



NEWS RELEASE
TSX-V: AOF

ARROW ENERGY LTD. ANNOUNCES SIGNIFICANT PROPERTY ACQUISITION

Calgary, Alberta, April 1st, 2008 /CNW/Arrow Energy Ltd. ("Arrow") is pleased to announce that effective February 8th, 2008 it had entered into a purchase and sale agreement for the acquisition of a producing property near its Peavine core area in northern Alberta (Gift Lake area) from a private company for total consideration of \$4.1 million. The acquisition will be funded by a combination of available bank lines and private investment. The transaction, which is effective October 1st, 2007, has now closed as of today, April 1st, 2008. As the transaction was made effective October 1st, 2007 the cash back to Arrow after adjustments at closing is approximately \$1.0MM.

Current production from the properties to be acquired amounts to approximately 97 barrels of oil equivalent per day ("boe/d"), consisting of 94 percent oil and six percent natural gas, which will bring Arrow's current total output to approximately 300 boe/d. The variation from our reported production for the third quarter of 2007 at 320 boe/d is mainly due to declines in existing wells and the shut-in of a non-operated well at Peavine for the 4th Quarter of 2007. This well is back on production and production has stabilized. Subsequent to this acquisition, Arrow's production mix is approximately 50 percent oil and 50 percent natural gas. Arrow has identified several locations for optimization on the lands it has acquired and anticipates significant production and reserves additions over time.

Closing of the transaction was made subject to a small number of rights of first refusal on a portion of the lands being acquired. These rights of first refusal have all been waived or have expired.

"We are very encouraged about the opportunities that the Gift Lake Area holds for Arrow in terms of development of the company's asset base in and around another one of Alberta's major Métis Settlements, Gift Lake Métis Settlement" remarked President & CEO Chris Tesarski. "We are committed as a company to continue to focus our operations in and around Métis Settlements in the province. It is good business for Arrow and will bring benefit to the Métis people who are a vitally important part of our ongoing corporate vision and strategy."

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BOE conversion: In this news release, Arrow applies the widely used conversion ratio of six thousand cubic feet ("Mcf") of natural gas to one barrel ("bbl") of oil. Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf : 1 bbl is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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