



Notice of General Meeting and Explanatory Memorandum

Bow Energy Limited

ABN 63 111 019 857

Date of Meeting: 31 March 2009

Time of Meeting: 10.00am (Brisbane time)

Place of Meeting: Level 7, Waterfront Place, 1 Eagle Street, Brisbane Qld 4000

Notice is given that a General Meeting of shareholders of Bow Energy Limited ABN 63 111 019 857 (**Company**) will be held at Level 7, Waterfront Place, 1 Eagle Street, Brisbane Qld 4000, on 31 March 2009 at 10.00am (Brisbane time).

Agenda

ORDINARY BUSINESS

1. Resolution One – Ratification of Previous Issue of Shares

To consider and, if thought fit, pass the following Ordinary Resolution with or without modification:

“That in accordance with the provisions of Listing Rule 7.4 of the Official Listing Rules of the ASX Limited (**ASX**), and for all other purposes, the shareholders ratify the previous issue of 22,500,000 fully paid ordinary shares in the Company (**Previous Shares**) on 23 February 2009 for a consideration of \$6,075,000.00 (representing an issue price of \$0.27 per Previous Share) to those persons set out in the Explanatory Memorandum accompanying this Notice of Meeting (**Recipients**), being investors that fall within one or more of the classes of exemptions specified in section 708 of the *Corporation Act 2001*.”

NOTES:

- The rights attaching to the Previous Shares are identical in all respects to the existing ordinary shares on issue in the Company.
- The funds raised by the issue will be used by the Company for:
 - ongoing exploration, appraisal and pilot production programs aimed at certifying gas reserves in Bow’s Coal Seam Gas (CSG) portfolio in the Bowen, Surat and Eromanga Basins in Queensland;
 - commitments to joint venture oil project exploration and development expenditures including Cuisinier Oil Project development; and
 - other corporate and offer costs and to provide additional working capital.

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on this Resolution by:

- any of the Recipients; and
- any associate of a Recipient.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

2. Resolution Two - Issue of Options to Unrelated Underwriters

To consider and, if thought fit, pass the following Ordinary Resolution with or without modification:

"That in accordance with the provisions of Listing Rules 7.1 and for all other purposes, subject to Resolution 3 being approved, the Company be authorised to issue a total of 4,833,488 unlisted options to subscribe for ordinary shares in the Company exercisable at \$0.50 each on or before 7 November 2011 (**Underwriter Options**) as follows:

- (a) 2,416,744 Underwriter Options will be issued to ABN AMRO Morgans Corporate Limited ABN 32 010 539 607 (**ABN AMRO Morgans**); and
- (b) 2,416,744 Underwriter Options will be issued to Wilson HTM Corporate Finance Ltd ABN 65 057 547 323 (**Wilson HTM**),

on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."

Note:

- The Company intends to issue the Underwriter Options as soon as practicable following the completion of the Rights Issue in accordance with the Underwriting Agreement and in any event no later than one (1) month from the date of the Meeting.
- A detailed summary of the proposed terms of the Underwriter Options is contained within the Explanatory Memorandum.

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on this Resolution by:

- ABN AMRO Morgans or Wilson HTM; and
- any associate of ABN AMRO Morgans or Wilson HTM.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

3. Resolution Three - Issue of Options to Related Underwriters

To consider and, if thought fit, pass the following Ordinary Resolution with or without modification:

"That, in accordance with the provisions of Listing Rule 10.11 of the ASX Listing Rules and for all other purposes, subject to Resolution 2 being approved, the Company be authorised to issue a total of 5,000,000 unlisted options to subscribe for ordinary shares in the Company exercisable at \$0.50 each on or before 7 November 2011 (**Underwriter Options**) as follows:

- (a) 3,333,333 Underwriter Options will be issued to Samuel Capital Pty Ltd ACN 078 336 044 (**Samuel Capital**); and
- (b) 1,666,667 Underwriter Options will be issued to Bizzell Capital Partners Pty Ltd ACN 118 741 012 (**Bizzell Capital**),

on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."

