



Q4

QUARTERLY
REPORT ENDED
30 JUNE 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 multiple channels to develop and market its gas fields including domestic power generation, domestic gas supply for industry, and export liquefied natural gas (LNG) markets via Gladstone.

The company is currently funded to deliver up to 6,200 PJ of 3P reserves and 1,250 PJ of 2P reserves in 2012. The current 2P target represents sufficient gas to supply a 1 million tonne per annum (Mtpa) LNG train for over 20 years. This is significant with respect to the proposed Gladstone LNG industry where a number of LNG project proponents are considered short on gas requirements for sanctioned LNG trains and are also seeking gas supply for expansion LNG trains.

Bow took positive strides towards its reserves targets during the June quarter certifying initial reserves of 36.5 PJ of 2P reserves and 163 PJ of 3P within the Norwich Park tenement. Production pilot programs are planned to commence at Norwich Park late third quarter 2011 which are designed to add substantially more reserves in this tenement.

Subsequent to the end of this quarter Bow also added a further 89 PJ of 2P gas reserves at the Blackwater CSG Field. Bow now has current certified reserves of 238 PJ of 2P, 2,752 PJ of 3P and 2,521 PJ of contingent resources. The company can also report that despite unfavourable weather conditions suffered during 2011 several pilot production programs are underway across the Blackwater tenement with encouraging early results. Successful production pilot programs should continue to rollout the upgrade of contingent resources and 3P reserves to 2P reserves.

Demand for Bow's gas is growing and discussions with potential joint venture and off-take partners continues to progress.

On the conventional oil front, the drilling program undertaken at Cuisinier and Barta North oil fields has exceeded expectations and resulted in three new oil production wells. Oil production from the Cuisinier wells continues to be limited by surface infrastructure which the operator is upgrading. More appraisal drilling is planned for the fields commencing in then next quarter.

2. Coal Seam Gas Projects

Overview

Bow is progressing appraisal of eight CSG projects and fields in the Surat and Bowen Basins which together have a gas in place potential of up to 13.8 trillion cubic feet (Tcf). The company has more than \$94 million to fund its reserves certification program which is largely focused on the highly prospective Norwich and Blackwater CSG Fields.

Bow has the most uncontracted CSG 3P gas reserves in Eastern Australia and is well placed to answer the expected reserves shortfalls for the proposed LNG industry at Gladstone. Furthermore, Australian Energy Market Operator (AEMO) 20-year Queensland domestic gas demand, forecasts growth of 5.4 percent per annum – this equates to more than 10 PJ of new domestic demand each year.

The company is carrying out several different proof of concept pilot well designs and completion techniques over various locations in its Bowen Basin CSG tenements to determine the optimal commercial production methods.

In addition to a number of lateral pilot production wells, various hydraulic fracturing techniques of vertical wells are also being trialled by Bow. The company has completed two four-spot pilots to date and both pilots have commenced dewatering. In total, the company now has 10 pilot wells at Blackwater that are under pump and dewatering.

Land Access

Despite being in the traditional dry season in Queensland, the lingering effects of the summer floodwaters in many parts of the Bowen Basin continued to hinder project progress well into the second quarter of 2011.

In addition, unexpected outcomes from the introduction of the new Queensland Government Land Access Code have resulted in property access delays at Bow's Norwich Park tenement. Whilst the Land Access Code was designed to offer both landholders and CSG companies some certainty in the timing of access it has slowed the process dramatically and become overly legalistic.

Ongoing regular communication with senior government officers continues and further update briefings are planned.

Blackwater CSG Field

ATP 1025P – Reserves upgrades continue

Bow Energy 100% ownership

Bow's Blackwater CSG field located within ATP 1025P once again provided the focal point for much of the company's drilling and appraisal activity during the quarter.

Pilot production programs within the Blackwater field are showing encouraging results, with ten pilot wells now completed.

