



Quarterly Report

REPORT FOR THE JUNE 2005 QUARTER

HIGHLIGHTS

- Listed on the ASX May 20, 2005 following a \$6 million capital raising
- Arranged and prepared for a 5 well drilling program in the next quarter
- Prepared and received **approval to drill the 1,150 metre Pickabooba South-1** 45 PJ potential gas exploration well in Clarence-Moreton Basin permit PEL 432. The well is planned to spud on August 2, 2005.
- Firmed up the 3 million barrel potential Donga Prospect in ATP 805P as a drilling target in Surat Basin permit ATP 805P. The 1,590 metre well is planned for drilling in August 2005.
- Swapped 20% of ATP 805P with 20% of ATP 608P Remainder Blocks and **are preparing to drill a 1,520 metre well in ATP 608P (Bow 20%) and Donga-3 in ATP 805P (Bow 80%) with Oilex NL. The drilling targets have a combined 11 million barrels of oil potential. Oilex has contracted a rig and will operate the drilling.**
- Planning of the Gats-1 and Hestia-1 wells to test prospects with a combined 56 MMBL potential in Carnarvon Basin permit WA 261P located near the Stag Oil field (Bow 10%). Drilling is scheduled for late August 2005
- **ATP 794P in the Cooper-Eromanga Basin offered** following landmark agreement with traditional owners. Commenced reprocessing program over the Moothandella prospect in ATP 794P
- Offered and accepted for grant 100% of ATP 809P in the Eromanga Basin
- **Keith Martens**, previously Exploration Manager for Tap Oil, accepts position as Exploration manager for Bow and sets up the Bow technical office in Perth

For further information, contact Ron Prefontaine, Managing Director or Duncan Cornish, Company Secretary. Telephone +61 7 3303 0675 or e-mail info@bowenergy.com.au

Electronic copies and more information are available on website www.bowenergy.com.au

Bow Energy Ltd ACN 111 019 857
Level 5, 60 Edward Street BRISBANE QLD 4000
Telephone: 61-7-3303-0650 Facsimile: 61-7-3303-0651 Email: info@bowenergy.com.au

ASX Code: BOW

ACTIVITIES DURING THE PAST QUARTER

Bow has Arranged, Planned and Prepared a five well Drilling Program.

Bow has committed to participate in five oil and gas exploration wells in the next two months. Two wells are to be drilled in the Carnarvon Basin, WA, two wells in the Surat Basin, Qld, and the fifth well in Clarence-Moreton Basin, NSW as follows:

Pickabooba South-1 (Bow 87.5%) – PEL 432 Clarence Moreton Basin, NSW

Due to spud August 2, 2005.

Pickabooba South-1 is an 1,150 metre test of a structure adjacent and updip to Pickabooba-1 that flowed gas at non-commercial rates. Seismic attribute work suggests improved reservoir development at the Pickabooba South drilling location. ***The Pickabooba Prospect has up to 45 BCF of recoverable gas potential.***

Bow farmed out the drilling costs of this well and is committed to pay for evaluation, casing and cementing costs only.

ATP 608P Exploraton well (Bow 20%) in the Surat Basin, Queensland

Due to spud in August 2005.

A 1,520 metre deep test of a four way closed structure with Jurassic aged sandstone targets is planned. ***The prospect has up to 8 million barrels of recoverable oil potential.***

Bow will participate at 20% pro-rata interest after swapping 20% interest in ATP 805P for 20% interest in ATP 608P Remainder Block with Oilex. Oilex will operate the drilling of the well.

Donga-3 (Bow 80%) – ATP 805P Surat Basin, Queensland

Due to spud immediately after the well in ATP 608P.

Donga-3 is a 1,590 metre deep test of a four way closed structure with Triassic and Jurassic aged sandstone targets. The well has been sited to intersect the primary Triassic aged sandstones updip from Donga-1 and Donga-2 which recovered light sweet crude oil and water when drilled in 1965 and 1979 respectively. ***The prospect has up to 3 million barrels of recoverable oil potential.***

Oilex will operate the drilling of the well.

Gats-1 (Bow 10%) – WA 261 Carnarvon Basin, Western Australia

Due to spud late August, 2005.

Gats-1 is a structural-stratigraphic trap with strong similarities to the Stag Oil Field (35 million barrels) located 10 km to the northeast. ***The Gats prospect has up to 33 million barrels of oil potential.***

UUUHestia-1 (Bow 10%) – WA 261 Carnarvon Basin, Western Australia

Due to spud after Gats-1.

