



ASX Announcement

26 August 2010

Bow commences construction of Blackwater Power Project

The Directors of Bow Energy Ltd (ASX:BOW) are pleased to announce the start of construction on Bow's 100% owned 30 megawatt gas-fired Blackwater Power Project, located approximately 15 kilometres north-east of the town of Blackwater in central Queensland.

Bow's CEO John De Stefani welcomed the commencement of scheduled construction by principal contractor Clarke Energy (Australia) Pty Ltd (Clarke). The power project is expected to create more than 200 direct and indirect jobs during the construction process, with additional staff required for operation and maintenance upon its expected completion at the end of the first quarter 2011.

"Bow continues to achieve its growth targets and the start of construction on time and on budget is another successful milestone for the company," Mr De Stefani said.

"The beginning of construction follows the successful award of a development permit from the Central Highlands Regional Council, which has welcomed the project as a boost for jobs and economic growth in the Blackwater and Emerald region."

The Blackwater Power Project will be supplied with clean-burning coal seam gas (CSG) from Bow's nearby Blackwater CSG Field, which has current certified CSG reserves of 1,382 petajoules (PJ) of 3P and 59PJ of 2P (net to Bow). The power project is expected to require around 2PJ per annum of gas.

Clarke, which also built the similar-sized Daandine Power Station near Dalby, expects to have completed the bulk earthworks on the main pad and pour the engine slab concrete over the course of the next month.

The procurement of all major items of equipment has also been completed, including the switchroom, high voltage switchboard, low voltage main switchboard, gas conditioning unit, gas compressor and 10 x 3 megawatt GE Jenbacher generating sets, enclosures, radiators and transformers.

"Bow sees the new power project as a model which could be replicated across the company's strategic CSG fields in Queensland's Bowen Basin in addition to the potential for larger scale integrated power generation developments," Mr De Stefani concluded.

For and on behalf of the Board

Duncan Cornish
Company Secretary
Bow Energy Ltd

For further information contact:

John De Stefani
Chief Executive Officer
Tel: +61 7 3238 6300

Vic Palanyk
Chief Operating Officer
Tel: +61 7 3238 6300

Bow Energy Limited
ACN 111 019 857
Level 7, 10 Eagle Street
Brisbane QLD 4000
Tel: +61 7 3238 6300 Fax: +61 7 3238 6399
Website: www.bowenergy.com.au