Two Lateral Production Pilot Wells (BWP37 and BWP39)

Lateral pilot production well, BWP39, intersected approximately 560 metres of coal and was completed and production testing commenced before the end of the quarter. BWP39 successfully intersected the same coal measure and similar thickness of coal as Arrow Energy's successful pilot production wells located immediately south of the Blackwater field. The profile of early production on BWP39 is encouraging with increasing water flow rates and early gas flows.

Bow's other lateral well, BWP-37, which intersected 50 metres of net coal due to unforeseen faulting and lateral steering issues, is showing increasing water flow rates.

Eight Vertical Fraced Pilot Production Wells

The first four spot vertical pilot, BWP 33-36, has been dewatering since mid-February 2011 and water levels have been progressively drawn down and has resulted in early gas breakout in three of these wells. The wells are now being operated very conservatively to control this gas breakout and minimise potential coal damage and excessive pump wear.

The second four spot vertical pilot (BWP 19, 23, 25 and 26) have been fraced, completed and are now dewatering. Water rates are increasing and early gas breakout occurring in some of these wells.

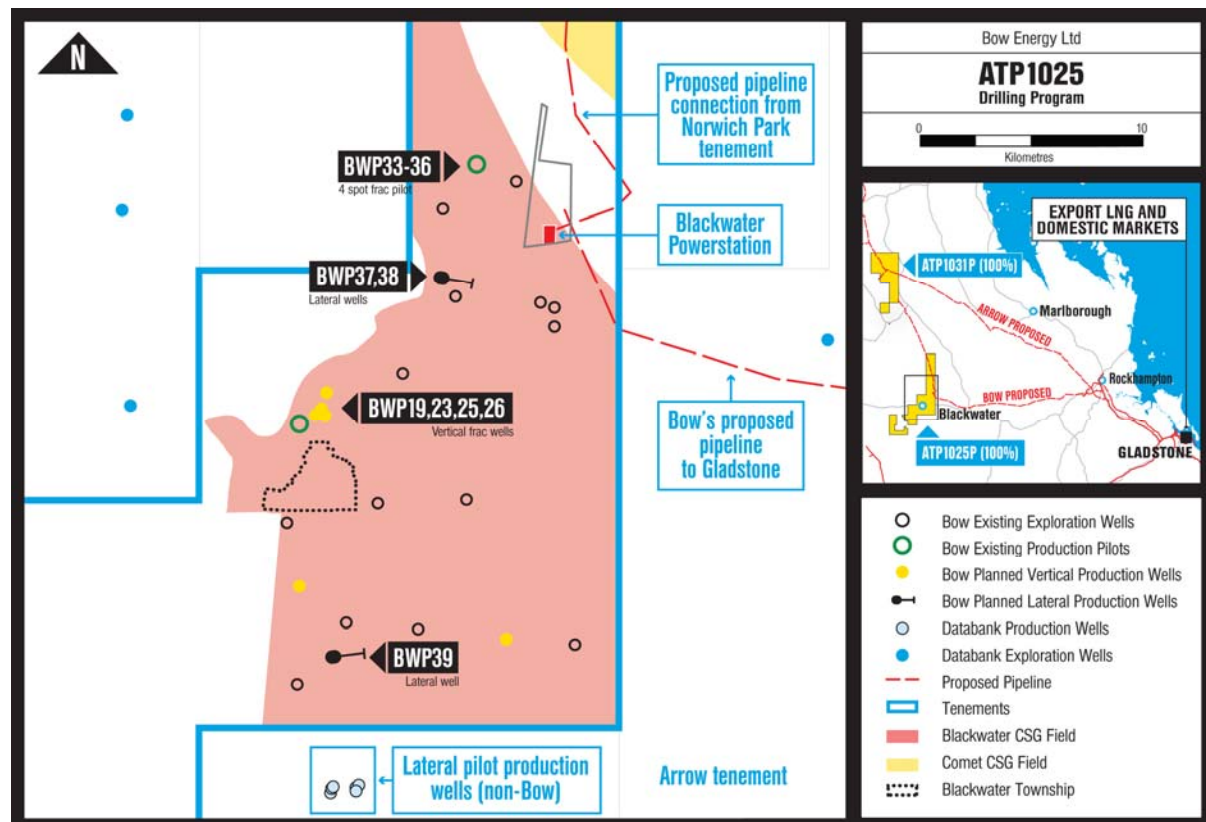
Subsequent to the end of the quarter, data from pilot production wells adjacent to Bow's Blackwater field, along with Bow's existing core hole data was analysed by MHA Petroleum Consultants (MHA) and certified a further 89 PJ of 2P and 13 PJ of 3P within Bow's Blackwater field (ATP 1025P). The contingent resources decreased by 7 PJ as a result of partial conversion to 3P reserves. The field now has 149 PJ of 2P, 2,480 PJ of 3P and 605PJ of contingent gas resources.

