



QUARTERLY
REPORT ENDED
31 MARCH 2011

EXPLORING,
DEVELOPING,
GROWING

ASX: BOW

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1. Performance Review

Bow Energy is focussed on coal seam gas and conventional oil development in Australia. The company is pursuing gas markets including domestic power generation, domestic gas supply for industry, and export liquefied natural gas markets via Gladstone.

To this end, Bow is committed to realising several core strategic initiatives during 2011 including growing its gas reserves, delivering commercial gas flows, partial divestment of non-performing conventional oil assets, commissioning the 30 megawatt (MW) Blackwater Power Project and progressing the development of key gas infrastructure.

The company made solid progress on each of these fronts during the March quarter although the geographic extent and intensity of the recent rain considerably interrupted field work activities.

Major achievements for the quarter included commencement of production testing on a four spot pilot at the Blackwater field, continued construction of the Blackwater power station, the development of an agreement with a number of CSG exploration and production companies operating in the Bowen Basin to share exploration and production data and completion of a further well at the Cuisinier oil field.

While Bow's planned work schedule has been extended due to unfavourable weather conditions, the company remains firmly committed to achieving the following key outcomes:

- to deliver commercial gas flows (expected during the second half of CY2011) allowing conversion of existing resources and 3P reserves to 2P;
- delineation of 1,250PJ of 2P; and
- delineation of 6,200PJ of 3P reserves.

2. Coal Seam Gas Projects

Overview

Bow is progressing the appraisal of eight CSG projects and fields in the Surat and Bowen Basins. The majority of the appraisal activity has been concentrated in the Blackwater and Norwich Park projects where pilot production programs are being conducted. These programs are targeting to deliver substantial gas reserve upgrades and commercial gas flows this calendar year which should enable accelerated conversion of gas resources and 3P reserves to 2P reserves suitable for commercial off-take agreements. The company anticipates continued reserves growth, targeting certified gas reserves of 1,250PJ of 2P gas and 6,200PJ of 3P (net to Bow).

The overall program planned to deliver commercial gas flow rates and reserve targets includes up to:

- 10 core holes
- 15 fraced production wells
- 9 lateral production wells
- 15 DFIT holes (permeability testing), and
- 70 kilometres of new 2D seismic acquisition over Blackwater CSG Field.

More than 60 percent of this work is focussed on the Norwich and Blackwater CSG fields. This work will account for approximately \$45 million of expenditure and is a significant step up in activity from prior programs.

Final Investment Decision (FID) on the development of the Blackwater/Norwich Park CSG fields and gas pipeline to Gladstone remains on target for the end of 2012. Commercial discussions are continuing and Bow is confident of securing key agreements to support the FID timetable.

CSG companies to share exploration and production data to save costs

Bow has reached an agreement in principle with a number of CSG exploration and production companies operating in the Bowen Basin to share exploration and production data from the Bowen Basin through its independent third party reserves assessors Netherland, Sewell and Associates Inc. (NSAI) and MHA Petroleum Consultants, Inc. (MHA).

Under this arrangement the independent reserves assessors will collate data from the participating companies to enable exploration and production data on adjacent Exploration Permits and Petroleum Leases (PL) to be extrapolated across permit and or lease boundaries.

The data sharing with our CSG neighbours has the potential to reduce the appraisal drilling required for reserves certification and may accelerate Bow's reserves certification process. To this end, Bow is reviewing its current appraisal drilling program and may reduce the number of wells associated with the reserve targets to lower the cost of delivery.

Blackwater CSG Field

ATP 1025P

Bow Energy 100% ownership

Bow's Blackwater CSG Field located within ATP 1025P was the focal point for much of the company's appraisal activity during the quarter. The current certified 2P reserves in the field will underpin the 30 MW Blackwater Power Project currently under construction.

The ongoing testing of lateral and fraced vertical completion methods in the field was interrupted by further heavy rain in the vicinity of the Blackwater field during the quarter which will result in delays in Bow's reserve certification programs.

