

Bow Energy Ltd (ASX:BOW) Towards an Integrated Energy Company

Annual General Meeting
22 November 2010



www.bowenergy.com.au

Disclaimer and Competent Expert



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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 estimates for the Norwich Park (ATP 1031P), Gonyah Block (ATP 1053P) and Bandanna Project (ATP 805P) has been prepared by Mr Doug Barringer of MBA Petroleum Consultants Pty Ltd (MBA). Mr Barringer 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.

Company Overview



- An S&P ASX200 Index company
- Strategically located CSG acreage adjacent to established CSG projects and markets
- 13 Tcf of gas potential with 3P gas reserves of 2,574 PJ and confident of getting to 6,200 PJ by end of 2011
- Strong cash position to deliver commercial gas flows, gas reserve targets and Blackwater Power Project
- Clean asset base with 100% ownership interests in key CSG tenements
- Farmed out oil assets with significant acreage holdings in Eromanga and Cooper basins



Key Achievements FY2010



- ✓ **More than tripled 3P certified gas reserves**
- ✓ **First 2P reserves delivered from Blackwater CSG Field, earmarked for 30MW Blackwater Power Project**
- ✓ **Construction of Blackwater Power Project underway**
- ✓ **Cuisinier-1 oil production continues at 400 barrels of oil per day and further wells underway**
- ✓ **Bow promoted to S&P/ASX200 Index September 2010**

2011 Goals



Continued reserves growth and production

- Year end 2011 CSG reserve targets of 6,200PJ of 3P and 1,250PJ of 2P (net to Bow)
- Deliver commercial gas flows across multiple fields

Commission Blackwater Power Project

- Complete construction of 30MW gas-fired project
- Feasibility of new power generation development opportunities

Infrastructure approvals

- Progress development approvals associated with gas field development and gas pipeline infrastructure

Domestic and export development strategy

- Continue to progress development strategies, including export LNG, electricity generation and domestic gas sales

Bow's 13Tcf Gas Potential are Well Located



- Bow's 100% CSG blocks in the Bowen Basin are strategically located to supply the proposed LNG Projects or domestic industrial users in Gladstone
- QCLNG (QGC, a BG Group company) LNG project achieved FID 30 October 2010
- 3 other major LNG Projects proposed in Gladstone
 - GLNG (Santos / PETRONAS / Total): Federal and State government approved
 - Arrow (Shell / PetroChina)
 - APLNG (Origin / ConocoPhillips)
- Bow to launch EIS process for its gas pipeline project linking Norwich Park and Blackwater to transport gas to Gladstone (257 km)

Current CSG Reserves Positions in Queensland



- The four major export LNG projects have aggregated substantial reserves in an effort to underpin the gas needs of their respective projects

Bow targeting 3P reserves of 6,200 PJ

Company	Reserves / Resources as at 8 November 2010 (PJ)			
	1P	2P	3P	2C
APLNG (Origin / ConocoPhillips)	1,527	10,100	15,541	5,010
QCLNG (BG)	749	7,716	8,618	10,918
Shell LNG (Shell / PetroChina)	617	5,265	8,251	-
GLNG (Santos / Petronas)	1,232	4,629	7,322	4,824
Bow Energy	-	114	2,574	2,014
AGL	168	753	2,337	-
Molopo	24	222	610	906
Mitsui	38	184	424	419
Westside	30	94	381	-
CS Energy	23	70	189	-
Toyota Tsusho	4	42	128	33
Victoria Petroleum	-	45	89	-
Icon Energy	-	-	-	558
Stanwell	-	-	-	558
Blue Energy	-	-	-	454
Other	-	8	10	221
Total Queensland	4,412	29,242	46,474	25,915

Source: Energy Quest

Significant Reserves Shortfalls for Major LNG Projects



- APLNG almost has sufficient 2P reserves for 2-train LNG development
- GLNG , QCLNG and Shell have significant reliance on 3P reserves
- Most proponents are sourcing significant volumes of gas from the Surat Basin. Bow’s reserves are in the Bowen Basin - providing supply diversity and expected lower water management risks
- Bow has the most significant 3P reserves today not destined for an export LNG project and has 100% interest in its key tenements
- Bow’s 1,250PJ (2P) reserve target will position the company as the most significant independent in the region

Operator Group	Initial Capacity (mtpa)	Estimated Reserves (2P)	Estimated Shortfall (2P)
QCLNG (BG-QGC)	8.5 (2 x 4.25)	~7,700 PJ	~2,500 PJ
Shell-Arrow	8.0 (2 x 4.0)	~5,300 PJ	~4,300 PJ
GLNG (Santos-Petronas)	7.2 (2 x 3.6)	~4,600 PJ	~4,000 PJ
APLNG (Origin-Conoco)	9.0 (2 x 4.5)	~10,100 PJ	~700 PJ
LNG Limited	1.5 (1 x 1.5)	Nil	~1,800 PJ

