



## **ASX Announcement**

**22 September 2008**

### **Bow successful bidder on three very high potential CSG blocks**

The directors of Bow Energy Ltd (Bow) are pleased to announce that the Queensland Department of Mines and Energy has advised that Bow is the preferred tenderer for three new blocks in the most recent 2008 land release. The blocks are located within one of the Australia's most prolific Coal Seam Gas (CSG) fairways in the Bowen Basin and have a total area of 2,200 square kilometres. Bow was the 100% applicant for all three areas.

Together with its existing CSG projects, Bow now has an impressive coal seam gas portfolio and will be aiming to establish significant gas reserves in the near term.

"Bow has made a commitment to grow the company through adding to its CSG and conventional petroleum project portfolio and ongoing exploration and appraisal," said Bow's Petroleum CEO Paul Lipski; "these three new blocks are in the heart of one of Australia's highest rated coal seam gas provinces near the port of Gladstone. They are on trend with some of the country's biggest CSG projects and neighbouring blocks are held by some of Australia's biggest CSG players. Previous drilling and production results in the area clearly demonstrate that we are in the right address. Furthermore, the blocks are near existing and proposed gas pipeline and infrastructure including potential access to new export LNG facilities in Gladstone".

Details of the blocks are (see attached figure for locations and more detail):

#### **PLR2008-1-14 (100% Bow)**

Northern Block, area 873 sq km. Bowen Basin, Permian coals.

This block is located 33 km southeast of and on trend from Arrow/AGL's Moranbah/Grosvenor CSG major project area. CX-4 CSG exploration well, the only CSG well drilled in the block, did not penetrate the entire CSG section, but still intersected 19.2m net coal to 297m depth including an individual seam 8.82m thick. Coal seam gas contents in wells within and immediately adjacent to the block range from of 7 to 17 m<sup>3</sup>/tonne consisting of approximately 98% methane.

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### **PLR2008-1-13(100% Bow)**

Central block, area 974 sq km. Bowen Basin, Permian coals.

The block is along trend and located between Sunshine's Atria project, Pure Energy's Dingonose project and Arrow's Gemini CSG wells. In the recently completed Atria appraisal program immediately to the north of the block, Sunshine Gas stated that the program 'confirmed the presence of thick, highly gassy coals up to 25m<sup>3</sup>/tonne over an area of approximately 350 sq km'. Pure Energy's Dingonose and Duckworth projects lie immediately to the east with Pure reporting 'good permeability proven' and an estimated 2C contingent resource 'in the order of 800 PJ'.

### **PLR2008-2-7(100% Bow)**

Southern block, area 385 sq km. Bowen Basin, Permian coals.

This southern block is located midway and along trend between Anglo Coal's Moura/Dawson River and Santos' Scotia/Peat major CSG project areas. Bow interprets the block has a similar geological setting to the Dawson River/Moura CSG areas. In the adjoining block to the north, Molopo announced a gas-in-place resource of 2.3 TCF for the greater Timmy area located 10 km from the Bow block boundary. The Isla-1 well, located near the northern boundary of the Bow block, intersected 32.1m net gassy coals with individual seams over 8 m thick. Immediately south of the block, exploration wells intersected 27 metres of coal and gas contents up to 15 m<sup>3</sup> /tonne.

Of the three blocks, only Block 2-7 is affected by Native Title and therefore can only be granted after agreement is reached with the Native Title claimants. Bow will be working toward early resolution of Native Title in this block.

Also as part of Bow's CSG focus during the past year, the company increased its interest in the Don Juan CSG project (Bow 55%). The project is immediately adjacent to the Sunshine Gas Lacerta project, and reserve certification work is in progress.

The company will also be drilling at its Canaway Ridge project area located in southwest Queensland during October/November to investigate whether this area has the potential to be a new CSG province. Bow has 65-100% of a large structural trend in which conventional petroleum exploration wells encountered coals with gas shows at 200-650m depths.

