Bow Energy Limited

Increase in 3P reserves; upgrade to price target

24 December 2009

$1.30

BUY

John Young
+61 3 9640 3846
john.young@wilsonhtm.com.au

Price Performance

Security/Capital Details

ASX Code	BOW
Market Cap (dil)	$388 M
Issued Shares (dil)	299.9 M
Avg Mth T'over	8.64 M
12 Mth High – Low	$1.57 - $0.23

Key Data/Ratios – FY 2010

EBITDA / Sales	-43.5%
EBIT / Sales	-568.6%
Debt / Equity	0.0%
Interest Cover	-4,698.0 x
ROE	-19.2%
EPS Growth	-877.6%
DCF	$2.60
12 Mth Price Target	$2.85

Important Disclosure
Wilson HTM Corporate Finance Ltd acted as lead manager and underwriter of the November 2009 placement and share purchase plan for Bow Energy Limited and advisor in relation to the and will earn fees for acting in this capacity.

Recommendation

BOW recently increased its 3P reserves by 46% to 1447 PJ and increased its 2010 calendar year end 3P reserves target by 45% to 2750 PJ. We have reinstated our Buy recommendation following expiry of the restriction period following BOW's recent capital raising, and increased our 12-month price target to $A2.85 /share (previously $A2.05) to reflect these changes. BOW has a substantial and growing reserve position, with sufficient scale to support infrastructure development to deliver this gas to Gladstone. We believe substantial progress towards this outcome will be achieved in 2010 once 2P reserves upgrades are achieved.

Key Points

- **Event:** BOW increased its 3P reserves on 20th November by 454 PJ to 1,447 PJ. The upgrade was based on the inclusion of the Burngrove coal measures at the Blackwater field in the Bowen Basin. In addition 378 PJ of 2C contingent resources were certified in the SE corner of the Blackwater field. On 17th December BOW increased its 2010 calendar year end 3P reserves target by 45% from 1900 PJ to 2750 PJ. The increase predominately came from the Blackwater CSG field, which rose from 850 PJ to 1,500 PJ. 100 PJ come from initial inclusion of the Gunyah CSG project in the Bowen Basin. BOW indicated that it may revise its 2010 year end 2P reserve target pending continued positive well results at Blackwater.
- BOW plans to drill up to 52 wells in 2010: 12 Blackwater power project initial pilot wells; up to 17 Blackwater 2P wells; 13 3P exploration wells and 10 additional 2P wells subject to 3P work outcomes. In addition BOW continues to progress pathways to CSG development and is planning to achieve gas sales of greater than 30 PJ/annum in 3 to 5 years.
- **WHTM view:** We had expected BOW to meet or exceed its previous 2010 3P target of 1900 PJ, given its current independently certified 3P reserve position of 1,447 PJ. The new target provides an indication of BOW's expectations of the reserve potential of its assets over the next 12 months.
- BOW's strategy to retain the flexibility of significant uncontracted reserves in close proximity to the Gladstone LNG projects provides optionality, while its 30 MW power station development monetizes pilot gas that would otherwise be flared. On an EV/3P reserve basis BOW is trading at about half the value of its peers. We believe that rerating will continue with demonstration of well productivity and commerciality via its 2P pilot program and power station development. Increases in 2P reserves will enable commercial negotiations to develop BOW's gas reserves to proceed.
- **Valuation:** We have updated our valuation to reflect the increase in 3P reserves (@ $A0.30 /GJ) and the uncertified part of the targeted reserves (@ ~$A0.20 /GJ).

Year to June	NPAT (Rep) $M	NPAT (PSig) $M	EPS (PSig) c	EPS Growth %	PER x	CFPS c	P/CF x	DPS c	Div Yld %	Franking %
2009a	-0.8	-0.8	-0.5	-4.3	-169.4	-0.5	-180.4	0.0	0.0	0
2010e	-8.8	-14.4	-4.8	-877.6	-27.0	0.2	539.6	0.0	0.0	0
2011e	-13.5	-13.5	-4.5	5.9	-28.7	0.8	156.0	0.0	0.0	0
2012e	6.9	6.9	2.3	150.8	56.6	3.3	39.2	0.0	0.0	0

