



## ASX Announcement

17 December 2009

### Bow Increases end 2010 Reserves target by 45% to 2,750PJ

The Directors of Bow Energy Ltd (ASX:BOW) are pleased to announce that it has increased its end of year 2010 3P coal seam gas (CSG) reserves target to 2,750PJ, up 45% from the previous target of 1,900PJ.

With the 2009 drilling success in the Blackwater CSG Field and recent successful capital raisings which have provided in excess of \$95 million cash, Bow is scheduling up to 52 exploration, appraisal and production wells during 2010 over seven CSG projects in the Bowen and Surat Basins in Queensland. The proposed 2010 drilling program is a four-fold increase on Bow's 2009 successful CSG reserves drilling program. Bow has sourced at least three drilling rigs to complete these programs.

Bow's proposed 2010 drilling campaign and reserves upgrade timetable is summarised in the attached presentation as given at the 15 December 2009 EGM. Bow is still targeting end of year 2010 2P reserves of 450 PJ.

Commenting on the reserve target upgrade and the 52 well 2010 drilling program, Bow's CEO – Commercial, John De Stefani, said, "Our latest internal estimates indicate Bow's 100% owned Blackwater CSG field, where 1340 PJ of 3P reserves were certified this year, together with the adjacent Comet CSG field may contain in excess of 2,000 PJ of 3P gas reserves. This huge potential along with the gas potential of Bow's other CSG projects has not only allowed us to increase our end of 2010 reserve targets by 45% but should provide continuous staged reserves upgrades throughout 2010 and beyond".

#### Bow's Current Net Reserves and end of 2010 targets

Project	3P Reserves (PJ net to Bow)	2P Reserves (PJ net to Bow)	2010 Reserve Targets 3P/2P
Blackwater CSG Field (Comet Block)*	1,340	-	> 1500/200
Comet CSG Project (Comet Block)	-	-	> 500/100
Norwich Park Projects (3 prospects)	-	-	> 500/100
Don Juan Project (55%)	107	55	150/50
Gunyah Project	-	-	> 100/na
<b>Total Reserves (net PJ to Bow)</b>	<b>1,447</b>	<b>55</b>	<b>2,750/450</b>

\* A further 378PJ of 2C resource was certified in the Rangal and Burngrove Coal Measures over the deeper part of the field located in the south eastern corner

ASX Code: BOW

For and on behalf of the Board

Duncan Cornish  
Company Secretary  
Bow Energy Ltd

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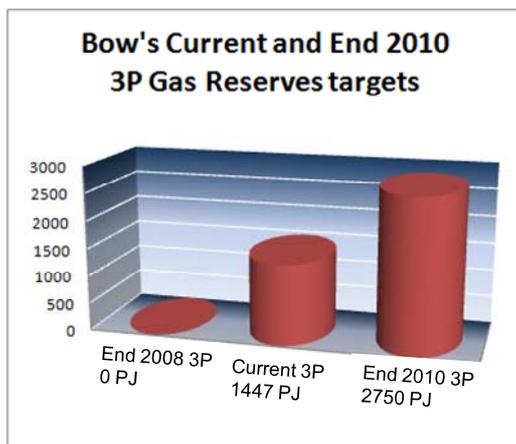
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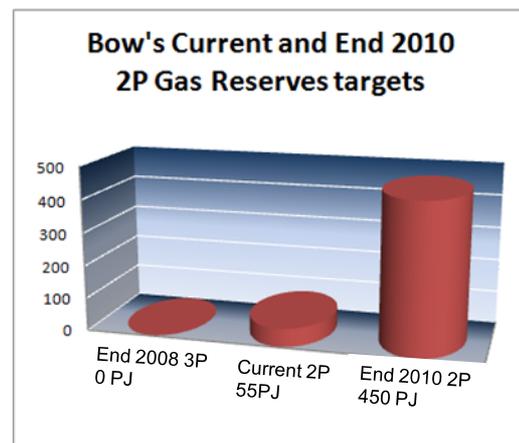
## Summary of Bow's Current and End of 2010 Gas Reserve Targets



Gas reserves upgrades are expected to continue



2X increase to 2750 PJ of 3P  
(up 45% from previous target of 1900 PJ)



8X increase to 450 PJ of 2P

*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 reserve 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)]

**ASX Code: BOW**

# Bow's 2010 CSG Program and Increased Reserves Targets

John De Stefani – CEO Commercial



*an S&P ASX300 and S&P ASX200 All Australian Index company*



Blackwater CSG Field

# 2009 Achievements



## Granting of tenements with huge CSG potential

- Bow was granted Comet Block (ATP1025P) and Norwich Park (ATP1031P) both 100% owned in March 2009
- Third block – Gunyah (ATP1053P) also awarded to Bow 100% and subject to Native Title negotiations

## Successful capital raisings

- Over \$95 million cash primarily to fund Blackwater power project, initial development and reserve upgrade programs

## Resulted in a Significant reserve base

- 2008 AGM Bow had no certified reserves
- 2009 AGM Bow has 1,447 PJ of 3P reserves and 55 PJ of 2P reserves

## Shareholder Growth

- Since 2008 AGM – over 7 times growth in share price and 12 times growth in market value
- Bow added to S&P ASX200 All Australian and S&P ASX300 Indices

**Up to 52 wells**

- 12 well initial development pilot to supply Blackwater power project
- Up to an extra 17 well 2P reserves drilling on the Blackwater CSG Field
- 13 well 3P reserves exploration program
- 10 additional 2P wells subject to 3P work