Bow looks forward to accelerating its CSG exploration and production pilot programs aimed at establishing significant gas reserves in 2009. With these three new areas having potential uncommitted gas reserves and ideally located near Gladstone and gas infrastructure, Bow may be in a strong position to be a significant new participant in the lucrative export LNG market.

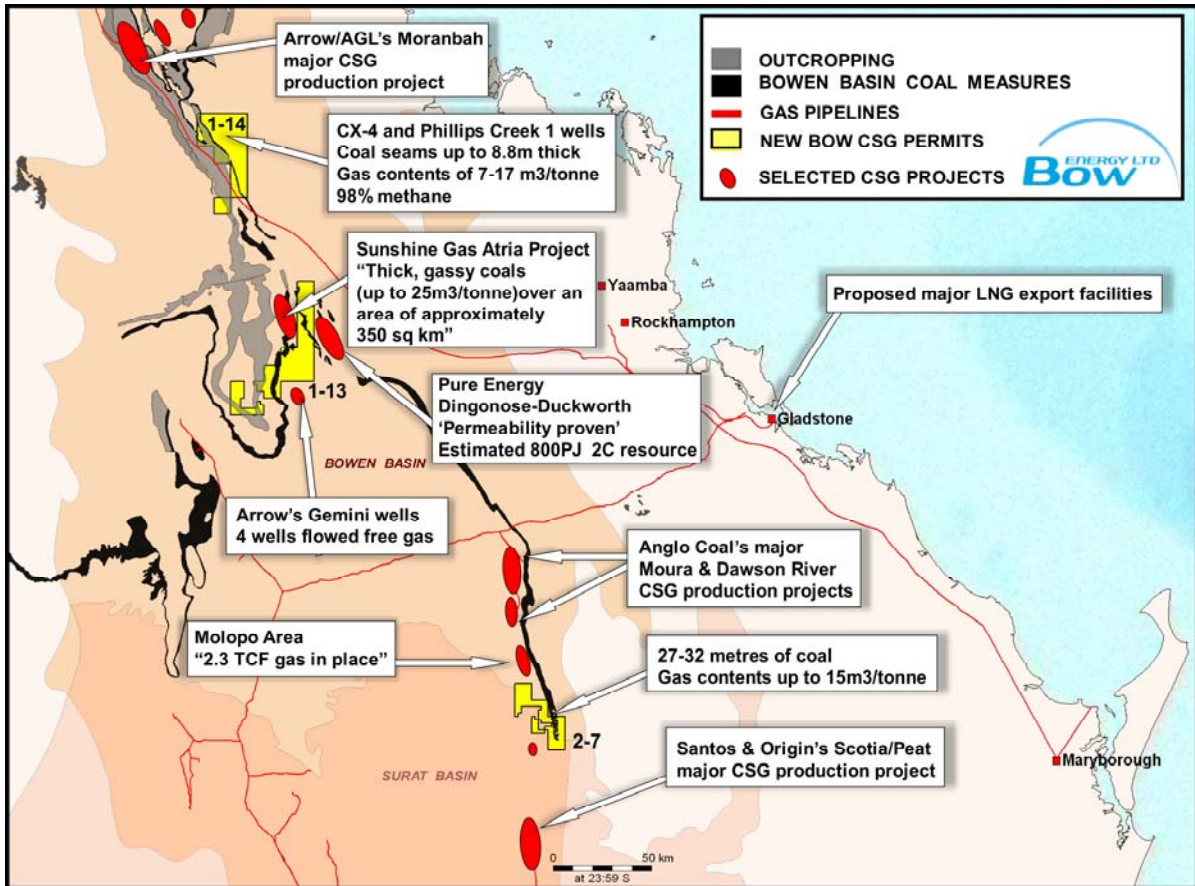
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For and on behalf of the Board  
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The technical information contained herein is based on information compiled by the Company's Managing Director, Ron Prefontaine, who has more than 28 years experience in petroleum exploration.



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