



ASX Announcement

22 December 2010

Share Purchase Plan Oversubscribed Scaled back to \$30.0 million

The Directors of Bow Energy Ltd (ASX:BOW) are pleased to announce that it has received applications for over \$36 million under its Share Purchase Plan ("SPP"). The final amount is subject to cheque clearances and application confirmations, however as previously advised, Bow set a cap of \$30.0 million for the SPP and therefore applications will be scaled back on a pro-rata basis.

Funds raised from the SPP will be used for working capital and an expansion of exploration and appraisal activities in the Bowen, Cooper and Surat Basins.

Mr John De Stefani, Chief Executive Officer, said "Following the successful completion of the Institutional Placement in November 2010, which raised \$48.4 million, it is pleasing that support has been replicated across the balance of our register and has resulted in Bow exceeding the cap of \$30.0 million for the SPP. The capital raising program, along with the cash on hand, has provided Bow with cash funds of approximately \$120 million".

"Bow is now in a strong position to fund ongoing exploration and appraisal activities, production pilots, field infrastructure and pipeline approvals as well as completion of Bow's 30 MW Blackwater Power Project. The additional funds raised through the SPP strengthens Bow's ability to deliver commercial gas flows, early cash flow from electricity sales plus achieving gas reserves targets of 6,200PJ 3P and 1,250PJ 2P by end of 2011 across Bow's 100% owned Bowen Basin CSG fields to feed growing export and domestic gas markets", De Stefani concluded.

New shares issued under the SPP will rank equally with existing fully paid ordinary shares in Bow and are expected to be issued and allotted on Thursday, 23 November 2010.

For and on behalf of the Board
DP Cornish, Company Secretary

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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 third party estimates of GIP potential across its CSG projects of over 13.8 Tcf and to date has certified net gas reserves of 2,574 petajoules (PJ) of 3P and 114 PJ of 2P. Bow is targeting 2011 year-end 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, which is scheduled for commissioning during first half of 2011.

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