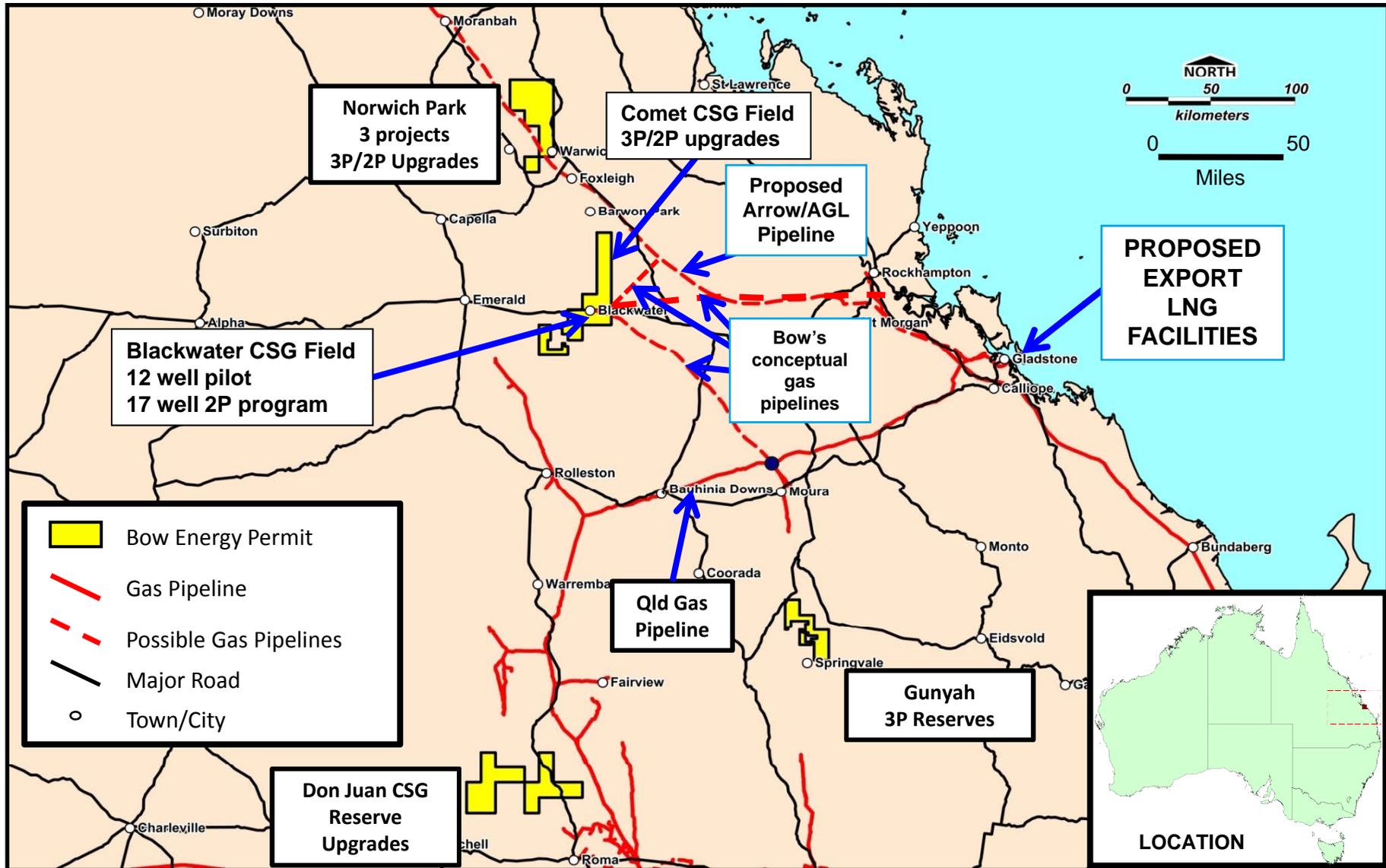
**Targets almost double current 3P and eight times 2P**

- Seven CSG projects targeting end 2010 net reserves of:**
- 2,750 PJ of 3P (up 45% from previous 1900 PJ target)
  - 450 PJ of 2P

**For continued Growth**

- Adds to a large uncommitted gas reserves base
- Pathways to development and gas sales > 30 PJ/annum in 3 to 5 years

