



**ASX Announcement
14 June 2007**

Bow enters into Coal Seam Gas Joint Venture

The directors of Bow Energy Limited (Bow) are pleased to announce that Bow has entered into a coal seam gas (CSG) joint venture in the Surat Basin on its existing ATP 593P permit and an adjoining tenement owned by Victoria Petroleum NL. Bow and Victoria Petroleum NL (Vicpet) have combined two permits in the northwest Surat Basin and in partnership with Roma CBM Pty Ltd (RCBM) have formed the Don Juan CSG Joint Venture.

The Joint Venture is located immediately adjacent to previously discovered CSG gas flows and about 25 km northwest of Sunshine Gas's Lacerta CSG field as illustrated in the attached figure. The Walloon Coal Measures, the primary target coal seams in the area, are interpreted to be present and gassy over all of the Don Juan CSG Joint Venture area and to depths between 250 to 600 metres.

Assuming only 50% of the 1,158 km² Don Juan CSG Joint Venture area contained a modest 2 PJ of gas per km², the area has the potential to contain in excess of 500 PJ of methane gas.

The Joint Venture plans to drill up to three test core holes immediately when the necessary equipment is available and, assuming the results of the core hole tests are as anticipated, commence a coal seam gas pilot by the end of 2007 with the goal to prove a commercial gas deposit in 2008.

The tenements that comprise the Don Juan CSG Joint Venture are ATP 593P (which Bow currently has an existing 76% interest in) and the adjoining ATP 771P currently owned 100% by Victoria Petroleum.

The participants in the Don Juan CSG Joint Venture after the initial coring and pilot programs will be:

Bow Energy Limited	45%	paying 55% of coring and initial pilot
Victoria Petroleum NL	45%	paying 25% of coring and initial pilot
Roma CBM Pty Ltd	10%	paying 20% of coring and initial pilot

Bow's Managing Director, Ron Prefontaine, commenting on the Don Juan CSG Joint Venture stated:

"The Don Juan CSG Joint Venture will complement Bow's oil exploration and production business in Queensland's premier conventional petroleum basins where oil exploration drilling and oil production enhancements are planned to re-commence in August this year.

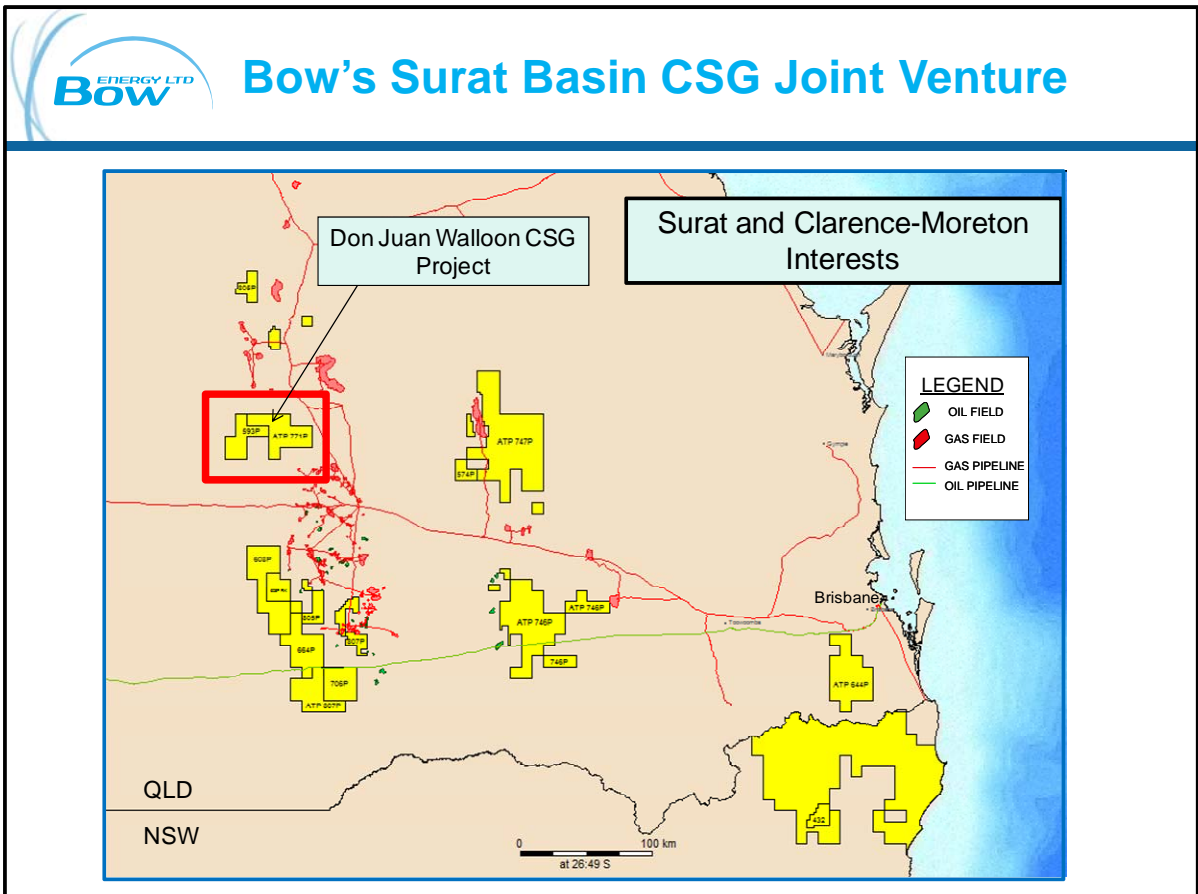
Bow will be carried on the next three oil exploration wells planned in the Cooper-Eromanga Basin permit ATP 752P through a farmout and, assuming successful farmout market programs in progress, be carried in multiwell oil exploration and oil production enhancement programs in the Surat and the Central Eromanga Basins.

