

# ASX/Media Release



11 February 2008

FOR IMMEDIATE RELEASE

## **INCREASED UNCONDITIONAL OFFER FOR PURE ENERGY RESOURCES LIMITED (“PURE”) OF \$7.16 PER SHARE<sup>1</sup>**

- **Arrow Energy Limited’s (“Arrow”) revised unconditional offer of \$3.00 cash and 1.57 Arrow shares for every Pure share values Pure at \$7.16 per share (the “Revised Offer”)<sup>1</sup>**
- **Total consideration of \$7.16 per share represents an increase of 21% over Arrow’s initial offer announced 22 December 2008<sup>1</sup> and 12% over the offer announced by BG Group on 9 February 2009 (the “BG Offer”)**
- **Arrow’s Revised Offer is superior to the BG Offer**
- **Unanimous recommendation for Arrow’s Revised Offer from Pure’s independent directors, subject to there being no superior proposal**
- **Pure’s independent directors intend to accept the Revised Offer, (subject to there being no superior proposal) within 7 days of lodgement of Arrow’s supplementary bidder’s statement**

### **Revised Offer**

Arrow will amend its offer as follows:

- **Arrow declares its offer to be unconditional and accelerates payment terms**

All conditions of the Offer are to be waived, including the 90% minimum acceptance condition, such that Arrow will declare its offer unconditional. In addition, Pure shareholders who accept the Revised Offer will be paid the cash component and issued the share component of the offer consideration within 5 business days of receipt of their acceptance.

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<sup>1</sup> Based on Arrow’s closing price on the ASX on 11 February 2009 of \$2.65

The BG Offer is subject to a number of conditions, being Foreign Investment Review Board (“FIRB”) approval, 50.1% minimum acceptance and no prescribed occurrences.

- **The offer consideration is being increased to \$3.00 cash per share plus 1.57 Arrow shares for every Pure share**

Based on Arrow’s closing price on the ASX on 11 February 2009 this values the Revised Offer at \$7.16 per Pure share. ***This represents a premium of 12% to the BG Offer.***

### **Recommendation of the independent directors – Arrow’s Revised Offer is superior to BG’s Offer**

The independent directors of Pure consider Arrow’s Revised Offer to be superior to the BG Offer and unanimously recommend that shareholders ACCEPT Arrow’s Revised Offer, subject to there being no superior proposal.

The independent directors of Pure intend to accept the Revised Offer in respect of shares which they own or control within 7 days of Arrow lodging its supplementary bidder’s statement which contains the Revised Offer, subject to there being no superior proposal.

*Arrow’s Managing Director Nick Davies said “Arrow’s revised offer is clearly superior to BG’s offer and is the only offer that provides on-going exposure to the burgeoning Australian CSG sector. The overseas majors are entering the Australian CSG sector because they see tremendous long term value. Their entry, including Arrow’s alliance with Shell, is an endorsement of the value proposition of the CSG to LNG opportunity. Arrow is the only large independent CSG company remaining and as such the share component of Arrow’s revised offer provides significant upside potential for Pure shareholders. A further point which highlights this long term value is that Arrow’s current 3P reserves represent only approximately 10% of the contingent resource from our CSG acreage.”*

### **How to accept Arrow’s Revised Offer**

A supplementary Bidder’s Statement (including a new acceptance form) and other formal documents will be mailed to Pure shareholders shortly. The Revised Offer is open for acceptance from Thursday, 12 February 2009.

## **Shareholder Enquiries**

Pure shareholders with questions relating to Arrow's Revised Offer can call Arrow's shareholder information line on 1300 551 547 (within Australia) or +61 2 8280 7708 (outside of Australia) between 8:30am and 5:30pm Monday to Friday (AEDT).

## **Contacts**

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