



ASX Announcement

2 November 2009

Bow Increases Total Net 3P Certified Gas Reserves by 50%

Bow Energy Ltd (ASX:BOW) is pleased to announce a reserve upgrade for its Blackwater CSG field located west of Gladstone, Queensland which increases Bow's total net 3P reserves 50% to 993PJ and is 32% more than Bow's end of 2009 3P reserves target.

Independent consultants MHA Petroleum Consultants, LLC have now certified 886 petajoules (PJ) of 3P gas reserves within the Rangal Coal Measures of the Blackwater CSG field, located in Bow's 100% owned Comet CSG block (ATP 1025P). MHA also certified an additional 330 PJ of 2C contingent resources* within the Rangal coal seams at depths greater than 600 metres in the south eastern corner of the Blackwater CSG field. Bow intends to drill one deep core hole in the 2C area in the near term with the aim to convert the resources to reserves.

A further reserve increase from the deeper Burngrove Coal Measures in the Blackwater CSG field is anticipated prior to the end of 2009. The Burngrove coals are generally similar to the Rangal coals in coal thickness, gas contents and permeabilities but have slightly higher ash content.

The upgrade from the Rangal Coal Measures represents a 327 PJ (58%) increase over the previous interim reserves of 559 PJ certified for the Blackwater CSG Field and increasing Bow's total net 3P reserves to 993 PJ. This exceeds the company's 2009 target of 750 PJ of 3P gas reserves two months ahead of schedule and exceeds the end 2010 target of 850 PJ of 3P gas reserves for the Blackwater CSG Field over twelve months ahead of schedule.

Located in the heart of one of Australia's top rated CSG provinces, the Blackwater CSG field lies 230 kilometres west of the Port of Gladstone where a number of world-class export LNG projects are being planned by third parties using CSG as a feedstock. Bow has commenced investigations for pipeline access and routes from the Blackwater CSG Fields to supply both domestic and export gas markets.

Bow is currently investigating high yield power generation strategies initially in the Blackwater area. The strategy is to generate early cash flows from power generation whilst evaluating longer term supply opportunities.

Commenting on the reserve upgrade, Bow's CEO – Commercial, John De Stefani, said, "The latest reserve upgrade demonstrates Bow's ability to deliver its targets ahead of forecast."

"In addition to this latest upgrade, Bow recently tripled 2P reserves on the Don Juan CSG project in the Surat Basin which delivered our end 2010 target for this project more than a year ahead of schedule," Mr De Stefani said.

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“Positive results in the 2P drilling program on the Blackwater CSG field currently in progress should facilitate the development of a planned Bow 100% owned and operated power generator adjacent to the field.”

Bow has drilled seven fully cored wells in its exploration drilling program of the Blackwater CSG field. The results of the drilling support the certified reserves achieved to date and targeted reserves as follows:

- Average coal thickness of 18 metres covering the Rangal and Burngrove Coal Measures;
- High gas contents ranging from 8 m³/tonne to 21 m³/tonne (Dry Ash Free) across the field between coals depths of 117 metres to 585 metres within the Rangal and Burngrove Coal Measures;
- Multiple permeable coal zones in at least two wells, BW-3 with up to 51 millidarcies and BW-4 with over 1 darcy measured permeability; and
- Gas saturation data received to date indicating 100% saturated Rangal Coal Measures and 80% to 90% saturations in the Burngrove Coal Measures.

Bow's Current Net Reserves

Project	3P Reserves (PJ net to Bow)	2P Reserves (PJ net to Bow)	2010 Reserve Targets 3P/2P
Don Juan CSG Project (55%)	107	55	150/50
Blackwater CSG field (Comet Block)*	886	-	> 850/250
Comet CSG Prospect (Comet Block)	-	-	> 400/100
Norwich CSG Block (3 prospects)	-	-	> 500/100
Total Reserves (net PJ to Bow)	993	55	1,900/500

* A further 330PJ of 2C resource was certified in the Rangal Coal Measures over the south eastern corner of this field

“Industry analysts have predicted growing gas demand for power generation in eastern Australia, which is expected to nearly triple by 2030. In addition to the domestic market, Bow is set to gain exposure to higher international gas prices due to the proximity and substantial gas reserves of its CSG acreage strategically located near the Gladstone LNG projects.

