



ASX Announcement

20 October 2009

Bow triples 2P reserves on Don Juan CSG Project

Bow Energy Limited (ASX: BOW) is pleased to announce the near tripling of the certified 2P coal seam gas (CSG) reserves on the Don Juan CSG Project to 101 petajoules (PJ), achieving the company's reserves target for the project over a year ahead of schedule.

Independent certifiers MHA Petroleum Consultants, LLC (MHA) have certified an additional 66.7 PJ for the Taroom coal seams for the project near located about 40km north of Roma, Queensland, adding to the earlier 34.2 PJ certified for the Juandah coal seams.

Bow's CEO – Commercial, John De Stefani, said, "Bow now has a net total of 55 PJ of 2P reserves, which is 10% more than Bow's year-end 2010 target for the project."

He added, "The Don Juan field is also only 15 kilometres from an open access pipeline offering the potential to supply both domestic and export gas markets."

A summary of the reserves now certified 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	66.7	128.0
Total	100.9	197.4

MHA previously certified 2P reserves for the Juandah coal measures only, but following favourable gas saturation analysis conducted on Taroom coal samples has now certified reserves for the Taroom coal measures. There are no changes to the reserves attributed to the Juandah coal measures.

Drill stem testing indicated good to excellent permeability in both the Juandah and Taroom coal seams, including free gas from several wells with one well free flowing gas at a stabilised rate of 370,000 cubic feet per day during a flow test period.

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 project includes ATP 771P and ATP 593P and is located in the western Surat Basin about 40 kilometres north of Roma, adjacent to and west of BG Group's Lacerta CSG field. All certified reserves to date are within ATP 771P.

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Bow interprets the Don Juan CSG field to be a westerly extension of the Lacerta field, which has certified gas reserves of 44PJ of 1P, 469 PJ of 2P and 1,097 PJ of 3P.

Bow Continues to Grow its CSG Reserves

Bow's current certified reserves and reserve targets across its diversified CSG portfolio are as follows:

CSG Project	2P Certified Reserves (PJ Net to Bow)	3P Certified Reserves (PJ Net to Bow)	End 2010 Target (3P/2P) (PJ Net to Bow)
Blackwater CSG Field	-	559	> 850/200
Comet CSG Prospect	-	-	> 400/100
Norwich Park (3 prospects)	-	-	> 500/100
Don Juan CSG Field	55	109	150/50
Total PJ	55	668	> 1,900/450

Bow is expecting further reserve upgrades by the end of this year from the Blackwater CSG Field in the Bowen Basin, with incremental 3P reserves potential in both the Rangal and Burngrove Coal Measures. Additionally, the company has commenced a nine well 2P drilling program in the Blackwater CSG Field, to be followed by an initial seven well 3P exploration drilling program in the Norwich Park block.

The Blackwater CSG Field is located in the heart of one of Australia's top CSG provinces and lies 230 kilometres west of the Port of Gladstone, where a number of world-class export LNG projects are under development with CSG as a feedstock.

"Bow Energy has strategically located CSG projects, and with the further drilling underway and scheduled in the Blackwater CSG Field and Norwich Park Block, we expect to exceed our end 2010 reserve targets ahead of schedule," Mr De Stefani said.

"Commercialisation activities are continuing, with Bow's near term focus on domestic gas markets including near field power generation. Bow's aim is to retain the flexibility of having a significant uncontracted reserve position near the Gladstone LNG projects."

For and on behalf of the Board

Duncan Cornish
Company Secretary
Bow Energy Ltd

For further information contact:

John De Stefani
CEO - Commercial
Tel: +61 7 3303 0675

Ron Prefontaine
Managing Director
Tel: +61 7 3303 0675

ASX Code: BOW

Bow Energy Limited

ACN 111 019 857

Level 5, 60 Edward St

Brisbane QLD 4000

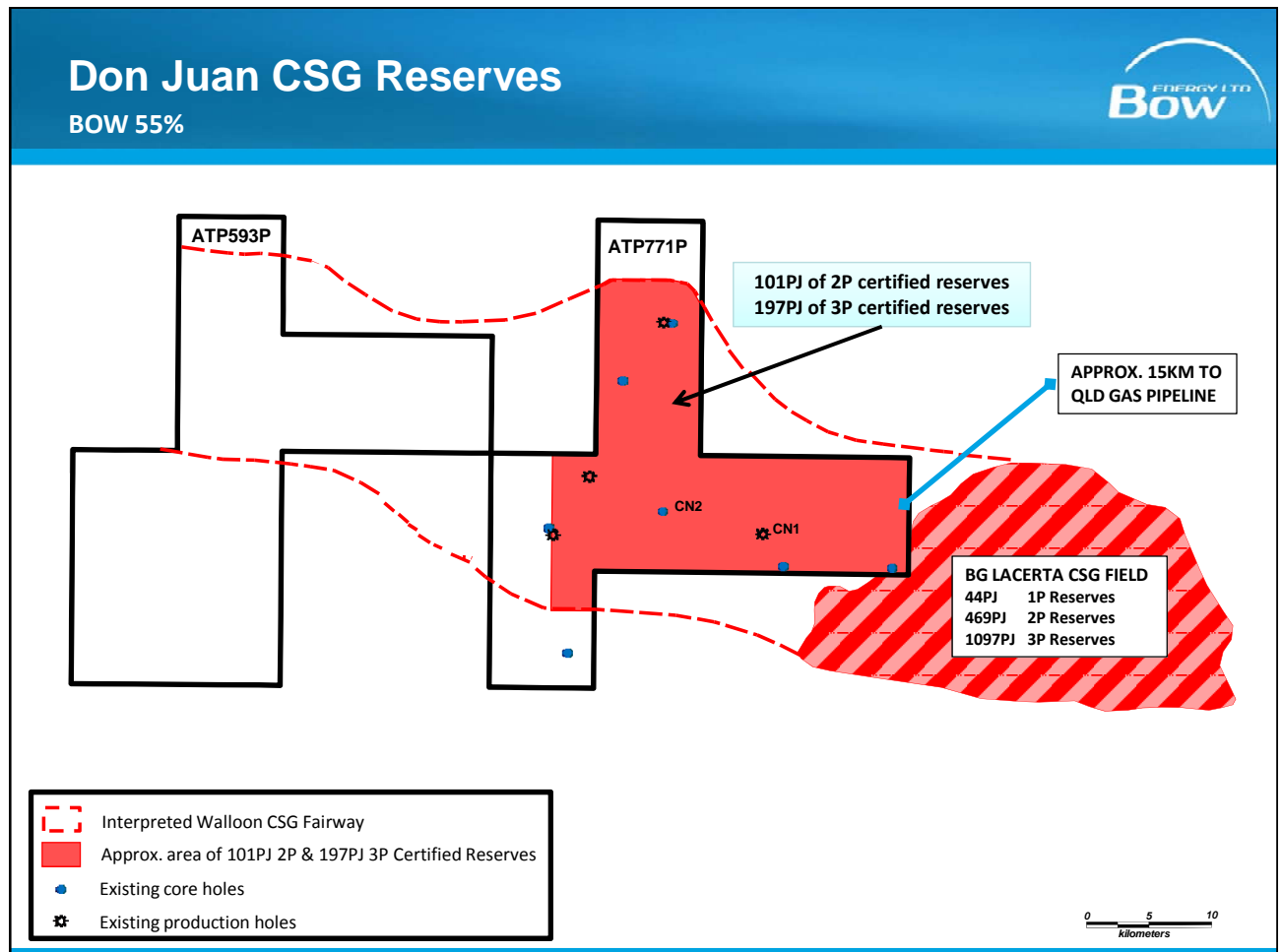
Tel: +61 7 3303 0675 Fax: +61 7 3303 0651

Website: www.bowenergy.com.au

The technical information contained herein is based on information compiled by the Company's Managing Director, Ron Prefontaine, who has more than 30 years experience in petroleum exploration.

Competent Person Statement - The estimates of gas reserves and resources for the Comet Block (ATP 1025P) and Don Juan CSG Field 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 in the form and context in which it appears.

Figure 1 – Don Juan CSG Project Reserves



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