Reserves

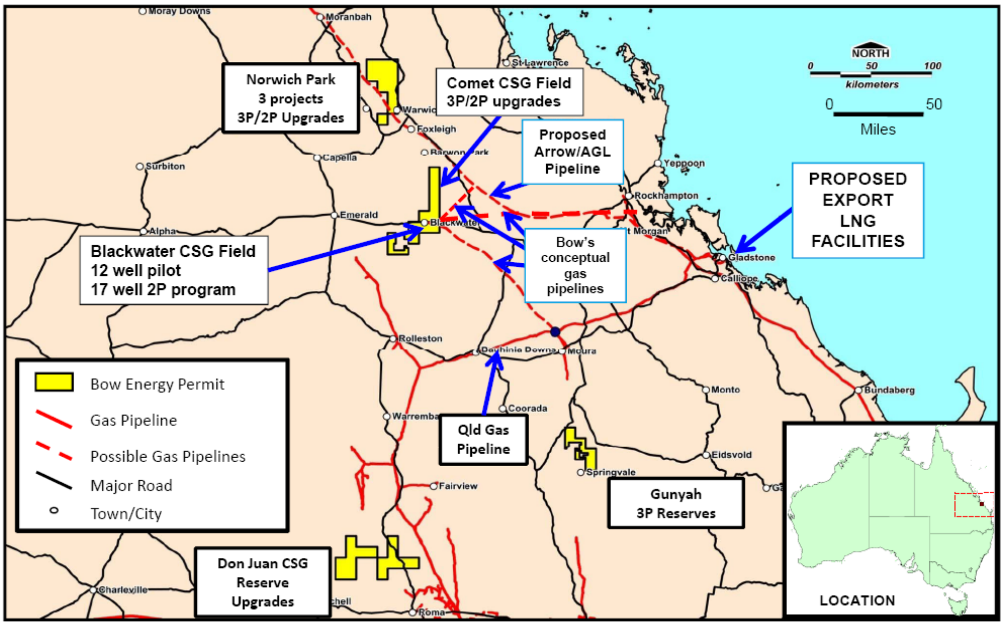
Bow's Current Net Reserves and end of 2010 targets

Project	3P Reserves (PJ net to Bow)	2P Reserves (PJ net to Bow)	2010 Reserve Targets 3P/2P
Blackwater CSG Field (Comet Block)*	1,340	-	> 1500/200
Comet CSG Project (Comet Block)	-	-	> 500/100
Norwich Park Projects (3 prospects)	-	-	> 500/100
Don Juan Project (55%)	107	55	150/50
Gunyah Project	-	-	> 100/na
Total Reserves (net PJ to Bow)	**1,447**	**55**	**2,750/450**

* A further 378PJ of 2C resource was certified in the Rangal and Burngrove Coal Measures over the deeper part of the field located in the south eastern corner