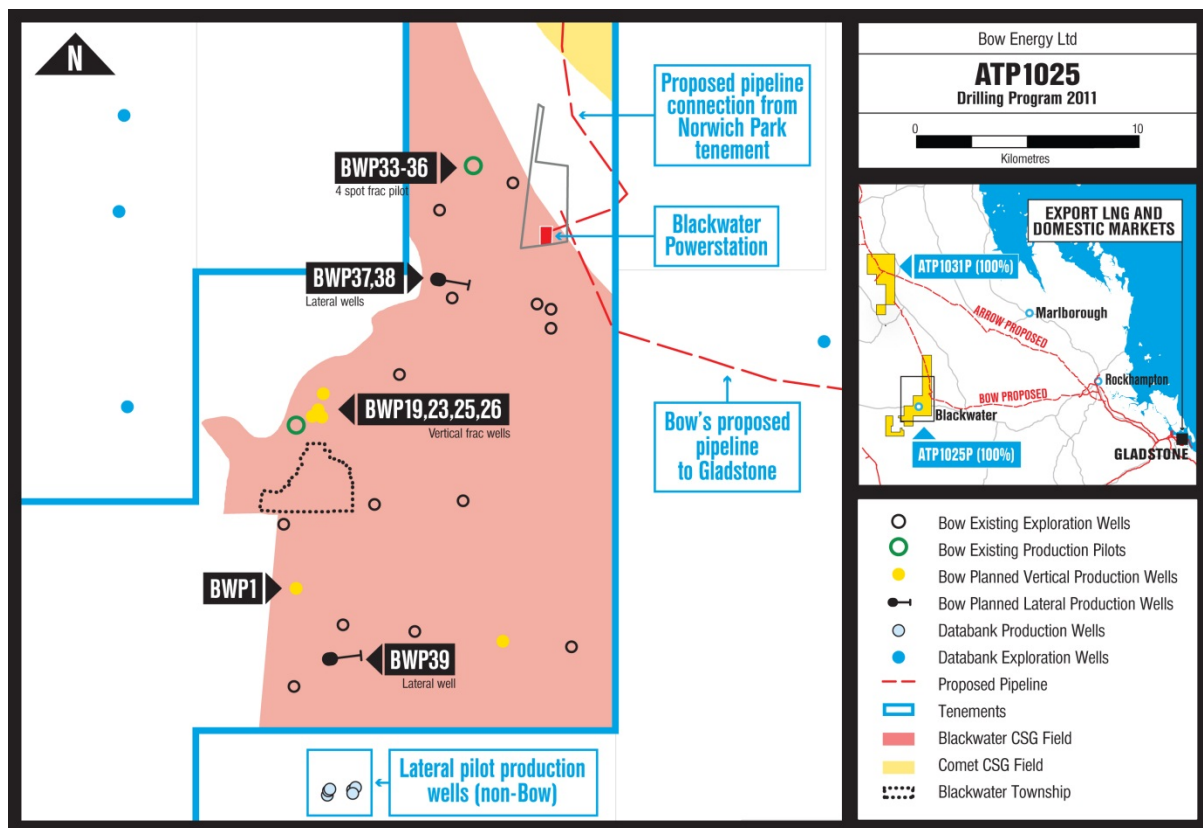
Recent drilling activities include the spudding of BWP 39 single lateral well located in the southern part of the field and the completion and initial pumping of the first four-spot pilot wells (BWP 33-36) near the Blackwater Power Station construction site. To avoid potential near bore well damage, the wells are being operated very conservatively which helps maintain the integrity and permeability of the producing coal seams during early ramp up. Water levels are still in the range of 150 to 200 metres above the top coal seam with irregular recent gas flows and surges indicating the potential for commercial flow rates.

Vertical holes BWP 19, 23, 25 and 26 (in the Blackwater CSG field) have been fraced during April. These wells will subsequently be completed and production tested.

Commercial gas flows in this field is expected during the second half CY2011.

