



ASX Announcement

4 November 2009

BOW SELLS NON-CORE ASSET FOR \$12.5M AND EXTRA INTERESTS IN SURAT BASIN TENEMENTS

Bow Energy Limited (ASX: BOW) is pleased to announce that it has entered into an irrevocable binding agreement to sell its interest in ATP 574P, located in Queensland's Surat Basin, to Victoria Petroleum NL (Vicpet).

The consideration for the sale for all of Bow's interests in ATP 574P, including a 3.75% interest in the Walloon Coal Seam Gas (CSG) and 18.75% to 63.75% interest in the deeper non Walloon CSG stratigraphic section, is:

- \$8 million in cash;
- 13 million fully paid shares in Vicpet (market value as at close of trade on 3 November 2009 approx. \$4.5m); and
- Vicpet's interests in Surat Basin tenements ATP 608P (including 24% in Stratton Block and 30% in Rookwood Block) and ATP 805P (15%). Bow's ownership in ATP 608P and ATP 805P will increase to 94.6% and 100% respectively.

The interest disposed of in ATP 574P does not reduce Bow's current certified net gas reserves of 993 PJ 3P and 55 PJ 2P.

Bow's CEO Commercial, John De Stefani, said "Bow's minor interest in ATP 574P is a non-core asset to Bow. The sale gives Bow additional cash resources which will be used primarily to fund ongoing CSG exploration and appraisal drilling programs in our 100% owned Bowen Basin tenements with the aim to continue Bow's rapid certification of CSG reserves. The increased equity Bow will obtain in ATP 608P and ATP 805P provides us additional leverage to the petroleum prospectivity of these tenements."

The agreement on ATP 574P is subject to Minister's consents. The agreement also deals with consents, where required, of other joint venture parties relating to the transfers of interests. The 13 million shares in Vicpet are subject to a voluntary 12-month escrow period.

Mr De Stefani concluded, "Bow believes that investing the cash from this sale into accelerating reserves certification programs in our 100% owned Bowen Basin CSG assets will improve growth in shareholder value as we work towards achieving our reserve targets and capitalising on gas commercialisation opportunities to domestic gas markets and 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

ASX Code: BOW

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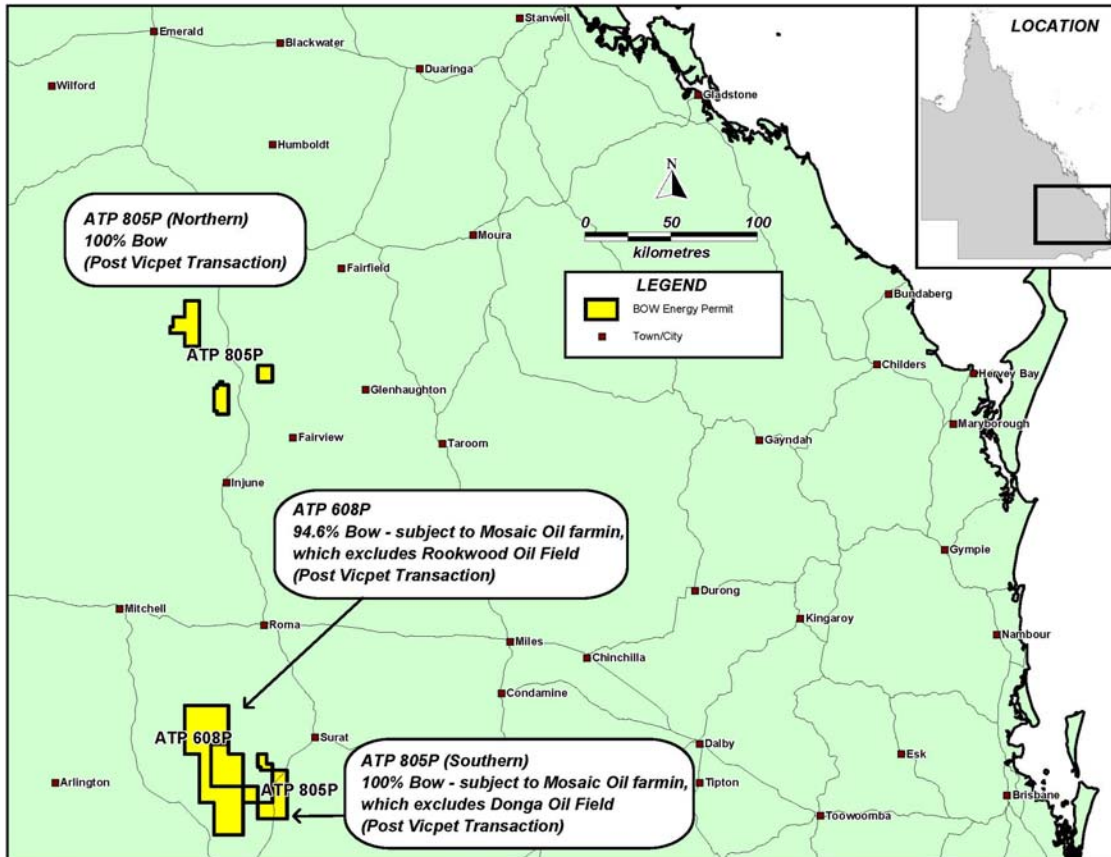
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The technical information contained herein is based on information compiled by the Company's Managing Director, Ron Prefontaine, who has more than 30 years experience in petroleum exploration.

Competent Person Statement - The estimates of gas reserves and resources for Bow Energy Ltd 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.

Location Map of ATP 608P and ATP 805P



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