Hestia-1 is a structural-stratigraphic trap also located near the Stag Oil Field. The primary Jurassic aged sandstone targets are interpreted to subcrop lower Cretaceous seal to form a trap for oil. ***The Hestia Prospect has up to 23 million barrels of recoverable oil potential.***

Bow will contribute its pro-rata 10% share of the cost in the Carnarvon Basin wells.

CLARENCE-MORETON BASIN

PEL 432 (Bow 87.5%) – Pickabooba South-1 approved for drilling

Pickabooba South-1 was approved for drilling. The 1,150 metre deep well will target up to 45 PJ recoverable gas potential in mapped a four way closed structure. The well will be drilled using Mitchell rig 101 and is planned to spud on August 2, 2005. Bow is fully carried on the drilling costs of this well and only has to fund the evaluation costs, casing and cement. The prospect is located in northern New South Wales close to Casino. Bow will be targeting power generation markets in the area.

PEL 445 (Bow 100% of conventional petroleum rights)

Future conventional oil and gas exploration work in this tenement will be contingent on the results of Pickabooba South-1.

ATP 644P (Bow 100% of conventional petroleum rights) – new seismic survey planned

Bow is planning a 60 kilometre seismic survey in the Mt Lindesay area near the Mt Lindesay-1 wells where pressure data from a previously drilled CSG core hole suggests there is a conventional gas accumulation at a depth of 920 metres interpreted to be within the Heifer Creek Sandstone (Hutton Sandstone equivalent). The seismic program, scheduled for October 2005, is designed to detail a conventional drilling prospect in the area. The project area is favourably located in relation to growing gas and power markets in Brisbane.

SURAT-BOWEN BASIN

ATP 805P (Bow 80%) – New drilling prospect updip from oil with 3 MMbls of oil potential

Bow carried out preliminary mapping of this permit and identified the east-west trending Donga-Pinnacle structural complex which extended west of ATP 805P into adjacent ATP 608P. Bow also completed detailed depth mapping of the Donga Oil Prospect located on the eastern end of the Donga-Pinnacle structural complex.

Donga-1 and Donga-2 were drilled in 1965 and 1979 respectively and both recovered light oil along with large quantities of water from a very good sandstone reservoir. Bow has selected a Donga-3 location interpreted to be about 15 to 27 metres updip

from the previously drilled wells. The Donga Oil Prospect has the potential to contain 3 million barrels of recoverable oil. Two other prospects located on the Donga-Pinnacle structural complex within ATP 805P have up to 8 million barrels of recoverable oil potential.

Bow swapped 20% of ATP 805P Surat Basin Blocks for 20% of ATP 608P Remainder Blocks with Oilex NL and commenced preparations to drill a well in ATP 608P (Bow 20%) and Donga-3 in ATP 805P (Bow 80%). ATP 608P Remainder Block excludes the ATP 608P Rookwood Block. Oilex will operate the drilling of the Donga well and has contracted a rig to drill the well immediately following the well in ATP 608P.

ATP 608P Remainder Block (Bow 20%) – New well to test 8 MMBI prospect

Following the recognition that the Donga-Pinnacle structural trend extended from ATP 805P westward into ATP 608P, Bow has agreed on an acreage swap with Oilex to exchange 20% direct working interest in ATP 805P for 20% direct working interest in ATP 608P Remainder Block. Oilex plans to drill one of two prospects identified in the Block which have a combined oil potential of 11 million barrels. Oilex has contracted a rig to drill the well in mid to late August 2005.

ATP 807P (Bow 100%) – Wunger Block

Bow is preparing to carry out a technical review of the permit when collation of the available data has been completed. ATP 807P contains the Wunger-1 well drilled in 1963 which flowed 740 barrels per day gross of which 10 barrels per day was oil along with 180,000 cubic feet per day of gas. Bow plans to rework the complete data set over the Wunger structure to determine the updip potential.

ATP 747/746P (Applications)(Bow 100% of conventional petroleum rights)

The permits are located on the eastern side of the Surat Basin adjacent to several oil fields including the Moonie Oil field, the largest oil field discovered to date in the Surat Basin.

Bow has commenced the initial mapping in the area which it plans to complete in the next quarter. Several wells drilled by previous operators in the permit area had oil shows including the Strathpine-1 and 2 wells in ATP 747P. The initial mapping indicates there is a stratigraphic trap at depths between 790 and 810 metres. Although there were excellent oil shows, testing of the wells at the time failed to flow oil but a review of the test data suggests the potential oil reservoirs were damaged probably due to the drilling techniques which were not optimal for the reservoir.