Current Drilling Program

Hole	Type	Status
BWP 1	Vertical	Drilled. To be under reamed and completed in June quarter
BWP 19	Vertical frac	Fracing during April
BWP 23	Vertical frac	Fracing during April
BWP 25	Vertical frac	Fracing during April
BWP 26	Vertical frac	Fracing during April
BWP 33-36	Vertical 4 spot frac	Completed and under pump, water level 150-200m above coal
BWP 37	Lateral	Completed, awaiting pump drive equipment.
BWP 39	Lateral	Spudded, drilling underway
TBA	2 x lateral	Planned pending new seismic data
TBA	2 x frac wells	Planned
2D Seismic		Scheduled for May



Comet CSG Field

ATP 1025P

Bow Energy 100% ownership

While drilling activities are being concentrated in the Blackwater CSG field, Bow continues to negotiate overlapping tenure agreements with coal parties as required in the Comet CSG Field.

Norwich Park Projects

ATP 1031P

Bow Energy 100% ownership

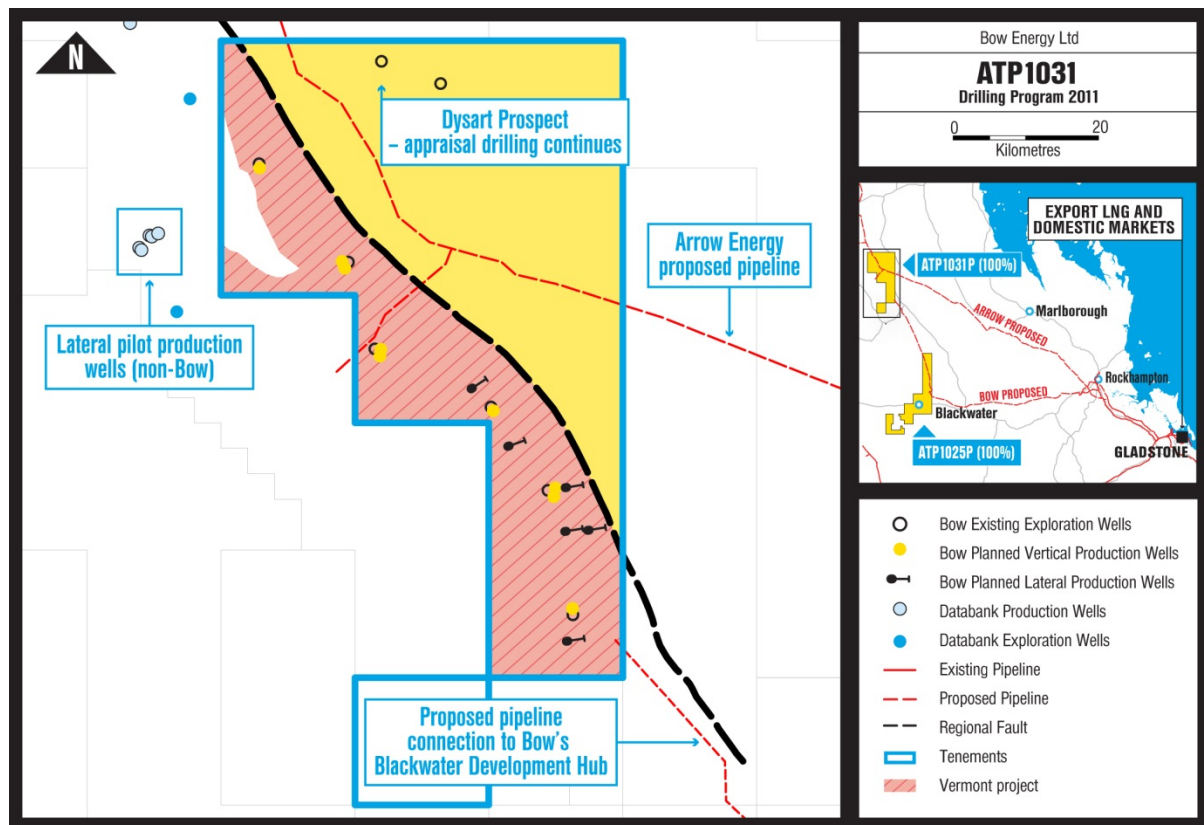
Bow is planning up to nine vertical production wells and six lateral production wells at Norwich Park to systematically target the conversion of certified gas resources in the tenement to 2P reserves.

