



## **ASX Announcement**

**2 June 2009**

### **Early Positive Signs of Permeability in Blackwater CSG Field**

Bow Energy Limited (ASX:BOW) is pleased to announce an early technical success in the upper Rangal coal section of its first well of an eight well Coal Seam Gas (CSG) exploration drilling and testing program on its Comet CSG project (ATP 1025P) in Queensland's Bowen Basin. Bow has 100% interest in ATP 1025P.

Bow recently announced initial gas reserve certification by MHA Petroleum Consultants, LLC (MHA) of 174PJ of 3P reserves and 297PJ of 2C gas resources for the Rangal Coal Measures in part of the Blackwater CSG field. Four wells in this program are planned on the Blackwater field, aimed at expanding the 3P reserves area, upgrading 2C resource to 3P reserves, and also to identify areas of permeability in which to concentrate a pilot production wells for 2P reserves certification.

Bow's first core hole in the Blackwater CSG Field, BW-2, has only been partially drilled to a depth of 510 metres with a target depth of approximately 800 metres. To date, drilling has intersected 5.35 metres of coal in the upper two of four expected Rangal coal seams. The thicker of the two Rangal coal seams intersected, with a coal thickness of over four metres, has shown intense fracturing. Intense fracturing in coals is considered to indicate good coal permeability and generally, the higher the permeability, the higher the expected future gas production flow rates.

Despite the technical success so far, the intensely fractured coal has resulted in unstable hole conditions during the current 12 hour drilling operation. For this reason, Bow has decided to mobilise the drilling rig to the next well site (BW-4) and re enter and complete coring of BW-2 well through the remainder of the Rangal Coal Measures and deeper Fort Cooper Coal Measures once 24 hour drilling operations start in two weeks.

Bow has sourced two further drilling rigs for its current Bowen Basin drilling program with the aim of fast-tracking the certification of substantial CSG reserves in the Bowen Basin blocks within a short timeframe with the objective of supplying both domestic gas markets and proposed export LNG facilities at Gladstone. Bow intends to operate all three drilling rigs on a 24 hour per day program on the Comet Block.

Bow's intends to drill at least 18 core wells and pilot production wells in its 100% owned Comet and Norwich Park blocks in the Bowen Basin over the next six months.

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John De Stefani, Bow's CEO Commercial, commenting on the results to date stated, "Intersecting the good quality upper Rangal coals confirmed our internal mapping from historical coal bore data in the Comet Block. However, to have identified a zone of permeable coals in the Blackwater CSG Field in the first coals intersected in the first well of our current eight well exploration drilling program exceeds our initial expectations."

"Pending reserves certification and potentially commercial flow rates in this area, Bow intends to construct a gas production pilot program to commence early in the second half of this year," Mr De Stefani concluded.

For and on behalf of the Board  
Duncan Cornish  
Company Secretary  
Bow Energy Ltd

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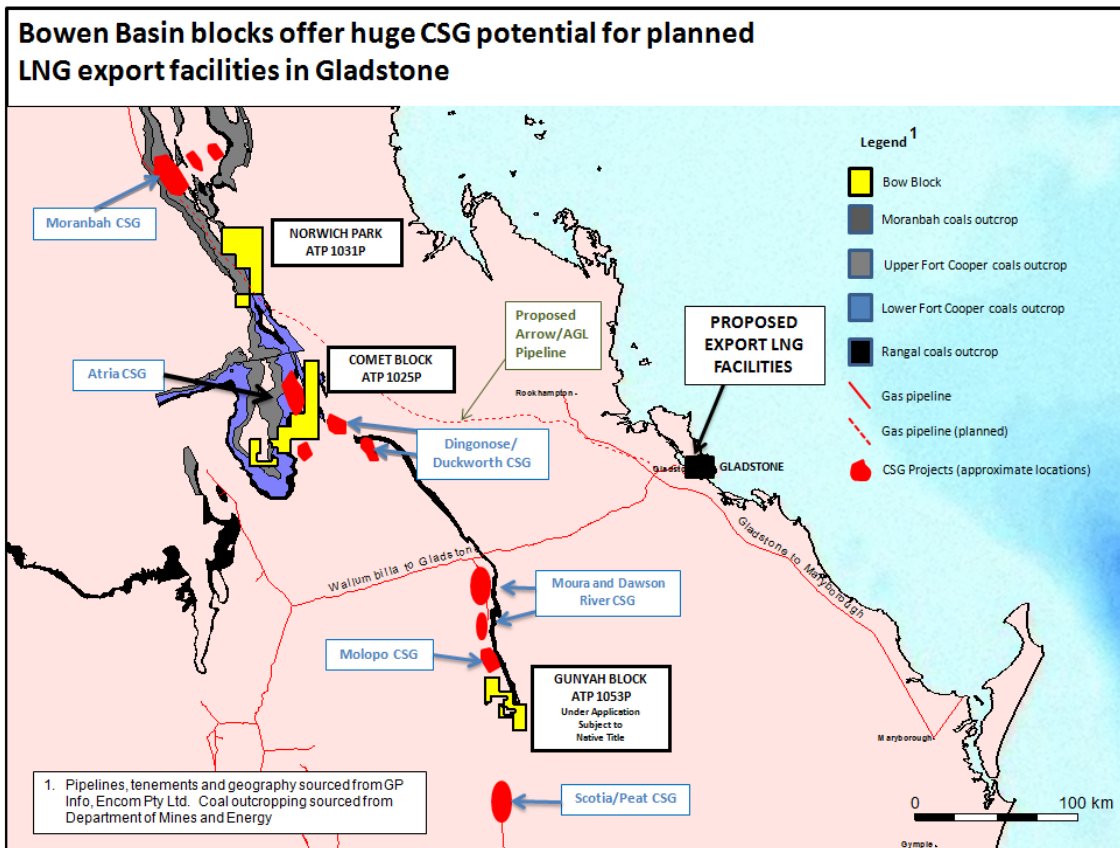
*The technical information contained herein is based on information compiled by the Company's CEO Petroleum, Paul Lipski and verified by the Company's Managing Director, Ron Prefontaine, who has more than 29 years experience in petroleum exploration.*

