

## 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")

**30 September 2008**

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	114	114
1.2 Payments for (a) exploration and evaluation	(1,178)	(1,178)
(b) development	-	-
(c) production	-	-
(d) other minesite costs	-	-
(e) administration	(467)	(467)
(f) goods and services tax	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	121	121
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (Administration Recoveries)	59	59
<b>Net Operating Cash Flows</b>	<b>(1,351)</b>	<b>(1,351)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	(2,101)	(2,101)
(c) other fixed assets	(12)	(12)
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	-	-
<b>Net investing cash flows</b>	<b>(2,113)</b>	<b>(2,113)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(3,464)</b>	<b>(3,464)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(3,464)	(3,464)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares and call payments	-	-
1.15	Proceeds from issues of shares after balance date	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings		
	- Convertible Note Subscriptions	-	-
	- Other loans	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - Payment of finance lease principal	-	-
	- Securities issue costs	(6)	(6)
<b>Net financing cash flows</b>		(6)	(6)
<b>Net increase (decrease) in cash held</b>		(3,470)	(3,470)
1.20	Cash at beginning of quarter/year to date	8,525	8,525
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	5,055	5,055

**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	44
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	Pursuant to an agreement dated 30 July 2008, 89,222 shares in Bow Energy Ltd were issued as part of the consideration for the purchase of the Canaway Blocks in ATP 560P.
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	1,000
4.2 Development	-
<b>Total</b>	<b>1,000</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	409	1,687
5.2 Deposits at call	4,646	6,838
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>5,055</b>	<b>8,525</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 560P (Canaway Blocks)	The Canaway Blocks of ATP 560P were purchased pursuant to an agreement dated 30 July 2008 in consideration for cash and shares.	0%	100%

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**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 *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 *Ordinary securities - fully paid - partly paid	151,336,610	151,336,610		
7.4 Changes during quarter (a) Increases through issues (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 (f) Increase through exercise of options	89,222	89,222	28.02 cents	28.02 cents
7.5 *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 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
Unlisted options (\$0.40 @ 20/5/09)	1,516,667	-	\$0.40	20/50/2009
Unlisted options (\$0.50 @ 20/5/10)	1,716,667	-	\$0.50	20/05/2010
Unlisted options (\$0.50 @ 7/11/11)	13,300,000	-	\$0.50	07/11/2011
Unlisted options (\$0.30 @ 31/3/10)	150,000	-	\$0.30	31/03/2010
Unlisted options (\$0.40 @ 1/7/11)	2,170,000	-	\$0.40	01/07/2011
Unlisted options (\$0.75 @ 1/7/12)	2,170,000	-	\$0.75	01/07/2012
Unlisted options (\$1.00 @ 1/7/13)	2,170,000	-	\$1.00	01/07/2013
7.8 Issued during quarter				
Unlisted options (\$0.40 @ 1/7/11)	2,170,000	-	\$0.40	01/07/2011
Unlisted options (\$0.75 @ 1/7/12)	2,170,000	-	\$0.75	01/07/2012
Unlisted options (\$1.00 @ 1/7/13)	2,170,000	-	\$1.00	01/07/2013
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>	Nil			
7.12 Unsecured notes <i>(totals only)</i>	Nil			

+ See chapter 19 for defined terms.

## 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: 29 October 2008

## 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.

== == == == ==

---

+ See chapter 19 for defined terms.