



Quarterly Report REPORT FOR THE QUARTER ENDED 31 MARCH 2006

HIGHLIGHTS

- **ATP 752P to be granted following the execution of an agreement with Native Title claimants** paving the way for a staged three to five well exploration program funded through farmout. Bow is fully carried on the exploration program and retains 25% to 35% direct working interest. The first two wells in the permit are planned for August 2006.
- **Bow awarded 100% of Central Eromanga Basin** permit ATP 809P. Five previously drilled wells in the permit have oil shows.
- **Bow has the option to earn 50% of PL 15 in the western Surat Basin** by funding the drilling of one well in the PL. The farmin consolidates Bow position in this proven oil province.
- **Donga-3 completed as an oil producer** and long term production testing carried out (Bow 42.5%).
- **Rig sharing agreement with Beach Petroleum** for its Cooper-Eromanga drilling program reduces the initial mobilisation costs to one quarter of the previous amount Bow was required to pay and allows flexibility on timing of exploration wells.
- **Preparation for the drilling of Banff-1** in ATP 794P Barcoo Block planned for June 2006. The Banff Prospect has up to 34 million barrels of oil potential (Bow earning 25% by funding 60% of Banff-1).
- **EP 325 in the Carnarvon Basin renewed** for a five year period (Bow 11%).
- **Preparations for the 2006 Surat and Cooper Basin drilling program** – ongoing geological appraisal of the Bow's Surat and Cooper permits has identified a selection of 68 oil leads and prospects so far.

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

COOPER-EROMANGA BASIN

Bow intends to drill or participate in the drilling of up to eight exploration wells within its Cooper-Eromanga Basin tenements in the next 12 to 18 months. The number of wells to be drilled is conditional on the results of seismic reprocessing, seismic acquisition and mapping planned and in progress.

The operator has applied to have permit ATP 752P awarded following an agreement with Native Title claimants. Bow is fully carried on a 3 to 5 well staged exploration program in the permit and retains 25% to 35% direct working interest.

The first exploration well in Bow's Cooper-Eromanga tenements is planned to commence in June 2006.

Bow has a rig sharing agreement with Beach Petroleum which secures rig slot options and substantially reduces the initial mobilisation costs while allowing more flexibility on well timing.

ATP 794P Barcoo Block (Bow farming in for 25%) – Banff-1 to be drilled

Bow has renamed the Trinidad and Hobson Gaps areas of the Barcoo Block as the Banff-Jasper structural trend where several large, relatively shallow (~1600 metres) untested four-way closures have been identified with a combined total maximum oil potential estimated at 90 million barrels recoverable. The Banff Prospect in particular has a large four-way closed structure with up to 34 million barrels of recoverable oil potential.

Following reprocessing of selected seismic data, the Banff-1 drilling location was selected to test the oil potential of the Banff Prospect. The 1650 metre deep well is planned to be drilled in June 2006.

ATP 752P Barta and Wompi Blocks (Bow/Ocellaris 25% to 35% after farmin completed)

The signing of an Agreement with Native Title claimants has created certainty of title and paved the way for oil exploration in this high prospective tenement. The operator has applied to the Department to have the permit awarded.

Avery Resources (Australia) Pty Ltd, a wholly owned subsidiary of Avery Resources Inc ("Avery") from Calgary, Alberta, Canada exercised its option to drill the initial three wells and acquire 100 kilometres of new seismic data of a staged farmin. Avery is to drill up to five wells and acquire seismic data to earn up to 50% interest in the Barta and Wompi Blocks (Blocks) in Cooper-Eromanga Basin permit ATP 752P.

Bow will retain 25% to 35% interest in the permit depending on which stage Avery completes its farmin to.

The Barta Block is located 10 kilometres 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 879 barrels of oil per day.

Bow carried out initial detailed mapping of the Barta area which has identified 11 prospects and leads between the James and Cook oil fields in the Block which have a combined recoverable oil potential of 98 million barrels. The largest structure identified to date, the Vancouver Prospect, has over 27 square kilometres of closure and up to 52 million barrels of recoverable oil potential. Bow has commenced data collection for a 508 kilometre seismic reprocessing program and plans a 100 kilometre seismic program to firm up drilling prospects in the Barta Block.

Bow has also identified 17 leads and prospects on trend and adjacent to high oil flow oil fields (some wells flowed in excess of 3000 barrels of oil per day) in the Wompi Block of ATP 752P. A 600 kilometre seismic reprocessing program over several prospects identified in Block has commenced with the view to high grade several wells for drilling. The first two wells of the Avery farm program are planned in the Wompi Block in August 2006.

