



ASX Announcement

23 November 2006

Drilling to Commence after Share Purchase Plan Closed with Strong shareholder support

The Directors of Bow Energy Ltd ("Bow" or "the Company") are pleased to announce that the Company has received strong support from shareholders for its Share Purchase Plan (SPP), which closed on 17 November 2006.

Eligible shareholders for the SPP were entitled to take up, at their election, either \$3,000 or \$5,000 worth of new shares. Bow shareholders purchased over 80% of the underwritten amount of the SPP and a total of \$2.2 million will be raised.

The Company intends to issue the shares (13,333,333 shares) under the SPP on or about 1 December 2006.

The SPP was structured to encourage the Company's shareholders to increase their participation in Bow at a discount to the market price immediately prior to Bow operating a multiwell oil exploration drilling program in Queensland.

Drilling Programs to Commence in the Surat-Bowen and Cooper-Eromanga Basins

Earth works for two appraisal wells of Bow's 85% owned Donga Oil Field has been completed. Donga-3, drilled last year, is interpreted to have intersected the oil-water contact of the field and the appraisal well locations are mapped 10 to 15 metres updip from Donga-3. The sites prepared are Donga-4, offset 1.1 km southwest of Donga-3 and Donga-5, offset 0.8 kilometre west of Donga-3. Rig loads should start moving to the Donga-4 site later this week with the 12 day well due to spud next week and, if successful, will immediately be followed by Donga-5.

Site preparation has commenced for a late December/early January spud of the first of three back-to-back oil exploration wells of a five well farmin program in Cooper-Eromanga Basin permit ATP 752P. The first three wells target prospects in the Wompi Block on trend and near high productivity oil fields. The next two wells are in the Barta Block and are conditional on the results of recent seismic programs. Bow is fully carried on the Cooper-Eromanga oil exploration drilling program and retains 25% direct working interest after the farmin program by Avery Resources (Australia) is completed.

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Other Projects being prepared for drilling in 2007

Bow recently completed the acquisition of two infill seismic acquisition programs (2D and 3D) designed to detail several oil prospects in the Barta Block of ATP 752P. Two of the prospects being detailed are to be selected as the targets for the final two wells in the Avery farm program. The wells are planned for the 2nd quarter of 2007 with drilling conditional on the results of the infill seismic programs. One of the prospects being detailed by the seismic programs has the potential to contain up to 52 million barrels of recoverable oil in one zone.

The Company has a portfolio of other oil exploration and appraisal projects in areas of proven oil potential which are being advanced with some being prepared for farmout. In particular, Bow has been working towards securing multi-well farmouts within its dominant acreage position in the oil prone southwest Surat-Bowen acreage where it currently holds 50%-100% direct working interests. Bow's target is to divest the majority of the exploration risk while still retaining sufficient equity to create substantial shareholder wealth from any commercial discoveries in the farmout areas.

On behalf of the Board
D P Cornish
Company Secretary

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