Granting of these tenements has been placed on hold by the Department pending a decision by the Minister on exploration within state forests.

ATP 574P – Conloi (Bow 6.25% to 12.5% of conventional petroleum rights)

White Sands carried out a workover of the pump on Conloi-1 which resulted in no flow of oil to surface. The current interpretation is that the perforations into the oil reservoir are blocked. The work has been suspended while White Sands investigates the risk of

carrying out deep penetration, modern re-perforations in a 42 year old well (drilled in 1963) and other factors.

CARNARVON BASIN

WA 261P (Bow 10%) – Two wells to be drilled

The Gats-1 and Hestia-1 exploration wells have been approved with drilling planned to commence in late August 2005. Gats-1 is located southwest of the 35 million barrel Stag Oil field and Floating Production Storage and Offtake (FPSO) facility and is interpreted as the mirror of Stag (Gats is Stag spelled backwards). Gats-1 has up to 33 million barrels of recoverable oil potential.

Hestia-1 is a test of Jurassic aged Athol Formation sandstone subcropping the overlying Cretaceous marine sequence with up to 23 million barrels of recoverable oil potential. Hestia is to be drilled immediately after Gats-1.

The permit contains the Chamois Oil field which is located on the western side of the permit and could become economic to develop if Hestia and/or Gats are successful.

TP/17 (Bow 10%)

The permit is being renewed for another 6 years and is located south and adjacent to WA 261P. Any success in drilling within WA 261P will enhance the prospectivity of TP 17. A detailed review of the permit will be carried out with three play types being investigated. The three play types are the structural stratigraphic traps similar to the nearby Stag Oil field, Jurassic aged Athol Formation subcrops similar to the Hestia Prospect and Late Triassic/Early Jurassic structural traps.

TP/19, EP 421 (Bow 10%)

Planning is underway for a 2D seismic survey in these permits during the fourth quarter. The permit contains the Sharp Peak lead which has up to 83 million barrels of oil potential.

EP 325 (Bow 10%)

A detailed technical review of the permit is to be carried out. The permit contains the sub-commercial Rivoli Gas field which contains up to 15 PJ of gas. Exploration will focus on structural trends west and east of Rivoli.

COOPER-EROMANGA BASIN

ATP 794P Barcoo Block (Bow farming in for 25%) – milestone Native Title agreement leads to offer of tenement

A landmark agreement with traditional owners with the ATP 794P in the Cooper-Eromanga Basin, Queensland Joint Venture was completed. The new agreement forms a template for future agreements with traditional owners and should result in faster turnaround of subsequent native title agreements.

Bow is funding reprocessing over the giant Moothandella structure for an option to earn 25% in this block by funding 60% of a well within 12 months of the granting of the permit. Three wells drilled to date on the Moothandella structure had oil shows and/or oil recoveries. The reprocessing program is nearing completion and mapping will be completed in the next quarter.

If the subsequent mapping of the Moothandella structure does not reveal a suitable drilling prospect, there are several other strong leads in the Barcoo Block identified including the Ethel East Prospect (up to 37 million barrels of oil potential) and the Barcoo Junction South Prospect (up to 27 million barrels of oil potential) that could be firmed as potential drilling targets.

ATP 752P Barta and Wompi Blocks (Bow/Ocellaris up to 50%)

Bow has 20% equity through the purchase of 100% of Ocellaris Oil and has an option to earn an extra 30% in the permit by funding 60% of a well.

The Barta Block is located 10km east of the James-1 oil discovery which flowed 1,810 barrels of oil per day and immediately adjacent to the Cook Oil Field where the Cook-1 oil discovery flowed 979 barrels of oil per day.

Bow commenced detailed mapping of the Barta area with preliminary work indicating there are several large untested structures. The largest structure identified to date is the Vancouver Prospect which has over 27 square kilometres of closure and 29 million barrels of recoverable oil potential. The Vancouver Prospect is located between the James and Cook oil fields.

Detailed mapping in the Wompi Block will be carried out in the next quarter. A preliminary review of the well data indicates at least two wells located in the Wompi Block have oil columns in Jurassic aged sandstones which were considered uneconomic when initially drilled by the previous operator. In addition to the detailed mapping, Bow plans to estimate the potential size of these accumulations to decide if they can be developed economically.