Poor ground conditions due to heavy rain has postponed the start of the Norwich Park work program until after the end of April. Bow now expects the weather downtime will result in delays to the planned reserve increases associated with that work until late 2011 and into 2012.

While the wet ground conditions persist Bow will continue to reschedule its work program to minimise safety hazards and potential destruction of roads and property that can be caused by moving equipment during wet periods.

Bow’s technical staff continue to identify targets and design improvements to appraisal and development methods, maturing at least six prospective locations for lateral pilot production wells at the field. These wells will be an important component of the process to define additional substantial 2P reserves across the Norwich Park tenement.

While field work was interrupted, the company has been working towards gaining landowner, cultural and traditional owner clearances on more than 10 well locations across Norwich Park.



Gunyah CSG Project

ATP 1053

Bow Energy 100% ownership

Bow is currently waiting for formal granting of the tenement from the Queensland Government. Bow has finalised all relevant documentation, including a Conjunctive Ancillary Agreement (between Bow and the Wulli Wulli People) and the State Deed (all parties including the Queensland Government). The Conjunctive Ancillary agreement captures the significant requirements for CSG exploration and production such as cultural heritage management plans. Bow cannot carry out any exploration or appraisal work in this permit until it is granted.

Bandanna Project

ATP 805

Bow Energy 100% ownership

Located 70 kilometres north-west of Santos's Fairview CSG Field, the Bandanna CSG project targets Bandanna Coal Measures interpreted to occur at depths between 200-1000 metres. Bow is planning to drill one exploration core hole in the Bandanna prospect in 2011. No field work was conducted in the March quarter.

Don Juan Project

ATP 771P / ATP 593P

Bow Energy 55% ownership

The Don Juan CSG Project is a joint venture between Bow (Walloon Coal Measures only, including the Juandah and Taroom coal seams) and Senex Energy (remaining 45% interest). The operatorship of this project is currently being transferred from Bow to Senex.

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 (55PJ 2P and 109 PJ 3P net Bow) are within ATP 771P. The joint venture plans to drill two core holes in ATP 593P during 2011.

