



ASX Announcement

29 December 2005

FARMINEE EXERCISES DRILLING AND SEISMIC OPTION IN ATP 752P

The Directors of Bow Energy Limited (Bow) are pleased to announce that Avery Resources (Australia) Pty Ltd, a wholly owned subsidiary of Avery Resources Inc (Avery) from Calgary, Alberta, Canada has exercised its phase 1 option to drill three wells and acquire 100 km of seismic data to earn 30% interest in Cooper-Eromanga Basin permit ATP 752P. Avery has a phase 2 option to increase to 50% equity by drilling two additional wells in the permit.

On completion of the farmin, Bow will be fully carried through the seismic program and drilling of five exploration wells and retains 25% direct working interest in the permit.

ATP 752P is to be granted following a successful conclusion of a Right to Negotiate (RTN) Agreement with traditional owners. The process commenced on 1 November 2005 with the advertising of the required notices. Assuming the RTN agreement can be reached quickly, Bow believes drilling in ATP 752P could commence as early as the second quarter of 2006.

Bow's Managing Director, Ron Prefontaine, commenting on Avery exercising its option to drill, said, "Avery's aggressive exploration farmin program in ATP 752P clearly demonstrates the recognition of the excellent oil prospectivity of the permit. This is due to its location adjacent to commercial oil fields and infrastructure in the Cooper-Eromanga Basin and the 18 prospects and leads identified to date in the permit which have in excess of 100 million barrels of total recoverable oil potential.

Drilling activities within ATP 752P and other permits in the Cooper-Eromanga Basin and Surat Basin to be carried out by Bow Operations are planned to commence early in the second quarter of 2006. Bow Operations will also operate the Donga Oil Field in the Surat Basin. Completion of the Donga-3 oil discovery has been delayed until at least late January which is the earliest date a completion rig will be available."

For and on behalf of the Board
Duncan Cornish
Company Secretary

For further information:
Ron Prefontaine, Managing Director
07 3303 0675 or 0439 033 351

The technical information contained herein is based on information compiled by the company's Managing Director, Ron Prefontaine, who has more than 25 years experience in petroleum exploration.

Bow Energy Ltd

ACN 111 019 857

Level 5, 60 Edward Street BRISBANE QLD 4000

GPO Box 5244, BRISBANE QLD 4001

Telephone: 61-7-3303-0675 Facsimile: 61-7-3303-0651 Email: info@bowenergy.com.au

ASX code: BOW