



Arsenal Energy Inc.

Arsenal Energy Inc. Releases Operational Update

CALGARY, Sept 15, 2011- Arsenal Energy Inc. (TSX: AEI) (PNK: AEYIF.PK)

At Stanley, North Dakota, Arsenal as operator has mobilized a drilling rig to the Gjoa Lynn (50% working interest) Bakken horizontal well location and expects to spud this weekend. It is estimated that the well will take 22 days to drill. The drilling rig will then be released to another operator with the plan to return it to Arsenal in early winter to drill the Anthony Robert and Wade Morris Bakken horizontal wells. Arsenal has acquired additional interests in those two wells and now has an 80% working interest in each.

At Princess, in Southeast Alberta, Arsenal is licensing two horizontal wells targeting a Glauconite channel complex. Last year Arsenal cored the Glauconite and confirmed the presence of a 12 meter oil saturated channel sandstone with average porosity of 16% and permeability of 0.7 millidarcies. With success, 6 additional drills have been identified on 3D seismic. Arsenal expects to spud the first well in early October and has a 100% WI in the play.

At Edgerton, in Southeast Alberta, Arsenal is licensing a horizontal well to test the Leduc formation. Offsetting operators have initial production rates of 100 bbls/d of oil with reserves > 100,000 bbls/well. If successful, Arsenal has identified 7 additional development locations. Also, Arsenal has an interest in two additional structures of similar size. Arsenal expects to drill in early November and has a 100% WI in all of its Leduc play lands.

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Advisory

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