



ASX Announcement

6 March 2009

NON-RENOUNCEABLE RIGHTS ISSUE – NOTICE TO SHAREHOLDERS

The attached letter has today been despatched to all Shareholders of Bow Energy Ltd.

For and on behalf of the Board
Duncan Cornish
Company Secretary

For further information:

www.bowenergy.com.au

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ASX Code: BOW

6 March 2009



Dear Shareholder,

BOW ENERGY LTD NON-RENOUNCEABLE RIGHTS ISSUE

On 17 February 2009, Bow Energy Ltd (Bow) announced a capital raising of \$14 million comprising:

- a placement to Institutional and Sophisticated Investors who have committed to subscribe for 22.5 million shares at 27 cents per share to raise \$6.1 million before issue costs; and
- a 1 for 6 pro rata non-renounceable rights issue to Shareholders at 27 cents per share to raise approximately \$7.8 million before issue costs (**Rights Issue**).

The funds raised, together with Bow's existing cash reserves, will be utilised for:

- ongoing exploration, appraisal and pilot production programs aimed at certifying gas reserves in Bow's highly prospective 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.

The placement to Institutional and Sophisticated Investors was completed on 23 February 2009.

The Prospectus in relation to the Rights Issue was lodged with the Australian Securities & Investments Commission and ASX on 5 March 2009 and is available on the ASX website and also on the Company's website www.bowenergy.com.au

The indicative timetable for the Rights Issue is as follows:

Event	Date
Rights issue prospectus lodged with ASIC and ASX	5 March 2009
Notice with information on Rights Issue sent to Shareholders	6 March 2009
Shares commence trading on ASX on an ex rights basis	6 March 2009
Record date for participation in rights issue	13 March 2009
Prospectus dispatched to shareholders	18 March 2009
Closing time and date for acceptances and payment in full under rights issue (5.00pm AEST)	7 April 2009
Securities quoted on a deferred settlement basis	8 April 2009
Dispatch of shareholder statements for new shares under rights issue	22 April 2009
Normal trading commences for new shares on ASX	23 April 2009

The timetable is indicative only and subject to change. Subject to the ASX Listing Rules, the Directors of the Company reserve the right to vary these dates, including the Closing Date, without prior notice.

The Rights Issue is for all Bow Shareholders on record as at 7pm on 13 March 2009 with registered addresses in Australia, New Zealand or Hong Kong. Entitlements to new shares pursuant to the Rights Issue are non-renounceable and accordingly will not be traded on the ASX.

The Rights Issue is fully underwritten by Wilson HTM Corporate Finance Limited, ABN AMRO Morgan Corporate Limited, Bizzell Capital Partners Pty Ltd and Samuel Capital Pty Ltd. Bizzell Capital Partners Pty Ltd and Samuel Capital Pty Ltd are entities associated with Bow directors Stephen Bizzell and Nicholas Mather respectively.

Accompanying this letter is an Appendix 3B notice. The Prospectus containing the Entitlement and Acceptance Form will be despatched to all eligible shareholders of the Company registered at the Record Date on 18 March 2009.

On behalf of the Board
Duncan Cornish
Company Secretary

Bow Energy Ltd – Non-Renounceable Rights Issue

Appendix 3B Notice to Shareholders

The following information with respect to the non-renounceable rights issue of ordinary shares being undertaken by Bow Energy Ltd is provided to Shareholders in accordance with the ASX Listing Rules. Full details of the Offer are contained in the Prospectus which will be despatched to all eligible shareholders of the Company registered at the Record Date on 18 March 2009.

The Prospectus has been lodged with ASIC and ASX and is available for viewing on ASX's website and on the Company's website www.bowenergy.com.au.