# Seven CSG projects in the Surat and Bowen



# Blackwater and Comet CSG Projects (Bow 100%)

## Initial 3P reserves certification drilling completed

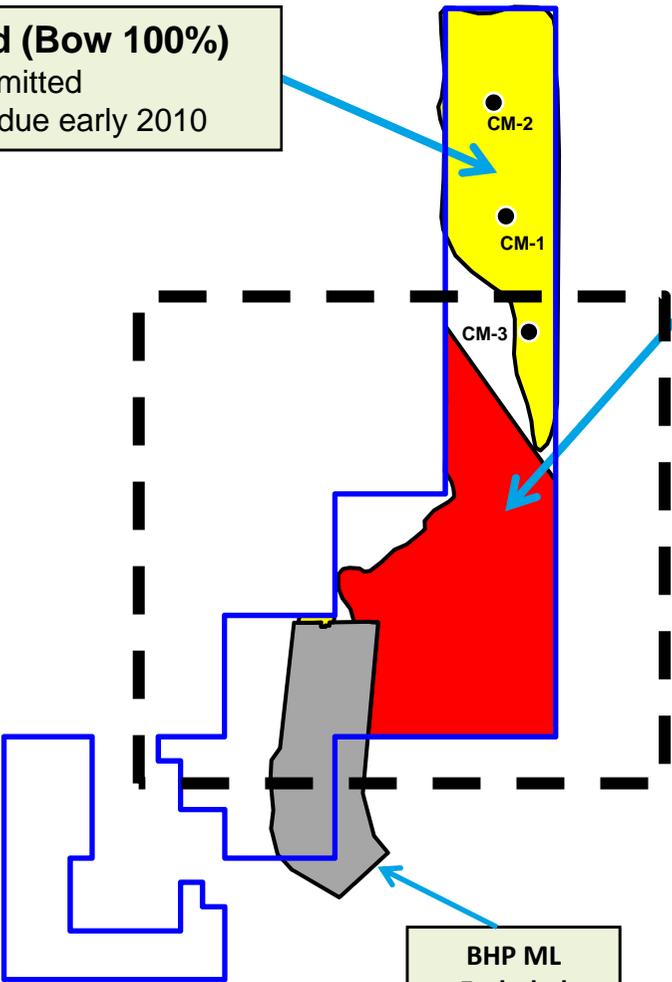


**COMET CSG Field (Bow 100%)**

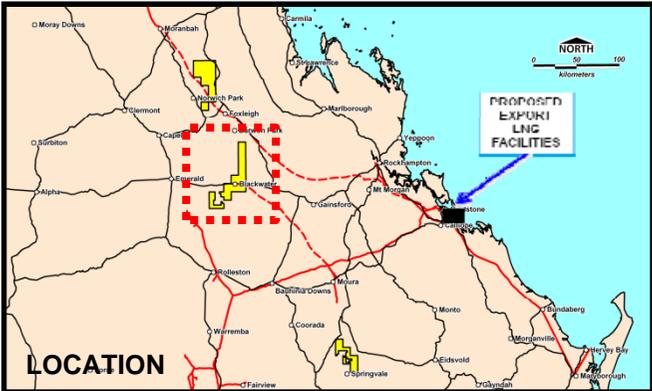
- Reserves report submitted
- First 3P certification due early 2010

**BLACKWATER CSG FIELD (Bow 100%)**

- Interim **1,340PJ 3P and 378PJ 2C** certified in Rangal and Burngrove coal seams
- 18 metres average target coal thickness, high gas saturations, permeability in several seams
- Current CSG reserve depths from 100 to 600 metres



- 3P and 2C reserves certified
- Comet Prospect reserve target areas
- Comet Prospect core drill locations