Source: Bow Energy Limited, ASX release 17th December 2009

Permit locations and infrastructure options



Source: Bow Energy Limited, ASX release 17th December 2009

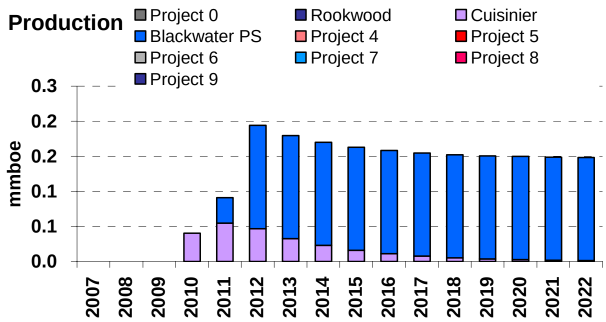
Trading multiples

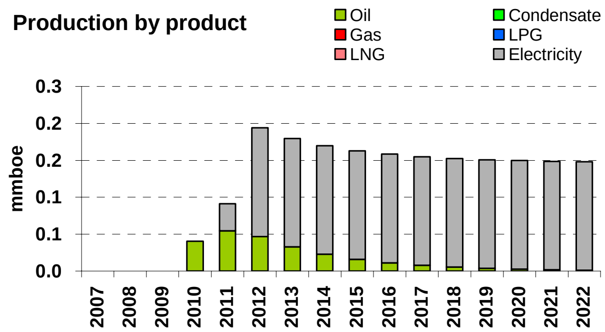
Company	ASX Code	Last Price 18-Dec-09	Mkt Cap M$A	Cash M$A	Debt M$A	Net Debt M$A	non-CSG EV M$A	CSG EV M$A	CSG Reserves & Resources 1P PJ	2P PJ	3P PJ	2C PJ	Prospect PJ	Recov. PJ	EV/ 2P $A/GJ	EV/ 3P $A/GJ	EV/ (3P+2C) $A/GJ	EV/ Recov. $A/GJ	Gearing D/(D+E) %	Comment
-																				
Arrow Energy	AOE	3.95	2,893	477	238	-240	629	2,024	367	2,405	5,083	21,282	14,037	40,402	0.84	0.40	0.08	0.05	8	non-CSG=power, International, LNG Ltd
Molopo Australia	MPO	1.37	265	109	-	-109		155	12	84	346	1,623	6,030	8,000	1.85	0.45	0.08	0.02	-	shale gas treated as CSG
Bow Energy	BOW	1.29	319	61	-	-61		258	-	55	1,449	378	4,808	6,634	4.65	0.18	0.14	0.04	-	
Comet Ridge	COI	0.37	114	26	-	-26		88	-	-	-	1,958	-	1,958	-	-	0.04	-	-	2C is a 3P target for CY11
AJ Lucas	AJL	4.09	266	234	217	-18	150	99	-	-	-	-	-	-	-	-	-	-	45	non-CSG @ 5*historical EBITDA
Apollo Gas	AZO	0.43	36	15	-	-15		21	-	-	-	-	-	-	-	-	-	-	-	
Blue Energy	BUL	0.21	136	31	3	-28		108	-	-	-	-	-	-	-	-	-	-	2	
Carbon Minerals	CRM	3.40	64	1	-	-1		63	-	-	-	-	-	-	-	-	-	-	-	
Central Petroleum	CTP	0.16	91	36	-	-36		55	-	-	-	-	-	-	-	-	-	-	-	
Eastern Corp.	ECU	0.32	32	4	8	4		36	-	-	-	-	-	-	-	-	-	-	21	
Eastern Star Gas	ESG	0.75	649	60	-	-60		589	21	391	1,273	1,556	-	2,829	1.51	0.46	0.21	-	-	
Eden Energy	EDE	0.07	13	3	-	-3		10	-	-	-	-	-	-	-	-	-	-	-	
European Gas	EPG	0.15	32	4	-	-4		28	49	140	380	12,542	-	12,922	0.20	0.07	0.00	-	-	
Future Corporation	FUT	0.01	14	2	-	-2		13	-	-	-	-	-	-	-	-	-	-	-	
Icon Energy	ICN	0.41	180	18	0	-17		163	-	-	-	1,250	-	1,250	-	-	0.13	-	0	
Innamincka	INP	0.17	43	12	-	-12		31	-	-	-	-	55	55	-	-	-	-	-	
L&M Petroleum	LMP	0.09	16	7	-	-7		9	-	-	-	-	-	-	-	-	-	-	-	
Metgasco	MEL	0.64	158	17	0	-17		141	2	264	1,419	-	-	1,419	0.53	0.10	0.10	-	0	
Orion Petroleum	OIP	0.07	11	13	-	-13		-2	-	-	-	-	-	-	-	-	-	-	-	
Planet Gas	PGS	0.15	72	1	3	2		73	-	-	-	-	-	-	-	-	-	-	4	
Rawson Res.	RAW	0.10	7	1	-	-1		6	-	-	-	-	-	-	-	-	-	-	-	
Redfork Energy	RFE	0.84	116	7	-	-7		108	15	75	110	-	-	110	1.44	0.98	0.98	-	-	
Redsky Energy	ROG	0.04	35	4	-	-4		31	-	-	-	-	-	-	-	-	-	-	-	
Sino Gas & Energy	SEH	0.15	22	2	14	12		35	-	-	-	624	1,136	1,760	-	-	0.06	-	39	
Strike Oil	STX	0.26	84	13	6	-7		76	-	-	-	-	2,475	2,475	-	-	-	-	7	
VicPet	VPE	0.31	127	18	-	-18		108	-	45	89	-	482	571	2.39	1.22	1.22	-	-	
Westside	WCL	0.44	48	24	0	-24		24	-	-	211	789	-	1,000	-	0.11	0.02	-	0	2C is a 3P target for CY10
Santos	STO	13.91	11,565	1,553	2,454	902	4,296	8,170	891	2,728	5,438	3,132	63,705	72,275	2.99	1.50	0.95	0.11	18	non-CSG per adj. consensus
AGL	AGK	13.74	6,167	1,858	1,755	-103	6,000	64	15	1,056	1,891	-	-	1,891	0.06	0.03	0.03	-	22	
Origin	ORG	16.39	14,393	3,424	3,190	-234	9,080	5,079	764	3,633	7,464	4,460	8,974	20,897	1.40	0.68	0.43	0.24	18	non-CSG per adj. consensus
Woodside	WPL	47.62	34,162	141	2,957	2,816	36,978	-	-	-	-	-	-	-	-	-	-	-	8	EV/2P=5.73 EV/(3P+2C)=1.80
BG Group	BGG								1,361	4,352	10,710	8,834	-	19,544	-	-	-	-		
ConocoPhillips	COP								764	3,633	6,314	3,960	8,974	19,247	-	-	-	-		
Petronas	PET								584	1,626	3,000	1,324	14,000	18,323	-	-	-	-		
Shell	RDS								157	1,031	2,178	9,121	6,016	17,315	-	-	-	-		
-																				
Total / average	**all**		**72,129**	**8,176**	**10,845**	**2,670**	**57,133**	**17,666**	**5,001**	**21,518**	**47,354**	**72,832**	**130,690**	**250,876**	**0.82**	**0.37**	**0.15**	**0.07**	**13**	
Total / average	**ex-large**		**5,842**	**1,200**	**489**	**-711**	**779**	**4,352**	**466**	**3,460**	**10,360**	**42,003**	**29,022**	**81,385**	**1.26**	**0.42**	**0.08**	**0.05**	**8**	
Minimum			7	1	-	-240	150	-2	-	-	-	-	-	-	-	-	-	-	-	
Maximum			34,162	3,424	3,190	2,816	36,978	8,170	1,361	4,352	10,710	21,282	63,705	72,275	4.65	1.50	0.26	0.24	45	

