



ASX Announcement

4 December 2009

Bow Signs Construction Contract for Blackwater Power Project

The Directors of Bow Energy Ltd (ASX:BOW) are pleased to announce advancement of the Blackwater power project with the execution of the construction contract between Clarke Energy (Australia) Pty Ltd and Bow for the design and construction of the 30 megawatt power station at Blackwater, central Queensland. Pending regulatory approvals, the targeted completion date is first quarter 2011.

Bow's CEO – Commercial, John De Stefani, said the construction contract's execution is a key milestone with Clarke Energy providing 10 gas powered GE Jenbacher generators, each producing approximately 3 Megawatts (MW). During construction, the project will create up to 200 jobs, with further staff required for its operation and maintenance upon completion.

"Funding for the Blackwater power project will come from Bow's current capital raising program, where we have already had strong support from over 20 new institutional investors. We are ahead of schedule on our gas reserves targets, and with the advancement of the Blackwater power project, Bow will be on schedule to achieve early financial returns from this project."

De Stefani said the power station would require about 2 petajoules (PJ) of gas per annum to be supplied from Bow's nearby Blackwater CSG Field which has 1,340 PJs of 3P reserves certified to date. The electricity sales from the power station will provide Bow with ongoing cash flow while appraising and production testing the field for the supply of larger gas markets. The Blackwater CSG field is located in Bow's 100% owned Comet Block within the Bowen Basin and is about 230 km west of the eastern seaboard port of Gladstone where several large CSG to LNG export facilities are planned.

Clarke Energy's Managing Director, Greg Columbus, said the company was confident of delivering the project on schedule due to its experience with many similarly designed power projects in Queensland and also internationally.

"Clarke Energy has installed over 1,300MW of gas power worldwide since 1995, with over 300 MW of this in Australia alone including the installation of the similarly sized Daandine Power Station near Dalby for Arrow Energy Limited, Queensland in 2006," Mr Columbus said.

"Our many years of experience have made us one of the leaders in this CSG industry in the fast-growing Eastern Australia energy market, and we anticipate another successful installation, working closely with Bow Energy's proven technical and management team."

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“The new power station will serve as a model for Bow for other projects such as near the 100% owned Norwich Park block. This is another high potential Bowen Basin block which Bow interprets has similar CSG potential as the Comet Block and where an initial 3P drilling program is to start next week,” Mr De Stefani added.

“To date our strategy has delivered substantial growth in shareholder value, and we are on track to achieve further gains due to our anticipated upgraded gas reserves and delivering the Blackwater power project,” he 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 Managing Director, Ron Prefontaine, who has more than 30 years experience in petroleum exploration.

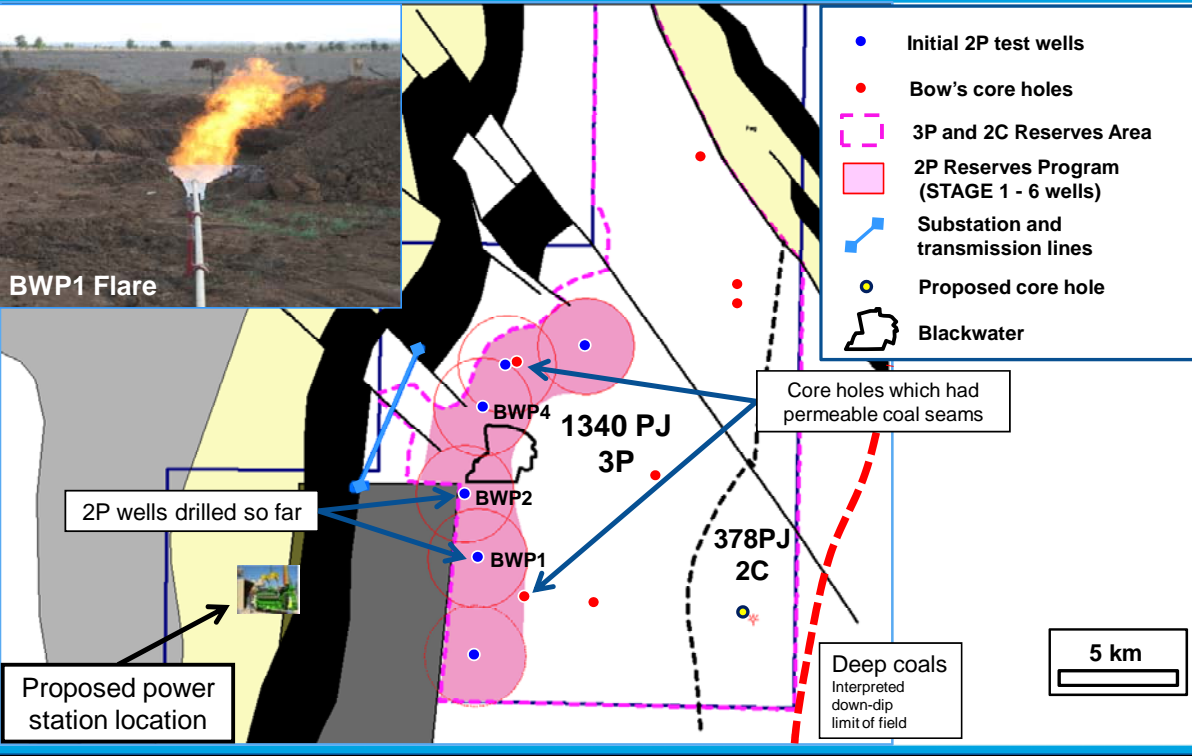
Competent Person Statement - The estimates of gas reserves and resources for the Blackwater CSG Field (within Comet Block ATP 1025P) has been prepared by MHA Petroleum Consultants, LLC (MHA) in accordance with the definitions and guidelines set forth in the 2007 Petroleum Resources Management System 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 in the form and context in which it appears.