Bow's approach in drilling further lateral wells is in areas with seismic control to assist in sub-surface fault identification. As part of this approach, a 50 km 2D seismic acquisition program was completed subsequent to the end of the quarter. The seismic was designed to high grade locations for lateral drilling production pilots in the field. Once processed, at least two further lateral pilot production well locations will be selected for drilling to commence later next quarter.

Current Drilling Schedule – Blackwater CSG Field

Hole	Type	Status
BWP 19,23,25,26	Vertical 4 spot frac	Successfully fraced, completed and dewatering process commenced. Gas breakout on some of these wells.
BWP 33-36	Vertical 4 spot frac	Completed and under pump with gas breakout on three wells
BWP 37	Lateral	Completed and dewatering process commenced. Only 50 metres of coal intersected due to mechanical problems during drilling. Water flow rates increasing.
BWP 39	Lateral	Drilling completed over a lateral section with 560 metres of coal. Early gas breakout has commenced
2D Seismic		Completed late July.
TBA	2 x lateral	Planned pending new seismic data

Multiple pilots in progress at Blackwater CSG Field



Norwich Park Projects

ATP 1031P – Initial reserves certified

Bow Energy 100% ownership

Bow certified the first reserves in the Norwich Park field during the June quarter. Data from pilot production wells adjacent to Bow’s Norwich Park tenement, along with the company’s existing core hole data was compiled by Netherland, Sewell and Associates Inc. (NSAI) who certified 35 PJ of 2P, 163 PJ of 3P reserves and 1,916 PJ of contingent resources within the field.

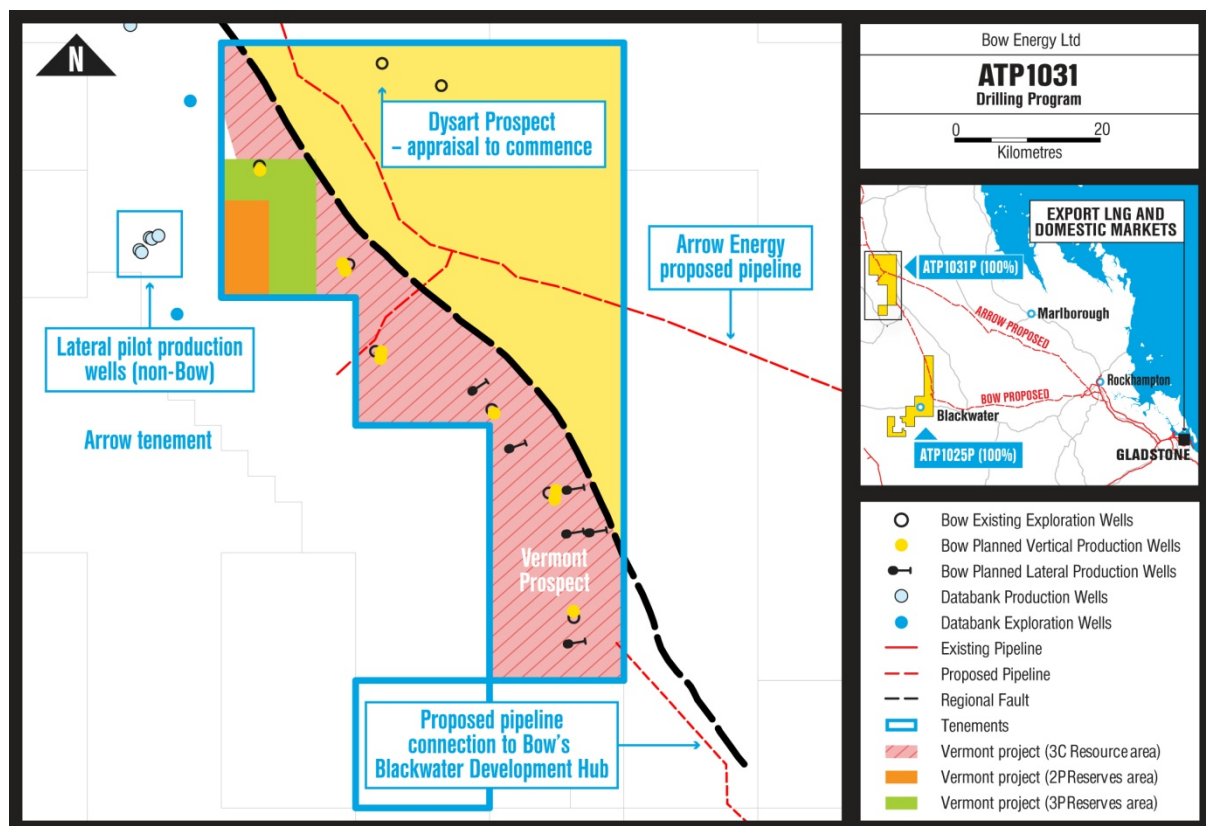
As highlighted in the tenement map below, NSAI’s certified reserves/resource area covers the Vermont CSG Field, located in the western section of the tenement. Appraisal is yet to commence on the Dysart Prospect, located in the north eastern section of the tenement providing further resource potential.

