



c/- Mitchell & Partners
Level 7, 10 Barrack Street, SYDNEY NSW 2000
GPO Box 5460 SYDNEY NSW 2001
Phone: +61 (0)2 9392 8686
Fax: +61 (0)2 9299 8195
Email: admin@bowenenergy.com.au
Website: www.bowenenergy.com.au

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Company Announcements Platform
Australian Securities Exchange

PRO RATA RENOUNCEABLE ENTITLEMENT OFFER

Bowen Energy Limited (ASX:BWN) ("Bowen Energy") is pleased to release its prospectus for the pro rata renounceable entitlement offer ("Entitlement Offer") of new Bowen Energy ordinary shares ("New Shares") at 3.3 cents per New Share, to raise up to \$6.74 million before offer costs.

On 18 October 2011 Bowen Energy announced the Entitlement Offer. Bowen Energy confirms the timetable for the Entitlement Offer shall be as follows:

Event	Date
Lodgement of Prospectus with ASIC	19 December 2011
Notice sent to Shareholders	21 December 2011
Ex Date for Entitlement Offer	22 December 2011
Entitlement trading begins	22 December 2011
Record Date for determining Entitlements	7pm (AEDT), 30 December 2011
Prospectus despatched to Shareholders	4 January 2012
Entitlement Trading Ends	13 January 2012
Closing Date of Entitlement Offer	20 January 2012
Notify the ASX of Shortfall	25 January 2012
Despatch date/Deferred settlement trading ends / Shares entered into Shareholders' security holdings	30 January 2012

Further information regarding the Entitlement Offer is contained in the Prospectus which will be sent to Shareholders on or about 4 January 2012.

For further information, please contact:

Glenn Merchant

Company Secretary

Bowen Energy Limited

Phone: +61 (0)2 9392 8686

Fax: +61 (0)2 9299 8195

Email: admin@bowenenergy.com.au

Website: www.bowenenergy.com.au

BOWEN ENERGY LIMITED

ACN 120 965 095

ENTITLEMENT OFFER PROSPECTUS

For a pro rata renounceable Entitlement Offer of approximately 204,234,000 New Shares on the basis of 2.5 New Shares for every 1 Share held by Eligible Shareholders on the Record Date at an issue price of \$0.033 per New Share to raise approximately \$6,740,000 (the Entitlement Offer).

LEAD MANAGER



BurnVoir Corporate Finance Limited

Refer to Section 8.3(a) of this Prospectus for details regarding the terms of the Lead Manager Agreement.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the New Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The New Shares offered by this Prospectus should be considered as speculative.

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1. IMPORTANT NOTES

You should read this document in its entirety and, if in doubt, should consult your professional advisers.

This Prospectus is dated 19 December 2011 and a copy of this Prospectus was lodged with ASIC on that date. ASIC and the ASX take no responsibility for the content of this Prospectus.

The expiry date of the Prospectus is that date which is 13 months after the date of this Prospectus, being 19 January 2013 (**Expiry Date**). No Securities will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Applications for New Shares offered pursuant to the Entitlement Offer under this Prospectus can only be submitted on an original Entitlement and Acceptance Form which accompanies this Prospectus.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who reside in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

The Entitlement Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the Corporations Regulations. In New Zealand, this is Part 5 of the *Securities Act 1978* and the *Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008*.

The Entitlement Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and Corporations Regulations set out how the Entitlement Offer must be made.

There are differences in how securities are regulated under Australian law. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Entitlement Offer. If you need to make a complaint about the Entitlement Offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Entitlement Offer may involve a currency exchange risk. The currency for the Shares is not New Zealand dollars. The value of the Shares will go up or down according to changes in the exchange rate between that currency and New

Zealand dollars. These changes may be significant. If you expect the Shares to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

For those Shareholders with registered addresses outside of Australia and New Zealand, we have appointed BurnVoir Corporate Finance Limited (**BurnVoir**) to act as Nominee in relation to the Entitlement Offer. The Nominee will arrange the sale of the Entitlements that would have been given to those Shareholders with registered addresses outside of Australia and New Zealand and, if they are sold, for the net proceeds to be sent to those Shareholders.

The Nominee (or an associate) will only sell those Entitlements if there is a viable market in those Entitlements and a premium over the expenses of sale can be obtained. Any such sale will be at a price and be conducted in a manner that the Nominee will determine in its absolute discretion.

Neither the Company nor the Nominee will be liable for any failure to sell the Entitlements or to sell the Entitlements at any particular price. If there is no viable market for the Entitlements they will be allowed to lapse.