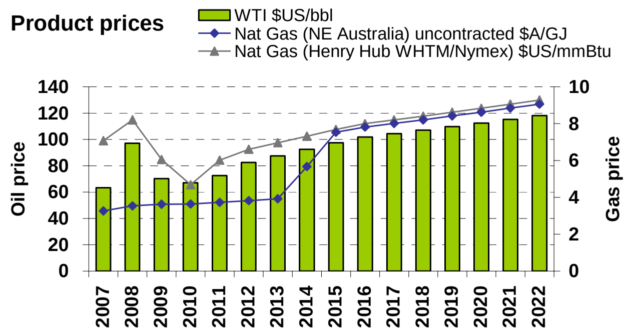
Notes:
"non-CSG EV" is the Enterprise Value associated with non-coal seam gas assets
Cash = cash on balance sheet at last balance date + major inflows/outflows since last balance date (typically quarterly for small/mid caps and half yearly for large caps).
Convertible notes treated as debt
Unshaded area denotes WHTM covered stocks; grey area = small-mid cap CSG stocks; light blue area = large caps; mid blue area = international majors
AGL "non-CSG EV" is approximate only; hence EV/reserve multiples are approximate.

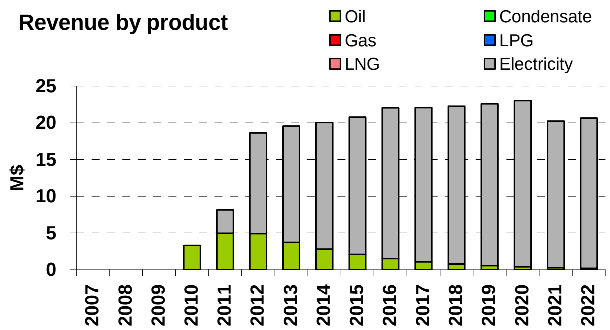
Bow Energy Limited (BOW)

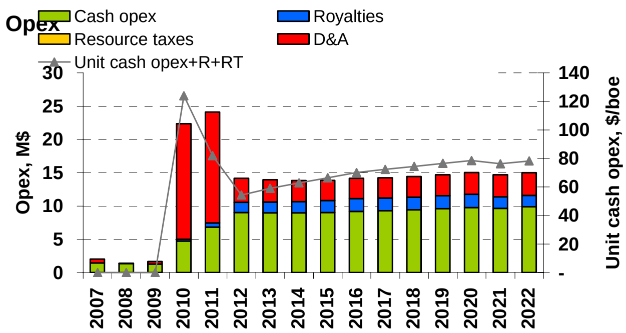
$A currency unless otherwise noted. Nominal $ basis. Year ending June.

