



ASX Announcement

27 November 2008

Don Juan CSG Project Update – confirmed gas contents similar to Lacerta

The Don Juan Coal Seam Gas (CSG) Project is a joint venture between Bow Energy Ltd (Bow), as Operator and having a 55% interest and Victoria Petroleum having a 45% interest. The project is adjacent to the Lacerta project originally explored by Sunshine Gas Ltd (Sunshine).

A total of seven core holes and four pilot production wells have been drilled at the Don Juan CSG project. Bow has now obtained gas content data analysed from the coal samples and this has identified a 225 sq km focus area in which Bow can concentrate its efforts in progressing a commercial coal seam gas project. As highlighted in the figure below, gas volumes within the Don Juan focus area are generally in the 2.5-4.8 cubic meters per tonne range. This is generally analogous to the adjacent Lacerta CSG field, which Sunshine described as having gas volumes “up to 5 m³/tonne”.

“Drilling results and data analysis suggest that the Don Juan focus area is a westerly extension of the Lacerta field,” said Bow’s Petroleum CEO, Paul Lipski. “It has the same stratigraphic units, with encouraging gas volumes in both the Juandah and Taroom coals of the Walloon Coal Measures.”

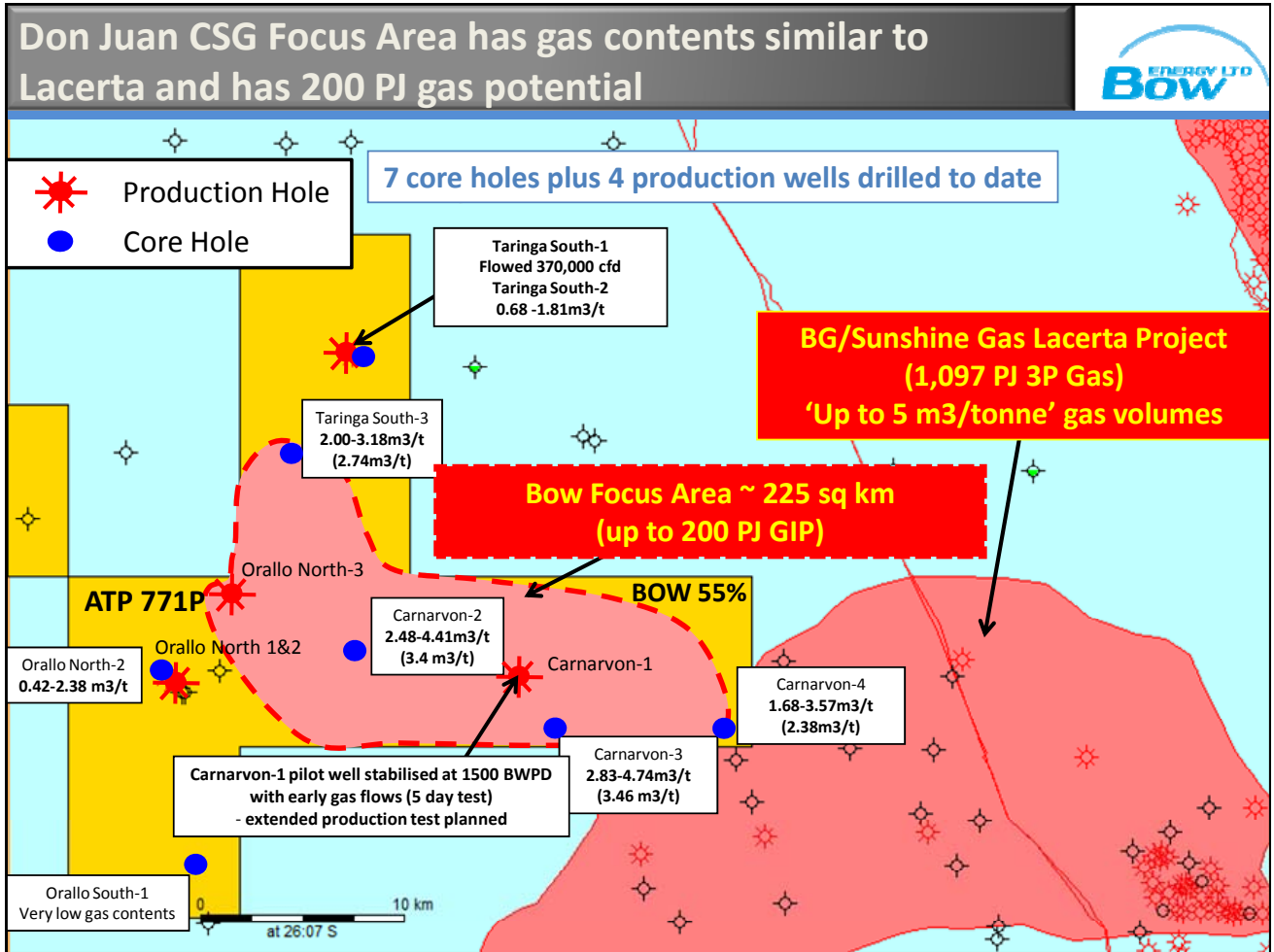
Lacerta was developed by Sunshine as its primary asset. In recent merger and acquisition transactions, both Queensland Gas Corporation Ltd (QGC), and then BG Group Plc (BG), clearly placed a high value on the Lacerta asset.

In the most recent transaction, as part of BG’s takeover of QGC, AGL Energy Ltd was granted an option to acquire the Lacerta gas development project together with a 15% stake in the Polaris gas exploration project from BG for A\$865 million.

“The recent activity in the adjacent licence has made us very excited about the results coming out of the Don Juan Project,” added Paul Lipski.

Bow is currently in the process of obtaining third party reserves certification and also planning extended production testing early 2009 to facilitate the reserves certification process.

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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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