



ASX Announcement

14 June 2011

Multiple Pilot Production Programs Showing Encouraging Results

Highlights

- Second lateral pilot production well (BWP39) completed over a 560 metre lateral coal interval
- Water production continues to rise at the initial lateral well completed over a 50 metre section (BWP37)
- Early gas breakout as production testing continues at eight vertical fraced well locations
- Norwich Park vertical and lateral testing programs to commence early next quarter

Bow Energy Limited (ASX:BOW, "Bow") is carrying out several different proof of concept pilot well designs and completion techniques over various locations and coal types in its Bowen Basin CSG tenements.

Lateral pilot production well, BWP39 in the Blackwater CSG field, intersected approximately 560 metres of coal laterally. The well will be completed and production testing will commence over the coming weeks. The BWP39 lateral testing program forms one of several pilot programs in the Blackwater field.

Lateral pilot production wells have been successful on tenements owned by other parties adjacent to Bow's 100% owned Norwich Park and Blackwater CSG fields with proven gas flows (refer to maps at bottom of announcement). Bow's lateral well, BWP39, was completed over the same coal measure and similar thickness of coal as Arrow Energy's successful pilot production wells located immediately south of Bow's Blackwater CSG Field.

Various hydraulic fracturing techniques of vertical wells are also being trialled by Bow. The company currently has two four spot (four well) pilots that have been completed and have commenced dewatering.

- The first four spot pilot, BWP 33-36, has been dewatering since mid-February and water levels have been progressively drawn down. The wells are being operated very conservatively to minimise potential coal formation damage. Bow will continue lowering the water level in these wells with minor gas breakout occurring which should increase as dewatering continues over the coming months;

- At the second four spot pilot, BWP 19, 23 and 26 have been fraced, completed and are now dewatering with early gas breakout occurring at BWP 26. The final well, BWP 25, has been fraced and will be completed in the coming weeks.

A pilot production program is expected to commence at the Vermont CSG Field, within Norwich Park tenement, next quarter where Bow is planning to replicate the Blackwater drilling activity, testing different well design and completion techniques with the aim of proving commercial gas flows.

CEO, John De Stefani commented “after early rain and related delays it is pleasing to report that several pilot production programs are underway across our Blackwater tenement with encouraging early results and pilot production testing in the Norwich Park field to commence shortly.

Demand for Bow’s gas is growing and discussions with potential joint venture and off-take partners continue to progress”, De Stefani concluded.

For and on behalf of the Board

Duncan Cornish
Company Secretary
Bow Energy Ltd

For further information contact:

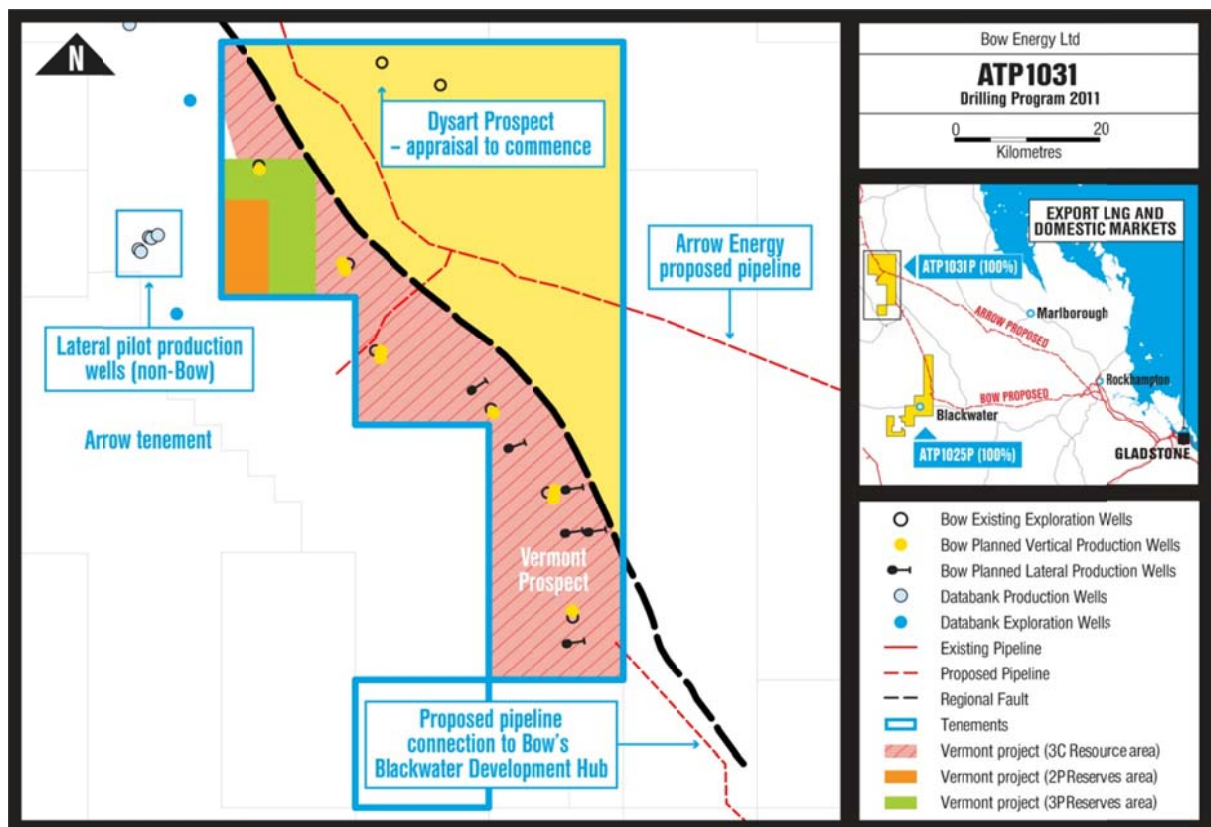
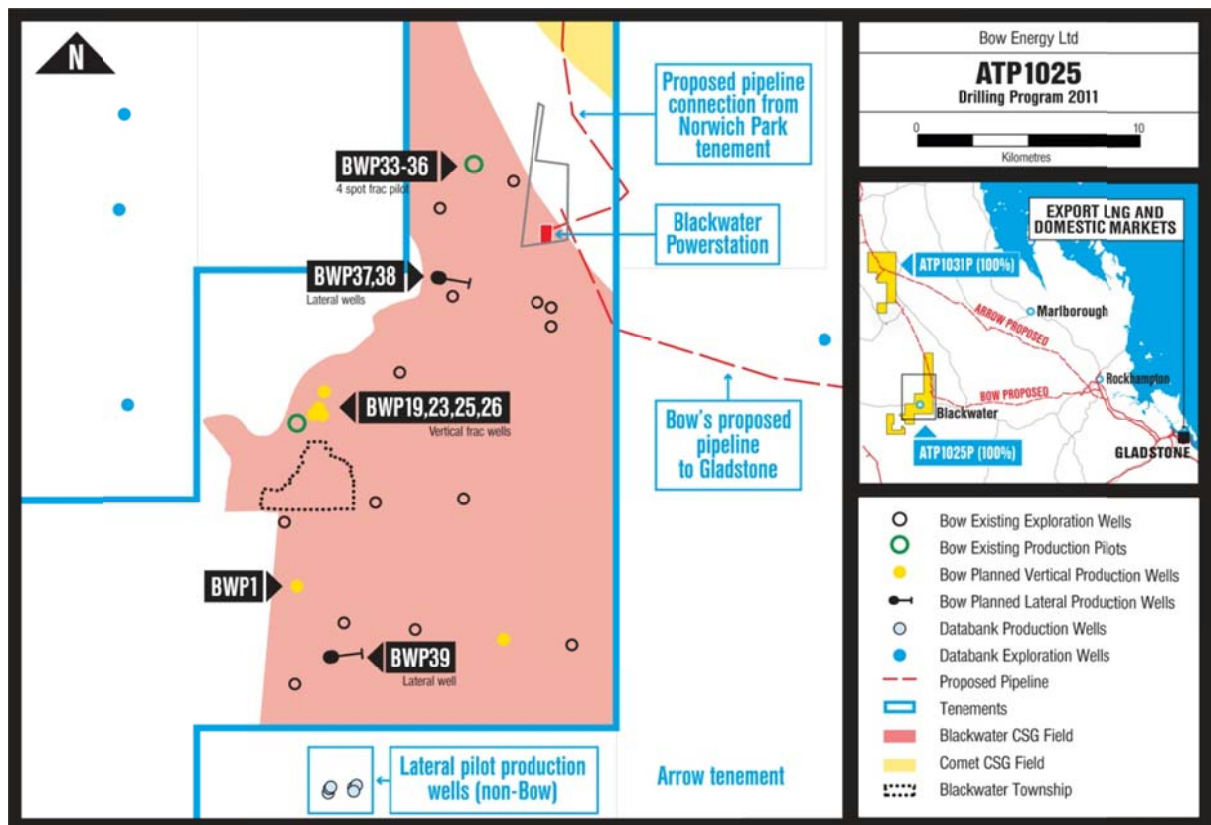
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|-------------------------|----------------------|
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Competent Person Statements