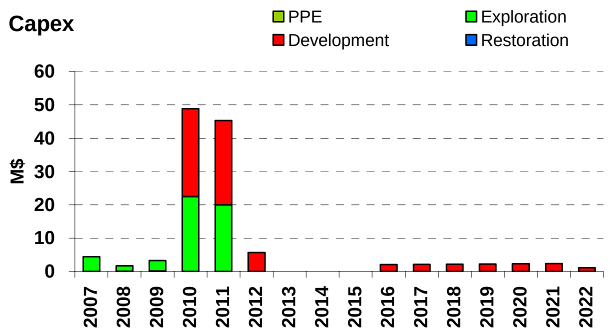


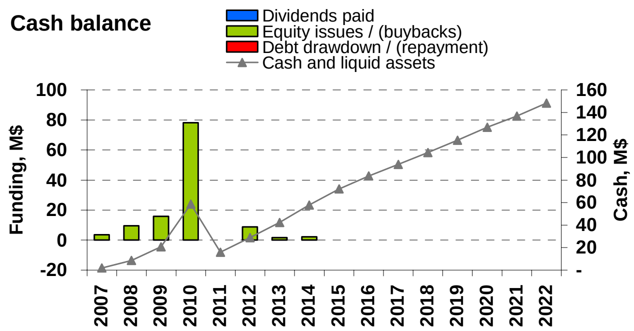


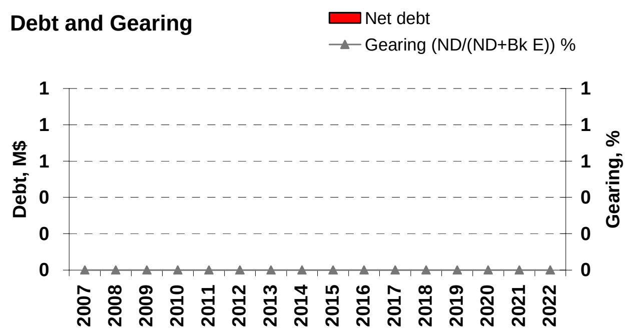












Valuation summary: BOW

Field / Well	Expected Interest %	Risk factor %	Oil volume mmbbl	Gas volume PJ	NPV value $US/boe	EMV risked M$A	EMV risked $A/sh	unrisked $A/sh	EMV risked %
DCF modelled projects									
-	-	-	-	-	-	-	-	-	-
Cuisinier	15.0	80	2	-	19.30	6	0.02	0.02	0.7
Blackwater PS	100.0	40	-	63	1.70	9	0.03	0.07	1.1
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Total (attributable, risked)			**0**	**25**		**14**	**0.05**	**0.10**	**1.9**
Exploration / Appraisal									
Don Juan CSG 3P	55.0	100	-	192	2.30	32	0.11	0.11	4.1
Blackwater CSG 3P (less power stati	100.0	100	-	1,277	2.30	383	1.28	1.28	49.2
Comet CSG 3P	100.0	100	-	-	-	-	-	-	-
Norwich Park CSG 3P	100.0	100	-	-	-	-	-	-	-
Gunyah 3P	100.0	100	-	-	-	-	-	-	-
Canaway CSG 3P	65.0	100	-	-	-	-	-	-	-
Canaway CSG 3P	100.0	100	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
CSG 2010 delta to 3P target	100.0	70	-	1,367	2.30	287	0.96	1.37	36.8
CSG 2010 delta to 2P target	100.0	-	-	395	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
CSG Contingent	100.0	-	-	378	2.30	0	0.00	0.38	0.0
CSG Prospective	100.0	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Conventional oil & gas	100.0	-	-	-	-	-	-	-	-
Total (attributable, risked)			**0**	**2,340**		**702**	**2.34**	**3.13**	**90.1**
Other items (corporate, cash, debt, etc)									
Total Other						**66**	**0.22**	**0.22**	**8.4**
Total DCF Valuation (diluted)			**0**	**2,365**		**782**	**2.60**	**3.45**	**100.0**