Subject to land access a pilot production program is expected to commence at the Vermont CSG Field late third quarter where Bow is planning to replicate the Blackwater drilling activity. This program will also test different well design and completion techniques with the aim of determining the optimal commercial production methods.

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

Norwich Park Block has 6.6 Tcf Gas in Place

(35 PJ of 2P, 163 PJ of 3P and 1,916 PJ of contingent resources certified in Vermont CSG Field)



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.

Gunyah Project

ATP 1053 – Awaiting minister approval to grant

Bow Energy 100% ownership

Bow is currently waiting for formal granting of the tenement from the Queensland Government after finalising 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 early 2012. No field work was conducted in the June quarter.

Don Juan Project

ATP 771P / ATP 593P

Bow Energy 55% ownership

The Don Juan CSG Project is a joint venture between Bow and Senex Energy (Operator and 45% interest) targeting the Walloon Coal Measures (including the Juandah and Taroom coal seams).

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 exploration core holes in ATP 593P late 2011.

3. Reserves Position

Bow increases 2P certified reserves by more than 100 percent.

Bow has 100 percent ownership of 13.8 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.

As discussed earlier in this report, Bow certified the first reserves in Norwich Park during the June quarter and further reserves in the Blackwater field in July.

Data from pilot production wells adjacent to Bow's Norwich Park tenement, along with the company's existing core hole data was compiled by Netherland, Sewell and Associates Inc. (NSAI) who certified 35 PJ of 2P, 163 PJ of 3P reserves and 1,916 PJ of contingent resources within the field.

Subsequent to the end of the quarter, data from pilot production wells adjacent to Bow's Blackwater field, along with Bow's existing core hole data was collated by MHA Petroleum Consultants (MHA) who certified a further 89 PJ of 2P and 13 PJ of 3P within Bow's Blackwater field (ATP 1025P). The contingent resources decreased by 7 PJ as a result of partial conversion to 3P reserves.