Note:

- The Company intends to issue the Underwriter Options as soon as practicable following the completion of the Rights Issue in accordance with the Underwriting Agreement and in any event no later than one (1) month from the date of the Meeting.
- A detailed summary of the proposed terms of the Underwriter Options is contained within the Explanatory Memorandum.

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on this Resolution by:

- Samuel Capital or Bizzell Capital; and
- any associate of Samuel Capital or Bizzell Capital.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company. Specific comments relating to the Resolutions are set out in the Explanatory Memorandum.

By order of the Board

DP Cornish, Company Secretary
2 March 2009

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum is provided to shareholders of **Bow Energy Limited ABN 63 111 019 857 (Company)** to explain the resolutions to be put to Shareholders at the General Meeting to be held at Level 7, Waterfront Place, 1 Eagle Street, Brisbane Qld 4000 on 31 March 2009 commencing at 10.00am (Brisbane time).

The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Terms used in this Explanatory Memorandum are defined in Section 6.

2. Resolution One – Ratification of Previous Issue of Shares

Resolution 1 seeks the ratification of shareholders for the previous issue of 22,500,000 fully paid ordinary shares (**Placement Shares**) to the following persons:

- Clients of ABN AMRO Morgans Corporate Limited;
- Clients of Wilson HTM Limited; and
- recipients listed in Annexure A,

(together **the Recipients**).

2.1 Listing Rule 7.4

In accordance with ASX Listing Rule 7.4, shareholder approval is sought to ratify the issue of the Placement Shares, being an issue of securities made by the Company during the previous 12 months for which shareholder approval has not already been obtained.

ASX Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Equity securities issued with shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% limit.

ASX Listing Rule 7.4 provides that an issue of equity securities made without prior approval under ASX Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently approve it. **If this resolution is approved this would have the effect of refreshing the Company's ability to issue up to a further 15% of its capital during the next 12 months without the need to obtain further shareholder approval.**

For the purposes of ASX Listing Rule 7.5 the Company advises as follows:

(a) Number of Shares

The number of Placement Shares issued to the Recipients was 22,500,000 fully paid ordinary shares.

(b) Price at which the Placement Shares were issued

The Placement Shares were issued for an issue price of \$0.27 each, raising a total of \$6,075,000.

(c) Date of Issue

The Placement Shares were issued to the Recipients on 23 February 2009.

(d) Ranking

The Placement Shares issued to the Recipients rank pari passu with the existing Shares of the Company.

3. Resolution Two - Issue of Underwriter Options to Unrelated Parties

3.1 Introduction

On 17 February 2009 the Company announced that it had completed a placement of 22,500,000 Shares (being those described in Resolution 1) and also intended to undertake the Rights Issue. The Rights Issue is proposed to be underwritten by four parties, namely:

- Samuel Capital Pty Ltd ACN 078 336 044 (**Samuel Capital**);
- Bizzell Capital Partners Pty Ltd ACN 118 741 012 (**Bizzell Capital**);
- ABN AMRO Morgans Corporate Limited ABN 32 010 539 607 (**ABN AMRO Morgans**); and
- Wilson HTM Corporate Finance Limited ABN 65 057 547 323 (**Wilson HTM**).

The Underwriting Fee which will be payable by the Company to each Underwriter in accordance with the terms of the Underwriting Agreement is:

(a) a total of:

- (1) an amount equal to 4% of the amount underwritten by the Underwriter by way of cash; and
- (2) subject to obtaining shareholder approval, five (5) unlisted options to subscribe for ordinary shares in the Company exercisable at \$0.50 each on or before 7 November 2011 for every \$4 underwritten by the Underwriter; or

(b) in the event that shareholder approval for the issue of the Underwriters Options is not obtained or the Company is not able to issue the Underwriter Options in accordance with any approval that is obtained, a total amount equal to 7% of the amount underwritten by the Underwriter by way of cash.

