



## **ASX Announcement**

**11 June 2009**

### **COMET DRILLING UPDATE: VERY GASSY COALS INTERSECTED AND TWO FURTHER RIGS TO COMMENCE SHORTLY**

Bow Energy Limited (ASX: BOW) is pleased to provide an update on its sixteen well exploration drilling program in the Comet and Norwich Coal Seam Gas (CSG) blocks located in the Bowen Basin west of Gladstone, Queensland:

- One rig currently drilling in the Comet Block.
- Three rigs scheduled to be on a 24 hour program by the end of June.
- Initial results indicate very gassy coals and permeability from the first two wells; and
- Second well, BW-4, intersecting 16.5 metres of gassy coals to date.

#### **Three Drilling Rigs on 24 Hour Operations**

In addition to the rig currently drilling in the Comet Block, Bow has sourced two further drilling rigs for its current Bowen Basin drilling program to fast-track the certification of the substantial CSG reserves interpreted in the Bowen Basin blocks with Bow's aim to supply both domestic gas markets and proposed export LNG facilities at Gladstone. The second rig is scheduled to start drilling next week and the third rig scheduled the following week. All three drilling rigs will be on a 24 hour per day program.

#### **BW-4 Core Hole**

BW-4 well is currently coring ahead drilling at a depth of 469 metres towards a target total depth of 625 metres. To date the well has intersected 9.43 metres of Rangal Coal Measures and 7.07 metres of Burngrove coals (Upper Fort Cooper Coal Measures). Large volumes of gas have desorbed from the coals sampled suggesting high gas contents. More coal is anticipated to be intersected in the Fairhill Formation (lower Fort Cooper Coal Measures). Several fractured zones were encountered in the coals indicating permeability.

#### **BW-2 Core Hole**

The initial BW-2 well was been drilled down to a depth of 510.5 metres in the Rangal Coal Measures towards a target depth of 800 metres. The well had intersected 5.35 metres of net coal of the upper two of four expected Rangal coal seams with intense fracturing in the thicker lower seam indicating good permeability. Drilling of BW-2 will continue with 24 hour operations to core the remainder of the Rangal Coal Measures and the deeper Fort Cooper Coal Measures.

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Bow plans to use an injection method to test the permeability of the intensely fractured coals. This method was successfully applied by Pure Energy Ltd over similar intensely fractured coals on the adjacent Dingonose CSG Project.

John De Stefani, Bow's CEO Commercial, commenting on the BW-4 drilling stated, "The BW-4 well has proven the predicted coal thicknesses exist in the southern part of the Blackwater Project area, in both the Rangal and the upper Fort Cooper coal measures in the Comet Block. Consistent with BW-2, initial desorption results also indicated likely high gas contents in the coals. Furthermore, natural fractures in both wells suggest coal permeability and the potential for commercial gas production flow rates."

For and on behalf of the Board

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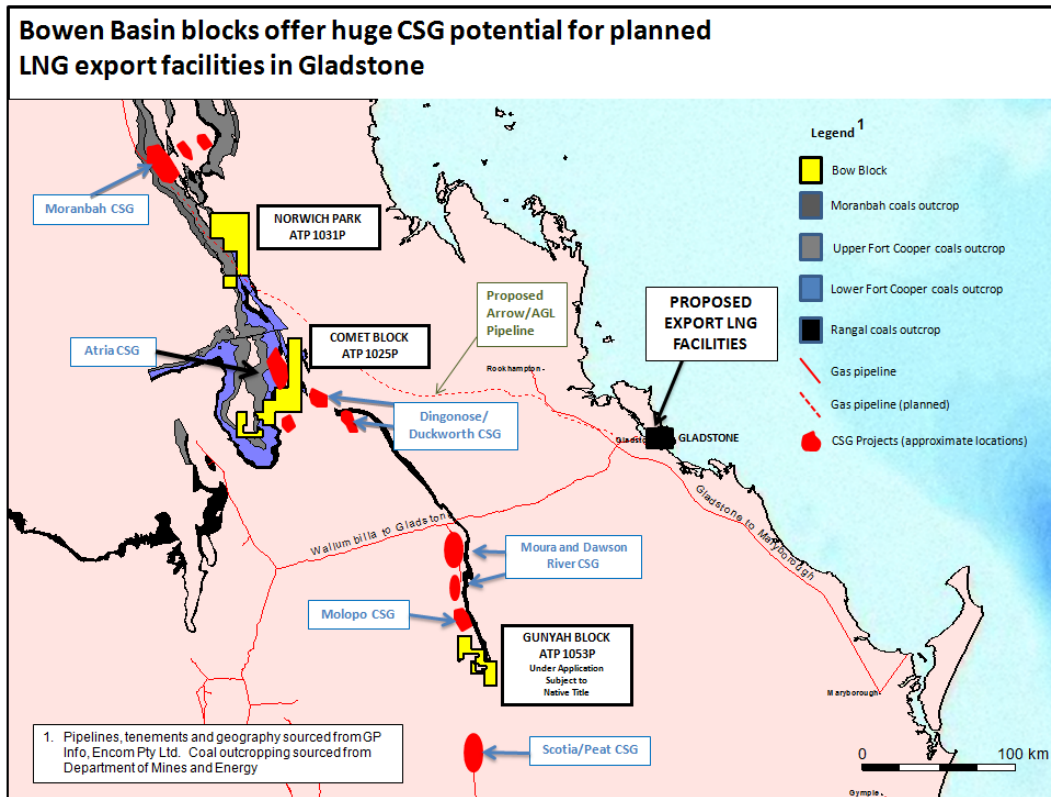
*The technical information contained herein is based on information compiled by the Company's CEO Petroleum, Paul Lipski and verified by the Company's Managing Director, Ron Prefontaine, who has more than 29 years experience in petroleum exploration.*

**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 – RESERVES TARGETED IN COMET BLOCK DRILLING PROGRAM**