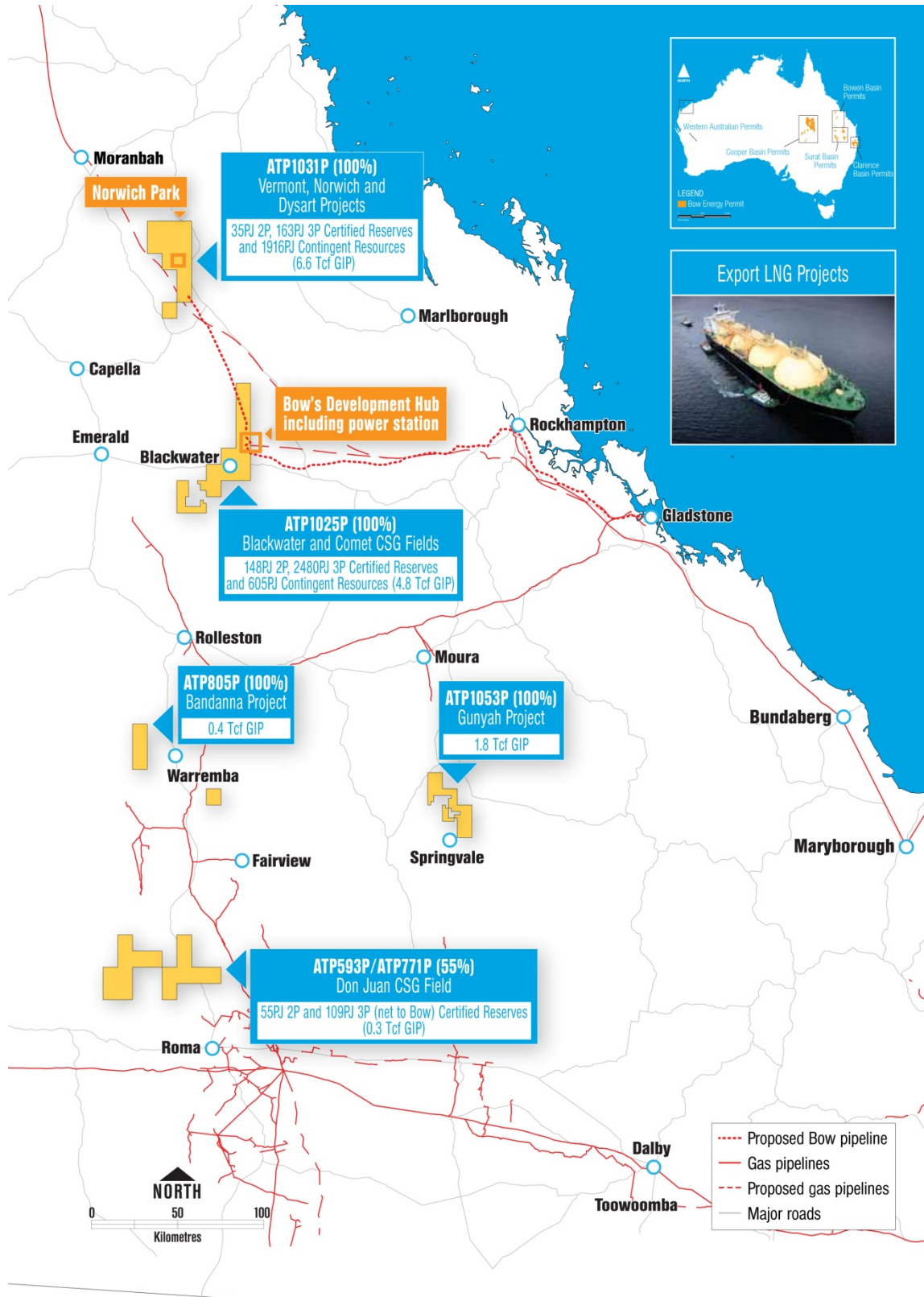
Bow continues to draw confidence from its current pilot production program and expects to achieve its target of 6,200 PJ of 3P reserves and 1,250 PJ of 2P reserves mid-2012.