3. Reserves Position

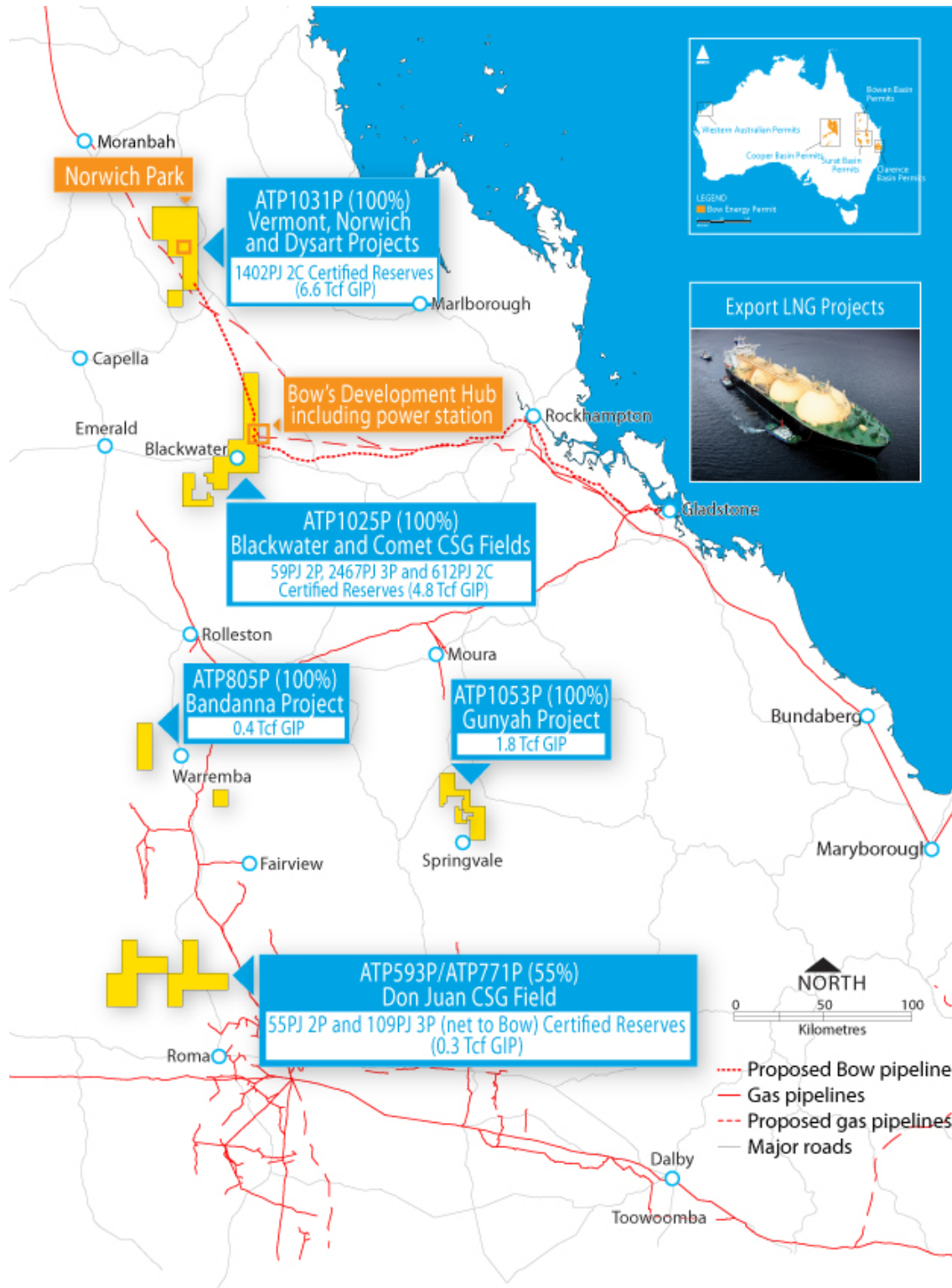
Gas In Place Of Over 13.8 Trillion Cubic Feet (Tcf)

Bow has 100 percent ownership of more than 13 Tcf of Gas In Place potential across its tenements. The company has a focused strategic growth path that encompasses delivering significant gas reserves and, in parallel, progressing multiple channels to market for the future sale of that gas.

Bow's current gas reserves and targets are summarised below.

Project (all 100% unless stated otherwise)	Current Certified Reserves/Resources			Reserve Targets	
	2C Resources (PJ net to Bow)	3P Reserves (PJ net to Bow)	2P Reserves (PJ net to Bow)	3P Reserves (PJ net to Bow)	2P Reserves (PJ net to Bow)
Blackwater and Comet CSG Fields (ATP1025P)	612	2,467	59	2,467	535
Norwich Park (3 projects within ATP1031P)	1,402	-	-	3,000	660
Gunyah Project (ATP 1053)	-	-	-	600	-
Bandanna Project (ATP 805)	-	-	-	-	-
Don Juan Project (Bow 55%)	-	109	55	133	55
Total Reserves (net PJ to Bow)	2,014	2,576	114	6,200	1,250

4. Tenements Map



Bow's CSG Tenements in Queensland showing Current Net Reserves (Resources)

5. Conventional Oil and Gas Projects

Cooper Basin

ATP 752P

Bow Energy 15% ownership after farmin work completed

Bow is fully carried on a staged farmin oil exploration program within two blocks that comprise ATP 752P located within the Cooper Basin in Queensland's south-west corner. The farmin consists of up to seven wells and 300 km² of 3D seismic by Santos and Bengal (formerly Avery Resources).

