

# Reserves growth for Bow Energy

With the proposed Blackwater power project powering ahead, exploration drilling continuing to find thick, gassy coals within the Bowen-Surat Basin, and a year-end reserves target of 455 petajoules of 2P gas and 4,128 PJ of 3P, Bow Energy is rapidly moving into a position where it will need to take some hard decisions on its future next year.

While the 30 megawatt Blackwater power station is one of several new gas-fired power stations being developed along the east coast for a hungrily growing energy market, Bow is finding more gas potential than the east coast market can absorb, so the company will need to find a monetisation pathway.

By the end of 2011 Bow is seeking to prove up 1,250 PJ of 2P and 6,200 PJ of 3P.

The 3P target represents sufficient reserves to supply the 240 PJ per annum needed for a four million tonne per annum liquefied natural gas (LNG) train over a 25 year period.

And work to date suggests that Bow will easily meet that target.

## Norwich Park

Exploration drilling moved from the Blackwater area to the Norwich Park block earlier this year with three wells into the Vermont CSG project finding between 52-77m of gassy coals at depths above 825 metres. The average across the prospect is 63m width.

Vermont is just one of three potentially high value target areas within ATP 1031 (Bow 100%), about 300 km north-west of Gladstone, and contains the already proven Moranbah coal measures which are exploited at the mature Moranbah field, and the developing Fort Cooper coal measures.

Analysis of gas contents, composition and saturation is underway but Bow is optimistic given the gassy nature of the coals intersected to date.

The rig will now be relocated to the Dysart and Norwich prospects to drill four core holes.

An additional coring rig is expected to commence next month to expedite the 2010 drilling program.

Bow is targeting 100 PJ 2P and 1,200 PJ 3P gas reserves by end of the year from Norwich Park, however the block has gas-in-place potential for 6.5 trillion cubic feet within a wider portfolio that has potential for more than 13.8 tcf.

Some 114 PJ of 2P and 2,360 PJ of 3P have been certified to date, however those figures that do not take into account the deeper, tighter Fort Cooper Coal Measures (FCCM).

The FCCM is an emerging CSG play which was independently certified last year by Arrow Energy at Moranbah which sits just 50 kilometres to the north-west.

## Conventional

Bow started life as a conventional Queensland oiler, and it has identified more than 100 conventional targets in the Cooper-Eromanga and Bowen-Surat Basins for drilling.

Very little conventional work has been undertaken over the past two years with the increased focus on CSG, but its conventional interests have continued to generate rewards with the recent start of production from the Cuisinier-1 well within ATP 752P (Bow 20%).

The new oil field is producing at an initial

rate of 340 barrels of oil per day by operator Santos.

Victoria Petroleum and Bengal Energy also have shares in the field which is producing from the Murta sandstone.

Santos' nearby Cook field produces from the Hutton Sandstone reservoir, which could also be prospective in separate culminations of the larger Cuisinier structure.

A string of follow-up targets can be seen on seismic, but it is unknown when further drilling will be taken.

Santos and Bengal are farming in to ATP 752's Barta (20.37%) and Wompi Blocks (26.25%) under a staged process which requires up to five wells and 300 square kilometres of 3D seismic.

A total of 17 leads and prospects with commercial oil potential remain untested in the Barta Block according to Bow.

Santos and Bengal are also farming into the Wompi Block with a staged earning program of up to four wells plus 200 sq km of 3D seismic acquisition. Bow is fully carried through the program.

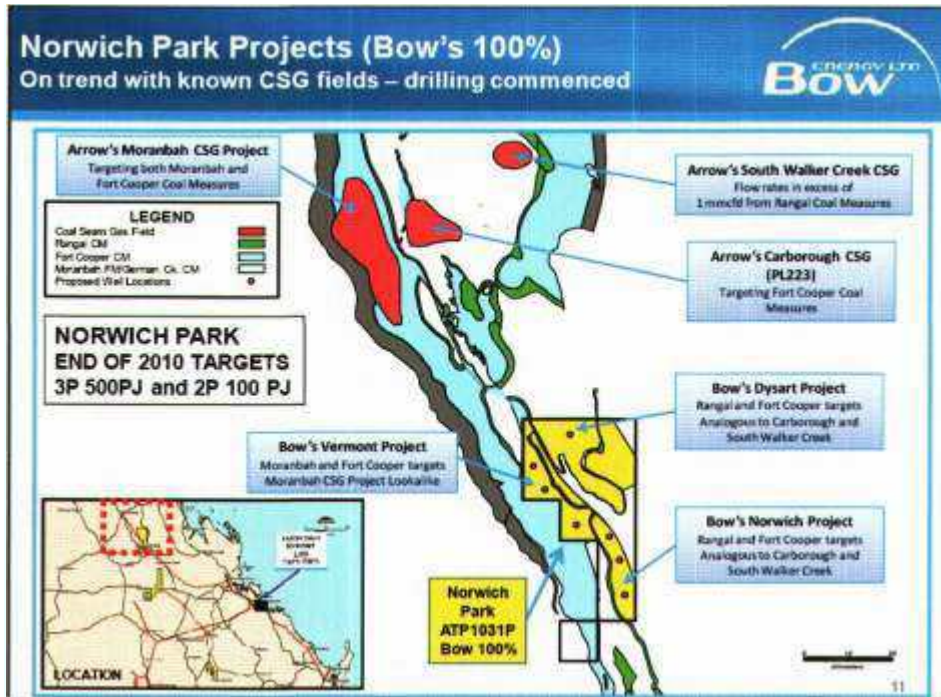
The seismic was collected in late 2010 identifying a number of prospects and leads located adjacent to or on trend with initially high productive oil wells located in neighbouring production licences.

Processing of the 3D seismic data has been completed with interpretation and prospect high grading for subsequent drilling location selection nearing completion.

A total of 21 leads and prospects have been identified in the Wompi Block.



Gas from the Walloon Coal Measures will fuel a new power station at Blackwater.



Drilling has only just started at Norwich Park, but is making significant additions to Bow's portfolio.