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FOR IMMEDIATE RELEASE

Arrow Farm-In To Additional Central Queensland Acreage

The Directors of Arrow Energy NL ("Arrow") are pleased to announce Arrow's election to exercise its option to farm-in to the CSG rights of Pure Energy Resources Limited's ("Pure Energy") Queensland tenement ATP 831P, in the Bowen Basin.

In June 2006, Arrow took a strategic shareholding stake in Pure Energy together with the right to farm-in to two of Pure Energy's coal seam gas tenements to earn up to a 50% interest in each. This election is for the second of those farm-in opportunities. On 12 October 2006, Arrow had previously announced its election to farm-in to ATP 759P.

The farm-in by Arrow into ATP 831P increases Arrow's total land position in Queensland to approximately 95,000 km².

Arrow made a seed capital investment of \$1 million in Pure Energy, acquiring 9 million ordinary shares and 9 million 30 cent options. Pure Energy listed on the ASX in September 2006 and Arrow secured a priority allocation in the IPO for Arrow shareholders.

Subsequent to Pure Energy's IPO raising, Arrow has a 14% shareholding in Pure Energy which could increase to up to a 25% shareholding interest if Arrow exercises all of its 9 million options in Pure Energy.

Pure Energy's project areas are close to existing infrastructure and growing energy markets with two of their tenements in the Bowen Basin near Arrow's Moranbah Gas Project tenement area.

The farm-ins will assist in and accelerate the development of both ATP759P, one of Pure's largest Queensland CSG tenements, together with ATP 831P, which combined give a total area of some 7,000 km² (Refer Figure 1). ATP759, is one of Pure Energy's largest Queensland tenements (6,207 km²) and is immediately adjacent to ATP 364P, which contains the Moranbah Gas Project. It is likely that the proposed pipeline connecting Moranbah to Gladstone will pass close to ATP 759.

Under the Farm-in Agreement, Arrow must spend a minimum \$500,000 in the first year of the agreement for which Arrow will be entitled to a 15% interest. A further 15% interest may be earned by Arrow spending a further \$700,000 during the second year of the agreement and a final 20% (total 50%) interest by spending an additional \$800,000 during the third year of the agreement.

ATP831P lies in the Northern Bowen Basin, between the towns of Blackwater to the west, Mount Morgan to the east and Moura to the south. The southern border of the tenement lies about 45km north of the Mungi CSG Field. The Wallumbilla to Gladstone pipeline lies just 30km to the south where the Dawson River, Nipan, Moura and Mungi CSG fields connect to this pipeline.

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The coal-bearing units in ATP831P are the Rangal/Baralaba Coal Measures which are high rank seams and are likely to contain high gas contents at depth. The Coal Measures are about 60 meters thick, and contain 4 or 5 seams, with one seam up to 3m thick. Three leads were previously identified in the tenement by Origin Energy (2003) Duinga, Don and Baralaba.

Kerry J Parker
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