“Our drilling programs are targeting significant growth in CSG reserves over the next twelve months. Given Bow's recent record of meeting or exceeding its reserve targets early, we have every confidence of becoming a major upstream energy company with a diversified CSG and oil portfolio, supplying the Australian and international energy markets.”

For and on behalf of the Board

Duncan Cornish
Company Secretary
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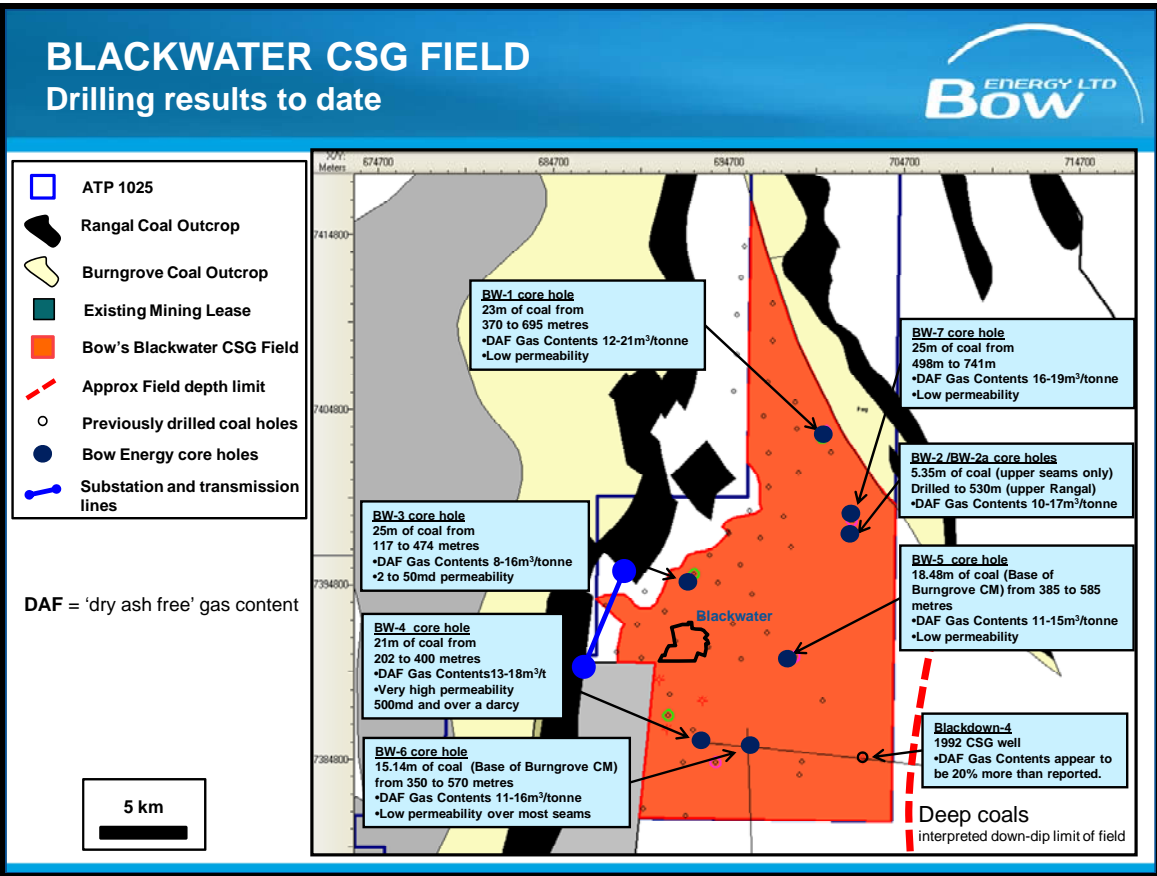
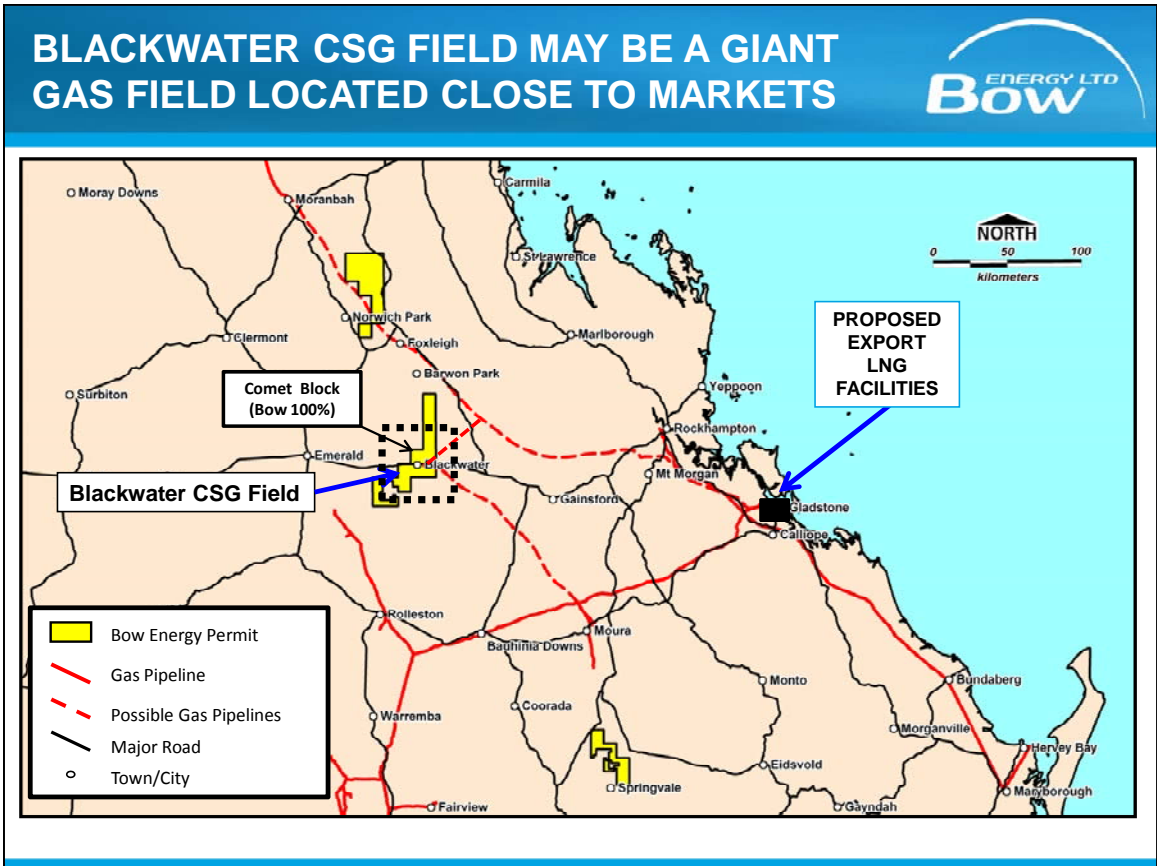
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The technical information contained herein is based on information compiled by the Company's Managing Director, Ron Prefontaine, who has more than 30 years experience in petroleum exploration.

Competent Person Statement - The estimates of gas reserves and resources for the Comet Block (ATP 1025P) and Don Juan CSG field have been prepared by MHA Petroleum Consultants, LLC (MHA) in accordance with the definitions and guidelines set forth in the 2007 Petroleum Resources Management System approved by the Society of Petroleum Engineers. The reserve statement has been compiled by Mr Timothy L Hower Chairman of MHA, together with personnel under his supervision. Mr Hower, who has over 28 years industry experience, and MHA have consented to the inclusion of the technical information contained in this announcement in the form and context in which it appears.

***CONTINGENT RESOURCES** are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be subclassified based on project maturity and/or characterized by their economic status.[Reference: Petroleum Resources Management System as sponsored by: Society of Petroleum Engineers (SPE), American Association of Petroleum Geologists (AAPG), World Petroleum Council (WPC), Society of Petroleum Evaluation Engineers (SPEE)]

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