



ASX ANNOUNCEMENT

10 December 2007

Placement and Share Purchase Plan Up to \$8,000,000 to be raised

The Directors of Bow Energy Ltd ("the Company") are pleased to announce that the Company:

- Has entered into binding commitments for a capital raising of \$5,000,000 before issue costs by way of a placement ("Placement") of 20,000,000 Bow shares to institutional and sophisticated investors at \$0.25 per share.
- Invites shareholders to participate in a share purchase plan ("Plan") to raise up to a **maximum** of a further \$3,000,000 at \$0.25 per share. Subscriptions for shares are to be received on a **"first come, first served basis"**.

Bow plans to use the funds raised from the Placement and the Plan for ongoing exploration and appraisal activities including:

- Reserve certification drilling and pilot work as required for the Don Juan Coal Seam Gas project
- seismic reprocessing, new seismic acquisition and drilling program in the Surat Basin
- drilling at the Don Juan shallow oil project
- oil enhancement work in the Surat Basin
- other working capital requirements

Placement

Bow has entered into binding commitments for a capital raising of \$5,000,000 before issue costs by way of a placement of 20,000,000 Bow shares to institutional and sophisticated investors at \$0.25 per share.

4,000,000 (\$1.0m) of the Placement shares are being subscribed for by entities related to Mr Stephen Bizzell and Mr Nicholas Mather, directors of Bow Energy Ltd. The issue of these shares to the director-related entities is subject to shareholder approval, to be sought in January 2008.

The balance of the Placement shares are expected to be allotted on 14 December 2007.

Share Purchase Plan

The Plan will involve the offer of a **maximum** of twelve million (12,000,000) new shares at an issue price of \$0.25 to raise up to \$3,000,000. The Directors intend to accept subscriptions for shares on a **"first come, first served basis"**.

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The Plan issue price of \$0.25 represents a discount of 14.4% to the average closing price over the last five days of trading of the shares of the Company and a 10.3% discount to the weighted average price on the ASX since 1 November 2007 to the date of this announcement.

The Plan is not underwritten.

Shareholders registered on the Company's share register at 7pm on the Record Date (12 December 2007) of the Plan will be entitled to take up, at their election, either:

- \$3,000; or
- \$5,000

of new shares at the issue price of \$0.25 per share.

All of the Directors of the Company intend taking up their entitlement in the Plan.

The Plan documentation will be dispatched to shareholders on 13 December 2007.

The key dates for the Plan are as follows:

Record Date of the Plan	Wednesday	12 December 2007
Opening Date of the Plan	Monday	17 December 2007
Closing Date of the Plan	Friday	4 January 2008
Issue and Allotment of new shares under the Plan	Wednesday	16 January 2008

On behalf of the Board
D P Cornish
Company Secretary

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