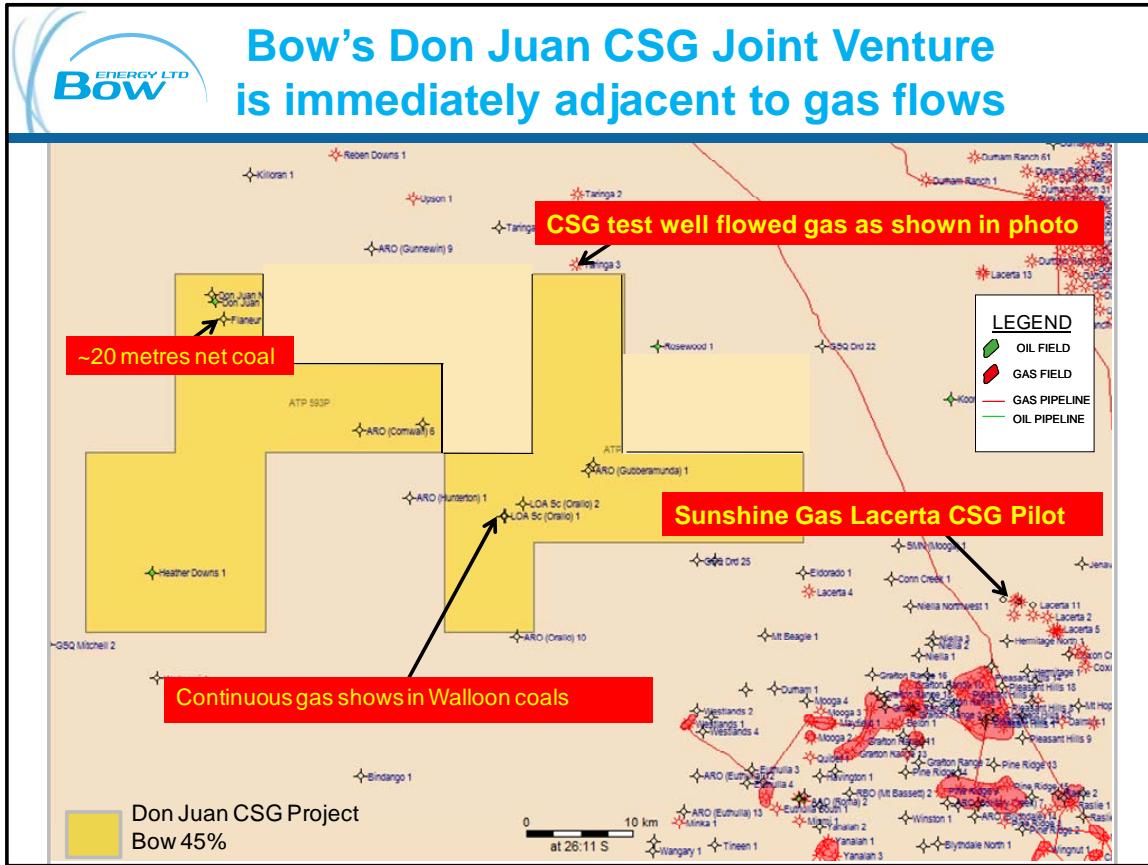
With the combined oil and now CSG exploration and production programs planned for Bow, there is increased potential for substantial growth of the Company over the next 12 months and beyond.”

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 27 years experience in petroleum exploration





FLARE AT 159 METRES – TAROOM COAL MEASURES