In the event that any Existing Options are exercised after 19 February 2009 but before the Record Date, entitling the holder of the Shares issued upon exercise of the Existing Options to participate in the Rights Issue (**Additional Rights Issue Shares**), the Underwriters will be paid a cash fee of 7% in respect of their underwriting commitment relating to the Additional Rights Issue Shares.

Resolution 2 seeks approval to issue the Underwriter Options to ABN AMRO Morgans and Wilson HTM under Listing Rule 7.1 as neither ABN AMRO Morgans nor Wilson HTM are related parties of the Company. Resolution 3 (which is discussed in more detail below) seeks approval to issue the Underwriter Options to Samuel Capital and Bizzell Capital as they are related parties of the Company and therefore approval is required under Listing Rule 10.11.

Resolutions 2 and 3 are interdependent, so that the Underwriter Options will only be issued to any of the Underwriters if approval is obtained from shareholders to issue the Underwriter Options to all of the Underwriters. Accordingly, if shareholder approval is not obtained for the issue of the Underwriter Options to both the unrelated parties (namely ABN AMRO Morgans and Wilson HTM) and the related parties (namely

Samuel Capital and Bizzell Capital) or the Company is not able to issue the Underwriter Options in accordance with any approval that is obtained to both the related and unrelated parties, the Company is obliged to pay a cash fee to each of the Underwriters equal to 7% of the amount which has been underwritten. In the event that any Existing Options are exercised after 19 February 2009 but before the Record Date, entitling the holder of the Shares issued upon exercise of the Existing Options to participate in the Rights Issue (**Additional Rights Issue Shares**), the Underwriters will be paid a cash fee of 7% in respect of their underwriting commitment relating to the Additional Rights Issue Shares.

Resolution 2 seeks approval to issue:

- (a) 2,416,744 Underwriter Options to ABN AMRO Morgans; and
- (b) 2,416,744 Underwriter Options to Wilson HTM.

3.2 Underwriting Agreement

The Company proposes to enter an Underwriting Agreement with each of ABN AMRO Morgans, Wilson HTM, Samuel Capital and Bizzell Capital in respect of the Rights Issue.

The respective underwritten amount for each Underwriter will be:

- Samuel Capital underwriting \$2,666,667;
- Bizzell Capital underwriting \$ 1,333,333;
- ABN AMRO Morgans underwriting \$1,933,395; and
- Wilson HTM underwriting \$1,933,395.

Each of the Underwriters will be paid by the Company the Underwriting Fee, being a total of:

- (a) an amount equal to 4% of the amount underwritten by the Underwriter by way of cash; and
- (b) subject to obtaining shareholder approval, five (5) unlisted options to subscribe for ordinary shares in the Company exercisable at \$0.50 each on or before 7 November 2011 for every \$4 underwritten by the Underwriter.

In the event that shareholder approval for the issue of the Underwriter Options is not obtained or the Company is not able to issue the Underwriter Options in accordance with any approval that is obtained, the Company will pay a total amount equal to 7% of the amount underwritten by the Underwriter by way of cash.

The Underwriting Agreements will be on terms and conditions ordinarily found in an underwriting agreement for an entitlement offer. The Underwriting Agreements will be conditional upon a number of things, including:

- (a) shareholder approval for the issue of the Underwriter Options. If the shareholders do not approve all or part of the issue of the Underwriter Options, then all fees will be paid in cash equating to a cash fee of 7% of the underwritten amount; and
- (b) ASX must also grant approval for quotation of the shares to be issued under the Rights Issue.

Where there is a shortfall in shares taken up under the Rights Issue the underwriters must then lodge applications to apply for their portion of the shortfall shares.

The shortfall is broken up into tiers, namely:

- Tier 1 – the first \$1.5 million of the shortfall will be underwritten by Samuel Capital as to 2/3rds and Bizzell Capital as to 1/3rd of the shortfall;
- Tier 2 – the second \$1.5 million of the shortfall will be underwritten by ABN AMRO Morgans and Wilson HTM in equal portions; and
- Tier 3 – any remaining shortfall will be underwritten as follows:
 - Samuel Capital will contribute 34.24%;
 - Bizzell Capital will contribute 17.12%;
 - ABN AMRO Morgans will contribute 24.32%; and
 - Wilson HTM will contribute 24.32%.

