



ASX Announcement

15 December 2006

Operations Update – Eromanga Basin Drilling to Commence and Donga-4 Update

The Directors of Bow Energy Limited (Bow) advise that the ATP 805P Surat-Bowen Basin, Queensland Joint Venture is considering casing and suspending the Donga-4 appraisal well as a future oil producer over the weekend then releasing drilling rig ADS Rig 6. Bow has also been advised that Hunt Rig 2 will be released to Bow early Monday morning and the rig will then be moved to drill the first of a three well back-to-back oil drilling program in the Wompi Block of ATP 752P in the Eromanga Basin. Additional information follows:

Donga-4 Appraisal well likely to be Cased and Suspended (ATP 805P – Surat Basin)

Donga-4 has reached a total depth of 1603 metres. At 0600 EST wireline logging was being carried out.

A bottom hole drill stem test (DST) over the Donga sandstone interval 1563 to 1568 metres recovered a minor amount of light sweet crude oil and drilling mud with no formation water present. The analysis of the DST indicated a partial blockage is interpreted to have restricted the flow of fluids during the test. However, the DST also suggests the reservoir is not well developed which is inconsistent with the reservoir interpretation while drilling. The final casing decision will follow a detailed analysis of the wireline data when it is available later this evening.

The ATP 805P Joint Venture has determined that with the inconsistency of the results of Donga-4, it would not be prudent to drill Donga-5 immediately and the ADS Rig 6 will be released after the work at Donga-4 is completed.

Eromanga Basin Drilling Program to Commence

Bow has been advised that Hunt Rig 2 will be released to Bow late Sunday or early Monday next week to commence Bow's Cooper-Eromanga Basin drilling operations. It is expected to take about a week to get the rig, camp and associated equipment moved and set up at the Maracoonda-2 drilling site located in the Wompi Block of ATP 752P in the Cooper-Eromanga Basin.

Maracoonda-2, a twin of Maracoonda-1 which had interpreted bypassed oil pay in at least one zone, is the first of three wells being drilled back-to-back in the Wompi Block on trend and near high productivity oil fields. Maracoonda-2 will be followed by Gamma-1 and Nora-1 which

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have a combined recoverable oil potential in excess of 12 million barrels.

Following the three wells in the Wompi Block, the next two wells in ATP 752P planned are in the Barta Block. The Barta Block wells and final drilling locations are conditional on the results of recent seismic programs in the Block. Bow is fully carried on the Cooper-Eromanga oil exploration drilling program in ATP 752P and retains 25% direct working interest after the farmin program by Avery Resources (Australia) is completed.

Other Projects being prepared for drilling in 2007

Processing of recently completed infill seismic acquisition programs (2D and 3D) designed to detail several oil prospects mapped in the Barta Block of ATP 752P is continuing. Two of the prospects being detailed are to be selected as the targets for the final two wells in the Avery farmin program. The wells are planned for the 2nd quarter of 2007 with drilling conditional on the results of the infill seismic programs.

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.

The interests in Donga-4 and ATP 805P are:

Bow Energy	85% (Operator)
Victoria Petroleum	15%

The interests in Maracoonda-2 and ATP 752P (following the completion of the Avery Resources (Australia) Farmin) are:

Bow Energy	25% (Operator)
Victoria Petroleum	25%
Avery Resources	50%

For and on behalf of the Board
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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 27 years experience in petroleum exploration

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