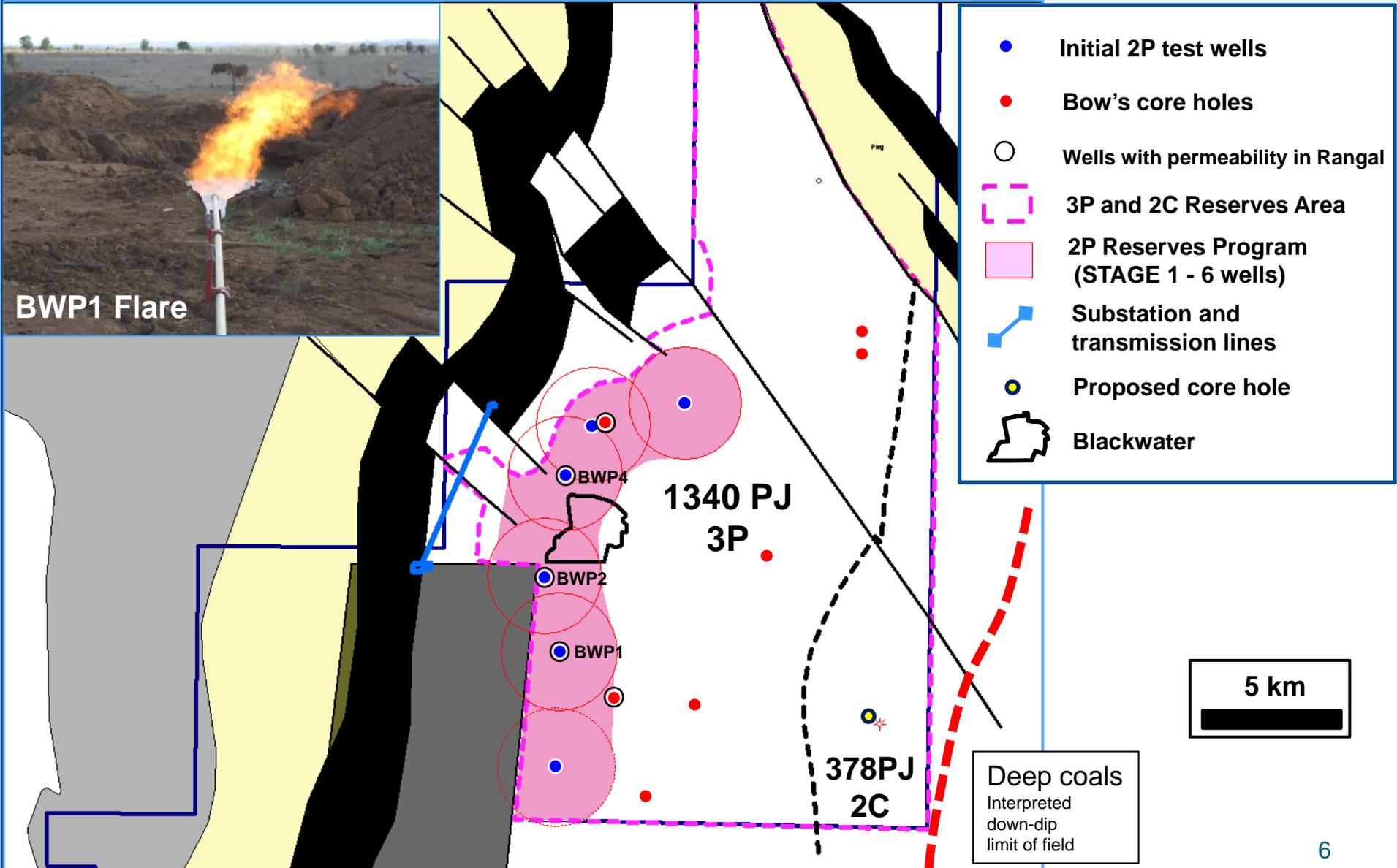


# Blackwater CSG Field 2P Drilling Program

First 3 test wells completed to date show permeable Rangal coals



BWP1 Flare



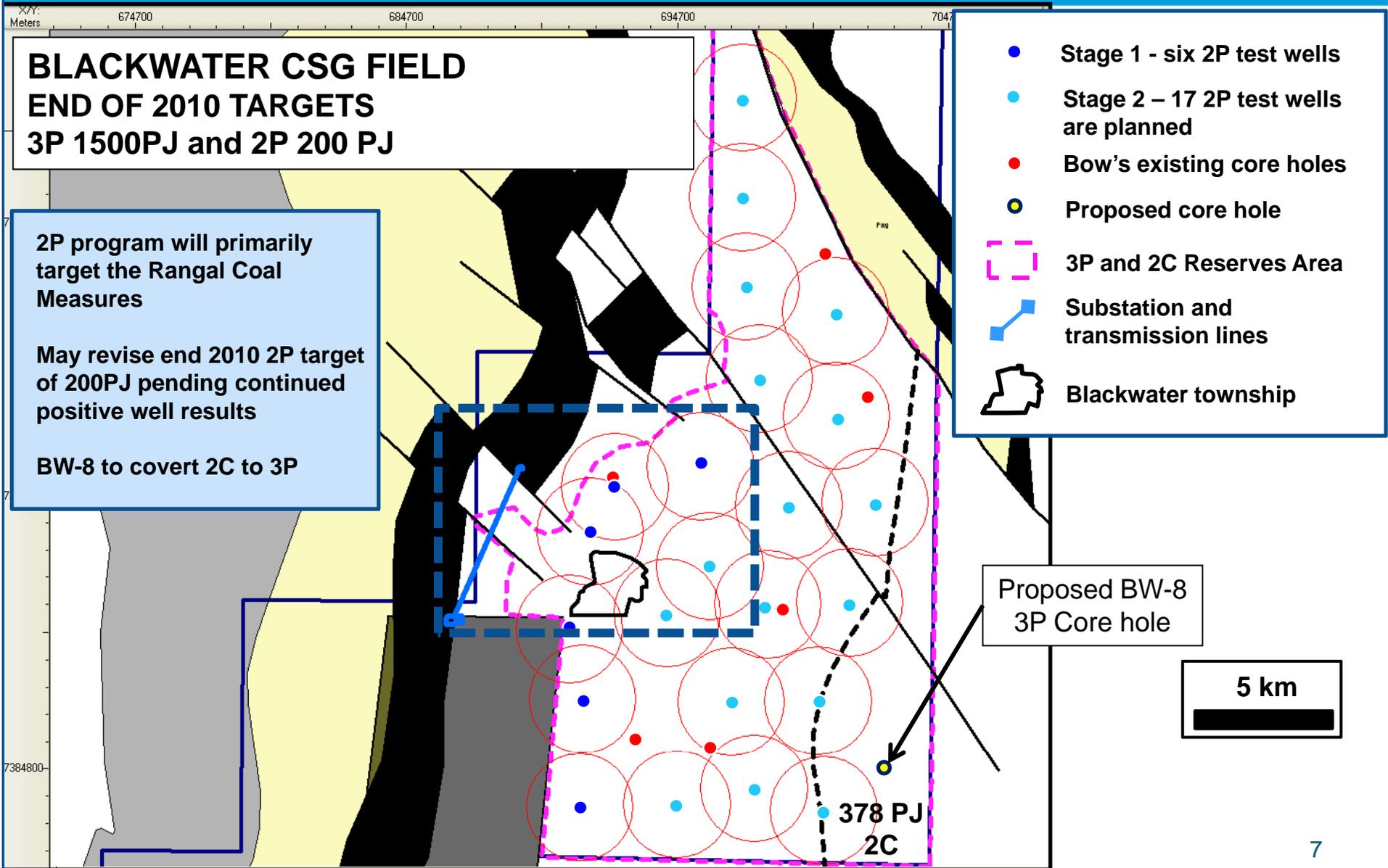
- Initial 2P test wells
- Bow's core holes
- Wells with permeability in Rangal
- ▭ 3P and 2C Reserves Area
- ▭ 2P Reserves Program (STAGE 1 - 6 wells)
- Substation and transmission lines
- Proposed core hole
- ⬮ Blackwater

