



ASX Announcement

22 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%)

A drill stem test (DST) over the interval 1,086 to 1,117 metres recovered 12 metres of formation water. The DST tested an oil show between 1,107 – 1,117 metres which had up to 75% (30-75%) blue white fluorescence with slow diffuse crush cut within the basal Bundamba sandstone.

After the drill stem test, the well was drilled to total depth. An oil show with 25% percent fluorescence with slow diffuse crush cut was recorded at 1,118 metres. The oil shows stopped at the top of the Ipswich Coal measures at 1,119 metres. There were no shows in the Ipswich Coal Measures to total depth.

The well is at total depth of 1,152 metres.

Expected operations over the next 24 hours:

Run wireline logs and prepare to plug and abandon the well.

Bow's Managing Director, Ron Prefontaine, commenting on the results of the Pickabooba South-1 well said, "Although it is disappointing there was no oil recovery from the oil show over an 11 metre interval now interpreted to be residual oil, it does indicate oil was generated and accumulated on the east side of the South Moreton anticline in the Clarence-Moreton Basin. This is a new and exciting oil play in this sparsely drilled basin and Bow has 87.5% to 100% of the conventional petroleum rights over a very large area on the Clarence-Moreton Basin in northern New South Wales and Queensland.

It is also important to note that the sandstone with the oil shows is substantially down dip of the structural high point at this level and there is significant untested updip potential. Bow plans to integrate the results of the well with seismic and other data to determine the potential updip oil pool size and if a follow-up well in the area should be drilled at some point in the future."

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Surat Drilling Program (ATP 805P, ATP 608P – Bow 80% and 20%)

Preparations have commenced for the drilling of two wells, Pinnacle-1 and Donga-3 in the Surat Basin with field operations currently scheduled to commence in the second or third week of September 2005. The operator of the two wells, Oilex NL, has contracted Hunt Energy's Rig 1 to drill the two wells.

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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