

ARSENAL ENERGY INC.
(TSX – AEI)

Arsenal Energy Inc. Releases Amy Elizabeth Bakken Test Results

CALGARY, August 11, 2011 – Arsenal Energy Inc. (“Arsenal”) (TSX: AEI) is pleased to release the flow test results of the Amy Elizabeth Bakken well at Stanley, North Dakota. The well has been completed and stimulated with a 22 stage frack. Over a 24 hour test period the well flowed at a rate of 1,162 bbls/d of 45 API crude on a ½ inch choke with a flowing pressure of 720 psi. Arsenal operates the Amy Elizabeth well and participated for a 62% WI. The Amy Elizabeth is equipped for flowing production and has commenced sales.

Arsenal has started permitting three additional North Dakota Bakken operated drills, the Gjoa Lynn (50% WI), the Anthony Robert (80 % WI), and the Wade Morris (80% WI). It is anticipated that Arsenal will start drilling this 3 well program in October.

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”.

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Advisory

Certain statements and information contained in this press release, including but not limited to management’s assessment of Arsenal’s future plans and operations, production, reserves, revenue, commodity prices, operating and administrative expenditures, funds from operations, capital expenditure programs and debt levels 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).

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