5 km

Deep coals  
Interpreted  
down-dip  
limit of field

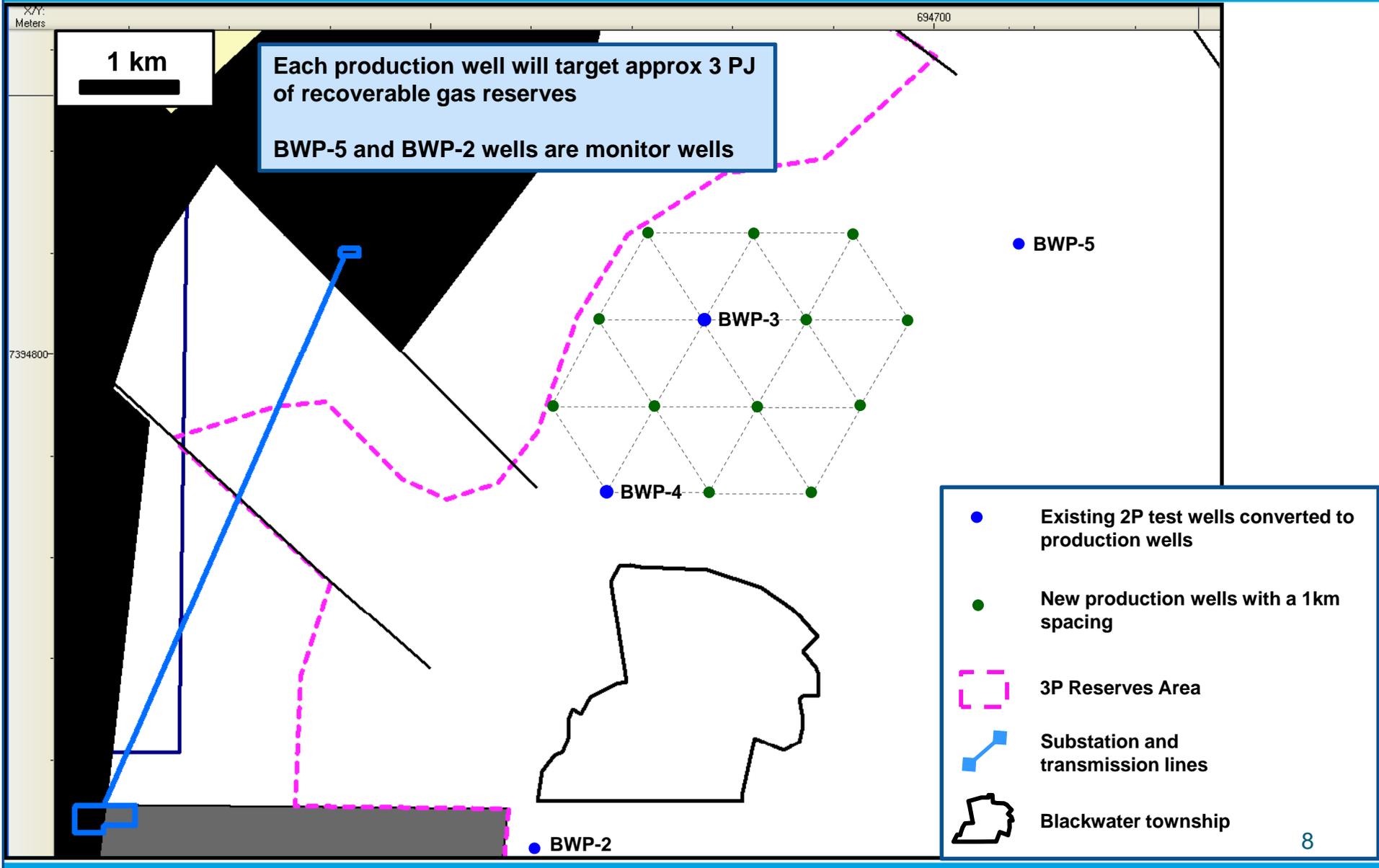
# Blackwater CSG Field 2P Drilling Program

## Up to 17 additional wells to accelerate 2P reserves



# Blackwater Production Pilot

Gas to be supplied to Blackwater power project



# Blackwater Power Project

## Utilising a proven power generation model



**Bow's Blackwater 30MW Power project will mirror Arrow's Daandine Project**



Pictures are of Arrow Energy's Daandine Project

Client	Capacity	Location	Operational
Arrow Energy	27.4MWe Export Capacity 33.0MWe Installed Capacity	Daandine, QLD	December 2006
Manufacturer	Packager	Type	Primary fuel
GE Jenbacher	Clarke Energy (Aust) Pty Ltd	11x 3.0 Mwe JGS 620 GS-S.L	Coal Seam Gas

