



ASX Announcement

14 December 2011

CSG Operations Update

Blackwater CSG Field

Bow Energy Limited (ASX: BOW, "Bow") has continued to focus on pilot production well testing in the Blackwater CSG Field with the aim to establish future drilling and completion techniques for optimal field development.

Bow has ten pilot wells that are completed for production in the Blackwater CSG Field with currently three of these wells on pump. Bow is performing pressure build up tests on the remaining pilot wells.

Of the three pilot wells on pump, two wells being the most recent lateral well (BWP-39) and a vertical fraced well (BWP-26) are showing positive production trends and early gas flows.

- BWP-26: Water production is being maintained at approximately 45 barrels per day (bbls/d) with measured gas flows exceeding 200,000 standard cubic feet/day (scf/d) to date;
- BWP-39: Water production is being maintained at approximately 80 bbls/d and measured gas flows exceeding 100,000 scf/d to date; and
- BWP-23: Water production is being maintained at approximately 65 bbls/d and measured gas flows around 65,000 scf/d to date.

Don Juan CSG Project

The Don Juan CSG Project is a joint venture between Bow (55% ownership) and Senex Energy Limited (Senex, Operator and 45% interest). Senex, as Operator of the ATP 593P joint venture, reported that the preliminary results for the Kato-1 coal seam gas (CSG) exploration well have yielded good coal and carbonaceous shale thickness with excellent permeability.

Kato-1 was drilled to investigate the CSG potential of the Walloon Coal Measures in the north western region of the Queensland Surat Basin, approximately 38 kilometres south of Injune.

The well was spudded on 23 November 2011 and reached a total depth of 330 metres. Almost 200 meters of core was collected, with 30 coal and carbonaceous shale core samples currently being analysed for gas composition, gas saturation and other attributes. In addition, four successful drill stem tests were conducted over intervals in both the Juandah and Taroombul Coal Measures to understand gas deliverability.

For and on behalf of the Board

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