ATP 809P (Bow 100%) – New Eromanga Basin permit to be granted

ATP 809P in the central Eromanga Basin was granted during the quarter. Several wells in the permit had oil shows including a minor oil recovery in a nearby well. Data compilation is in progress with the target to identify and high grade prospects for drilling later in 2006 or early in 2007.

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.

SURAT-BOWEN BASIN

Bow continues to work up oil exploration targets in its western Surat Basin tenements and has so far identified 35 oil prospects and leads with an aggregate recoverable oil potential of 50 million barrels.

In addition to its other Surat project interests, Bow has an option to farm into PL 15 in the western Surat.

Bow intends to drill or participate in the drilling of three exploration wells within its western Surat holdings in the next 12 to 18 months. This drilling is in addition to planned appraisal drilling on the Donga Oil Field which is conditional on the analysis and subsequent oil field economics to decide if the Joint Venture proceeds with field development.

PL 15 (Bow has option to earn 50%) – Oil prospects on trend with oil fields identified

Bow and Mosaic Oil signed a heads of agreement for Bow to farm in to western Surat Basin tenement PL 15. Bow has until August 31, 2006 to exercise an option to earn up to 50% of PL 15 by drilling a well within 12 months of the exercise date.

Bow has since carried out initial mapping in the PL and identified nine prospects and leads in the permit and is investigating a seismic reprocessing program over at least three of the most prospective prospects.

ATP 805P (Bow 42.5%) – Donga-3 Production Flow test continues

A drill stem test of the Donga-3 oil well drilled last October 2005 over the primary Basal Moolayember sandstone target recovered 23 barrels (bbl) of light oil, 3 bbl mud contaminated oil and 39 bbl of formation water.

The zone which produced oil on drill stem test was perforated and downhole equipment with pressure gauges along the required surface equipment was installed. An extended production test for 30 days was completed on the well.

Near the end of the test, fluid rates stabilised at about 50 barrels per day with 25% oil cut. Downhole gauges will be retrieved and the results analysed and integrated with all data to determine the commercial potential of a multi-well appraisal and development program.

A post Donga-3 seismic reprocessing program of selected seismic lines over the Donga structure indicates there are several potential appraisal and development drilling locations updip from Donga-3.

The decision on future appraisal drilling on the Donga Oil Field is conditional on the positive results of the analysis of the production test data, new mapping and oil field economics to decide if the Joint Venture proceeds with field development. New seismic acquisition, including 3D seismic and additional reprocessing may be considered as part of the development plan.

Bow has identified several other leads and prospects in the permit and is considering seismic reprocessing over the most prospective ones.

ATP 664P/706P (Bow 100%)

Bow consolidated its position in the western Surat Basin by purchasing a 100% direct working interest in permits ATP 664P and ATP 706P late in 2005.

The tenements give Bow a contiguous acreage position in the western Surat Basin which overly the Triassic and Jurassic aged stratigraphic subcrop and onlap edges. Several oil fields have been discovered adjacent to and along these stratigraphic edges including the recent oil discovery at Donga-3 in adjacent ATP 805P. Bow interprets there is the potential for additional oil discoveries along this stratigraphic trend.

Initial geological mapping has so far identified nine prospects and leads in the permits. A seismic reprocessing program over high graded prospects and possibly infill seismic data acquisition is planned prior to selecting potential drilling locations.

ATP 608P Stratton Block (Bow 20%)

Several leads and prospects have been identified in the permit including a closure updip of Stratton-1 which had very good oil shows within a basal Evergreen sandstone. A seismic reprocessing program over high graded prospects and possibly infill seismic data acquisition is planned prior to selecting potential drilling locations.

ATP 807P (Bow 100%) – Wunger Block

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. Initial mapping has identified substantial updip potential from Wunger-1 as well as other prospects and leads in the permit.

A seismic reprocessing program over high graded prospects and possibly infill seismic data acquisition is planned prior to selecting potential drilling locations.

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

The applications for these 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 carried out the initial mapping in the Strathpine area of ATP 747P which indicates there may be a stratigraphic trap containing oil within the Precipice sandstone at depths between 790 and 810 metres. Although there were excellent oil shows, testing of the wells at the time failed to flow oil. An internal log analysis of the well over the oil show intervals indicates the formation has poor to fair reservoir properties.

On granting of the tenement, Bow plans to rework the data set with the goal to determine if zones of improved reservoir development can be intersected within the Strathpine area. Alternative drilling methods designed to improve production in tight reservoirs are also being investigated.

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. To investigate the apparent downhole problems, the White Sands rig is planned to move back on site after its inaugural well is drilled in the next quarter.

Clarence-Moreton Basin

PEL 432 (BOW 87.5%)

Pickabooba South-1 drilled in August 2005 to 1,152 metres encountered good gas indications and up to 75% blue white fluorescence with very slow crush cut and faint ring residue were noted in a secondary targets within a 14.2 metre thick Basal Bundamba Sandstone at the contact with the Ipswich Coal Measures. A drill stem test over the interval indicated the oil was residual but proved oil has migrated into the area.