The Underwriting Agreements will include ordinary termination rights for the Underwriters, including where:

- (a) any of the Underwriting Agreements are terminated;
- (b) the Company fails to obtain approval for the issue of the Underwriter Options;
- (c) the Company does not lodge the prospectus, withdraws the prospectus or terminates the Offer;
- (d) there is an adverse change in the Company;
- (e) the S&P/ASX 200 Index is at any time for two consecutive days more than 10% below the level of the Index on the day prior to lodgement of the prospectus for the Rights Issue;
- (f) there is a material adverse change in market conditions;
- (g) the Company breaches any material obligations of the Underwriting Agreement or fails to comply with a law (including the requirements of the Corporations Act with regard to the Rights Issue), the Listing Rules, its constitution, or Underwriting Agreement; or
- (h) an event specified in the timetable is delayed for more than three business days other than in certain circumstances.

3.3 Listing Rule 7.1

In accordance with ASX Listing Rule 7.1, shareholder approval is sought to the issue of the Underwriter Options to ABN AMRO Morgans and Wilson HTM.

ASX Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders.

If this resolution is approved this would have the effect of maintaining the Company's ability to issue up to a further 15% of its capital during the next 12 months without the need to obtain further shareholder approval.

For the purposes of ASX Listing Rule 7.3 the Company provides the following information (in addition to information contained in the Notice of Meeting and elsewhere in this Explanatory Memorandum):

- (a) The number of Underwriter Options to be issued are:
 - 2,416,744 Underwriter Options will be issued to ABN AMRO Morgans; and

- 2, 416,744 Underwriter Options will be issued to Wilson HTM.

(b) The Underwriter Options will be issued in consideration for each of ABN AMRO Morgans and Wilson HTM agreeing to underwrite part of the Rights Issue and accordingly no funds will be raised from the issue of the Underwriter Options.

(c) Options terms - a summary of the material terms of the Underwriter Options is set out in Annexure B to this Explanatory Memorandum.

4. Resolution Three - Issue of Underwriter Options to Related Parties

4.1 Introduction

As noted above, the Rights Issue will be underwritten by four parties, namely Samuel Capital, Bizzell Capital, ABN AMRO Morgans and Wilson HTM.

Resolution 3 seeks approval to issue:

- (a) 3,333,333 Underwriter Options to Samuel Capital; and
- (b) 1,666,667 Underwriter Options to Bizzell Capital.

ABN AMRO Morgans and Wilson HTM are not related to the Company and therefore approval for the issue of Underwriter Options to these Underwriters is dealt with under Resolution 2.

Details of the Underwriting Agreement, including the Underwriting Fee payable are set out in Sections 3.1 and 3.2 above.

4.2 Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval for a company to issue equity securities to a related party.

A “related party” for the purposes of the Listing Rules Act is defined widely and includes a director of the public company or an entity controlled by a director of the public company.

Each of Samuel Capital and Bizzell Capital are controlled by directors of the Company. Samuel Capital is controlled by Nick Mather. Bizzell Capital is controlled by Stephen Bizzell.

Approval for the issue of the Related Underwriter Options is sought in accordance with the provisions of Listing Rule 10.11 of the ASX Listing Rules. If approval is given under Listing Rule 10.11, approval will not be required under Listing Rule 7.1.

The Underwriter Options will be issued in consideration for each of Samuel Capital and Bizzell Capital agreeing to underwrite part of the Rights Issue and accordingly no funds will be raised from the issue of the Underwriter Options.

For the purposes of Listing Rule 10.11, the Company provides the following information.

4.3 Options terms

A summary of the material terms of the Underwriter Options is set out in Annexure B to this Explanatory Memorandum.

