

**ARBOUR ENERGY INC.**  
**Trading Symbol CNQ Exchange – ARBR**

**PRESS RELEASE**

**Financing Announced**

**Calgary, Alberta: August 5, 2005 – Arbour Energy Inc. ("Arbour" or the "Company")** is pleased to announce the following:

The current Series 1 preferred share financing is now fully subscribed at \$33,750,000. The Company plans to raise an additional \$26,250,000 by way of 12,500,000 Series 2 preferred shares priced at \$2.10 per share. These shares will be convertible to common shares on a 1.25 preferred for one common basis. The Series 2 preferred shares are for a term of 10 years and carry a cumulative dividend of 7.375%.

Arbour further announces that it has allocated 1,900,000 stock options pursuant to its stock option plan to directors, officers, employees and consultants. Each option entitles the holder to subscribe for one common share at \$.70 per share for a period of 5 years.

Arbour announces that Carol Hobbs, CA has joined the company as CFO. Carol brings a wealth of international experience in the areas of international administration and compliance.

Arbour is in negotiations to acquire an international oil and gas company with operations in Southeast Asia. At the present time no definitive agreement has been reached.

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