Assumptions					M$A	$A/sh	TSR, %	Dividend $A/sh
Forex (10 year average)	USD/AUD	0.78						
Discount rate (nominal, after tax)	%	11.5		Current market	360	1.30	-	
Number of shares (undiluted)	-	277.6	-	Valuation: base	782	2.60	100.8	
Number of shares (diluted)	-	299.9	-	low	-	-	-	
Valuation reference date		Dec-09	-	high	-	-	-	
			-	spot	-	-	-	
			-	futures	-	-	-	
			-	Price target	855	2.85	120.1	0.00

Notes

1) This table summarizes the sum-of-the-parts DCF valuation derived from the main financial model.
2) Expected interest = expected average equity interest in project based on modelled reserves and production
3) Risk = Project risk factor. This is the product of geological chance of success and commercial maturity.
Typical risk values are ~10% for exploration, ~30-60% for appraisal, ~60-80% for development & 90-100% for production.
4) Oil volume = 2P (proved & probable) oil & condensate reserves where data are available or P50 recoverable resource.
5) NPV value = estimated NPV multiple per 2P reserves derived from the DCF model of the project or a project analogue.
6) EMV = Expected Monetary Value (= project NPV * company share * risk factor).
7) EMV/sh = EMV/fully diluted share. Dilution includes assumed future capital raisings in addition to existing options, etc.
8) unrisked = company share of project NPV assuming full success (i.e. no risk factor applied).
9) The "Low" and "High" valuation estimates are derived from Monte Carlo simulation (@ 90% and 10% probability levels).
10) TSR = total shareholder return = (12 month share price appreciation + dividends) / current share price.

Bow Energy Limited (BOW : $1.30)

PRODUCTION

Yr Ending June	2008A	2009A	2010E	2011E	2012E
Liquids, mmbbl	0.0	0.0	0.0	0.1	0.0
Gas, PJ	0	0	0	0	0
Electricity, TWh	0.0	0.0	0.0	0.1	0.3
Total, mmboe	**0.0**	**0.0**	**0.0**	**0.1**	**0.2**

PRICES

Yr Ending June	2008A	2009A	2010E	2011E	2012E
$US/$A forex	0.90	0.75	0.85	0.82	0.80
WTI, $US/bbl	97	70	67	73	83
Nat gas rec'd, $A/GJ	-	-	-	-	-
Electricity rec'd, $A/MWh	0	0	0	51	55

INVESTMENT & VALUATION FUNDAMENTALS

Yr Ending June	2008A	2009A	2010E	2011E	2012E
EPS Before Abs (c)	-0.5	-0.5	-4.8	-4.5	2.3
EPS Growth (%)	N/A	-4.3%	-877.6%	5.9%	150.8%
PER (x)	**-93.6**	**-169.4**	**-27.0**	**-28.7**	**56.6**
CFPS (c)	-0.2	-0.5	0.2	0.8	3.3
P/CF (x)	**-231.6**	**-180.4**	**539.6**	**156.0**	**39.2**
EV/EBITDA (x)	-59.2	-153.7	-229.1	291.2	37.6
DPS (c)	0.0	0.0	0.0	0.0	0.0
Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Franking (%)	0%	0%	0%	0%	0%

DCF VALUATION @

	11.5 %		10.0 %	
	A$m	A$ps	A$m	A$ps
Production	0	0.00	0	0.00
Development	14	0.05	19	0.06
Appraisal	32	0.11	39	0.13
Exploration	671	2.24	830	2.77
Corporate Costs	-23	-0.08	-27	-0.09
Hedge Book	0	0.00	0	0.00
Interests – Other Entities	5	0.02	6	0.02
Franking Credits	1	0.00	1	0.00
Cash	89	0.30	89	0.30
Debt + CNotes	-0	-0.00	-0	-0.00
Minorities / Other	-17	-0.06	-16	-0.05
Additional Capital – Dilution	11	0.04	11	0.04
Total Valuation – Fully Diluted	**782**	**2.60**	**953**	**3.15**