4.4 Impact on Directors interest in the Company

As noted above, each of Samuel Capital and Bizzell Capital are controlled by Directors of the Company. Set out below is the current interests in the issued capital of the Company of Nick Mather (being the Director who controls Samuel Capital) and Stephen Bizzell (being the Director who controls Bizzell Capital), as well as their respective interests in the Company assuming:

- each of Nick Mather and Stephen Bizzell (and entities associated with them) subscribe for the full number of ordinary shares available to them in the Rights Issue;
- the Rights Issue is fully subscribed by Shareholders and neither Samuel Capital or Bizzell Capital are required to meet any underwriting shortfall; and
- all of the Underwriter Options granted to Samuel Capital and Bizzell Capital are exercised.

Director	Current Share Holding	% of Total Share Capital	Share Capital Upon Completion of Rights Issue	% of Total Share Capital	Share Capital Upon Exercise of the Underwriter Options	% of Total Share Capital
Nick Mather ⁴	2,357,188	1.35%	2,750,053	1.35%	6,083,386	2.91%
Stephen Bizzell ^{3, 4}	2,795,168	1.60%	3,261,029	1.60%	4,927,696	2.36%
Total Shares on Issue ^{1, 2, 4}	174,817,562		203,953,822		208,953,822	

Notes:

1. *Assuming that none of the Existing Options are exercised and none of the Underwriter Options to be issued to ABN AMRO Morgans or Wilson HTM are exercised.*
2. *Assuming that all of the Shares offered under the Rights Issue are issued by the Company.*
3. *Stephen Bizzell also has an interest in 1,112,970 options to subscribe for ordinary shares exercisable at \$0.50 on or before 7 November 2011.*
4. *The maximum number of additional Shares that Samuel Capital and Bizzell Capital could be required to subscribe for under their underwriting commitments is 9,582,466 and 4,791,233 respectively (assuming Messrs Mather and Bizzell subscribe for the full number of Shares available to them in the Rights Issue as is their intention). This maximum underwriting would assume a 97.05% shortfall for the Rights Issue and would result in Messrs Mather and Bizzell having an interest in 7.50% and 4.65% respectively of the total Shares on Issue (208,953,822).*

5. Dilutionary effect

Set out below is a summary of the issued capital of the Company assuming:

- the completion of the Rights Issue; and
- the exercise of all of the Underwriter Options.

Shareholders	Current Share Capital		Share Capital Upon Completion of Rights Issue		Share Capital Upon Exercise of Underwriters Options	
	Value	Percentage	Value	Percentage	Value	Percentage
Current Shareholders*	174,817,562	100.00%	174,817,562	85.71%	174,817,562	81.77%
Rights Issue	-	-	29,136,260	14.29%	29,136,260	13.63%
Shares issued on exercise of Underwriters Options	-	-	-	-	9,833,488	4.60%
Total	174,817,562	100.00%	203,953,822	100.00%	213,787,310	100.00%

*Assuming that none of the Existing Options are exercised.

6. Interpretation

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited ACN 008 624 691.

Board means the board of directors of the Company.

Company means Bow Energy Limited ACN 111 019 857.

Corporations Act means the *Corporations Act 2001* (Commonwealth).

Existing Options means the 22,716,667 options to subscribe for shares in the Company which are currently on issue and have not been exercised as at 2 March 2009.

Listing Rules means the listing rules of the ASX.

Meeting means the General Meeting of the Company to be held on 31 March 2009.

Resolution means a resolution to be proposed at the Meeting.

Rights Issue means the pro-rata entitlement issue to be undertaken by the Company on the basis of one (1) ordinary share for every six (6) Shares held as set out in the announcement by the Company on 17 February 2009.

Shares means ordinary fully paid shares in the issued capital of the Company.

Shareholder means a shareholder of the Company.

Underwriter means an underwriter to the Rights Issue.

Underwriter Options means unlisted options to subscribe for ordinary shares in the Company exercisable at \$0.50 on or before 7 November 2011.