The first of two farmin wells drilled resulted in an oil discovery at Cuisinier in the Barta Block. Production commenced during May 2010 at an initial rate of approximately 440 barrels of oil per day (bopd). Bow's accumulated share of production for the March quarter was approximately 1,600 barrels of oil.

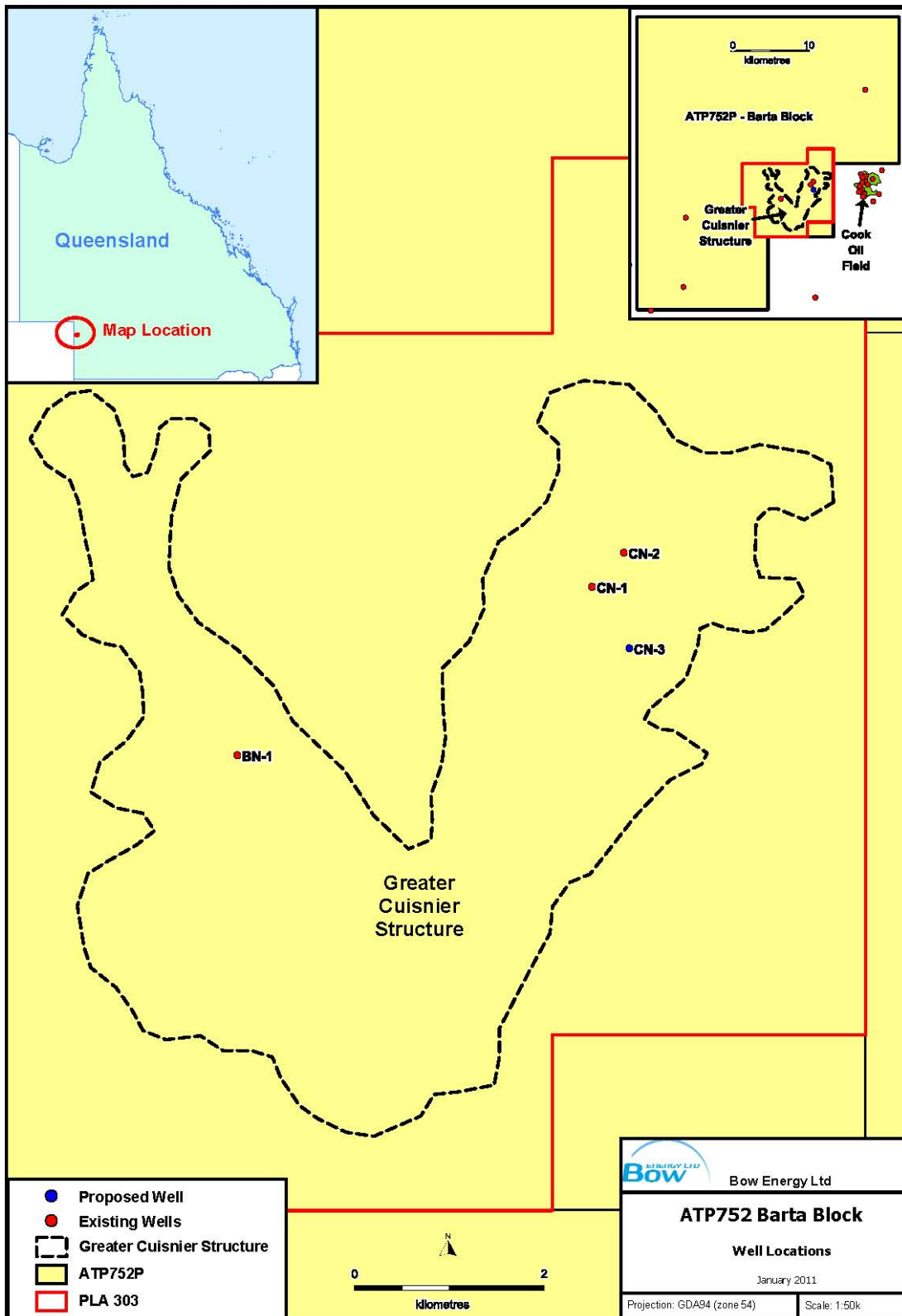
The Cuisinier 2 well was located 450 metres north-east of this discovery and intersected an oil column of up to 7 metres of potential net pay. The well was perforated and tested and initially had oil to surface. The well is due to be completed and put on extended production next quarter.