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

Project (all 100% unless stated otherwise)	Current Certified Reserves/Resources			Current Funding to Deliver Reserve Targets ¹	
	Contingent 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)	605	2,480	148	2,467	535
Norwich Park Tenement (ATP1031P) – includes Vermont CSG Field and Dysart Prospect	1,916	163	35	3,000	660
Gunyah Project (ATP 1053)	-	-	-	600	-
Bandanna Project (ATP 805)	-	-	-	-	-
Don Juan Project (Bow 55%)	-	109	55	133	55
Total Reserves/Resources (net PJ to Bow)	2,521	2,752	238	6,200	1,250

1. As a result of delays from rain and floods earlier this year some of the appraisal work, particularly in the Norwich Park tenement, is now scheduled in the 2012 calendar year.

4. Tenements Map



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

5. Conventional Oil and Gas Projects

Cooper Basin

ATP 752P – Cuisinier appraisal drilling exceeds expectations Bow Energy 15% ownership after farmin work completed

The Cuisinier oil field is located in the onshore Cooper Basin, Queensland, in ATP 752P where Bow holds a 15 percent interest.

The Cuisinier 1 (CN-1) discovery well began production in May 2010 and has cumulatively produced over 63,000 barrels of oil to 30 April 2011 with no appreciable water-cut. The well's daily productive capability continues to be in excess of 350 barrels of oil per day (bopd).

Two appraisal development wells, Cuisinier 2 (CN-2) and Cuisinier 3 (CN-3) and an exploration well, Barta North 1, were cased as potential oil wells over the past six months.

CN-2 was drilled approximately 450 metres northeast of CN-1 and encountered three separate pay sands in the Murta sandstone to a depth 28 metres below the base of perforations in Cuisinier 1.

CN-3 was drilled approximately 700 metres southwest from CN-1 and showed apparent log pay in two Murta zone sandstones.

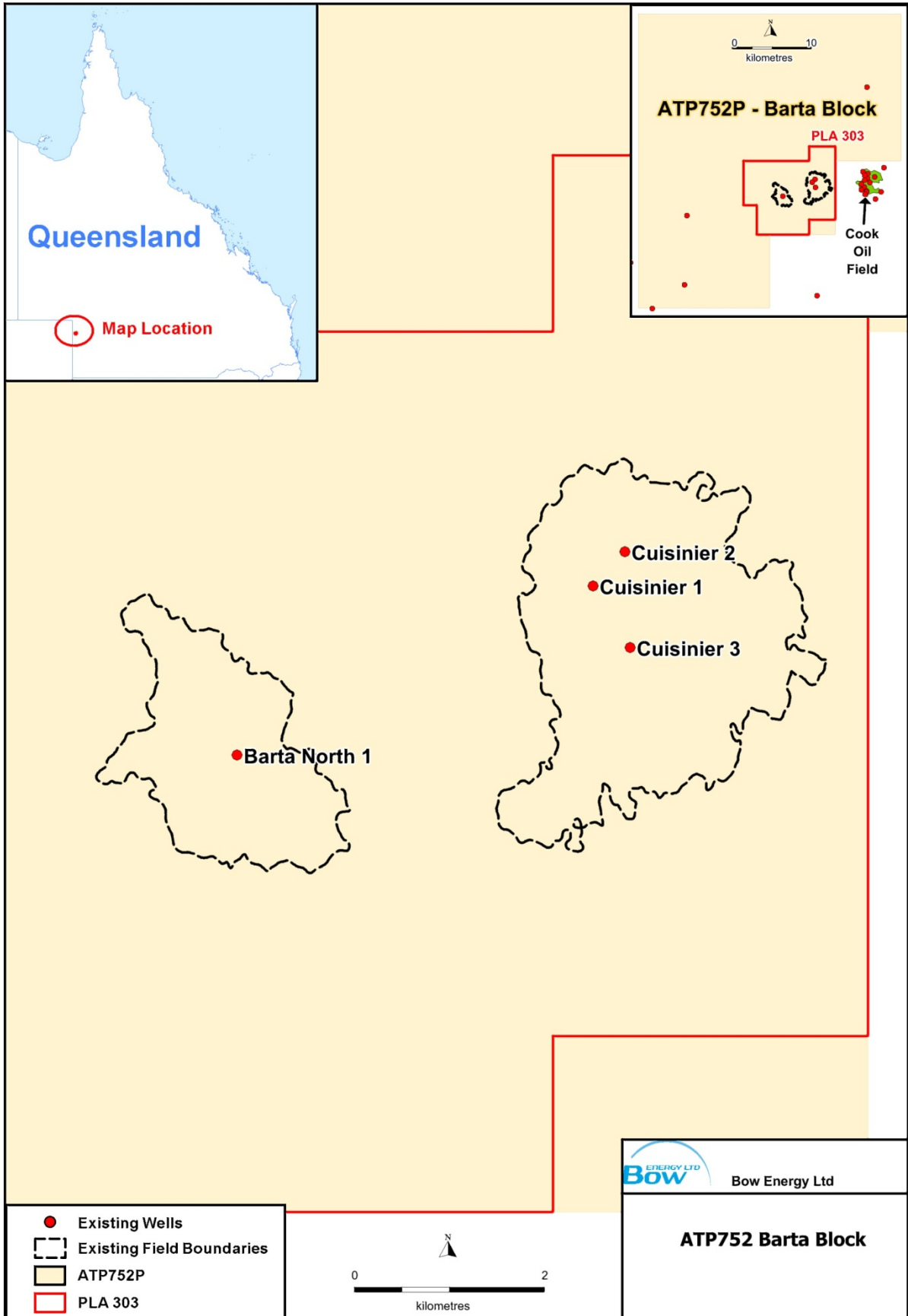
Post exploration well testing has confirmed that both Cuisinier appraisal wells have produced oil and will be placed on pump with oil piped to the CN-1 lease area. The results to date from the new Cuisinier appraisal wells indicate that at least a 19 metre gross oil column exists within the upper Murta oil zone originally found in CN-1. Additionally, lower Murta oil pay, as demonstrated by CN-2, looks to extend as much as 21 metres deeper.