Note: Estimated Reserves required assumes a 20 year LNG project life and a gas requirements of approximately 60 PJ pa for each 1mtpa LNG capacity. Shortfall calculated based on required 2P reserves less 2P reserve estimates from Energy Quest

Source: Energy Quest, Company estimates

Bow Facilitating the Entire Value Chain



UPSTREAM DEVELOPMENT → MIDSTREAM INFRASTRUCTURE → DOWNSTREAM MARKETING

- 100% of three diversified Bowen Basin tenements with a GIP potential of over 13 Tcf
- Current appraisal programs on track to deliver end of 2011 reserve targets:
 - 1,250 PJ 2P
 - 6,200 PJ 3P
- Trialling proven completion methods to deliver commercial gas flow rates.



- Bow progressing approvals and planning of the 257 km pipeline to transport gas from Blackwater into Gladstone
- Pipeline to link Norwich Park gas field to the Blackwater development hub
- Proposing over 100PJ pa initial pipeline capacity
- Further expansion capacity to be tailored for Bow's future production and gas sales requirements



Export LNG
Gladstone Projects

Electricity
Blackwater Power Station (underway)
Expand power generation

Domestic Gas
Various opportunities being negotiated

Core activities regardless of channel to market

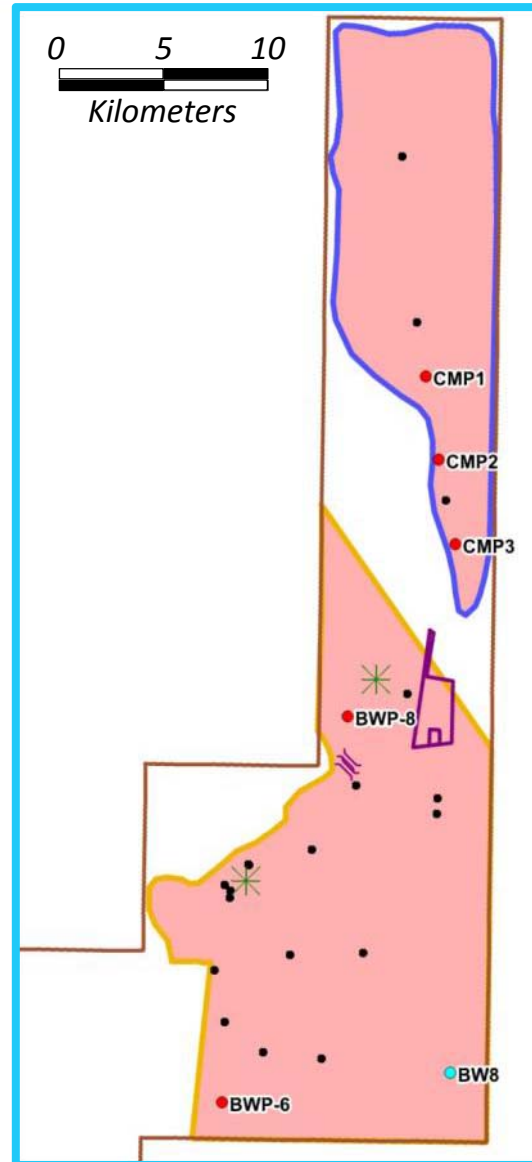
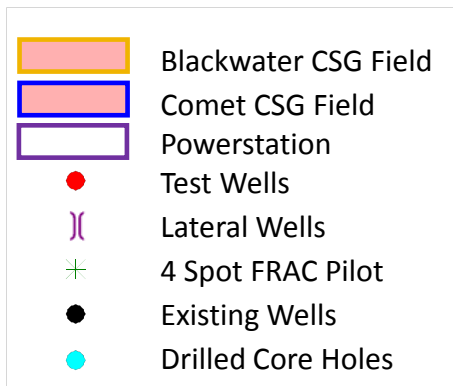
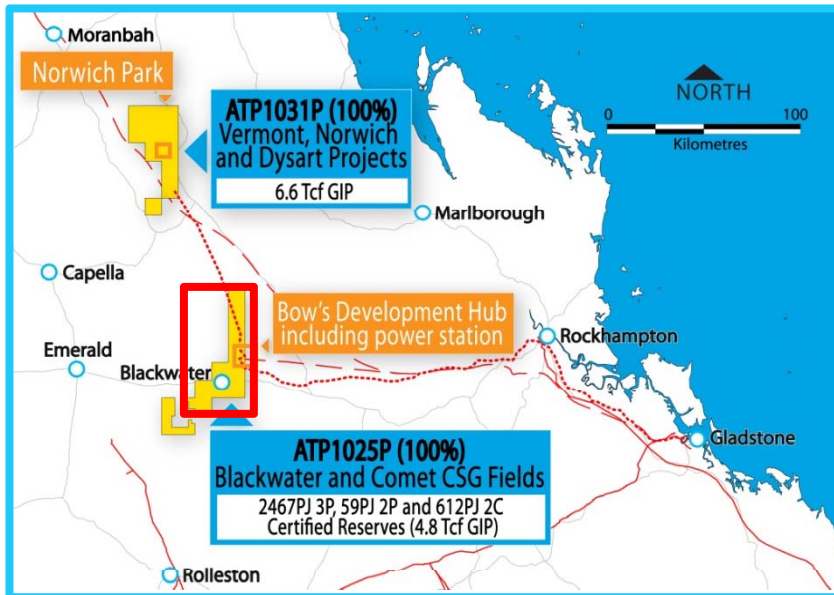
Strategic Roadmap for Bow Energy