The Barta North-1 well was located four kilometres west-south-west of the Cuisinier-1 well and encountered a strong oil show with up to 4 metres of net pay. The well is planned to be tested next quarter.

On March 11, Bow reported that Cuisinier 3 would be cased as a potential Murta oil production well. The well was drilled to a depth of 2040m and is located approximately 750m south of the Cuisinier 1 well.

At Cuisinier 3, the upper Murta sandstone, that is productive in the Cuisinier 1 discovery well, has 5 to 6.5 metres of net oil pay similar in quality to Cuisinier 1. The Cuisinier 1 well remains capable of oil rates in excess of 400 bopd with no water production to date. Results of the Cuisinier 3 well suggest the upper Murta oil bearing zone in the Cuisinier discovery has a minimum 19 metres of structural gross oil column, with further appraisal and step-out drilling warranted.

A second, deeper Murta sand zone at Cuisinier 3 indicates up to 3.7 meters of potential net oil pay with additional testing required to confirm this deeper zone. Completion and testing operations of the appraisal wells are expected to commence in the June quarter.



Central Eromanga Basin

ATP 736P, ATP 737P, ATP 738P, ATP 944P and ATP 948P ATP 725P
Bow Energy 20-100% ownership

No activity has been undertaken this quarter.

Surat Bowen Basins

No activity has been undertaken this quarter.

Clarence-Moreton Basin

No activity has been undertaken this quarter.

Carnarvon Basin Activities

WA-261-P

Bow 10% ownership

Planning has continued for a 3D seismic program over the permit to detail the Chamois oil field and high grade other prospects for potential drilling.

EP 325

Bow 11.1% ownership

No activity has been undertaken this quarter.

Technical Review of Conventional Assets

During the December quarter an external independent consultant performed a technical review of Bow's conventional petroleum assets in Australia which are mainly located in Queensland's Cooper-Eromanga and Surat basins. Bow received the report during the March quarter and will continue to assess the recommendations.

6. Power Generation Projects

Construction Continues On Blackwater Power Project

Bow announced in August 2010 the commencement of construction on Bow's 100 percent owned 30 MW gas-fired Blackwater Power Project, located approximately 15 kilometres north-east of the town of Blackwater in central Queensland. Gas for the project will be supplied from Bow's underlying Blackwater CSG Field.

Construction continues on this project but has been impacted by wet weather delays which have prevented access to the site. Bow does not expect any significant capital cost impacts due to these delays. However, the delays and the continuation of wet conditions has resulted in some slippage in the commissioning period to the second half of 2011, conditional upon gas field appraisal and timing of power and gas connection.

The civil works are 100 percent complete while electrical and mechanical installations will continue as ground conditions permit over the coming months.



Aerial View of Construction Site for Blackwater Power Project (Jan 2011)

7. Commercial Activities

Gas Development Strategy

Bow continues to pursue its stated strategy of progressing opportunities in power generation, domestic gas supplies and export LNG. The company advanced discussions with a number of counterparties for long term off-take gas arrangements during the March quarter.

In addition to the 30MW Blackwater Power Project, Bow is continuing to pursue electricity generation opportunities including investigating the feasibility for a 200MW power plant located at Blackwater, Queensland.

EIS for Bowen Basin Development

Bow is currently targeting net CSG reserves of 6,200PJ of 3P and 1,250PJ of 2P, an amount of reserves that if proven, would be sufficient to support significant long-term gas supply contracts.

To progress development of these significant reserves Bow has commenced an Environmental Impact Statement (EIS) that will take into account the full range of field and pipeline development activities.

