



**ASX Announcement
8 January 2008**

Carnarvon-1 well drilling resumes plus oil drilling in other areas

The directors of Bow Energy Limited (Bow) are pleased to advise that the third exploration well of the Don Juan CSG (Coal Seam Gas) Joint Venture (Bow 45% and operator), Carnarvon-1, has resumed drilling after being temporarily suspended while the drill crew took a break over Christmas-New Years. The well is located approximately 19 km east of Orallo North-1 and 20 km southeast Taringa South-1 as indicated on the attached map.

The top of the Walloon Coal Measures in Carnarvon-1 was encountered at 57m depth, and the well is expected to have a total depth of 300m. Current operations are running and cementing surface casing before drilling ahead.

The second well in the current three well exploration program, Orallo North-1, was cased and suspended in December as a production well.

A process towards achieving reserves certification consisting of several core holes and additional pilot wells is expected to commence in early February.

Certification will be undertaken by MHA Petroleum Consultants in Denver (MHA) as advisers and reserves certifiers. MHA has been advising Bow on optimal well placement and drilling density to achieve the initial target of 200 PJ of 2P reserves by the end of 2008.

Bow's to participate in three oil exploration wells in early 2008

In addition to continuation of pilot and coring wells on the Don Juan CSG project, Bow plans to participate in the drilling of at least 3 conventional oil exploration wells during the first quarter of 2008.

These will include an exploration well to test a shallow oil target in the Don Juan area (Bow 76%) as indicated on the attached map and the first two oil exploration wells as part of a multiwell farmin program by Santos in permit ATP 752P located in the Cooper-Eromanga Basin (Bow 15% after the farmin completed).

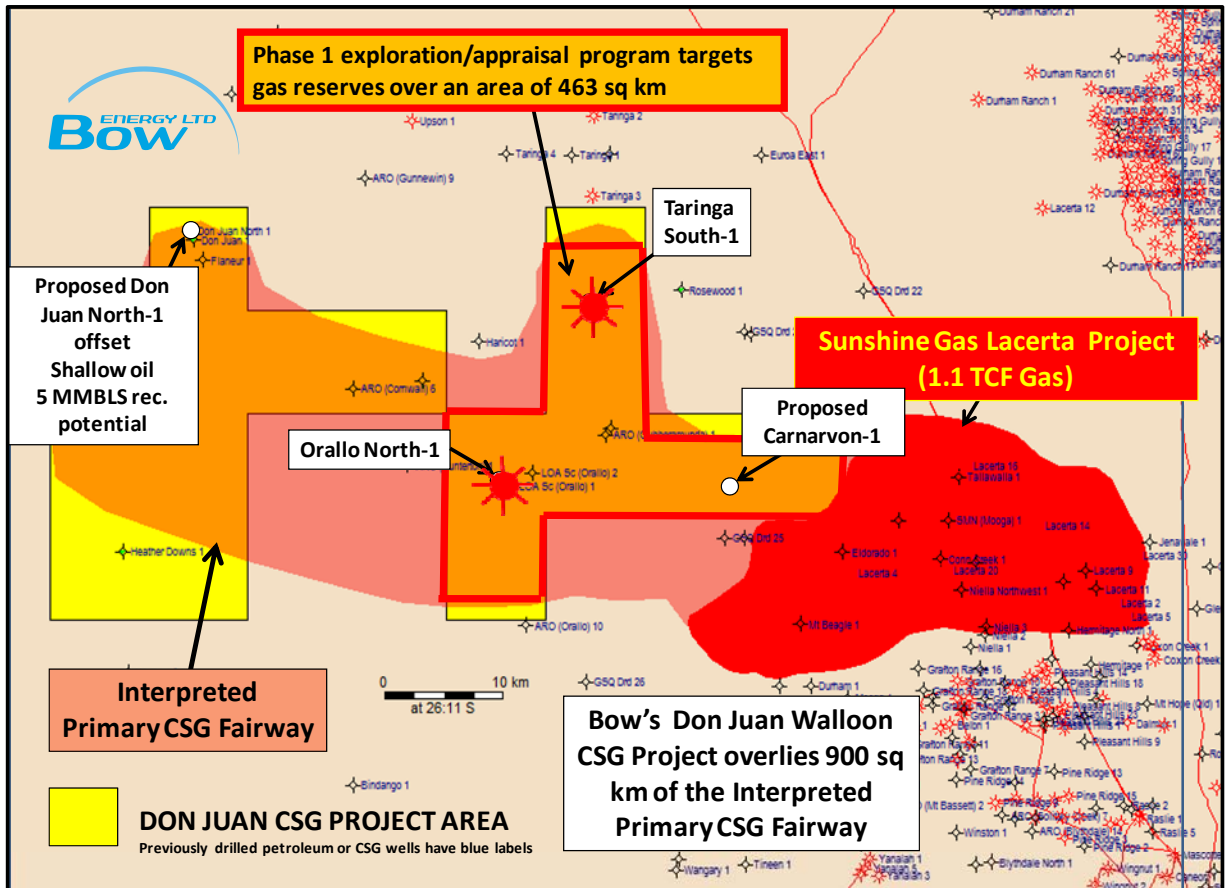
For and on behalf of the Board
Duncan Cornish
Company Secretary