**Competent Person Statement** - The estimates of gas reserves and resources for the Comet Block (ATP 1025P) has been prepared by MHA Petroleum Consultants, LLC (MHA) in accordance with the definitions and guidelines set forth in the 2007 Petroleum Resources Management System approved by the Society of Petroleum Engineers. The reserve statement has been compiled by Mr Timothy L Hower Chairman of MHA, together with personnel under his supervision. Mr Hower, who has over 28 years industry experience, and MHA have consented to the inclusion of the technical information contained in this announcement.

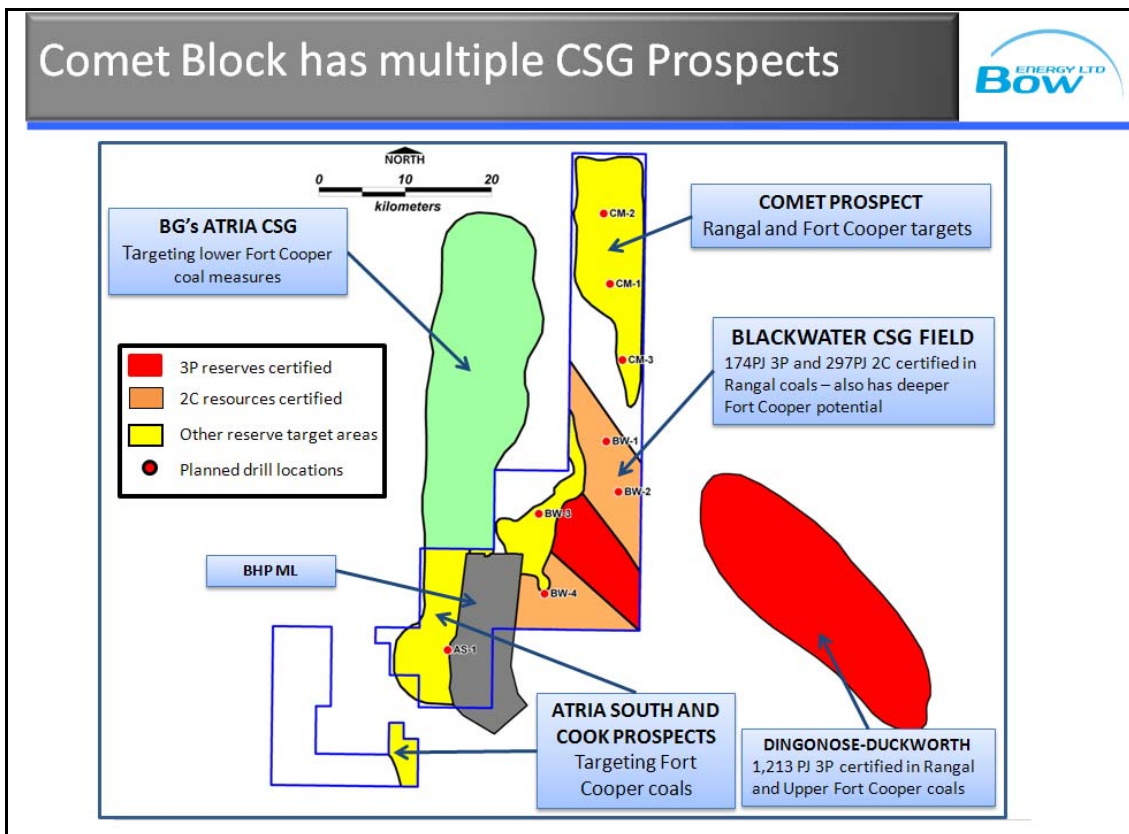
**\*CONTINGENT RESOURCES** are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.[Reference: Petroleum Resources Management System as sponsored by: Society of Petroleum Engineers (SPE), American Association of Petroleum Geologists (AAPG), World Petroleum Council (WPC), Society of Petroleum Evaluation Engineers (SPEE)]

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**FIGURE 1 – BOWEN BASIN BLOCKS LOCATED NEAR PROVEN CSG FIELDS**



**FIGURE 2 – 3P RESERVES TARGETED IN COMET BLOCK DRILLING PROGRAM**



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