



ASX Announcement

18 March 2009

Non-Renounceable Rights Issue – Letter to Foreign Holders

The attached letter has been dispatched today to all Bow Energy Ltd shareholders with a registered address outside of Australia, New Zealand or Hong Kong.

For and on behalf of the Board
Duncan Cornish
Company Secretary

For further information:

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ASX Code: BOW



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 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 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.

In accordance with the ASX Listing Rules, Bow has considered the number of shareholders with registered addresses outside of Australia and New Zealand, the number and value of the shares held by those shareholders and the number and value of new shares those shareholders would be offered pursuant to the Rights Issue. Taking this into consideration, as well as the costs of complying with the legal requirements and the requirements of the regulatory authorities relating to the shareholders with registered addresses outside of Australia and New Zealand, Bow has formed the view that it is unreasonable to extend the Rights Issue to shareholders outside of Australia, New Zealand and Hong Kong and that the offer pursuant to the Rights Issue will only be extended to Bow Shareholders on record as at 7pm on 13 March 2009 with registered addresses in Australia, New Zealand or Hong Kong.

Accordingly, as a shareholder with a registered address outside of Australia, New Zealand or Hong Kong, the offer pursuant to the Rights Issue will not be extended to you and you will not be entitled to participate in the Rights Issue.

Please contact Mr Duncan Cornish on +61 7 3303 0675 if you have any queries regarding the Rights Issue or your eligibility to participate in the Rights Issue.

On behalf of the Board
Duncan Cornish
Company Secretary