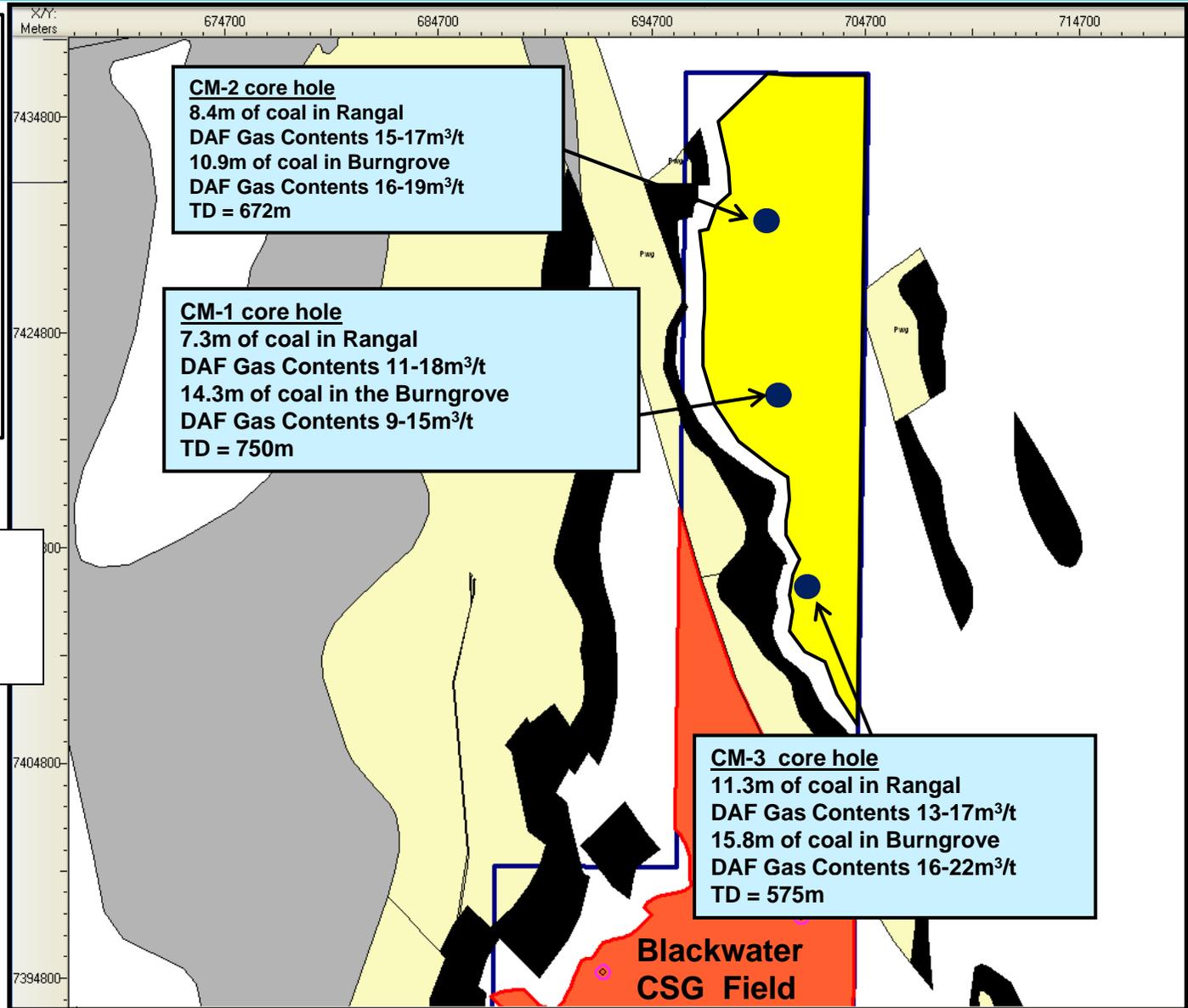
# Comet CSG Field

## Higher than expected gas contents



- ATP 1025
- Rangal Coal Outcrop
- Burngrove Coal Outcrop
- Existing Mining Lease
- Bow's Blackwater CSG Field
- Bow's Comet CSG Field
- Bow Energy core holes

**COMET CSG FIELD**  
**END OF 2010 TARGETS**  
**3P 500 and 2P 100 PJ**



# Norwich Park Projects (Bow's 100%)

On trend with known CSG fields – drilling commenced



**Arrow's Moranbah CSG Project**  
Targeting both Moranbah and Fort Cooper Coal Measures

**LEGEND**

- Coal Seam Gas Field
- Rangal CM
- Fort Cooper CM
- Moranbah FM/German Ck. CM
- Proposed Well Locations

**Arrow's South Walker Creek CSG**  
Flow rates in excess of 1 mmcf/d from Rangal Coal Measures

**Arrow's Carborough CSG (PL223)**  
Targeting Fort Cooper Coal Measures

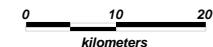
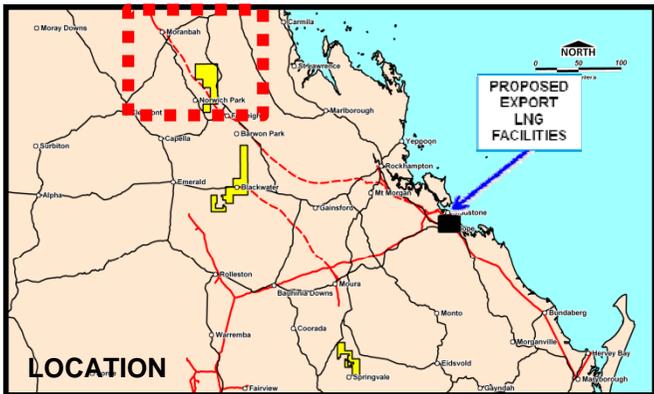
**NORWICH PARK**  
**END OF 2010 TARGETS**  
**3P 500PJ and 2P 100 PJ**

**Bow's Dysart Project**  
Rangal and Fort Cooper targets  
Analogous to Carborough and South Walker Creek

**Bow's Vermont Project**  
Moranbah and Fort Cooper targets  
Moranbah CSG Project Lookalike

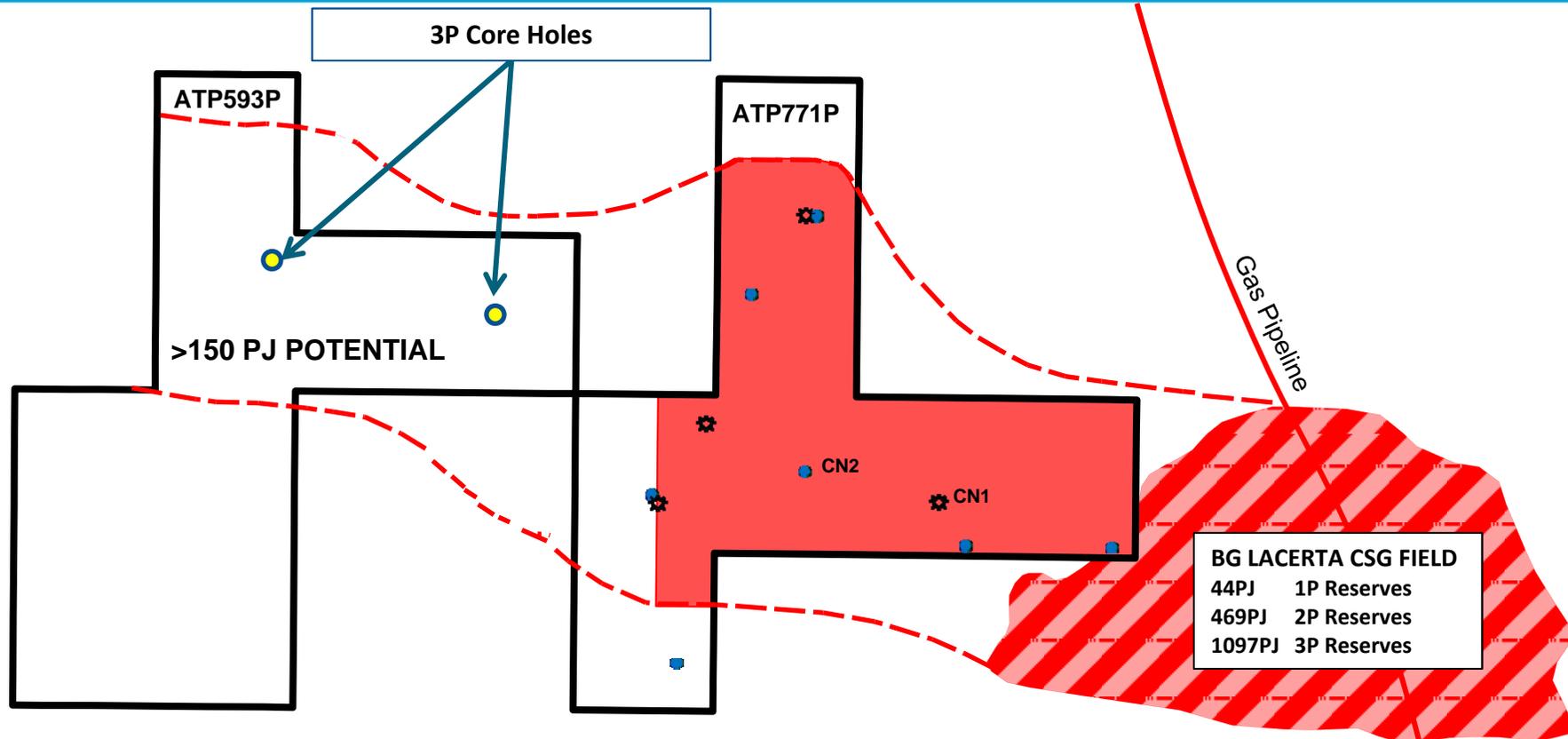
**Bow's Norwich Project**  
Rangal and Fort Cooper targets  
Analogous to Carborough and South Walker Creek