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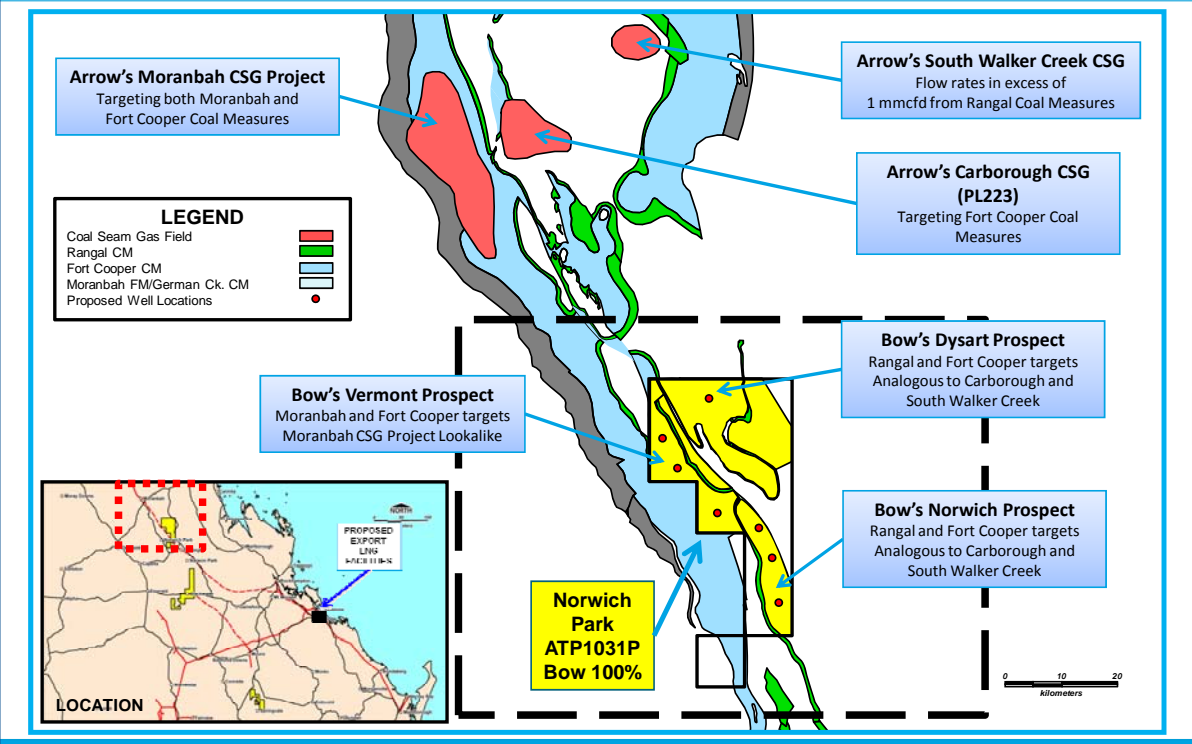
Blackwater Power Station is to be located adjacent to the Blackwater CSG Field



BWP1 Flare



Bow's 100% Norwich Park Projects On trend with known CSG fields – drilling to start



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