

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001

Name of entity

**BOW ENERGY LIMITED**

ACN or ARBN

**111 019 857**

Quarter ended ("current quarter")

**31 December 2005**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors including refunds of Goods and Services Tax	-	-
1.2 Payments for (a) exploration and evaluation	(690)	(1,305)
(b) development	-	-
(c) production	-	-
(d) other minesite costs	-	-
(e) administration	(133)	(275)
(f) goods and services tax	32	7
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	52	115
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(739)</b>	<b>(1,458)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(19)	(104)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	1	(4)
<b>Net investing cash flows</b>	<b>(18)</b>	<b>(108)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(757)</b>	<b>(1,566)</b>

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1.13	Total operating and investing cash flows (brought forward)	(757)	(1,566)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares and call payments.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings		
	- Convertible Note Subscriptions	-	-
	- Other loans	-	-
1.17	Repayment of borrowings	(24)	(48)
1.18	Dividends paid	-	-
1.19	Other - Payment of finance lease principal	-	-
	- Securities issue costs	-	(32)
	<b>Net financing cash flows</b>	<b>(24)</b>	<b>(80)</b>
	<b>Net increase (decrease) in cash held</b>	<b>(781)</b>	<b>(1,646)</b>
1.20	Cash at beginning of quarter/year to date	4,491	5,356
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,710	3,710

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	72
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	

**Non-cash financing and investing activities**

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
	750,000 ordinary shares were issued to Constellation Energy Pty Ltd as part consideration for performing certain drilling activities on one of the Company's tenements pursuant to an agreement dated 3 March 2005 described in section 8.9 of the Company's prospectus dated 17 March 2005.
	3,000,000 ordinary shares were issued to Prepet Pty Ltd as trustee for the Jarat Trust a consideration for all of the issued shares in Ocellaris Oil Pty Ltd pursuant to an agreement dated 21 December 2005 described in section 8.2 of the Company's prospectus dated 17 March 2005.
2.2	Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest
	Nil

+ See chapter 19 for defined terms.

## Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	350
4.2 Development	-
<b>Total</b>	<b>350</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	791	816
5.2 Deposits at call	2,919	3,675
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>3,710</b>	<b>4,491</b>

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased	ATP 664P ATP 706P	Acquired 100% interest in ATP 664P and ATP 706P from Tri-Star Petroleum Company in exchange for \$200,000 cash	0%	100%

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**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Number issued	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference <sup>+</sup> securities <i>(description)</i>	nil			
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <sup>+</sup> Ordinary securities - fully paid - partly paid	73,750,001	66,944,082		
7.4 Changes during quarter				
(a) Increases through issues				
Fully Paid	750,000	750,000	16.5 cents	16.5 cents
Fully Paid	3,000,000	-	15.5 cents	15.5 cents
Partly Paid				
(b) Decreases through returns of capital, buy-backs, consolidation (1 for 25)				
(c) Increases through acquisition of projects				
(d) Increases through acquisition of companies				
(e) Release of ASX restriction	-	3,750,000		
7.5 <sup>+</sup> Convertible debt securities <i>(description)</i>	Nil			
7.6 Changes during quarter				
(c) Increases through issues				
(d) Decreases through returns of capital, buy-backs, redemptions				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
Listed options(\$0.20 @ 31/3/08)	15,000,000	12,504,224	20 cents	31/03/08
Unlisted options(\$.30 @ 20/5/08)	1,000,000	-	30 cents	20/5/08
Unlisted options(\$.40 @ 20/5/09)	1,000,000	-	40 cents	20/5/09
Unlisted options(\$.50 @ 20/5/10)	1,000,000	-	50 cents	20/5/10
7.8 Issued during quarter				
Unlisted options(\$.30 @ 20/5/08)	1,000,000		30 cents	20/5/08
Unlisted options(\$.40 @ 20/5/09)	1,000,000		40 cents	20/5/09
Unlisted options(\$.50 @ 20/5/10)	1,000,000		50 cents	20/5/10
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>	nil			
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	nil			

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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:           D P Cornish  
                          (Company Secretary)

Date: 31 January 2006

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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