



ASX Announcement

23 February 2010

Thickest Rangal Coal Seams intersected to date at Blackwater

The Directors of Bow Energy Ltd (ASX:BOW) are pleased to provide a progress report on the drilling programs currently underway in the Blackwater CSG Field and the Norwich Park CSG Project located in the west of Gladstone, Queensland.

Blackwater CSG Field 2P Drilling Update – 8.7 metre permeable coal seam intersected

The initial 2P appraisal drilling program of the Blackwater CSG field consists of nine wells in the western shallower regions of the field. The results of the first three appraisal wells and adjacent core holes BW-3 and BW-4 located in the area have been submitted to MHA, Bow's independent certifier.

Bow has now drilled six of the nine well program with BWP-7 reaching a depth of 453 metres and intersecting 17.8 metres of coal in the Rangal Coal Measures, the thickest encountered to date in the field. The top Rangal seam contained 8.7 metres of coal (more than double than elsewhere in the field) with initial analysis of testing indicating good permeability. Some permeability was also indicated in the next two Rangal seams.

Wet weather in the area has hampered drilling with the rig unable to mobilize to BWP-8, the next planned 2P appraisal well, until later this week.

Blackwater CSG Production Pilot testing to begin

The commencement of long term production testing of two of the initial appraisal wells (BWP-3 and BWP-4) has also been hampered by wet weather. The Wild Desert rig #10 completion rig, which was to drill out and complete wells for pumping, is now scheduled to be mobilized to BWP-4 this week. Given the high gas saturations and permeability of the coals in BWP-3 and BWP-4, and following the planned commencement of pumping from the wells early next month, Bow is predicting early gas breakout to occur during the next quarter.

Norwich Park Project Drilling Program – Thick Gassy Upper Coal Seams Encountered

Bow has commenced the initial seven well 3P and 2P drilling program on the Norwich Park Project (ATP 1031) located immediately south of Arrow Energy's primary Bowen Bowen basin project areas.

VM-1 has drilled to a depth of 273 metres towards a projected total depth of 700 metres. The well has intersected 18.7 metres of coals to date with early gas desorption measurements indicating high gas contents. However, heavy rain has resulted in the drilling crew being demobilised until conditions are safe for drilling and minimum ground disturbance.

Current Operations

- Dynamic Drilling rig #17 is currently drilling BWP-7 at the Blackwater CSG Field
- Drill Torque rig #26 is on standby until weather improves at Norwich Park (core drilling and testing VM-1)
- Wild Desert rig #10 to commence completion work on BWP-4 this week weather permitting

For and on behalf of the Board

Duncan Cornish
Company Secretary
Bow Energy Ltd

For further information contact:

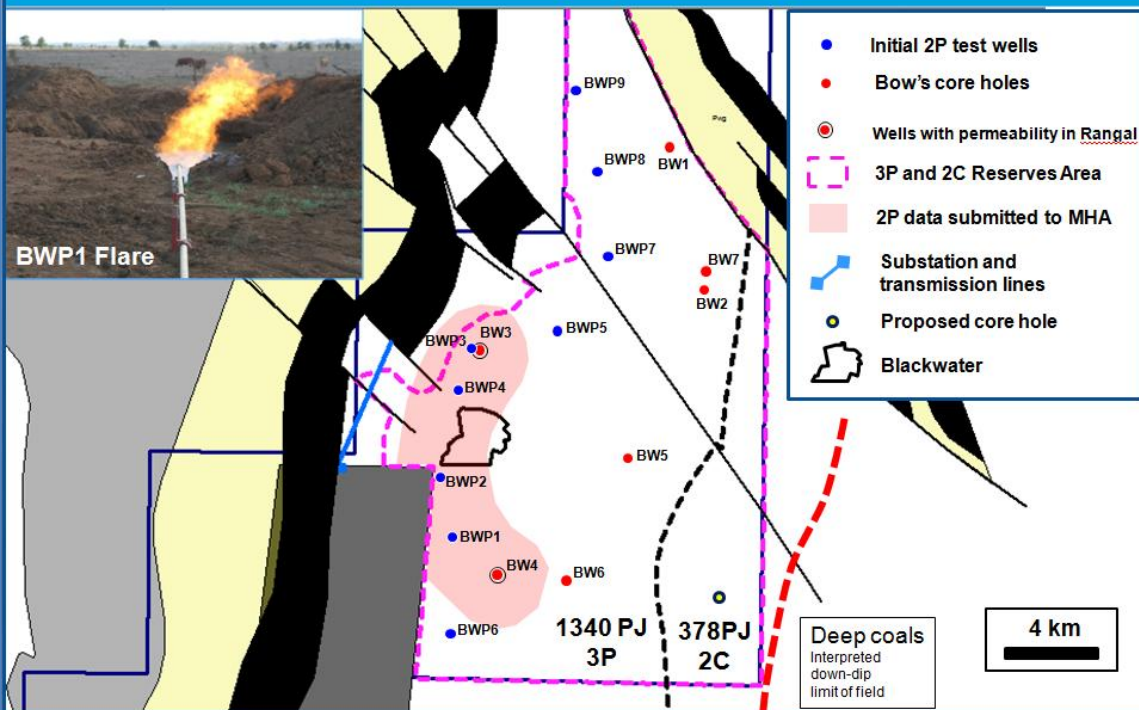
John De Stefani
CEO - Commercial
Tel: +61 7 3238 6300

Vic Palanyk
COO
Tel: +61 7 3238 6300

Bow Energy Limited
ACN 111 019 857
Level 7, 10 Eagle Street
Brisbane QLD 4000
Tel: +61 7 3238 6300 Fax: +61 7 3238 6399
Website: www.bowenergy.com.au

The technical information contained herein is based on information compiled by the Company's Chief Operating Officer, Vic Palanyk, who has more than 15 years experience in coal seam gas.

Blackwater CSG Field 2P Drilling Program initial 6 test wells have been completed



Norwich Park Projects (Bow's 100%) On trend with known CSG fields – drilling commenced

