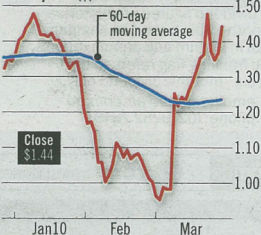


Bow Energy

Share price (\$)



52wk high	\$1.60	Fwd EPS	n/a
52wk low	\$0.71	Fwd P/E	n/a
1yr return	60.0%	Div yield	n/a

Spin-off benefits

The \$3.45 billion bid by Royal Dutch Shell and PetroChina for coal seam gas play Arrow Energy has proved a boon for shareholders in Bow Energy. Bow – itself a spin-off from Arrow – has rallied a good 50 per cent since Shell and PetroChina's first approach was confirmed earlier this month. Assuming Arrow disappears, Bow will be left as the company with the biggest coal seam gas reserve base outside the major players. That ensures it will be the topic of plenty of takeover rumours, given the need by some of those majors to top up their reserve positions. Bow could also emerge with the opportunity to feed its gas into Liquefied Natural Gas's proposed Fisherman's Landing LNG project. Liquefied Natural Gas had originally planned to put Arrow's gas through the project, but that looks unlikely given Arrow's endorsement of the Shell-PetroChina offer.

Paul Garvey