

Arkanova Energy Corporation Moves Forward with Alberta Basin Bakken Test Well and Development of the TMCBSU

Our subsidiary, Provident Energy Associates of Montana, entered into a Purchase and Sale Agreement dated April 9, 2010, with Knightwall Invest, Inc.; Partnership will enable Arkanova Energy to test the Alberta Basin Bakken and move forward with an infield development and drill program.

Houston, TX—April 12, 2010—Arkanova Energy Corporation (OTCBB: AKVA): Our subsidiary, Provident Energy Associates of Montana, LLC, entered into a Purchase and Sale Agreement dated April 9, 2010, with Knightwall Invest, Inc., a British Virgin Islands corporation, pursuant to which Provident agreed to sell to Knightwall, and Knightwall agreed to purchase, 30% of the of the leasehold interests comprising Provident's Two Medicine Cut Bank Sand Unit in Pondera and Glacier Counties, Montana, and the equipment, parts, machinery, fixtures and improvements located on, or used in connection with, the Unit, for a purchase price of \$7,000,000 (the "Purchase Price"). The closing of the purchase and sale, which is subject to the payment in full of all installments of the Purchase Price and other conditions of closing, is scheduled to occur on August 6, 2010. There is no assurance at this time, however, that the closing will occur.

Knightwall is a lender to the registrant and it currently has an outstanding loan to the registrant of \$330,000 in principal amount bearing interest at the rate of 10% per annum and due and payable by the registrant on May 29, 2010, plus interest of \$33,000. The note will be renewed on May 29, 2010, in the amount of \$363,000 and then the total amount due (\$367,077.53, which includes accrued interest to the date of payment) will be paid in full from the portion of the Purchase Price to be paid by Knightwall on July 8, 2010.

The Purchase Price is payable in installments, with the initial payment of \$1,500,000 being due on or before April 9, 2010, a second payment of \$2,000,000 being due on June 8, 2010, a third payment of \$2,000,000 (\$367,077.53 of which Knightwall is entitled to apply to the payment in full of its loan to the registrant) being due on July 8, 2010, and the remaining \$1,500,000 being due at the closing of the purchase and sale. The April 9, 2010, payment due has been received. The net proceed from the purchase and sale will, among other things, be used by Provident to do the following:

- (i) Drill a well to be designated the "Tribal – Max 1– 2817 Well" down and into the Bakken formation to test that formation and then to come up-hole to drill and complete a horizontal leg in the upper and/or lower Cut Bank formations;
- (ii) If the test of the Bakken formation in the Tribal – Max 1– 2817 Well reflects the possible existence of hydrocarbons in sufficient volume to warrant the drilling and completion of a well in the Bakken formation, to drill and complete a well in the Bakken formation;
- (iii) If the test of the Bakken formation in the Tribal – Max 1– 2817 Well does not reflect the possible existence of hydrocarbons in sufficient volume to warrant the drilling and completion of a well in the Bakken formation, to drill and complete two (2) additional horizontal wells in the upper and/or lower Cut Bank formations;
- (iv) Reactivate tank battery 29 and to put into production eight (8) additional wells in the upper and/or lower Cut Bank formations; and
- (v) Cause 30,000 lb. diesel fracs to be performed on three (3) currently producing wells.

Provident Energy Associates of Montana operates the TMCBSU and was acquired by a subsidiary of Arkanova Energy Corporation in October, 2008.

About Arkanova Energy Corporation

Arkanova Energy Corporation 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.

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This press release contains projections and forward-looking information that involve various risks and uncertainties regarding future events. Such forward-looking information can include statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance of the company such as the statement that: (i) the infield drilling program is anticipated to spud its first horizontal infield sand well in June 2010; and (ii) the company expects to test prospective Alberta Basis Bakken Spanish/Three Forks and Lodgepole formations. 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, including: (i) delays with respect to the drill program; (ii) adverse market conditions; (iii) a decrease in demand for and price of oil; (iv) general uncertainties with respect to oil and gas exploration in general; and (v) the inability of the company to raise the financing necessary to carry out the exploration program. Actual results and future events could differ materially from those anticipated in such information. Except as required by law, the company does not intend to update such forward-looking information. The contents of this press release 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.