

10 September 2007

FOR IMMEDIATE RELEASE

**Share Purchase Plan Update**

The Directors of Arrow Energy N.L. ("Arrow" or "Company") are pleased to provide an update on the Company's Share Purchase Plan ("SPP").

The SPP formally closed on Wednesday 29 August 2007, with processing of received acceptances continuing for approximately 4 business days subsequent to that time, in accordance with the timetable previously issued.

Total funds raised from the SPP amount to approximately \$33.6 million following acceptances from 7,097 shareholders.

Under the terms of the SPP as previously issued to Eligible Shareholders, the issue price of the SPP shares will be the lower of :

- The issue price for the Share Placement as completed on 20 July 2007 (of \$2.35 per share); and
- The price calculated as the Placement Discount (of approximately 4.9%) applied to the Volume Weighted Average Price ("VWAP") for a period of 10 ASX trading days subsequent to the close of the SPP, commencing on or about 5 September 2007.

The Directors advise that the 10 day period for the VWAP price calculation commenced on 3 September 2007, and will be calculated based on the 10 ASX trading days commencing on 3 September 2007 (first trading day) and ending on 14 September 2007 (last trading day).

The SPP issue price will be advised by announcement to ASX on Monday 17 September 2007, with the allotment of shares being completed and the application for quotation of those shares on ASX scheduled to occur on Tuesday 18 September 2007. It is anticipated that Holding Statements will be dispatched to Shareholders on Friday 21 September 2007.

**Kerry J Parker**  
**Company Secretary**

**For further information contact:**

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