ATP 752P will be granted following agreement with the Native Title claimants over the area. A preliminary meeting with the Native Title claimants for the area is planned for the end of July which will be followed by the required public notices and negotiation process. Bow anticipates faster turnaround for this native title agreement following the landmark agreement in ATP 794P with granting anticipated early in 2006.

ATP 809P (Bow 100%) – New Eromanga Basin permit offered

ATP 809P in the Central Eromanga Basin was offered and accepted and is waiting endorsement from the Minister so that the permit can be granted. Several wells in the permit had oil shows including a minor oil recovery in a nearby well.

ATP 736P, ATP 737P, ATP 738P (Bow 20% through Ocellaris Oil)

These areas are subject to native title and are considered lower priority than Bow's other Cooper-Eromanga areas.

NEW VENTURES

Bow is assessing exploration, appraisal and corporate opportunities in proven oil basins in Australia.

PERSONNEL

Keith Martens, previously Exploration Manager for Tap Oil, was appointed Exploration manager for Bow and has set up the Bow technical office in Perth.

Keith is a geophysicist with over 28 years international and domestic oil and gas exploration experience. His primary focus will be Bow's existing tenements and new project opportunities in the Carnarvon and Cooper-Eromanga Basin.

BOW'S PLANNED ACTIVITIES FOR THE NEXT QUARTER

Bow plans to participate in a total of **five exploration wells** in the next quarter - two wells in the Surat-Bowen, one well in the Clarence-Moreton and two wells in the Carnarvon Basin as follows:

- Drilling of Pickabooba South-1 to test a 45 PJ recoverable potential prospect near the northern NSW town of Casino (Bow 87.5%).
- Drilling of Donga -3 in ATP 705P to test a 3 million barrel recoverable potential prospect in the Surat-Bowen Basin on the same structure where two previously drilled wells recovered oil and water. The primary target is the Triassic aged Donga sandstone and Jurassic aged sandstones (Bow 80%).
- Drilling of a well in ATP 608P in the Surat Basin to test one of two prospects with a combined oil potential of 11 million barrels. The primary targets are the Jurassic aged Boxvale and Basal Evergreen sandstones (Bow 20%).
- Drilling of Gats-1 and Hestia-1 in WA 261P in the Carnarvon Basin to test prospects with a combined recoverable oil potential of 56 million barrels (Bow 10%).

Other planned activities include:

- Continued reprocessing and remapping of the Moothandella area of ATP 794P
- Mapping in ATP 752P to high grade prospects for seismic reprocessing and/or new seismic acquisition
- Acquire seismic data in ATP 644P in the Mt Lindesay area
- Continued prospect generation in all other Bow areas
- Continue assessment of new opportunities

The technical information contained herein is based on information compiled by the company's Managing Director, Ron Prefontaine, who has more than 25 years experience in petroleum exploration.

CORPORATE INFORMATION & DIRECTORY

DIRECTORS

Ron Prefontaine (Managing Director)
Nicholas Mather
Stephen Bizzell

COMPANY SECRETARY

Duncan Cornish

EXPLORATION MANAGER

Keith Martens

Bow Energy Ltd
Exploration Office
18 Rheola Street
West Perth WA 6005
Phone: + 61 8 9481 4118
Fax: + 61 8 6210 1317

REGISTERED OFFICE AND HEAD OFFICE

Bow Energy Ltd
Level 5
60 Edward Street
Brisbane QLD 4000
Phone: + 61 7 3303 0675
Fax: + 61 7 3303 0651

SHAREHOLDING ENQUIRIES

ASX Perpetual Registrars manages Bow Energy Ltd's share registry.

If you would like to monitor your shareholding online, you can do so by visiting ASX Perpetual Registrar's website, www.shares.com.au and following the instructions.

For issuer-sponsored shareholders, if you change address, or if you have any other queries regarding the details of your shareholding, please contact the Company's share registry directly:

ISSUED CAPITAL

At 30 June 2005, Bow Energy Ltd had the following securities on issue:

- 70.0 million ordinary shares
- 15.0 million 20c options expiring 31/3/08

AUSTRALIAN STOCK EXCHANGE ("ASX")

ASX Codes: BOW (Ordinary shares)
BOWO (20c Options expiring 31/3/08)

INTERNET ADDRESS

All Company announcements, reports and presentations are posted on our website www.bowenergy.com.au

If you would like to receive news releases by email, please send us an email to info@bowenergy.com.au with the subject "email alerts" or register your details on our website.

Website: www.bowenergy.com.au

AUSTRALIAN BUSINESS NUMBER

ABN 63 111 019 857