PROFITABILITY RATIOS

Yr Ending June	2008A	2009A	2010E	2011E	2012E
EBIT / Sales (%)	-255.4%	-371.6%	-568.6%	-189.3%	32.2%
ROA (%)	N/A	-6.4%	-51.0%	-22.8%	7.2%
ROE (%)	N/A	-2.5%	-19.2%	-13.2%	6.6%
ROFE (%)	N/A	-6.8%	-53.5%	-23.5%	7.3%

INTERIMS (A$m)

Half Yr	Dec 08	Jun 09	Dec 09	Jun 10	Dec 10
Yr Ending June	**1H A**	**2H A**	**1H E**	**2H E**	**1H E**
Sales Revenue	0.2	0.2	1.2	2.1	2.3
EBIT	-0.5	-0.7	-6.5	-12.3	-16.2
Net Profit	**-0.3**	**-0.5**	**-6.1**	**-2.6**	**-15.0**
EPS	-0.2	-0.3	-2.3	-2.7	-5.0

1. Gearing = (Debt + CNotes) / (Debt + Cnotes + Equity)

BALANCE SHEET (A$m)

Yr Ending June	2008A	2009A	2010E	2011E	2012E
Cash	8.5	20.6	58.7	15.9	28.8
Total Assets	25.4	41.5	111.6	98.0	113.6
Debt	0.0	0.0	0.0	0.0	0.0
Total Liabilities	0.9	1.4	2.1	2.1	2.1
Total Shareholders Equity	24.5	40.1	109.5	96.0	111.5
Total Funds Employed	15.9	19.4	50.8	80.1	82.7

LIQUIDITY & LEVERAGE RATIOS

Yr Ending June	2008A	2009A	2010E	2011E	2012E
Debt / Equity (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Gearing (%) [1]	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Cover (x)	2.8	3.1	8.7	9.1	-6.8
Debt / CashFlow (x)	0.0	0.0	0.0	0.0	0.0
(Debt+CNotes)/ CashFlow	0.0	0.0	0.0	0.0	0.0

PROFIT & LOSS (A$m)

Yr Ending June	2008A	2009A	2010E	2011E	2012E
Sales Revenue	0.4	0.3	3.3	8.1	18.6
EBITDA	-1.0	-1.1	-1.4	1.3	9.6
Depn and Amortisation	0.0	0.1	17.4	16.7	3.6
EBIT	**-1.0**	**-1.2**	**-18.8**	**-15.4**	**6.0**
Net Interest Expense	-0.4	-0.4	-2.2	-1.7	-0.9
Pre-tax Profit	**-0.7**	**-0.8**	**-16.6**	**-13.7**	**6.9**
Tax	0.0	0.0	-2.3	-0.1	0.0
Tax rate (%)	0.0%	0.0%	13.6%	1.1%	0.0%
Minorities / pref divs	0.0	0.0	0.0	0.0	0.0
Equity accounted NPAT	0.0	0.0	0.0	0.0	0.0
Net Profit	**-0.7**	**-0.8**	**-14.4**	**-13.5**	**6.9**
Abnormals	0.0	0.0	5.6	0.0	0.0
Reported Net Profit	-0.7	-0.8	-8.8	-13.5	6.9

CASHFLOW (A$m)

Yr Ending June	2008A	2009A	2010E	2011E	2012E
Operating Cash Flow	-0.3	-0.8	0.7	2.5	9.9
Capital Expenditure	0.0	-0.2	-26.4	-25.3	-5.7
Expln, Develop, Evaln	-1.6	-3.1	-22.5	-20.0	0.0
Asset Sales/Acquisitions	-0.7	0.6	8.0	0.0	0.0
Other	-0.2	-0.2	0.0	0.0	0.0
Investing Cash Flow	-2.5	-2.9	-40.9	-45.3	-5.7
Share Issues/(Buybacks)	9.6	16.6	80.9	0.0	8.7
Debt Drawdown (Repay)	0.0	0.0	0.0	0.0	0.0
Dividends Paid	0.0	0.0	0.0	0.0	0.0
Other Fin. Flows	-0.2	-0.8	-2.7	0.0	0.0
Financing Cash Flow	9.4	15.8	78.2	0.0	8.7
Cash Increase (Decrease)	6.7	12.1	38.0	-42.8	12.9

EARNINGS SENSITIVITIES - % CHANGE

Yr Ending June	2008A	2009A	2010E	2011E	2012E
+10 % US$/A$	-	-			
+10% oil price	-	-			
+10 % gas price	-	-			

Recommendation Structure

BUY: Total return +10% or more over a 12 month period
HOLD: Total return expected to be between +10% to -10% over a 12-month period
SELL: Total return expected to be -10% or more over a 12 month period
TOTAL RETURN OR TSR = capital growth in share price + expected dividend yield in that period

Other definitions

CS Coverage Suspended. WHTM Ltd has suspended coverage of this company.