**Norwich Park**  
**ATP1031P**  
**Bow 100%**



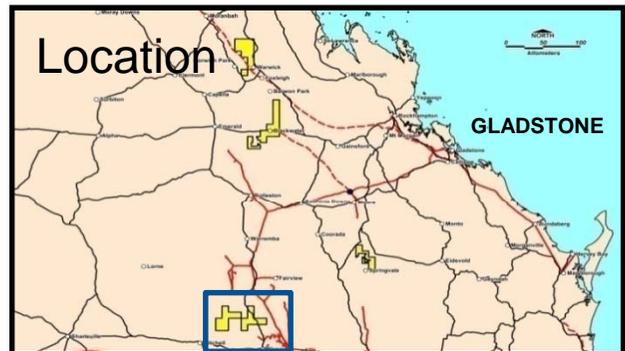
# Don Juan CSG Project (Bow 55%)

Gross certified reserves of 101 PJ (2P) and 197 PJ (3P)



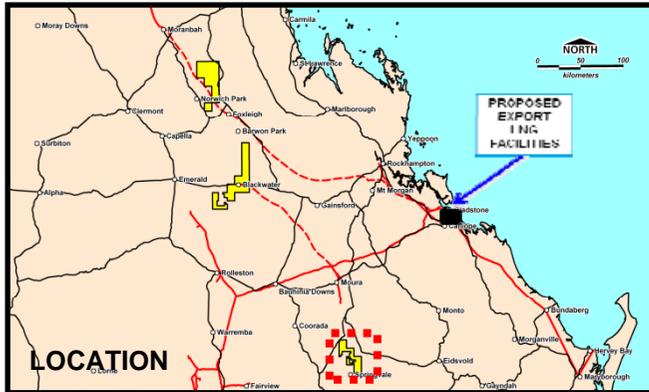
<b>BG LACERTA CSG FIELD</b>	
44PJ	1P Reserves
469PJ	2P Reserves
1097PJ	3P Reserves

- Interpreted Walloon CSG Fairway
- Approx. area of 101PJ 2P & 197PJ 3P Certified Reserves
- Existing core holes
- Existing production holes

