$5,500,000.

The gross proceeds from the sale of the Flow-Through Shares will be used to incur Canadian Exploration Expenses (“CEE”) for the purposes of the Income Tax Act (Canada) and such CEE will be renounced for the 2009 taxation year. The net proceeds from the sale of the Common Shares will be used to fund Arsenal’s ongoing capital program and for general working capital purposes. All securities issued in connection with the Offering will be subject to a four month hold period. The Offering is scheduled to close on or about December 17, 2009 and is subject to the completion of formal documentation and regulatory approval, including the conditional approval of the Toronto Stock Exchange. Arsenal has engaged the Agent to act as the agent for the Offering. In consideration for their services, the Agent will receive a cash commission. For further details on the Offering please contact either Arsenal or the Agent at the contact information provided below.

Arsenal is a junior oil and gas company engaged in the exploration for, and development and production of natural gas and oil reserves primarily in Alberta, Saskatchewan and North Dakota. Arsenal’s common shares trade on the Toronto Stock Exchange under the symbol “AEI”.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities of Arsenal in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities to be offered have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold within the United States or to or for the account or benefit of a U.S. Person absent registration or an applicable exemption from the registration requirements of such Act or laws.

Certain statements and information contained in this press release, including but not limited to statements regarding the expected closing date and the amount and use of proceeds contain forward-looking statements. All statements other than statements of historical fact may be forward looking statements. These statements, by their nature, are subject to numerous risks and uncertainties, some of which are beyond Arsenal’s control including the effect of general economic conditions, industry conditions, changes in regulatory and taxation regimes, volatility of commodity prices, escalation of operating and capital costs, currency fluctuations, the availability of services, imprecision of reserve estimates, geological, technical, drilling and processing problems, environmental risks, weather, the lack of availability of qualified personnel or management, stock market volatility, the ability to access sufficient capital from internal and external sources and competition from other industry participants for, among other things, capital, services, acquisitions of reserves, undeveloped lands and skilled personnel that may cause actual results or events to differ materially from those anticipated in the forward looking statements. Such forward-looking statements although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated in the statements made and should not unduly be relied on. These statements speak only as of the date of this press release. Arsenal does not intend and does not assume any obligation to update these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. Arsenal’s business is subject to various risks that are discussed in its filings on the System for Electronic Document Analysis and Retrieval (SEDAR).

For further information on Arsenal, please visit our website at [www.arsenalenergy.com](http://www.arsenalenergy.com), e-mail [info@arsenalenergy.com](mailto:info@arsenalenergy.com) or contact:

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