



ASX Announcement

17 February 2009

Second Canaway Ridge CSG well exceeds expectations

The Directors of Bow Energy Ltd (Bow) are pleased to announce that the Hobson-1 coal seam gas (CSG) well has reached a total depth of 432 metres. A total of 22.34 metres of net observable coal was logged at the well site with several of the individual seams over two metres thick. The majority of the coals were below 300 metres depth, with all of the sampled coals below this depth desorbing gas when brought to surface.

The well is located in southwest Queensland toward the eastern margin of the Cooper-Eromanga Basin on the Canaway Ridge structure, approximately 70km north west of Quilpie. Hobson-1 is the second well of a two-well CSG exploration program aimed at determining the CSG potential of the Winton Formation coals on the Canaway Ridge structure. The structure, which is approximately 80 km long, extends over three permits where Bow has 65-100% direct working interests.

The first well in this program, Pebble Hill-1, located 33 km to the south, intersected 5.72 metres of net black coal with an additional 4 metres of immature coal in the shallower section of that well.

Full gas desorption analysis of coal samples from both wells will be conducted to confirm quantitatively the gas contents of the individual seams.

Bow's CEO – Petroleum, Paul Lipski, commenting on the program to date, said "This really is an encouraging result for the second CSG core well in a new potential coal seam gas province. Early results of the well indicate there are thick black coal packages, particularly in the bottom 100 metres of the hole, which are desorbing gas and have confirmed the presence of gassy coals in a mapped culmination in the northern part of the Canaway Ridge structure.

The initial results of Bow's two CSG exploration wells, plus the two previously drilled petroleum wells in the area, Banff-1 and Canaway-1, demonstrate there is the potential for thick deposits of gassy coals on the Canaway Ridge. More appraisal work will be required to further understand the lateral thickness variations in the coals.

In anticipation of expected reasonable gas contents of the coals, the Canaway Ridge CSG Joint Venture is currently planning an appraisal program with the aim of certifying gas reserves on the Canaway Ridge over the next 12 months. In addition, Bow will likely carry out reprocessing of the existing seismic data set over Canaway Ridge as we believe it will assist in identifying areas with thicker coal deposits."

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The Canaway Ridge Joint Ventures consist of:

Block	Participants	Canaway Ridge Structure by area (approximate)
ATP 794P Barcoo	Bow 65% Victoria Petroleum 35%	53%
ATP 560P CSG Rights	Bow 100%	33%
ATP 948P*	Bow 100%	14%

* Permit grant subject to Native Title negotiations

Bow is operator of the Canaway Ridge Joint Venture.

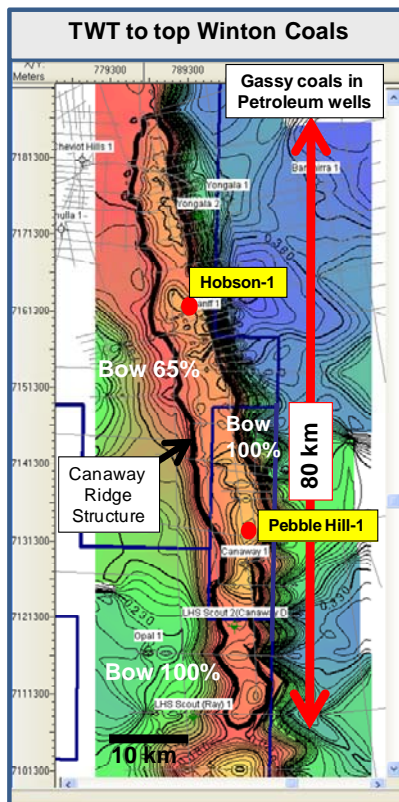
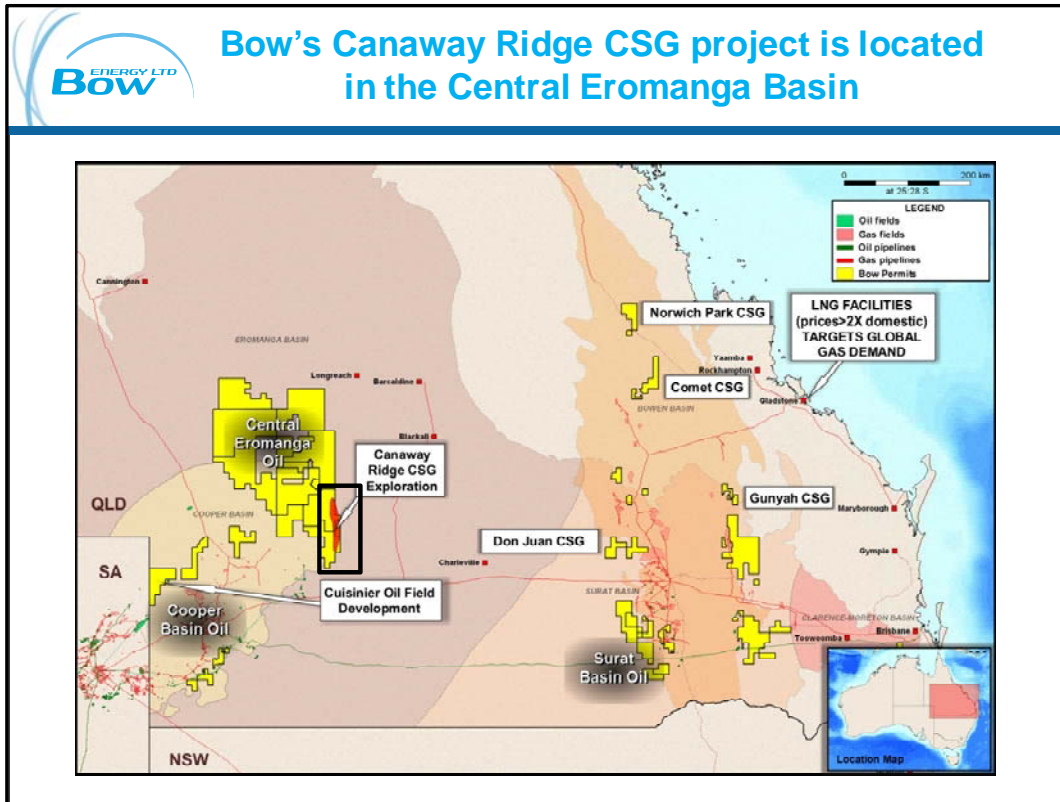
For and on behalf of the Board
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CANAWAY RIDGE CSG 80 km long giant structure is mapped

Results of the initial two-well CSG coring program as of 16 Feb 2009 are:

Hobson-1

- Drilled to 432 metres total depth.
- Well intersected **over 22 metres** of gassy coals with the majority of coal in bottom 100 metres.

Pebble Hill-1

- Drilled to 387 metres total depth.
- Well intersected about **6 metres** of gassy coals
- Almost all of the coal was between 295 and 335 metres depth (lower coals only) and gassy

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