

ARSENAL ENERGY INC.
(TSX – AEI)
Arsenal Energy Provides Operational Update

CALGARY – March 1, 2010 – Arsenal Energy Inc. (“**Arsenal**”) (TSX:AEI) is pleased to announce that it has completed its winter drilling program at Evi. The drilling program has resulted in 5 (2.5 net) new oil wells. Also, 3(1.5 net) existing wells were recompleted. Total net current production additions from the program are 175 bbls/d. A further 120 bbls/d of net production from Evi is behind pipe and should be on stream before the end of March. Current corporate production is estimated at 2350 bbls/d.

Arsenal has received 2 drill notices from Continental Resources for new wells at Lindahl, North Dakota, targeting the Three Forks formation. A directly offsetting Three Forks well drilled last year had initial production of 1400 bbls/d and is still producing at 400 bbls/d after 8 months. The first well (Arsenal 34.4% WI) is scheduled to spud on March 11, 2010. The second well (Arsenal 12.5% WI) is scheduled to spud April 1, 2010.

Arsenal has also received notices for 2 new Bakken drills at Stanley, North Dakota. The first well (Arsenal 14% WI) is operated by EOG and spud on February 22, 2010. The second well (Arsenal 35% WI) is scheduled to spud on March 15, 2010 and will be operated by Murex Resources. The wells offset an Arsenal well drilled in November 2008 that had an initial production rate of 1200 bbls/d and is still producing at over 200 bbls/d after a full year.

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 and North Dakota, U.S.A. Arsenal’s common shares trade on the Toronto Stock Exchange under the symbol “AEI”.

For further information on Arsenal, please visit our website at www.arsenalenergy.com, e-mail info@arsenalenergy.com or contact:

Tony van Winkoop, President and Chief Executive Officer of Arsenal at:

Telephone: (403) 262-4854
1900, 639-5th Avenue SW
Calgary, AB
T2P 0M9