



ASX Announcement

25 June 2009

DON JUAN CSG PROJECT: INITIAL 2P RESERVES CERTIFIED WITH ADDITIONAL RESERVE UPGRADES UNDERWAY

Bow Energy Limited (ASX: BOW) is pleased to announce the milestone of its first 2P Coal Seam Gas (CSG) reserves certified on the Don Juan CSG Project near Roma, Queensland, with more expected next quarter as the company steps up the drilling campaign on its diversified CSG portfolio.

A summary of the reserves certified to date for Don Juan CSG project is as follows:

ATP771P Walloon Coal Measures	Gross 2P Certified Reserves (PJ)	Gross 3P Certified Reserves (PJ)
Juandah coal seams	34.2	69.4
Taroom coal seams	0	122.2
Total	34.2	191.6

Bow's CEO – Commercial, John De Stefani, said "34PJ of gross 2P certified reserves have been independently verified from the Juandah Coal Measures, upgraded from the 192PJ of gross 3P reserves announced on March 4 from both the Juandah and Taroom Coal Measures. Further 2P certified reserve upgrades are expected from both coal measures in the September quarter 2009".

"The Don Juan Project in the Surat Basin is where Bow achieved its first independent gas reserves certification, and we are confident of reaching our target of 100PJ of 2P gross certified reserves on that project," added Mr De Stefani.

The Don Juan CSG Project is a joint venture between Bow, as Operator with a 55% interest (Walloon Coal Measures only, including the Juandah and Taroom coal seams), and Victoria Petroleum having a 45% interest. The Don Juan CSG field includes ATP 771P and ATP 593P and is located about 40 kilometres north of Roma, adjacent to and west of BG Group's Lacerta CSG field. The Lacerta CSG field has certified gas reserves of 44PJ of 1P, 469 PJ of 2P and 1,097 PJ of 3P. Bow interprets the Don Juan CSG field to be a westerly extension of the Lacerta gas field.

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ATP771P – Initial 2P Certified Reserves

Bow previously reported independently certified gross 3P reserves of 192 PJ (105PJ net to Bow) in ATP 771P for the Don Juan CSG field in the Surat Basin. Following this, reserve certifiers MHA Petroleum Consultants, LLC (MHA) advised Bow on an initial 2P testing program designed to certify 2P reserves and quantify the permeability of the coals intersected in the core holes drilled to date.

The initial 2P program has been completed with good to excellent permeability indicated in both the Juandah and Taroom coal seams including free gas from each well.

While free gas flowed in the Juandah and Taroom coal seams suggesting likely gas saturations over one or more of the coal seams tested, MHA requires additional data to further quantify the degree of saturation of the coals in some of the Juandah and Taroom coal seams. About half of the Juandah coals did satisfy required certification tests with MHA certifying initial 2P gross reserves of 34 PJ within this sequence.

ATP771P – Additional 2P Reserve Upgrades Underway

As a result, and as recommended by MHA, an additional well, Carnarvon-5, located between the CN-2 and CN-1 wells is required to obtain further gas saturation data within both the Juandah and Taroom coal seams, and if successful, is expected to upgrade the 2P gross certified reserves to an estimated 100PJ within ATP 771P.

Bow will be redeploying one of the two additional coring rigs scheduled to start on the Bowen Basin Comet block drilling program to drill the Carnarvon-5 well in early July. Once the Carnarvon-5 well is completed, the rig will then join the other two rigs to continue the Comet block drilling program.

ATP593P Exploration Program to Target Additional 3P and 2P Reserves

Bow has interpreted the Don Juan CSG fairway to extend further west into ATP 593P (Bow 55% of Walloon Coal Measures and operator) where the Walloon Coal Measures are expected to be at reasonable depths. Bow is now planning an exploration drilling and testing program within ATP 593P, with the aim of certifying additional 3P and 2P reserves for the Don Juan project. The ATP 593P drilling program is scheduled for early in the fourth quarter 2009 once the Bowen Basin drilling programs are complete.

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Bow's Expanding CSG Reserves

Bow's current certified reserves and Gas In Place (GIP) potential across its diversified CSG portfolio are as follows:

CSG Project	2P Certified Reserves (PJ Net to Bow)	3P Certified Reserves (PJ Net to Bow)	2C Certified Resources ¹ (PJ Net to Bow)	Gas In Place Potential ² (PJ Net to Bow)
Don Juan	19	105	-	140
Comet Block	-	174	297	8,250
Norwich Park Block	-	-	-	5,810
Gunyah Block	-	-	-	700
Total PJ's	19	279	297	14,900

"Bow Energy has strategically located CSG projects and with the further drilling planned for Don Juan along with the current drilling program underway in the Comet and Norwich Park Blocks located in the Bowen Basin, we expect to exceed our end 2010 reserves targets of 450PJ of 2P and 1,900PJ of 3P reserves," Mr De Stefani said.