Post drilling interpretation of the seismic data indicates the Basal Bundamba sandstone tested in Pickabooba South-1 was outside structural closure and three untested structural prospects and leads updip and in the vicinity of the well have been identified.

Bow plans to farm out the drilling of a well in this area.

PEL 445 (Bow 100% of conventional petroleum rights)

No immediate work is planned in this area. Expenditure commitments in the permit are currently being met by Arrow's coal seam gas exploration work.

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

Pressure data from Mt Lindesay-1, a previously drilled CSG core hole in the permit, suggests there is a conventional gas accumulation at a depth of about 920 metres interpreted to be within the Heifer Creek Sandstone (Hutton Sst equivalent) in ATP 644P.

A proposed 60 kilometre seismic survey in the Mt Lindesay area designed to detail a drilling prospect in the area has been delayed primarily due to the high mobilisation cost for a seismic crew to carry out such a small seismic survey. The seismic survey may be carried out when a seismic crew becomes available in the area later in 2006 or early 2007.

CARNARVON BASIN

WA 261P (BOW 10%)

The operator has incorporated the technical results from Gats-1 in the regional understanding of the area which suggests there is increased risk of top seal integrity for the Hestia Prospect and drilling of the well has been delayed indefinitely.

The permit contains the Chamois Oil field which is located on the western side of the permit and Bow has requested the operator investigate the economics of developing this field.

TP/17 (Bow 10%)

The permit was renewed for another six years. A well called Gargoyle-1 located in an adjacent permit to TP/17 which was to test a Triassic fault block similar to prospects in TP/17 is no longer planned. Remapping of the permit is progressing.

TP/19, EP 421 (Bow 10%)

Processing and interpretation of the 60 kilometre portion of the Karatha 2D seismic survey designed to detail the Sharp Peak lead which has up to 83 million barrels of oil potential is continuing.

EP 325 (Bow 11.213%)

The permit was renewed during the period. Processing and interpretation of the 79 kilometre Rivoli 2D seismic program to detail the Rivoli Gas field and one other prospect in immediate area is continuing. A 377 kilometre seismic reprocessing program over other prospects and leads in the permit is in progress.

BOW AND BEACH ENDORSE A RIG SHARING AGREEMENT

Bow and Beach Petroleum have endorsed a rig sharing agreement which secures Bow several options at its election to use Hunt Rig-2 to carry out its planned Cooper-Eromanga drilling exploration program. The rig sharing with Beach has reduced Bow's initial rig mobilisation costs to one quarter of the previous costs and gives Bow more flexibility on well timing.

NEW VENTURES

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

PERSONNEL

Cecilia D'Ercole commenced as a consulting geologist and is working in the Perth office under the supervision of Exploration Manager Keith Martens. Her initial role is the ongoing geological assessment of Bow's Surat Basin assets.

BOW'S PLANNED ACTIVITIES FOR THE NEXT QUARTER

- Drilling of Banff-1 in ATP 794P. The well is a 1650 metre test of a mapped four-way closed structure with up to 34 million barrels of recoverable oil potential.
- Preparing for the multi-well Avery farmin drilling program in the Cooper-Eromanga Basin permit ATP 752P with the first two wells planned to commence in August in the Wompi Block. The preparation includes an extensive seismic reprocessing program to high grade drilling prospects.
- Preparation for a 100 kilometre seismic program in the Barta Block in ATP 752P as part of the Avery farmin program. In conjunction with this new seismic acquisition, a 508 kilometre seismic reprocessing program is to be carried out over the 11 prospects identified in the Block.
- Detailed mapping of Bow's Surat Basin tenements in preparation for a drilling program in the second half of 2006.
- Continued oil prospect generation in all other Bow areas.
- Continue assessment of new project 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

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

BOW OPERATIONS MANAGER

Peter O'Neill

Located at Bow Energy's head office as noted above

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

SHAREHOLDER ENQUIRIES

Link Market Services Ltd manages Bow Energy Ltd's share registry.

If you would like to monitor your shareholding online, you can do so by visiting Link Market Services Ltd'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:

Link Market Services Ltd
Level 22
300 Queen Street
Brisbane QLD 4000
Phone: +61 2 8280 7454
Fax: +61 7 3228 4999

ISSUED CAPITAL

At 31 March 2006, Bow Energy Ltd had the following securities on issue:

- 73.75 million ordinary shares
- 15.0 million 20c options expiring 31/3/08
- 3.0 million (unquoted) employee options (various exercise prices and expiry dates)

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 new 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