- Bow will continue to develop its upstream resource, with significant gas production from 2013
- Bow continues to pursue multiple development strategies, including export LNG, electricity generation and domestic gas sales
 - ⇒ Discussions with counter parties for long term gas off-take for significant volumes have continued
 - ⇒ Gas demand volumes range from 15 to 30 PJ per annum for long term 15+ year contracts

Milestone	Timing
<ul style="list-style-type: none"> • Reserves growth and commencement of gas production pilots • Commenced construction of the Blackwater Power Project 	2010
<ul style="list-style-type: none"> • Commercial gas flow rates • Continued reserves and gas production growth • Blackwater Power Project commissioning • Progress development approvals: gas field and Gladstone pipeline 	2011
<ul style="list-style-type: none"> • CSG field development and approvals • Conditional off-take arrangements 	Late 2011 onwards
<ul style="list-style-type: none"> • Pipeline approval 	Mid-2012
<p>Sales: Additional power generation, domestic supply and/or LNG sales</p>	Mid-2013 Onwards

Over 2,467PJ reserves at Bow 100% owned Comet Block



Comet - 100% Bow

871PJ 3P
439PJ 2C

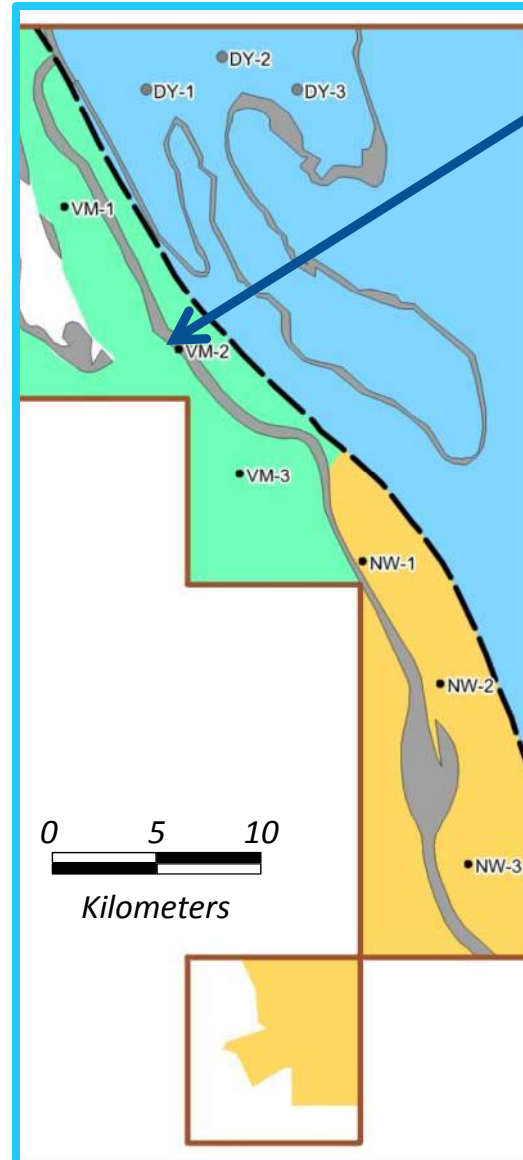
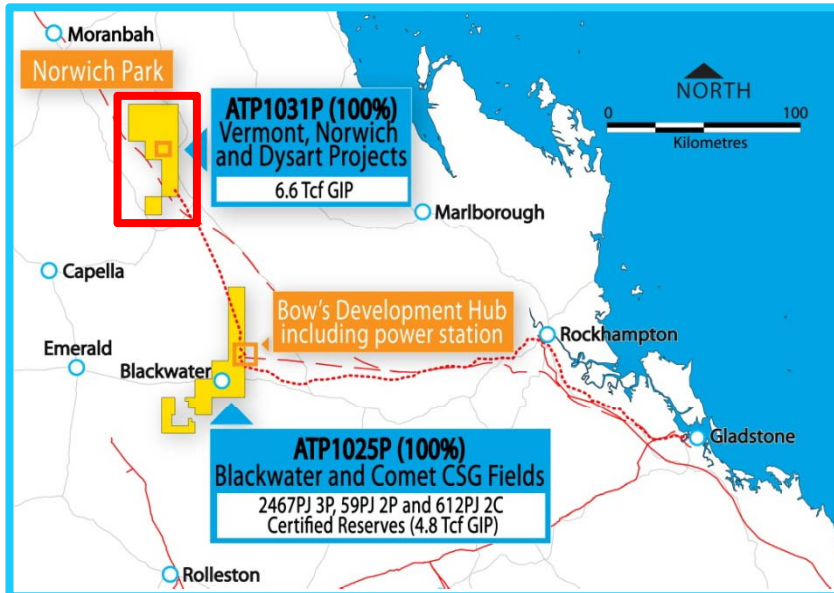
(Certified in Rangal and Burngrove Coal Seams)

