



Arsenal Energy Inc.

Arsenal Energy Inc. Releases Brenlee North Dakota Test Results

CALGARY, July 19, 2011 – Arsenal Energy Inc. (“Arsenal”) (TSX: AEI) is pleased to release the flow test results of the Brenlee Bakken well at Stanley, North Dakota. The well has been completed and stimulated with an 11 stage frack. Over a 24 hour test period the well flowed at a rate of 1325 bbls/d of 42 API crude on a ½” choke with a flowing pressure of 690 psi. Arsenal operates the Brenlee well and participated for an 80% WI. The Brenlee is equipped for flowing production and will commence sales in a few days.

Frack equipment has been mobilized to the Amy Elizabeth two mile Bakken horizontal well. Completion operations should commence within the next few days. Arsenal operates the Amy Elizabeth well and has a 62% WI. Results will be released when available.

Arsenal has started permitting three additional North Dakota Bakken operated drills, the Gjoa Lynn (50% WI), the Anthony Robert (73 % WI), and the Wade Morris (73% WI). It is anticipated that Arsenal will start drilling this 3 well program in October. In addition, Arsenal anticipates that 2 non operated North Dakota Bakken wells with average working interests of 18% will be drilled by yearend.

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

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