Class of securities issued or to be issued	Ordinary Shares									
Number of securities issued or to be issued (if known) or maximum number which may be issued	29,136,260 fully paid ordinary shares to be issued in accordance with a 1 for 6 entitlement offer. The total number of shares to be issued in accordance with the entitlement offer could increase by up to 2,727,778 in the event that all of the holders of options exercised their right to convert their securities to ordinary shares prior to the record date of 13 March 2009.									
Principal terms of the securities	Fully paid ordinary shares									
Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?	Yes									
Issue price or consideration	\$0.27 per Ordinary Share									
Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	To raise capital to allow the Company to progress its exploration and drilling programs with the majority of funds to be used towards reserves certification targets in Bow's Bowen Basin Blocks being the Comet Block (ATP1025P) and Norwich Park Block (ATP1031P) where around a 22 hole well program is planned over the next 18 months. Bow will also continue to progress the Don Juan CSG project, fund commitments to Joint Venture oil projects and working capital requirements									
Dates of entering securities into uncertificated holdings or despatch of certificates	22 April 2009									
Number and class of all securities quoted on ASX (including the securities to be issued pursuant to the rights issue)	<table border="1"> <thead> <tr> <th>Number</th> <th>Class</th> </tr> </thead> <tbody> <tr> <td>Currently on issue:</td> <td>174,817,562 Ordinary</td> </tr> <tr> <td>Rights issue shares to be issued on 22 April 2009</td> <td>29,136,260 Ordinary</td> </tr> <tr> <td>Total:</td> <td>203,953,822 Ordinary</td> </tr> </tbody> </table>		Number	Class	Currently on issue:	174,817,562 Ordinary	Rights issue shares to be issued on 22 April 2009	29,136,260 Ordinary	Total:	203,953,822 Ordinary
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Currently on issue:	174,817,562 Ordinary									
Rights issue shares to be issued on 22 April 2009	29,136,260 Ordinary									
Total:	203,953,822 Ordinary									

Number and class of all securities not quoted on ASX (including the securities to be issued pursuant to the rights issue)

Number	Class
1,250,000	Options (40c @ 20/5/09)
1,716,667	Options (50c @ 20/5/10)
13,300,000	Options (50c @ 7/11/11)
150,000	Options (30c @ 31/3/10)
2,100,000	Options (\$0.40 @ 1/7/11) 50% vest 1/7/09; 50% vest 1/7/10
2,100,000	Options (\$0.75 @ 1/7/12) 50% vest 1/7/10; 50% vest 1/7/11
2,100,000	Options (\$1.00 @ 1/7/13) 50% vest 1/7/11; 50% vest 1/7/12

Is security holder approval required?

No

Is the issue renounceable or non-renounceable?

Non-renounceable

Ratio in which the securities will be offered

1 for 6

Class of securities to which the offer relates

Ordinary Shares

Record date to determine entitlements

13 March 2009

Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

N/A

Policy for deciding entitlements in relation to fractions

Nearest (less than 0.5 will be rounded down, 0.5 and greater will be rounded up)

Names of countries in which the entity has security holders who will not be sent new issue documents

The offer is not being extended to any shareholders whose registered address is outside Australia, New Zealand or Hong Kong

Closing date for receipt of acceptances or renunciations

7 April 2009

Names of any underwriters

ABN AMRO Morgans Corporate Limited
Wilson HTM Corporate Finance Limited
Samuel Capital Pty Ltd
Bizzell Capital Partners Pty Ltd

Amount of any underwriting fee or commission

The underwriting fee payable by the Company under all Underwriting Agreements is a total of:

- an amount equal to 4% of the amount underwritten by the Underwriter by way of cash; and
- 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 (**Underwriter Options**).

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.

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

Names of any brokers to the issue

N/A

Fee or commission payable to the broker to the issue

N/A

Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders

N/A

If the issue is contingent on security holders' approval, the date of the meeting

N/A

Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled

18 March 2009

If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders

27 February 2009

Date rights trading will begin (if applicable)

N/A

Date rights trading will end (if applicable)

N/A

How do security holders sell their entitlements *in full* through a broker?

N/A

How do security holders sell *part* of their entitlements through a broker and accept for the balance?

N/A

How do security holders dispose of their entitlements (except by sale through a broker)?

N/A

Despatch date

22 April 2009