Underwriting Agreement means the agreement to be entered between the Company and the Underwriters pursuant to which the Underwriters agree to underwrite the Rights Issue.

Underwriting Fee means the fee payable to the Underwriters pursuant to the Underwriting Agreement, namely:

- (a) a total of:
- (1) an amount equal to 4% of the amount underwritten by the Underwriter by way of cash; and
 - (2) subject to obtaining shareholder approval, five (5) options to subscribe for ordinary shares in the Company exercisable at \$0.50 each on or before 7 November 2011 for every \$4 underwritten by the Underwriter; or
- (b) in the event that shareholder approval for the issue of the options is not obtained or the Company is not able to issue the Underwriter Options in accordance with any approval that is obtained, a total amount equal to 7% of the amount underwritten by the Underwriter by way of cash; and
- (c) in the event that any Existing Options are exercised after 19 February 2009 but before the Record Date, entitling the holder of the Shares issued upon exercise of the Existing Options to participate in the Rights Issue (**Additional Rights Issue Shares**), the Underwriters will be paid a cash fee of 7% in respect of their underwriting commitment relating to the Additional Rights Issue Shares.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Duncan Cornish (Company Secretary):

Bow Energy Limited

Street address: Level 5, 60 Edward Street, Brisbane QLD 4000

Postal address: GPO Box 5244, Brisbane QLD 4001

Ph: (07) 3303 0675 **Fax:** (07) 3303 0651

Email: info@bowenergy.com.au

ANNEXURE A

Tenstar Trading Limited

Deck Chair Holdings Pty Ltd

Mr Bradley John Dilkes

Daniel Fraser T/F China Sovereign Trust

Mr Nicholas Jacob Gold

Mahsor Holdings Pty Ltd <Rosham Family Super A/C>

Seivad Investments Pty Ltd

Albiano Holdings Pty Ltd <Pantheon Family A/C>

Mr John Joseph de Stefani & Mrs Elizabeth Nancy de Stefani

Sepreh Pty Ltd

Jytte Moller

Sypco Holdings Pty Ltd

Redlink Pty Ltd

Greylink Pty Ltd

Nambia Pty Ltd

ANNEXURE B

Terms of the Underwriter Options

- (a) The securities to be issued to each option holder are options to subscribe for ordinary shares in the capital of the Company.
- (b) Shares issued on exercise of the Underwriter Options will rank pari passu with all existing ordinary shares of the Company from the date of issue.
- (c) The Underwriter Options may be exercised wholly or in part by notice in writing to the Company received at any time on or before 7 November 2011 together with a cheque for the exercise price of the Underwriter Option multiplied by the number of shares in respect of which Underwriter Options are being exercised.
- (d) The Underwriter Options shall be unlisted but shall be transferable.
- (e) Upon allotment of shares pursuant to the exercise of Underwriter Options, the Company shall use its best endeavours to have such shares quoted and listed on the Official List of the ASX.
- (f) Option holders do not participate in dividends or in bonus issues unless the Underwriter Options are exercised.
- (g) The option holder will be permitted to participate in new issues of securities of the Company on the prior exercise of the Underwriter Options, in which case the option holder will be afforded the period of at least 10 Business Days notice prior to and inclusive of the books closing date (to determine entitlements to the issue) to exercise the Underwriter Options.
- (h) To the extent that the Underwriter Options are not exercised the option holder shall not be permitted to participate in new issues of securities.
- (i) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - (1) the number of Underwriter Options, the exercise price, or both will be reconstructed (as appropriate) in a manner consistent with the Listing Rules, but with the intention that such reconstruction will not result in any benefits being conferred on the option holder which are not conferred on shareholders; and
 - (2) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders of the Company approving a reconstruction of capital, in all other respects the terms for the exercise of the Underwriter Options will remain unchanged.
- (j) If there is a bonus issue to the holders of shares in the Company, the number of shares over which an Underwriter Option is exercisable will be increased by the number of shares which the option holder would have received if the Underwriter Option had been exercised before the record date for the bonus issue.
- (k) If, during the life of any Underwriter Option:
 - (1) shares are offered pro rata for subscription by the Company to its Shareholders generally by way of rights issue; and
 - (2) where the Company is listed on ASX, the price at which each share is so offered is less than the market price in force on the day of public announcement of the rights issue,

