



ASX Announcement

1 November 2007

Bow Commences Drilling Operations at the Don Juan CSG Project

The directors of Bow Energy Limited (Bow) are pleased to announce that the Don Juan CSG (Coal Seam Gas) Joint Venture (Bow 45% and operator) has commenced exploration drilling operations with Taringa South-1, the first well of a planned three well (2 firm plus 1 optional) CSG exploration drilling program. Proposed wells depths are between 250 to 450 metres.

The Joint Venture plans to case and suspend the wells as future pilot production holes in order to carry out flow and production testing. Assuming positive results of the initial pilot wells, a process of reserve certification should commence early in 2008.

The nearest natural gas pipeline is situated just 8km east of the permit.

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

"I am personally very optimistic about the Don Juan CSG Project which has the potential to place the company on the fast track towards substantial CSG reserves as early as next year.

The Don Juan CSG Project is located immediately west of Sunshine Gas Ltd's Lacerta CSG Project. The Lacerta Project currently has certified methane gas reserves of 469 PJ (2P) and 1097 PJ (3P).

Bow interprets the primary CSG fairway continues west from Lacerta extending into the Don Juan Project area where it overlies about 900km² of the interpreted fairway.

Bow's Phase 1 exploration/appraisal program consists of flow testing the three initial pilot wells, and assuming positive results, coring and additional pilot wells as required to achieve commercial reserve certification over a target area of 463km².

The planned timing for the commercialisation of the Don Juan CSG Project coincides with the projected increase in demand and resultant upward pressure on prices for natural gas in the Eastern seaboard.

Successful gas reserve certification and subsequent gas sales from this CSG project or any successes in Bow's oil exploration drilling program due to commence early in 2008 in its Cooper-Eromanga and Bowen-Surat Basin project areas in Queensland have the potential to add substantial shareholder value over the next 12 months."

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The participants in the Don Juan CSG Joint Venture are:

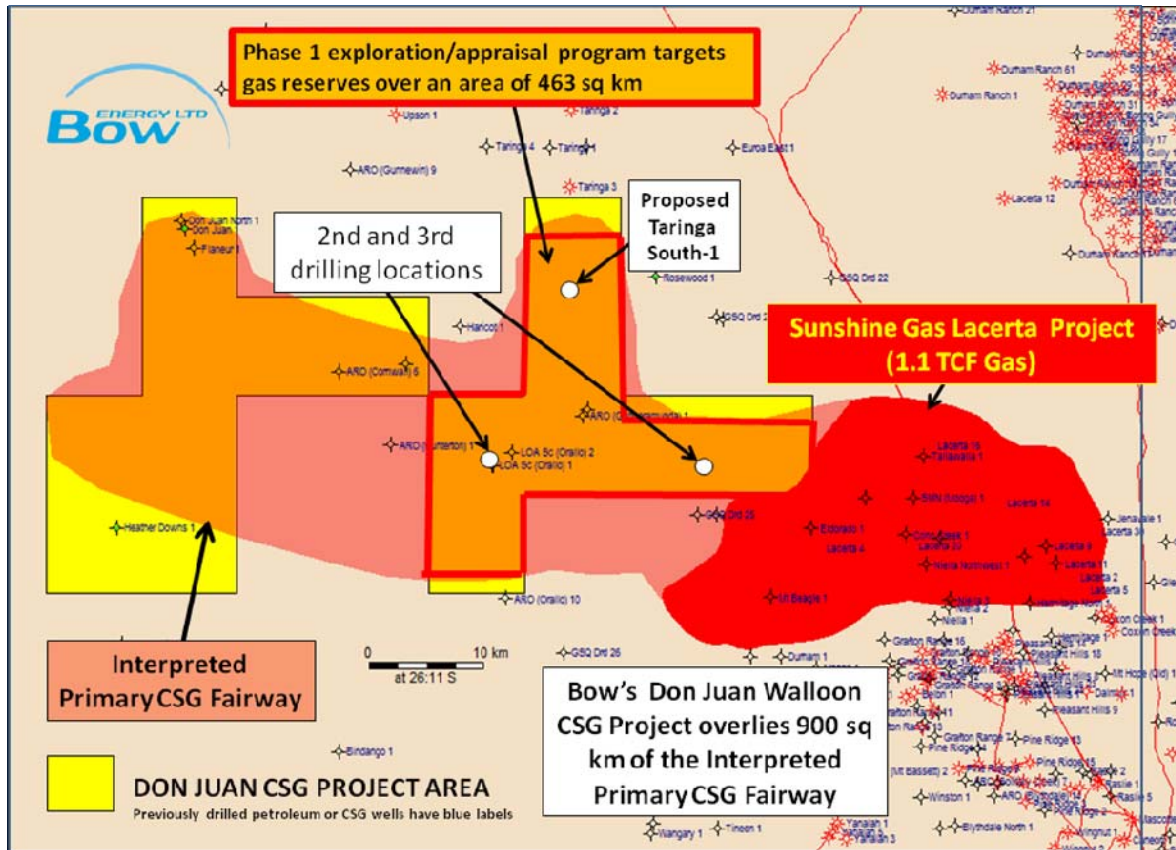
Bow Energy Ltd	45% (Operator)
Victoria Petroleum NL	45%
Roma CBM Pty Ltd	10%

For and on behalf of the Board
Duncan Cornish
Company Secretary

For further information:

Ron Prefontaine, Managing Director
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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 28 years experience in petroleum exploration



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