"Commercialisation activities are continuing, targeting both domestic gas sales and export LNG market sales for the emerging Gladstone projects, as we move towards becoming a major upstream energy company with a portfolio of CSG and conventional oil and gas projects", De Stefani concluded.

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.

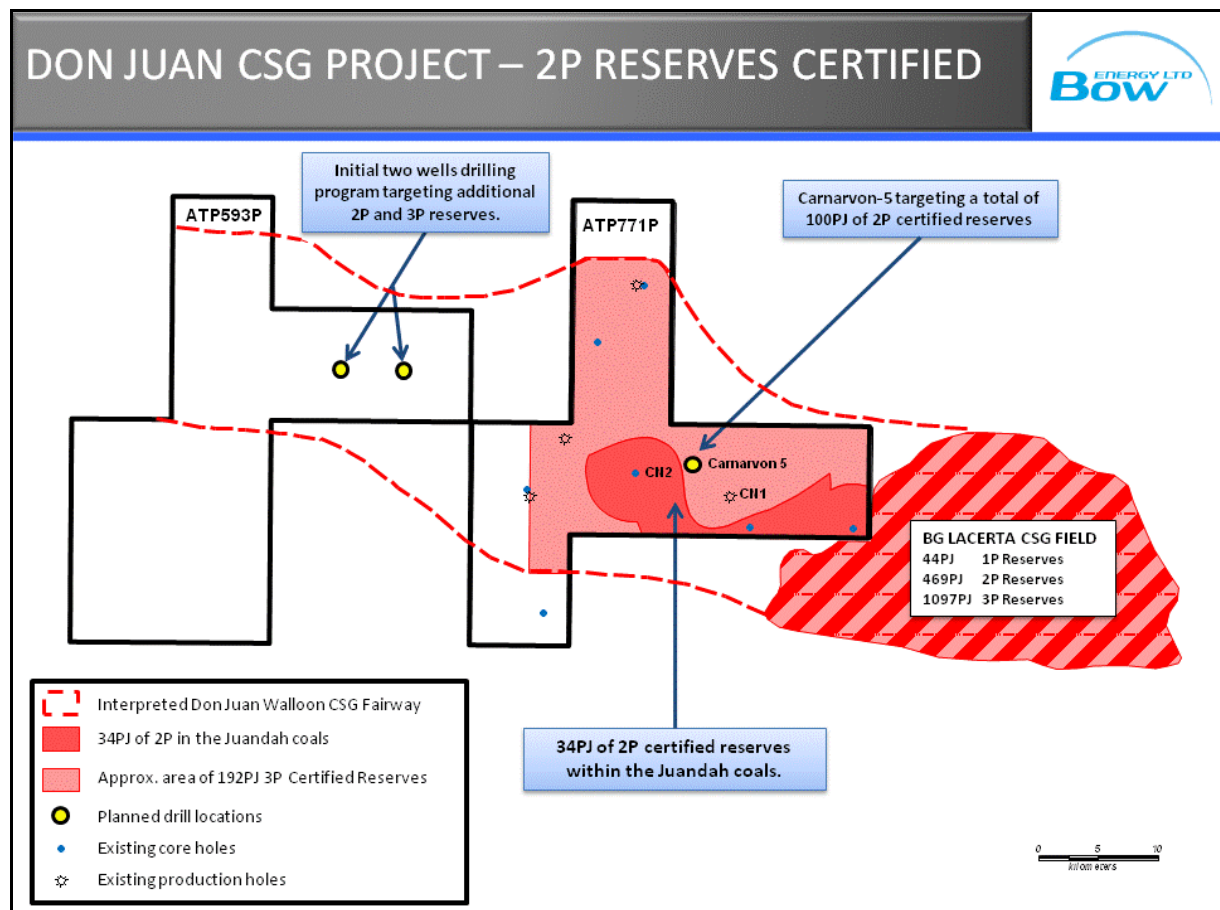
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Competent Person Statement - The estimates of gas reserves and resources for the Don Juan CSG Field and Comet Block ATP 1025P have been prepared by MHA Petroleum Consultants, LLC (MHA) in accordance with the definitions and guidelines set forth in 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.

1 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)]

2 GAS-IN-PLACE or GIP means an internal technical estimate of potential gas volumes contained within a defined area. Bow's has performed an internal unaudited estimate of the energy value potential in petajoules of the gas contained in the coals seams within the specific project area. Bow used average coal thickness, coal density, ash content and gas contents value as estimated from previously drilled wells located within and around its project areas to calculate an average GIP per square kilometre for the coal measures units (CM) in each project area. The areal extent and approximate depth of each coal measure unit over each project area was interpreted from available geological mapping data.

Figure 1 – Don Juan CSG Project 2P Certified Reserves



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