

Arkanova Energy Corporation Provides Corporate Update

Arkanova Energy Corporation updates shareholders on Provident Energy of Montana, LLC and the progress of the horizontal Cut Bank Sand well Tribal-Max 1-2817. This letter can be found on the company's website.

Dear Shareholders,

For over the last four years, since the acquisition of Provident Energy of Montana, LLC in October of 2008, the company has been focused on rebuilding its infrastructure, re-commissioning wells and exploring deeper targets within the Two Medicine Cut Bank Sand Unit. The company currently has 31 producing wells, 22 of which were brought online over the last three and a half years resulting in increased lease production. Over the past year, the primary focus has been on successfully producing the horizontal well Tribal-Max 1-2817.

Tribal-Max 1-2817, the first successful horizontal well drilled in the Cut Bank Sand Formation, was drilled in September 2010 and completed with a six stage perf and frac in August 2011. The company has faced ongoing challenges in producing the well, but with continued efforts the company recently landed the pump in the horizontal section of the wellbore and anticipates confirmed production volumes in the near future. Along with all the challenges, this exploration well offered an abundant amount of information and knowledge which the company believes will assist in the development of a new drilling and completion program for the next well.

The company expects sustained growth in overall production with continued efforts to maximize on the expected potential of the horizontal Tribal-Max 1-2817, the reactivation of more wells and anticipated future drilling.

“With the good T.O.C. (Total Organic Carbon), high trip gas volumes and slip faulting found in the cores gathered from the vertical test of the Tribal-Max 1-2817 within the Alberta Basin Bakken structures, we believe we have one of the best prospects in the area.”

The company anticipates highlighting data in relation to the Alberta Basin Bakken and Cut Bank Sand structures at the NAPE Expo February 7th and 8th in Houston, Texas. The company is seeking partnership opportunities to drill a horizontal bakken well and or additional horizontal wells in the Cut Bank Sand Formation.

Sincerely,

Pierre Mulacek
President / CEO

About Arkanova Energy Corporation

Arkanova Energy is an exploration and junior production company engaged in the acquisition, exploration, and development of oil and gas properties. The company has secured working interest in three key North American areas in Montana, Arkansas and Colorado. The company relies on experience, science and proven growth strategies in order to continuously balance a risk/reward portfolio.

For more information, please visit www.arkanovaenergy.com

This corporate update contains projections and forward-looking information that involve various risks and uncertainties regarding future events. Such forward-looking information includes statements based on current expectations involving a number of risks and uncertainties and such forward-looking statements are not guarantees of future performance of the company, and include, without limitation, statements that: (i) the company anticipates confirmed production volumes in the near future; (ii) the belief that information from exploration activities may assist in the development of a new drilling and completion program for the company's next well; (iii) the expectation for sustained growth in overall production, the reactivation of more wells and anticipated future drilling; (iv) the belief that the company has one of the best prospects in the area; and (v) the anticipation that the company will highlight data in relation to the Alberta Basin Bakken and Cut Bank Sand structures at the NAPE Expo. There are numerous risks and uncertainties that could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward-looking information in this news release, including without limitation, the following risks and uncertainties: (i) delays in pursuing further drilling on its properties; (ii) inability to raise additional financings necessary to continue exploration efforts; (iii) general uncertainties and risks with respect to oil and gas exploration in general; (iv) decreased oil and gas prices; and (v) continued depressed market and economic conditions. Actual results and future events could differ materially from those anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, the company does not intend to update these forward-looking statements. The contents of this corporate update should be considered in conjunction with the risk factors and cautionary statements contained in the company's periodic filings with the Securities and Exchange Commission available at www.sec.gov.