then the subscription price applicable to each share then comprised in the Underwriter Option may be reduced by the value of the theoretical rights entitlement per cum rights share and that theoretical rights entitlement per cum rights share shall be taken to have a value calculated by applying the formula:

$$O1 = O - \frac{E [P - (S + D)]}{N + 1}$$

where

O1 = the new exercise price of the option

O = the old exercise price of the option

E = the number of underlying securities into which one option is exercisable

P = the average market price per security (weighted by reference to volume) of the underlying securities during the five (5) trading days ending on the day before the ex right date or the ex entitlements date

S = the subscription price for a security under the pro-rata issue

D = the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro-rata issue)

N = the number of securities which rights of entitlements that must be held to receive a right to one new security

- (l) The terms of the Underwriter Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, the terms of the Underwriter Options shall not be changed to reduce the exercise price, increase the number of Underwriter Options or change any period for exercise of the Underwriter Options.

Proxy, Representative and Voting Entitlement Instructions

Proxies and Representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001 (Cwlth)*.

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the *Corporations Act 2001 (Cwlth)*.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at, posted to, or sent by facsimile transmission to the address listed below** not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

Bow Energy Limited

Street address: Level 5, 60 Edward Street, Brisbane QLD 4000

Postal address: GPO Box 5244, Brisbane QLD 4001

Ph: (07) 3303 0675 **Fax:** (07) 3303 0651

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company.

A proxy form is attached to this Notice.

Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm 29 March 2009. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Signing instructions

You must sign the proxy form as follows in the spaces provided:

Individual: Where the holding is in one name, the holder must sign.

Joint Holding: Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney: To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

Please indicate the office held by signing in the appropriate place.

Proxy Form



APPOINTMENT OF PROXY

I/We being shareholder(s) of Bow Energy Limited (Company) hereby appoint:

the Chairman of the Meeting **OR**
(mark with an "X")

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Bow Energy Limited to be held at Level 7, Waterfront Place, 1 Eagle Street Brisbane, Qld on 31 March 2009 at 10.00am (Brisbane time) and at any adjournment of that meeting.

If the Chair of the meeting is appointed as your proxy, or may be appointed by default, and you do NOT wish to direct your proxy how to vote as your proxy in respect of the resolution/s, please place a mark in the box opposite.

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of a resolution (Relevant Resolution) and that votes cast by the Chair of the meeting for the Relevant Resolution other than as proxy holder will be disregarded because of that interest.

If the Chair of the meeting is your proxy and you do not mark this box or direct the Chair of the meeting how to vote above, the Chair of the meeting will not cast your votes on the Relevant Resolutions and your votes will not be counted in calculating the required majority if a poll is called on the Relevant Resolution. The Chairman of the meeting intends to vote undirected proxies in favour of the resolutions.

If no directions are given, the Proxy may vote as the Proxy thinks fit or may abstain. By signing this appointment you acknowledge that the Proxy (whether voting in accordance with your directions or voting in their discretion under an undirected Proxy) may exercise your proxy even if he/s he has an interest in the outcome of the resolution and even if votes cast by him/her other than as proxy holder will be disregarded because of that interest.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is%. (An additional proxy form will be supplied by the Company on request).

If you wish to appoint the proxy to exercise voting power over only some of your shares, the number of shares in respect of which this proxy is to operate is shares (Note: proxy will be over all shares if left blank).

I/we direct my/our proxy to vote as indicated below:

Resolution	For	Against	Abstain
1. Ratification of placement of 22,500,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Approval of issue of Underwriter Options to Unrelated Underwriters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of issue of Underwriter Options to Related Underwriters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Individual or Security holder 1

Sole Director and Sole Company Secretary (if appointed)

Security holder 2

Director

Security holder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date