



Arsenal Energy Inc.

ARSENAL ENERGY INC. ANNOUNCES NORMAL COURSE ISSUER BID

Calgary, Alberta, June 16, 2011 - Arsenal Energy Inc. (TSX: AEI) (“Arsenal” or the “Corporation”) announces that it has made the necessary filings, and received the necessary approvals, to make a normal course issuer bid through the facilities of the Toronto Stock Exchange commencing June 20, 2011 and ending June 19, 2012, or on such earlier date as Arsenal may complete its purchases under the bid.

A total of 8,128,724 common shares may be acquired under the bid, representing approximately 5 percent of the 162,574,470 common shares outstanding as of June 14, 2011. Pursuant to section 628 of the TSX Company Manual, under the bid Arsenal is permitted to acquire up to 25 percent of the average daily trading volume or 105,669 common shares per day. Arsenal will acquire its common shares at the market price at the time of purchase, with acquired shares being cancelled.

Under its previous normal course issuer bid from May 31, 2010 to May 30, 2011, the Corporation purchased 2,859,918 of its common shares representing approximately 2.1% of the Corporation's outstanding common shares as at May 31, 2010, for an average price of \$0.81 per common share. In the opinion of Arsenal's Board of Directors, Arsenal common shares are, from time to time, undervalued by the market, and the cost of acquiring the shares is an expense prudently incurred by Arsenal to increase shareholder value.

To receive company news releases via e-mail, please advise info@arsenalenergy.com and specify “Arsenal Press Releases” in the subject line.

Forward-Looking Information

This press release contains “forward looking information” within the meaning of applicable 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 Arsenal's views regarding the market price of its common shares, its plans to undertake a normal course issuer bid and the objectives of the normal course issuer bid. These statements are subject to certain assumptions, risks and uncertainties including factors relating to the business, financial position, operations and prospects of Arsenal. 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 – 5th 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 or by e-mail: info@arsenalenergy.com.