Further analysis of the completion results and some production history from the wells and additional step out and appraisal drilling is required to determine and more fully understand the extent of the newly discovered Cuisinier oil pool.

First oil production from the new Cuisinier wells is expected during the upcoming quarter.

An exploration well, Barta North 1, was drilled approximately five kilometres southwest of Cuisinier 1 on what was mapped as a separate structure. The well was perforated over six metres in the Upper Murta zone, the equivalent zone to the producing Murta pay sand at Cuisinier-1 oil well. The well has been completed as a pumping oil well and the operator is reviewing facilities connection options.

A multi-well exploration and appraisal drilling program is planned for the tenement and fields.



Central Eromanga Basin

ATP 736P, ATP 737P, ATP 738P, ATP 944P and ATP 948P ATP 725P

Bow Energy 20-100% ownership

Bow is negotiating multi-well farmouts in these tenements.

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.

6. Power Generation Project

Construction Continues On Blackwater Power Project

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

Civil, construction, mechanical and electrical and pre-commissioning works are all expected to be completed during the upcoming quarter. Due to delays in gas delivery and securing power line easements, commissioning is currently scheduled for early 2012.



Blackwater Power Project (July 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 potential joint venture and long term off-take partners during the June 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 has commenced an Environmental Impact Statement (EIS) to ensure that the company 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 the construction of two high pressure gas transmission pipelines:

- a pipeline linking ATP1031P to ATP 1025P, approximately 110km (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 late 2011.

Bow has obtained a Pipeline Survey Licence (PSL 51) 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

- Continue appraisal and pilot production activities to achieve early gas flows and upgraded certified gas reserves
- Progress the EIS for the Blackwater to Gladstone gas pipeline infrastructure including the Norwich Park to Blackwater pipeline and the field development areas.
- Progress commercial discussions with potential joint venture and off-take counter parties in line with Bow's strategic development paths.
- Construction to be completed on the Blackwater Power Project. Due to delays in gas delivery and securing power line easements, commissioning is currently scheduled for early 2012.

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.

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

ISSUED CAPITAL

Bow Energy Ltd has the following securities on issue:

Ordinary shares on issue
at 30 June 2011: 350,517,229

Outstanding options at 30 June 2011:

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

AUSTRALIAN STOCK EXCHANGE ("ASX")

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

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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