



ASX Announcement

6 January 2011

Update on operational impact from the Queensland floods

Bow Energy Limited (ASX:BOW, "Bow") has undertaken an assessment of its operations in the Blackwater and Norwich Park coal seam gas (CSG) fields and has found only minimal damage to company infrastructure. Access to planned drill sites remains restricted and it is not currently possible to forecast when that access will be reinstated.

Bow currently has two drill rigs and one work-over rig on wet weather standby, but does not expect associated costs to be significantly above that already budgeted. Drilling was originally planned to recommence in late January. A seismic program that was planned for the second week of January over parts of the Blackwater CSG field will be delayed at no additional cost until access is re-established.

Access to the Blackwater power station construction site has been restricted due to the closure of the Bluff-Jellinbah Road and construction will recommence once conditions are improved.

The current floods have clearly been devastating for the communities in which Bow operates and it will be some time before the towns and businesses fully recover. To assist the relief process Bow has donated to the Queensland Premier's Flood Relief Appeal.

Bow CEO, John de Stefani, said "While the impact of the Queensland floods has been minimal to Bow, the impact on our communities has been significant so we will continue to support local businesses as much as possible.

Despite some delays, we remain committed to achieving our key targets for 2011 of achieving commercial gas flow rates, delivering additional reserves (targeting 1,250PJ 2P and 6,200PJ 3P), progressing development approvals for gas fields and pipelines and completing the Blackwater Power Project".

For and on behalf of the Board

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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 GIP potential across its CSG projects of over 13.8 Tcf and to date has certified net gas reserves of 2,360 petajoules (PJ) of 3P and 114 PJ of 2P. Bow is targeting 2011 year-end gas reserves of 1,250 PJ of 2P and 6,200 PJ of 3P.

Bow is currently developing the Blackwater Power Project, Bow's 100% owned 30 megawatt power station near Blackwater, central Queensland, which is scheduled for commissioning during first half of 2011.

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