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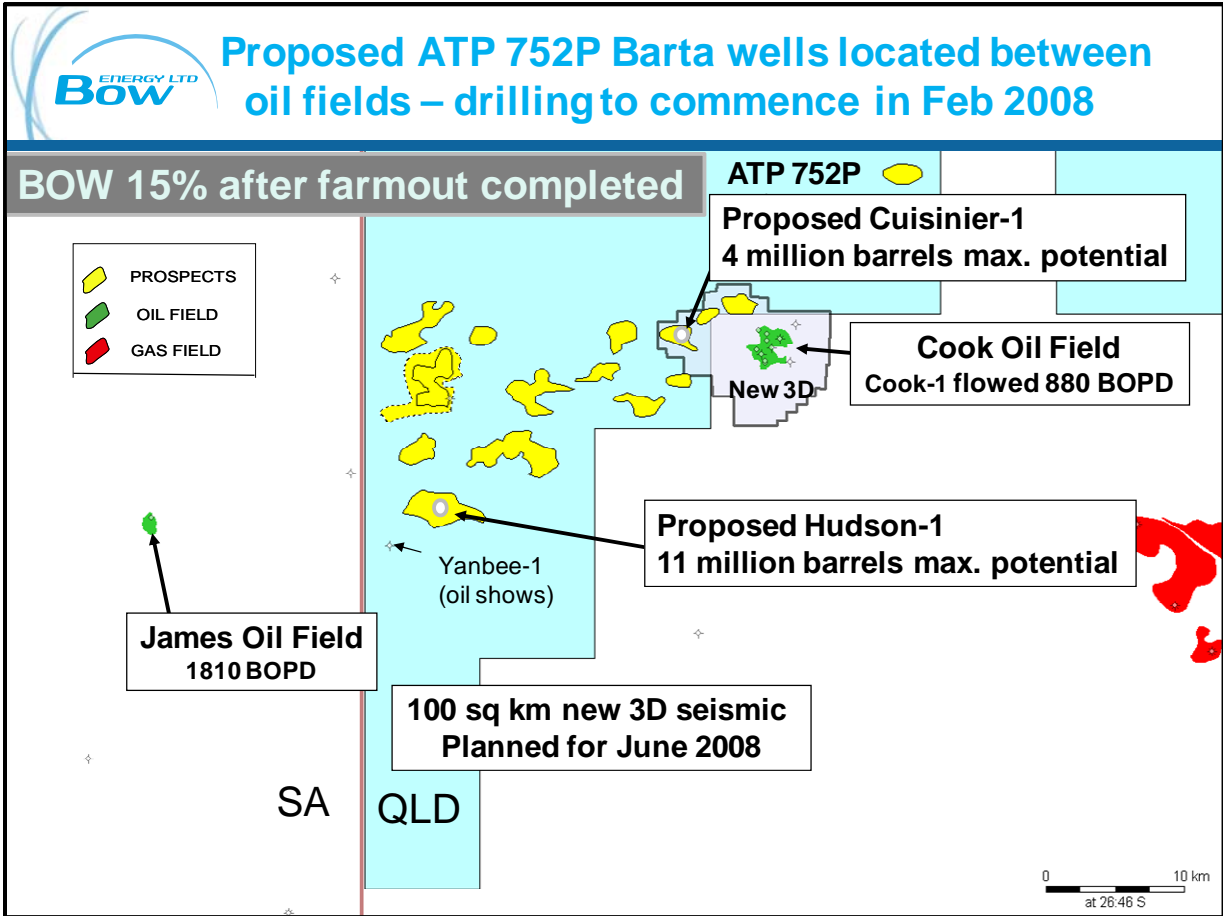
For further information:

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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 28 years experience in petroleum exploration.



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