



ASX Announcement

28 August 2007

Bow executes LOI for \$18.5 million Cooper-Eromanga Multi-well Farmin Program with Santos/Avery

The directors of Bow Energy Limited (Bow) are pleased to announce that Bow has executed a letter of intent with Santos Ltd and Avery Resources (Australia) Pty Ltd (Avery) to expand the current ATP 752P Barta and Wompi Blocks farmin earning program from the currently planned 3 wells to 7 wells, and an additional 300km² of 3D seismic data. Bow will be fully carried for the 7 wells and 3D seismic under the staged farm-in arrangements.

The Barta and Wompi Blocks are adjacent to tenements held by Santos which are the subject of the Santos Cooper Oil Project (COP). The COP is the largest and most comprehensive Australian exploration and development program ever undertaken. The COP consists of a capital expenditure program in excess of \$1.3 Billion and incorporates large 3D seismic surveys and large scale drilling programs (about 1000 wells). The program to date has an overall success ratio, including new pool discoveries, development wells and satellite pool discoveries, of approximately 80%.

The highlights of the Avery/Santos ATP 752P farmin are as follows:

Wompi Block:

4 oil exploration wells
200km² 3D Seismic

Barta Block:

3 oil exploration wells
100km² 3D Seismic

Total estimated capital expenditure: \$18.5 Million

Bow's Post Program Interest: 15%

Santos will take over as operator of ATP 752P and will drill the initial two firm farmin wells (one in each block) commencing prior to the end of the first quarter of 2008 and has indicated that it would prefer two wells in each block (potential total of four initial wells in the first half of 2008) while the drill rigs are in the area. Drilling of the extra two wells will be conditional on a Santos internal technical review of the current Joint Venture's recently acquired 2D, 3D and reprocessed seismic data in the permit.

Bow will be fully carried on the farmin exploration drilling and seismic programs with all stages of the new expanded farmin program to be completed prior to the end of March 2009.

The expanded ATP 752P farmin has necessitated a delay in drilling of Hudson-1, originally scheduled for mid-September while Santos completes its technical review. The well will now likely be drilled as one of the initial farmin wells planned to commence in the first quarter of 2008.

The expanded farmin program also substantially reduces Bow's exploration risk in its ATP 752P Cooper Basin oil exploration program through the drilling of more exploration wells than the previous farmin and a minimum of 300km² of new 3D seismic along with Santos' expertise and proven track record of finding and developing commercial discoveries in the Cooper Basin.

Update on Bow's Other Areas

Bow is continuing to market its Central Eromanga and SW Surat Farmout projects with the target of securing combined seismic and multiwell farm-in programs. The Rookwood and Donga oil fields updated facilities design and assessments of new completions are progressing.

Bow is in the late stages of planning of 2 Coal Seam Gas (CSG) wells plus a 3rd contingent well in its Don Juan CSG Joint Venture drilling program, having secured the services of JD Drilling. Drilling is expected to commence in the second half of September 2007.

For and on behalf of the Board
Duncan Cornish
Company Secretary

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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