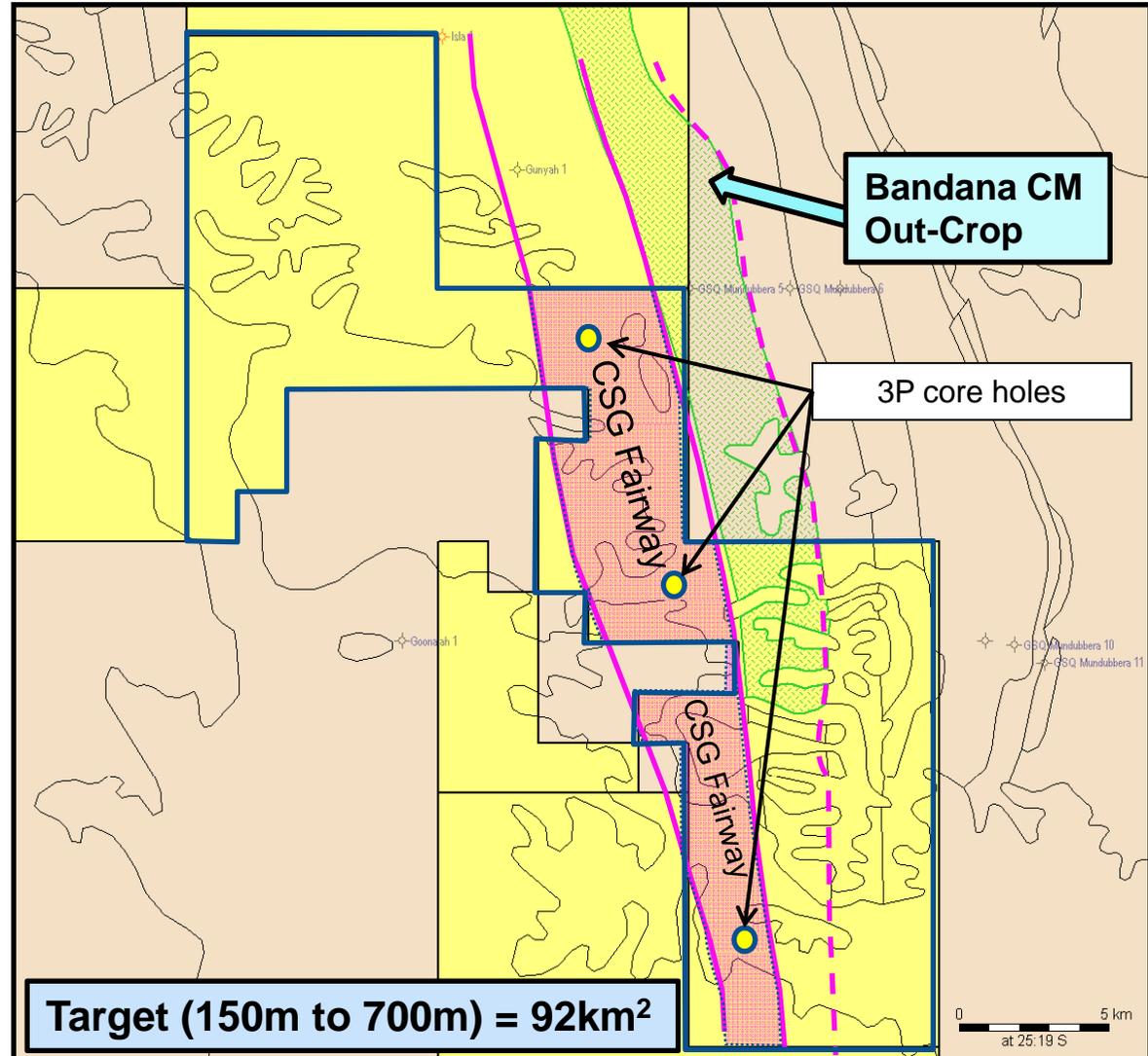


# Gunyah CSG Project (Bow 100%)

## Initial 3P program of 3 core holes



**GUNYAH PROJECT  
END OF 2010 TARGET  
3P 100 PJ**



# End of 2010 Gas Reserve Targets



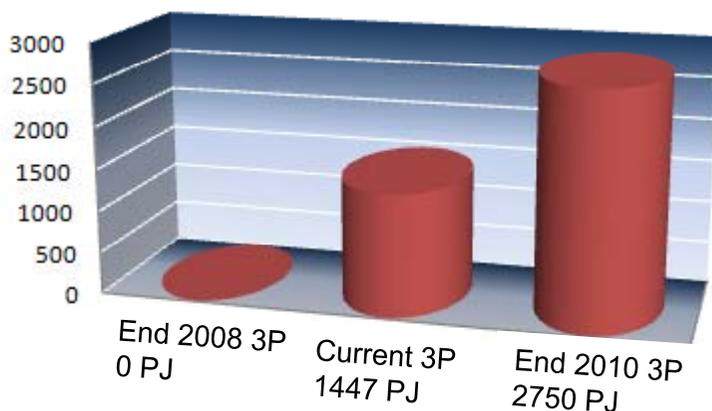
<b>CSG Project</b>	<b>3P Reserves</b> (~PJ net to Bow)	<b>2P Reserves</b>	<b>End 2010 Target</b> <b>(3P/2P)</b>
Blackwater CSG Field	1,340	Initial early 2010	> 1,500/200
Comet Project	Early 2010	End 2010	> 500/100
Norwich Park Projects (3 projects)	Mid 2010	End 2010	> 500/100
Don Juan Project	107	55	150/50
Gunyah Project	End 2010	2011	100/na
<b>Net PJ to Bow</b>	<b>1,447</b>	<b>55</b>	<b>&gt; 2,750/450</b>

# Summary of Bow's Current and End of 2010 Gas Reserve Targets



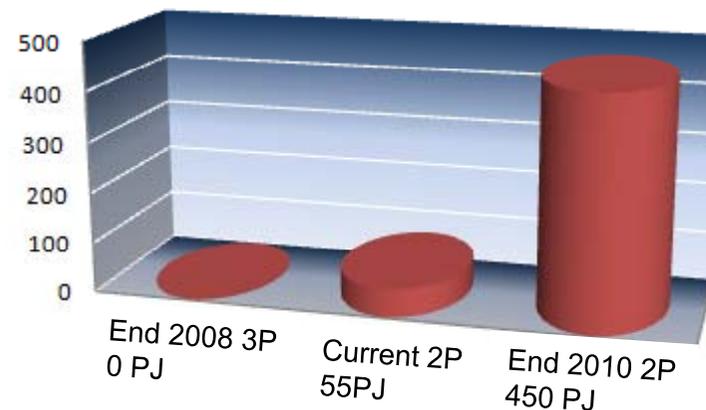
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**Bow's Current and End 2010  
3P Gas Reserves targets**



2X increase to 2750 PJ of 3P  
(up 45% from previous target of 1900 PJ)

**Bow's Current and End 2010  
2P Gas Reserves targets**



8X increase to 450 PJ of 2P

## Continued reserves growth

**52 wells in seven CSG projects targeting:**

- **2,750 PJ 3P (almost double current 3P of 1,447 PJ)**
- **450 PJ 2P (eight times current 2P of 55 PJ)**

## Blackwater Power Project

- **Gas supplied from field development and ramp up gas**
- **Commissioning early 2011 subject to third parties**

## Pathways for domestic and export gas sales

- **Firm up development paths for gas sales of >30PJ pa**
- **Path to FID on high capacity pipelines and infrastructure**
- **Power generation expansion projects**

# Bow's on Target



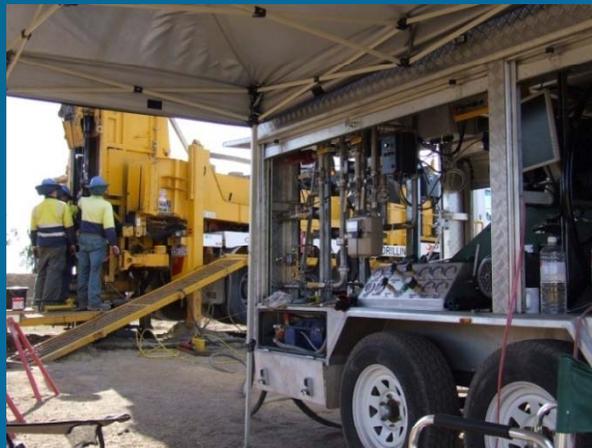
Cementing



CSG Drilling



Rest break



Permeability testing



Installing an electric drive head



Starting to log well

[www.bowenergy.com.au](http://www.bowenergy.com.au)

# Disclaimer and Competent Expert



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