



For Immediate Release

TSX-V: AOF

Arrow Energy Ltd. announces 2007 year-end reserves

Arrow Energy Ltd. (“Arrow” or the “Company”) (TSX.V: AOF) is pleased to provide its 2007 year end reserves information as evaluated by Sproule Associates Limited (“Sproule”), the independent reserves evaluator for all of Arrow’s oil and natural gas properties. Sproule prepared the report (the “Arrow Sproule Report”) in accordance with National Instrument 51-101 (“NI 51-101”) effective December 31, 2007. As Arrow plans to announce its audited 2007 financial statements on or about April 28, 2008 certain financial statements have been made herein to facilitate discussion of its 2007 capital program. Readers are advised that these financial estimates are subject to audit and may be revised as necessary. The results described below incorporate the reserves from the company’s recent Gift Lake area acquisition, which had an effective date of October 1, 2007 and closing date of April 1, 2008.

2007 Highlights:

- Company interest total proved reserves increased 305% to 956,700 boe.
- Company interest total proved plus probable reserves increased 201% to 1,399,900 boe.
- Drilled 6 wells (net 1.74) resulting in 4 gas wells (net 1.36) and 2 oil wells (net 0.38) for an overall success rate of 100%
- Spent \$ 9.4 mm in acquiring and developing oil and gas properties in Alberta resulting in the addition of 1,020 Mboe proved plus probable reserves
- Acquisition and Development costs including future development costs (“FDC”), of \$9.23 per boe of proved plus probable reserves resulting in a recycle ratio of 2.91 times.
- The before tax net present value (10% discount rate) of Arrow’s proven plus probable reserves grew to \$28.8 million, a 253% increase over year end 2006.

The efficiency of Arrow’s 2007 capital program is summarized as follows:

Including Future Development Costs (“FDC”) (2)	<u>2007</u>
FD&A Costs – Proved (\$/boe) (1)	\$11.70
FD&A Costs – Proven Plus Probable (\$/boe) (1)	\$9.23
Operating Netback (\$/boe)	\$26.85
Recycle Ratio Proved	2.30
Proved Plus Probable	2.91
Reserves Replacement Ratio (3)	
Proved	8.62
Proved plus Probable	11.19

(1) FDC discounted at 10%

(2) Includes Capitalized G&A of \$130,929

(3) Reserves change during the year before deduction of production, divided by production during the year.

Arrow 2007 Reserve Information

Sproule prepared the Arrow Report in accordance with NI 51-101. This report evaluated 100 percent of Arrows oil, natural gas and natural gas liquids reserves at December 31, 2007. The tables below disclose in the aggregate, Arrow's gross and net proved and proved plus probable reserves and before tax net present value ("NPV") of future net revenue attributable to such reserves as estimated in the Arrow Sproule Report. These estimates were calculated using forecast prices and costs.

"Forecast prices and costs" means future prices and costs used by Sproule in the Arrow Report that are generally accepted as being a reasonable outlook of the future, or, fixed or currently determinable future prices or costs to which the Company is bound.

"Company Interest" reserves represent those reserves, which are the Company's working interest (operating or non operating) share before deduction of royalties and including any royalty interests of the Company.

"Total Net" reserves represent those reserves that are referred to as "Net" reserves by the CSA in NI 51-101, which are the Company's working interest (operating or non operating) share after deduction of royalty obligations plus the Company's royalty interests in reserves.

The before tax net present value of future net revenue attributable to Arrow's reserves is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures, and well abandonment costs for only those wells assigned reserves by Sproule. It should not be assumed that the undiscounted or discounted before tax net present value of future net revenue attributable to Arrow's reserves estimated by Sproule represent the fair market value of those reserves. The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to effects of aggregations. The recovery and reserve estimates of Arrow's oil, natural gas and NGL reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein.

Summary of Reserves and Values / Effective December 31, 2007

The above summary of reserves and values was based on the following price and cost assumptions:

Summary of Pricing and Inflation Rate Assumptions (Forecast Prices and Costs) Sproule (December 31,2007)

Year	OIL			Natural Gas ⁽¹⁾ AECO Gas Prices (\$Cdn/MMbtu)	Pentanes Plus F.O.B. Field Gate (\$Cdn/bbl)	Butanes F.O.B. Field Gate (\$Cdn/bbl)	Inflation Rate ⁽²⁾ (%/Yr)	Exchange Rate ⁽³⁾ (\$US/\$Cdn)
	WTI @ Cushing Oklahoma (\$US/bbl)	Edmonton Par price 40 Deg. API (\$Cdn/bbl)	Cromer Medium 29.3 Deg. API (\$Cdn/bbl)					
2008	89.61	88.17	75.83	6.51	90.30	65.72	2.0	1.000
2009	86.01	84.54	72.71	7.22	86.58	63.01	2.0	1.000
2010	84.65	83.16	71.52	7.69	85.17	61.98	2.0	1.000
2011	82.77	81.26	69.89	7.70	83.23	60.57	2.0	1.000
2012	82.26	80.73	69.43	7.61	82.68	60.17	2.0	1.000
<i>Thereafter at various escalation rates</i>								

Notes:

- (1) This summary identifies benchmark reference pricing schedules that might apply to a reporting issuer.
- (2) Inflation rates for forecasting prices and costs.
- (3) Exchange rates used to generate the benchmark reference prices in this table.

Summary of Reserves and Values / Effective December 31, 2007

	Proved Producing	Total Proved	Total Probable	Total Proved plus Probable
Light/Medium Oil (bbls)				
Company Interest	563,900	570,500	229,400	799,900
Total Net	489,600	496,000	179,900	675,900
Natural Gas (mmcf)				
Company Interest	1,077	2,278	1,258	3,536
Total Net	873	1,841	1,019	2,860
Natural Gas Liquids (Mbbbl)				
Company Interest	6.5	6.5	4.1	10.6
Total Net	3.9	3.9	2.5	6.5
Oil Equivalent (Mboe)				
Company Interest	750.0	956.7	443.1	1,399.8
Total Net	638.9	806.8	352.1	1,158.9

Before Tax Net Present Value (\$M)

Discounted @				
0%	34,105	37,735	18,769	56,504
5%	22,611	25,317	12,373	37,691
10%	17,659	19,725	9,102	28,828
15%	14,873	16,477	7,097	23,574

Arrow Energy Ltd. is a Calgary-based junior resource company engaged in the exploration, development and production of natural gas and oil primarily in the Gift Lake, Peavine/Dawson, Westlock, and Redwater/Jeffrey areas of Alberta.

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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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