The EIS will ensure that Bow meets all environmental regulatory approvals for all upstream development activities within ATP 1025P (Blackwater and Comet projects) and ATP 1031P (Norwich Park projects) as well as the construction of two high pressure gas transmission pipelines:

- a pipeline linking ATP1031P to ATP 1025P, approximately 95km (straight line) in length; and
- a gas transmission pipeline connecting Blackwater to Gladstone (Mt. Larcom compressor station) via Rockhampton, approximately 250km in length.

The EIS is expected to be submitted by the end of 2011.

Bow has obtained a Pipeline Survey Licence (PSL 51) under the Petroleum and Gas (Production and Safety) Act 2004 for the corridor from Blackwater through to Gladstone (via Rockhampton). The company is finalising a route selection study (including identification of a preferred alignment) for the Norwich Park to Blackwater Gas Hub (in ATP 1025P) gas pipeline. This section of pipeline will provide a link between CSG reserves in ATP 1031P and the Blackwater to Gladstone pipeline.

An application for a PSL has been submitted to the regulatory authority for the Norwich Park to Blackwater pipeline route and is pending approval.

8. Planned Activities for Next Quarter

1. Continue exploration and appraisal activities to increase reserves and deliver commercial gas flows.
2. 70 kilometres of new 2D seismic acquisition over Blackwater CSG Field.
3. Continue construction of the Blackwater Power Project.
4. Progress commercial discussions with offtake counter parties in line with Bow's strategic development paths.
5. Progress the EIS for the Blackwater to Gladstone gas pipeline infrastructure including the Norwich Park to Blackwater pipeline and the field development areas.
6. Continue the lodgement of PL applications.

9. Important Notes

Competent Person Statements

MHA - The estimates of gas reserve and resources for the Comet Block (ATP 1025P) and Don Juan CSG Field (ATP 771P) 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.

MBA – The estimates of gas in place potential for the Norwich Park (ATP 1031P), Gunyah Block (ATP 1053P) and Bandanna Project (ATP 805P) has been prepared by Mr Doug Barrenger of MBA Petroleum Consultants Pty Ltd (MBA). Mr Barrenger has more than 25 years of experience in the petroleum industry and 10 years of experience in the coal seam gas industry.

Bow – Other 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.

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)]

10. Corporate Information & Directory

DIRECTORS

Howard Stack (Non-Executive Chairman)
Ron Prefontaine (Executive Director)
Nicholas Mather (Non-Executive Director)
Stephen Bizzell (Non-Executive Director)

EXECUTIVES

John De Stefani (Chief Executive Officer)
Vic Palanyk (Chief Operating Officer)
Peter Harbison (Chief Financial Officer)
Duncan Cornish (Company Secretary)

SHAREHOLDER ENQUIRIES

Link Market Services Ltd manages Bow Energy Ltd's share registry.

If you would like to monitor your shareholding online, you can do so by visiting Link Market Services Ltd's website,

www.linkmarketservices.com.au and following the instructions.

For issuer-sponsored shareholders, if you change address, or if you have any other queries regarding the details of your shareholding, please contact the Company's share registry directly:

Link Market Services Ltd
ANZ Building, Level 19
324 Queen Street, Brisbane QLD 4000
Phone: 1300 554 474

AUSTRALIAN STOCK EXCHANGE ("ASX")

ASX Code: BOW (Ordinary shares)
S&P ASX 200 Index

ISSUED CAPITAL

Bow Energy Ltd has the following securities on issue:

Ordinary shares on issue
at 31 March 2011: 348,972,041

Outstanding options at 31 March 2011:

- 11.85 million (unquoted) 50c options expiring 7/11/11
- 16.50 million (unquoted) employee options (various exercise prices and expiry dates)

INTERNET ADDRESS

All Company announcements, reports and presentations are posted on our website www.bowenergy.com.au

If you would like to receive news releases by email, please send us an email to info@bowenergy.com.au or register your details on our website.

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