NR Not Rated. The recommendation has been suspended temporarily. Such suspension is in line with Wilson HTM policies in circumstances where Wilson HTM is acting in an advisory capacity in a merger or strategic transaction involving the company and in certain other situations.

Disclaimer

Whilst Wilson HTM Ltd believes the information contained in this communication is based on reliable information, no warranty is given as to its accuracy and persons relying on this information do so at their own risk. To the extent permitted by law Wilson HTM Ltd disclaims all liability to any person relying on the information contained in this communication in respect of any loss or damage (including consequential loss or damage) however caused, which may be suffered or arise directly or indirectly in respect of such information. Any projections contained in this communication are estimates only. Such projections are subject to market influences and contingent upon matters outside the control of Wilson HTM and therefore may not be realised in the future.

The advice contained in this document is general advice. It has been prepared without taking account of any person's objectives, financial situation or needs and because of that, any person should, before acting on the advice, consider the appropriateness of the advice, having regard to the client's objectives, financial situation and needs. Those acting upon such information without first consulting one of Wilson HTM Ltd investment advisors do so entirely at their own risk. This report does not constitute an offer or invitation to purchase any securities and should not be relied upon in connection with any contract or commitment whatsoever. If the advice relates to the acquisition, or possible acquisition, of a particular financial product – the client should obtain a Product Disclosure Statement relating to the product and consider the Statement before making any decision about whether to acquire the product. This communication is not to be disclosed in whole or part or used by any other party without Wilson HTM Ltd's prior written consent.

Disclosure of Interest. Bow Energy Limited

The Directors of Wilson HTM Ltd advise that at the date of this report they and their associates have relevant interests in Bow Energy Limited. They also advise that Wilson HTM Ltd and Wilson HTM Corporate Finance Ltd A.B.N. 65 057 547 323 and their associates have received and may receive commissions or fees from Bow Energy Limited in relation to advice or dealings in securities. Some or all of Wilson HTM Ltd authorised representatives may be remunerated wholly or partly by way of commission.

In producing research reports, members of Wilson HTM Ltd Research may attend site visits and other meetings hosted by the issuers the subject of its research reports. In some instances the costs of such site visits or meetings may be met in part or in whole by the issuers concerned if Wilson HTM Ltd considers it is appropriate and reasonable in the specific circumstances relating to the site visit or meeting.

Wilson HTM is a substantial securities holder of Bow Energy Limited.

Regulatory Disclosures

Wilson HTM Corporate Finance Ltd acted as lead manager and underwriter of the November 2009 placement and share purchase plan for Bow Energy Limited and advisor in relation to the and will earn fees for acting in this capacity.

WHTM Corporate Finance Ltd acted as underwriter and advisor of the February 2009 rights issue by Bow Energy Limited and earned fees for acting in this capacity.

Wilson HTM Investment Group Ltd and its related bodies corporate trades or may trade as principal in the securities that are subject of the research report.

Wilson HTM Corporate Finance Ltd has received compensation for corporate advisory services from this company, its subsidiaries or affiliates during the previous 12 months.

BRISBANE Ph: 07 3212 1333 Fax: 07 3212 1399	**SYDNEY** Ph: 02 8247 6600 Fax: 02 8247 6601	**MELBOURNE** Ph: 03 9640 3888 Fax: 03 9640 3800	**GOLD COAST** Ph: 07 5509 5500 Fax: 07 5509 5599
DALBY Ph: 07 4660 8000 Fax: 07 4660 4169	**HERVEY BAY** Ph: 07 4197 1600 Fax: 07 4197 1699	**TOWNSVILLE** Ph: 07 4725 5787 Fax: 07 4725 5104	**GEELONG** Ph: 03 5225 1500 Fax: 03 5225 1599

Our web site: www.wilsonhtm.com.au