



ASX Announcement

16 August 2005

DRILLING OPERATIONS UPDATE

The Directors of Bow Energy Limited (Bow) advise the status of drilling operations as of 6 AM this morning:

Pickabooba South-1 (Clarence-Moreton Basin, PEL 432 – Bow 87.5%)

Current depth of the well is 753 metres. The well continues to run about 35 metres updip from Pickabooba-1. Very minor oil shows were encountered at 675, 678 and 684 metres. The shows were described as trace pinpoint dull yellow fluorescence with very slight cut and are not considered of any commercial significance.

Drilling has switched over to water and foam from air drilling after a permeable zone was encountered which flowed water into the well bore.

A mechanical problem was corrected which delayed drilling for several hours.

Expected operations over the next 24 hours:

Drill through to the primary target intervals. The well is planned for a total depth of 1,150 metres with the primary target, the intra Ripley Road sandstone, now expected at about 850 metres.

Pickabooba South-1 will test a four-way closed structural prospect with 35 PJ (2P) of recoverable gas potential within the intra Ripley Road sandstone. Secondary targets include the Gatton and basal Bundamba sandstones which had hydrocarbon shows in Pickabooba-1.

For and on behalf of the Board

Duncan Cornish
Company Secretary

For further information:
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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 25 years experience in petroleum exploration.

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