Blackwater - 100% Bow

59PJ 2P
1,596PJ 3P
173PJ 2C

(Certified in Rangal and Burngrove Coal Seams)

1,402PJ 2C resources certified at Vermont in Norwich Park Block



Vermont - 100% Bow

1,402PJ 2C

Primary target – Fort Cooper & Moranbah CM

Dysart – 100% Bow

Primary target - Rangal CM
Secondary target – Fort Cooper & Moranbah CM

Norwich - 100% Bow

Primary target - Rangal CM
Secondary target – Fort Cooper & Moranbah CM

Exploration results to date		
Well	Total net coal	DAF Gas Content (m ³ /t)
VM1	52m	14-22
VM2	77m	12-22
VM3	62m	10-22
NW1	66m	18-26
NW2	53m	10-28
NW3	42m	16-26

- Dysart Project
- Norwich Project
- Vermont Project
- Rangal CM Outcrop
- Regional Fault
- Proposed Core Holes
- Drilled Core Holes

Bow targeting continued reserves growth



Project (all 100% unless stated otherwise)	Current Certified Reserves			End 2011 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 CSG Field* (within ATP 1025)	173	1,596	59	1,600	450
Comet CSG Field* (within ATP 1025)	439	871	-	1,000	200
Vermont CSG Field (within ATP 1031)	1,402	-	-	1,400	200
Norwich Project (within ATP 1031)	-	-	-	625	100
Dysart Project (within ATP 1031)	-	-	-	625	100
Gunyah Project (ATP 1053)	-	-	-	600	100
Bandanna Project (ATP 805)	-	-	-	200	-
Don Juan Project (55%)	-	107	55	150	100
Total Reserves (net PJ to Bow)	2,014	2,574	114	6,200	1,250

* 286PJ of 3P and 7PJ of 2P gas reserves included above is over land awaiting conclusion of native title processes which are in progress.

Capital raising to fund key 2011 activities



Nov 2010 Raising

- \$48 million placement completed 11 Nov 2010 to quality Australian and international institutions building upon 30 Sept 2010 cash position of \$54.8 million
- Share Purchase Plan now open at same price as Placement price

Key Uses

- Allows Bow to secure resources and key service providers to match planned exploration, appraisal and pilot production program including:
 - Drilling rigs (both vertical and lateral wells)
 - Frac equipment
 - Completion rig time slots
- Progress development approvals associated with gas field development and gas pipeline infrastructure

Deliverables

- Achieve commercial gas flow rates across multiple CSG fields
- Deliver further growth in reserves with end of 2011 reserves targets of 6,200PJ of 3P and 1,250PJ of 2P
- Ability for Bow to be in a position to commit to conditional gas off-take opportunities
- On track to deliver significant gas production from 2013

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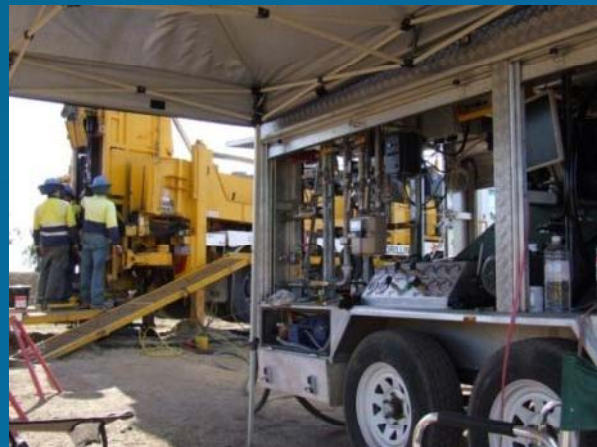
Cementing



CSG Drilling



Don Juan CSG Field



Permeability testing



Installing an electric drive head



Starting to log well

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