As noted at Section 4.12, we will apply to the ASX for Quotation of the New Shares. If Quotation is granted, the New Shares will be able to be traded on the ASX. If you wish to trade the New Shares through that market, you will have to make arrangements for a participant in that market to sell the New Shares on your behalf. As the ASX does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the Shares and trading may differ from securities markets that operate in New Zealand.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

TRANSACTION SPECIFIC PROSPECTUS

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that we are a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

ELECTRONIC PROSPECTUS

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting us.

Certain words and terms used in this Prospectus have defined meanings which are set out in Section 10 of this Prospectus.

In this Prospectus, the words 'we', 'our' and 'us' refer to the Company. The words 'you' and 'your' refer to Applicants to the Entitlement Offer.

2. INVESTMENT OVERVIEW

2.1. Important notice

This Section is not intended to provide full information for investors intending to apply for New Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

2.2. Summary of the Entitlement Offer

By this Prospectus, Bowen offers for subscription approximately 204,234,000 New Shares on the basis of 2.5 New Shares for every 1 Share held by Eligible Shareholders on the Record Date at an offer price of \$0.033 per New Share.

Fractional Entitlements will be rounded up to the nearest whole number.

The Entitlement Offer is priced at \$0.033 per New Share (**Offer Price**). This represents an 8.33% discount to the closing market price of the Shares on 17 October 2011 (being the last trading day prior to the day on which the Entitlement Offer was announced) and a 12.25% discount to the average closing market price over the last five trading days on which the Shares traded prior to the announcement of the Entitlement Offer on 18 October 2011. The Offer Price represents a 17.86% premium to the closing market price of the Shares on 16 December 2011, being the last trading day prior to lodgement of this Prospectus.

Our major Shareholder, Bhushan, has indicated to the Board its intent to take up its full Entitlement under the Entitlement Offer up to an agreed shareholding cap of 89.9% (the **Bhushan Cap**). For details regarding Bhushan's Entitlement and the Bhushan Cap, please see Section 2.8.

2.3. Bowen and its business model

Bowen is a Queensland-based coal, base metals, uranium and precious metals exploration company. Bowen was incorporated on 28 July 2006 and listed on the ASX on 15 February 2007 (ASX Code: BWN).

Our corporate strategy is to achieve long term growth in Shareholder wealth through the discovery and development of major ore deposits at our ten coal exploration permits and seven exploration leases for base metals, uranium and precious metals.

For further information regarding our Projects please refer to Section 3.

2.4. Timetable and important dates*

Lodgement of Prospectus with ASIC	19 December 2011
Notice sent to Shareholders	21 December 2011
Ex Date for Entitlement Offer	22 December 2011
Entitlement trading begins	22 December 2011
Record Date for determining Entitlements	7pm (AEDT), 30 December 2011
Prospectus despatched to Shareholders	4 January 2012
Entitlement Trading Ends	13 January 2012
Closing Date of Entitlement Offer	7pm (AEDT) 20 January 2012
Notify the ASX of any Shortfall	25 January 2012
Despatch date/Deferred settlement trading ends / Shares entered into Shareholders' security holdings	30 January 2012

* These dates are indicative only and subject to change. We reserve the right, subject to the Corporations Act, Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer, including, but not limited to, extending the Closing Date or accepting late Entitlement and Acceptance Forms, either generally or in particular cases, without notifying you. You are encouraged to submit your Entitlement and Acceptance Form as soon as possible. The Entitlement Offer does not require the approval of Shareholders.

2.5. Purpose of the Entitlement Offer

The purpose of the Entitlement Offer is to raise up to approximately \$6,740,000 (before expenses), with a minimum subscription of \$4,350,000 (being Bhushan's Entitlement subject to the Bhushan Cap).

2.6. Use of funds raised

The proceeds of the Entitlement Offer are planned to be used in accordance with the table set out below:

Proceeds of the Entitlement Offer	Minimum Subscription \$	Maximum Subscription \$
Exploration expenditure	3,230,000	5,410,000
Working capital	750,000	960,000
Expenses of the Entitlement Offer ¹	370,000	370,000
Total	4,350,000	6,740,000

Note: ¹The estimated expenses of the Entitlement Offer are set out in Section 2.11.

No proceeds from the Entitlement Offer are to be applied to the repayment of the existing facility under the Bhushan Loan Agreement as we are not presently required to repay the facility and the Board is of the view that the funds of the Entitlement Offer are most appropriately applied to maintaining our tenements and carrying out our exploration programs. For further details of the Bhushan Loan Agreement, please see Section 8.3(b).

