



ASX ANNOUNCEMENT – 15 December 2004

ARROW EXECUTES GAS SALES AGREEMENT WITH CS ENERGY

The Directors of Arrow Energy NL [Arrow] are pleased to advise that the Initial Sales Contract (ISC), for the sale of 2 PJ p.a. of gas for 15 years from the Kogan North field, has been executed by CS Energy (CSE) and Arrow's wholly owned subsidiary Australian CBM Pty Ltd (ACBM).

In addition to the 2 PJ p.a. of gas sales from ACBM to CSE, CSE will also produce its own 50% share of the Kogan North Field for its own use, bringing the total production to 4 PJ p.a. for 15 years

In conjunction with the recently announced CSE development farm in election, by which CSE contribute \$10.8 million of development capital to increase their share of the field to 50%, and the recently announced Heads of Agreement with the Australian Pipeline Trust (APT) to fund, own and operate the Kogan North processing facilities, this completes the financing and major commercial terms for Arrow's first development.

First sales gas from the field is expected in September 2005.

For and on behalf of the Board of Directors

JPK Marshall
Company Secretary

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