Aroway Energy Inc.
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Already Producing Both Oil and Gas at their Peace River Arch Property in Alberta, Aroway Energy Inc. is Positioned to Take Advantage of Increasing Oil as well as Gas Prices

Energy
Oil and Gas
(ARW-TSXV)

Christopher (Chris) Cooper
President and CEO

BIO:
Mr. Cooper has over fourteen years experience in oil and gas management and finance. Mr. Cooper earned a Bachelor of Business Administration degree from Hofstra University and an MBA in Business from Dowling College

Mr. Cooper co-founded several successful junior and intermediate oil and gas companies including Benchmark Energy Corp., Choice Resources Corp., Watch Resources Ltd. and Banks Energy Inc.

Company Profile:
Aroway Energy Inc. is a Western Canadian junior oil and gas production and exploration company participating in "non-operated" Peace River Arch oil and gas exploration prospects, through a joint venture partnership. All of the planned exploration and/or development wells to be drilled are defined by 3-D seismic, have multi-zone prospectivity and are close to the joint venture partner's owned and operated infrastructure.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com

CEOCFO: Mr. Cooper, would you tell us about Aroway Energy?
Mr. Cooper: Aroway Energy is a “non-operated” oil and gas company. We have a joint venture partner in the Peace River Arch area of Alberta, which is about 100 kilometers north of Grand Prairie. We are their partner and have access to approximately 79 sections of land in the red hot Peace River Arch area. All of the land is covered with extensive 3-D seismic. Our joint venture partner controls all of the infrastructure in the area and owns the processing plant in the area to transport our gas, oil and gas liquids into the Trans Canada pipeline.

CEOCFO: Why the decision to approach the industry in the non-operator manner?
Mr. Cooper: First of all, the Peace River Arch is host to several large risky deep type wells that are not cheap to drill. They are about 2,200 meters below the earth; you are down well over a mile below the surface of the earth trying to find prospective zones that contain hydrocarbons. These wells can cost up to $1 million and if you go ahead and drill these 100% on your own and you miss a couple, it does not take too long to burn through your treasury. The right thing to do would be to bring on a partner to lay off some of your risk and that is what our partner did; they allowed us in. We do not have the technical experience or the technical team to undertake this kind of work ourselves as operators, but our joint venture partner has a world class team that has operated in this area for several years. Therefore, we jumped at the opportunity, and especially because our partner owns all the infrastructure, we are guaranteed to have all of our production tied in immediately, and at a cost that is far more competitive than other companies in the area.

CEOCFO: What is happening today on the ground at the Aroway Energy Peace River Arch property?
Mr. Cooper: We just announced that one of our wells just turned to oil, meaning that it was producing gas for a couple of weeks, then oil started to come in along with the gas. It is still producing a small amount of gas, but at a much higher rate and more quantities of oil. That well in particular is doing very well and we are producing a couple other wells at this moment. We are just putting a service rig on some of the wells to test them and get them back up and running. As we said in our last news release, in the next couple of weeks we will be publishing our company production number, which I think our shareholders will be very excited about. Our year end production target is six hundred 600 boe a day of production net to Aroway.

CEOCFO: Did you know that the well you described would got from gas to oil so quickly or is that an unusual occurrence?
Mr. Cooper: All of our lands are covered with 3-D seismic. The technical team of our joint venture partner goes through the 3-D seismic and looks at other well bores in the area that are producing oil and then compares them to what we are looking to drill. They figured that for this particular

well, there was a good chance that it would turn to oil. Therefore, they had that inclination that it was going to eventually become an oil well and, sure enough, their science proved them to be correct, as it did go to oil. The good thing is that as you are drilling these wells, you can take that same seismic signature and compare it to other similar seismic signatures in your 3-D database. This will enable you to identify more of these types of oil wells. In this industry the more wells you drill, the more you learn about your property and the kind of formations that you are looking for. Therefore, we learned a lot from this most recent well.

CEOCFO: What is your two-minute take on energy, oil and gas?

Mr. Cooper: We are in a very good position, because if we had to do a production profile, I would say we are 50% oil and 50% gas, so we kind of have the best of both worlds. You are going to see the price of gas increase in the short-term, probably in the next quarter, so we are looking at $7 gas. That is my personal opinion, but I share that opinion from what I have read from other analysts and people who follow the commodity prices that do their research based upon that. Oil is trading around $90, so we are fortunate to be in the position where we are able to take advantage of the price of oil and gas, and I think the price of gas is going to increase here in the next little while.

CEOCFO: What is the financial picture like at Aroway today?

Mr. Cooper: We are going to be cash flowing probably close to $500,000 a month in the next couple of months based upon this well. We have about $2 million of outstanding share purchase warrants priced at about $0.20 that continue to be exercised. Money continues to come into the company, so right now we are in a good cash position to carry us through the summer and we are completing putting together our 2011 fall and winter drill program. Hopefully, we will have all our warrants exercised and our cash flow would be at the point where we will not lose step with our partner and at this point it does not look like we are going to. So we are in a good position.

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CEOCFO: Do you do much investor outreach?

Mr. Cooper: Absolutely! I still consider us to be a new company, as we have only been operating for less than a year since we drilled our first well in October of 2010. Therefore, we are really trying to get our name out there and undertake different programs. We are really trying get the information about our company to shareholders and new prospective shareholders.

CEOCFO: In closing, why should potential investors pick Aroway out of the crowd?

Mr. Cooper: We are in a unique situation in that we are a “non-operating” company. We have a joint venture partner that is first class and has had great success in the area. They are private, so in order to get into this play, I guess the best way to do it is to get into Aroway. We have grown from a four-section farm-in to access the 79 sections since October of 2010, which is crazy. We are surrounded by a bunch of majors like Birchcliff Energy, Canadian Natural Resources, Crescent Point Energy, Athabasca Oil Sands, which own land all around us and we have created a very large footprint in this really hot area and we are having a lot of success. I think we are a very attractive company and I think that right now we are severely undervalued, so right now we are a good buy.

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