

ASX Announcement



28 July 2008

Gas Supply to Incitec Pivot Ammonium Nitrate Plant

The Directors of Arrow Energy Ltd ("Arrow") congratulate Incitec Pivot Limited ("Incitec") on today's announcement of the recommencement of construction of the 330,000 tonne per annum ammonium nitrate plant located at Moranbah in the Bowen Basin.

Arrow's Gas Supply Agreement with Incitec is for 7 PJ p.a. of low pressure gas over a period of 15 years with first gas supply expected in 1st Qtr 2010. The ammonium nitrate produced from this plant will be used to supply Incitec's customers in the Bowen Basin coal fields.

Arrow's CEO Nick Davies said "Arrow is delighted that this key project has been re-started and that Arrow is able to supply gas to the plant which is located adjacent to the Moranbah Gas Project's compression plant. The local and low pressure delivery makes this an attractive project for Arrow".

Pursuant to the terms of the agreements Arrow has with AGL Energy Limited (AGL), AGL has the right to take up to a 50% interest in the GSA and the associated production areas.

For and on behalf of the Board

Paul Marshall
Company Secretary

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