

Appendix 5B Mining exploration entity quarterly report

Name of entity

ARROW ENERGY LTD

ACN or ARBN

73 078 521 936

Quarter ended ("current quarter")

31 March 2008

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months)* \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	32,635	47,544
1.2 Payments for (a) exploration and evaluation	-	-
(b) development	-	-
(c) production	(9,935)	(17,612)
(d) royalties	(586)	(2,022)
(e) administration	(1,787)	(5,521)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2,588	6,756
1.5 Interest and other costs of finance paid	(2,681)	(4,089)
1.6 Income taxes paid	-	-
1.7 - Other (provide details if material)	-	-
Net Operating Cash Flows	20,234	25,056
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	(2)	(9,111)
(c) other fixed assets	(2,121)	(3,158)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	(393)	(393)
1.11 Loans repaid by other entities	-	-
1.12 Other - security deposits	4	(11)
- Net payments for development	(24,017)	(51,622)
- Payments for exploration and evaluation	(7,807)	(22,842)
- Enertrade Business acquisition	-	(135,298)
- Investment and loan funds to Braemar 2 Power Station Partnership	(39,763)	(89,763)
Net investing cash flows	(74,099)	(312,198)
1.13 Total operating and investing cash flows (carried forward)	(53,865)	(287,142)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(53,865)	(287,142)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,119	285,034
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	70,000
1.17	Repayment of borrowings	-	-
1.18	Other	-	-
1.19	Other (provide details if material)		
	- Finance Lease payments	(642)	(2,816)
	- Share issue expenses	-	(9,271)
	Net financing cash flows	477	342,947
	Net increase (decrease) in cash held	(53,388)	55,805
1.20	Cash at beginning of quarter/year to date	145,185	35,992
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	91,797	91,797

* Note: Year to date figures include adjustments made to prior quarters consistent with accounting treatments adopted in audited reviewed half year accounts.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	225
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments made were for director fees, salary, superannuation and consultancy fees for executive directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	70,000	70,000
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	23,000
4.2 Development	23,000
Total	46,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	17,772	81,112
5.2 Deposits at call	74,025	64,073
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	91,797	145,185

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Number issued	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference ⁺ securities (description)	nil			
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 ⁺ Ordinary securities - fully paid	679,256,921	678,526,344		
7.4 Changes during quarter				
(a) Increases through issues				
- Option exercise 28/06/08 AOE18	350,001	350,001	0.29cents	
- Option exercise 28/06/08 AOE 19	401,001	401,001	0.39cents	
- Option exercise 28/06/08 AOE 20	369,179	369,179	0.49cents	
- Option exercise 28/06/09 AOE24	100,000	100,000	0.80cents	
- Share Placement	275,591	275,591	\$2.54	
- Share Purchase Plan				
- Employee Allotment				
(b) Decreases through returns of capital, buy-backs				
(c) Unlisted employee tranche shares cancelled				
Unlisted employee tranche shares allotted				
Unlisted employee tranche shares released				
Unlisted Securities				
- Employee incentive plan AOE 34	335,992	-	63.5cents	
- Employee incentive plan AOE 35	144,888	-	\$2.35	
- Employee incentive plan AOE 36	249,697	-	\$2.35	
7.5 ⁺ Convertible debt securities-	13,704,179	13,704,179		
7.6 Changes during quarter				
(a) Increases through issues				
- Interest Reinvestment Plan	1,899	1,899	40cents	
(b) Decreases through returns of capital, buy-backs or conversions	60,777	60,777	-	
7.7 Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
- to purchase one ordinary share AOE 18	249,999	Nil	29 cents	28/06/08
- to purchase one ordinary share AOE 19	448,998	Nil	39 cents	28/06/08
- to purchase one ordinary share AOE 20	1,294,518	Nil	49 cents	28/06/08
- to purchase one ordinary share AOE 21	1,040,000	Nil	60 cents	06/10/08
- to purchase one ordinary share AOE 22	200,000	Nil	40 cents	28/06/08
- to purchase one ordinary share AOE 23	200,000	Nil	50 cents	28/06/08
- to purchase one ordinary share AOE 24	1,602,466	Nil	80 cents	28/06/09
- to purchase one ordinary share AOE 25	517,000	Nil	75 cents	28/06/10
- to purchase one ordinary share AOE 26	517,000	Nil	85 cents	28/06/10
- to purchase one ordinary share AOE 27	516,000	Nil	95 cents	28/06/10
- to purchase one ordinary share AOE 31	13,356	Nil	55.2 cents	21/08/11
- to purchase one ordinary share AOE 33	1,139,500	Nil	57.2 cents	21/08/11
7.8 Nil				
7.9 Exercised during quarter	1,220,181	1,220,181		

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7.10	Expired during quarter - to purchase one ordinary share	Nil	Nil		
7.11	Debentures (<i>totals only</i>)	nil			
7.12	Unsecured notes (<i>totals only</i>)	nil			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 30th April 2008

Print name: ROBERT ANDREW RODGERS
 CHIEF FINANCIAL OFFICER

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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