MHA - The estimates of gas reserves 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.

NSAI - The estimates of gas reserves and resources for the Norwich Park Block (ATP 1031P) has been provided by Mr John Hattner of Netherland, Sewell & Associates, Inc. and are consistent with the definitions of reserves and resources that appear in the Petroleum Resource Management System (PRMS) guidelines. Mr Hattner is a qualified person as defined under the ASX Listing Rules and has given his consent to the use of the reserves and contingent resources figures in this announcement.

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 year’s experience in coal seam gas.



Attachment: Current Drilling Schedule (June 2011)

| <u>Hole</u> | <u>Type</u> | <u>Status</u> |
|--|--------------------------|---|
| Blackwater CSG Field (ATP 1025P) | | |
| BWP 1 | Vertical | Drilled. To be under reamed and completed late June/early July |
| BWP 19 | Vertical frac | Successfully fraced, completed and de-watering process commenced |
| BWP 23 | Vertical frac | Successfully fraced, completed and de-watering process commenced |
| BWP 25 | Vertical frac | Successfully fraced and will be completed in coming weeks |
| BWP 26 | Vertical frac | Successfully fraced, completed and de-watering process commenced. Early gas breakout has commenced |
| BWP 33-36 | Vertical 4 spot frac | Completed and under pump with minor gas breakout on two wells |
| BWP 37 | Lateral | Completed and de-watering process commenced. 50 metres of coal intersected. Water flow rates increasing |
| BWP 39 | Lateral | Drilling completed over a lateral section with 560 metres of coal |
| 2D Seismic | | Scheduled for early July |
| TBA | 2 x lateral | Planned pending new seismic data |
| Norwich Park CSG Field (ATP1031P) | | |
| TBA | Lateral wells | Sites identified and cleared for rig move from BWP 1 for 3 rd quarter start. |
| TBA | Vertical spot frac wells | Sites identified and cleared for 3 rd quarter start. |

About Bow Energy Ltd

Bow Energy Limited (ASX:BOW) is an S&P ASX 200 Index Company. The company's primary business is the discovery and commercial production of coal seam gas (CSG) and conventional oil fields, with projects in several of Australia's producing basins.

The company is focused on expanding its CSG reserves, with eight CSG projects located within the highly prospective Bowen and Surat Basins of Queensland, and developing production for domestic and export natural gas customers.

The company has third party estimates of GIP potential across its CSG projects of over 13.8 Tcf and to date has certified net gas reserves of 2,739 petajoules (PJ) of 3P and 149 PJ of 2P. Bow's current program is targeting gas reserves of 6,200 PJ of 3P and 1,250 PJ of 2P. Bow is currently developing the Blackwater Power Project, Bow's 100% owned 30 megawatt power station near Blackwater, central Queensland.