A breakdown of the projected exploration expenditure, should the maximum subscription be raised, is set out below.

Projects and Tenements	Budgeted Exploration Expenditure (\$'000s)	Comments
East Middlemount EPC1014 and EPC1085	1,585	A drilling proposal for up to ten combined chip and HQ core holes was prepared to target areas with potential to host small PCI quality targets. Drilling was expected to commence in late 2011, however the proposed program is currently being re-evaluated due to the recent moratorium on working in urban areas which impacted the region around Middlemount.
West Rolleston (EPC1001, EPC1002 Bhushan JV), EPC1084 and EPC1187	1,970	Drilling commenced at the Project in November 2011. Four holes have been completed of a planned 21 hole program (one hole in EPC1002 and three holes in EPC1187) and includes drilling on large EPC1187 (300 sub blocks) for the first time to determine if minor coal seams intersected previously in EPC1002 improve to the south and west. Program to continue following the wet season.
Tarong EPC1083	1,075	Drilling commenced at the Project in October 2011. Four holes have been completed of a planned 12 hole program. Re-evaluation of potential in southern areas will require ongoing drilling to evaluate the program within current budget. Program to continue following the wet season.
Archie Creek E80/3537, E80/3898	250	A technical review and targeting study has been completed on the Project. A geochemical survey was completed during the quarter ending 30 September 2011 to test a number of exploration targets at surface for vanadium, base metals and uranium. Follow-up programs are now being planned to test additional targets identified from regional data which will likely involve drill testing to determine sub-surface responses.
Croydon EPM16267, EPM16272, EPM16274,EPM17364	360	A geophysical survey has been completed on this Project. Two core holes are planned to be drilled on geophysical targets. The Croydon project area is in a remote location and will require specialised drilling crews for containment of expected artesian water in this drilling program.
Glen Isla EPM14910	-	Minimum expenditure obligations in relation to this tenement are the responsibility of Empire, which holds an option to acquire this tenement granted by Bowen on 29 November 2010. The Company bears no current expenditure obligations under the option agreement (see section 8.3(d) for details).

Bulls Eye Creek EPMA 16269, EPMA16270	170	This amount represents the initial expenditure to complete surface exploration and reconnaissance work programs leading to drilling programs if successful in subsequent years.
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A number of the above tenements are now in their final year of granted tenure. Renewals have been lodged for E80/3898, EPC1001 and EPC1083 and a number of renewals are to be lodged in the near future in respect of EPM16267, EPM16272 and EPM16274. Most tenements have been operated on minimal expenditure to date, sufficient to maintain them in good standing. However, as expenditure obligations increase annually on each tenement, and there is a requirement to partially relinquish ground on an annual basis, additional funding is required to adequately provide for technical evaluation and drilling campaigns to determine if the Projects demonstrate sufficient prospectivity to be retained or renewed. The exploration programs described above and in Section 3 are intended to provide the Board with sufficient information to make such determinations on a tenement by tenement basis.

If we raise between the minimum and the maximum subscription, the cash available for use as working capital (as set out in the table above) will be decreased accordingly. Where only the minimum subscription amount is raised, we will be required to scale back our proposed exploration programs. In those circumstances the Board will prioritise our exploration expenditure, based on the status of the work program at each project.

The above tables are a statement of current intentions as of the date of lodgement of this Prospectus with ASIC. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

2.7. Effect of the Entitlement Offer

The principal effect of the Entitlement Offer (if fully subscribed) will be to:

- (a) increase the cash reserves by approximately \$6,370,000 immediately after completion of the Entitlement Offer after deducting the estimated expenses of the Entitlement Offer; and
- (b) increase the number of Shares on issue from approximately 81,694,000 to 285,928,000 Shares following completion of the Entitlement Offer.

The Board has formed the view that the Entitlement Offer will be sufficient to ensure we will be able to settle our payment obligations as they fall due in the ordinary course of business.

The Entitlement Offer allows us to reduce our reliance on the facility under the Bhushan Loan Agreement and to reduce our level of gearing (expressed as a percentage of debt to total equity). Moreover, the amount available under the facility is insufficient to fund our budgeted requirements as described in Section 2.6.

2.8. Effect on capital structure

A comparative table of changes in our capital structure as a consequence of the Entitlement Offer is set out below, assuming that the Entitlement Offer is fully subscribed.

Shares	Number
Shares on issue at date of Prospectus	81,694,000
Shares now offered	204,234,000
Total Shares on issue after completion of the Entitlement Offer	285,928,000

Our major Shareholder, Bhushan, has confirmed to the Board its intent to take up its full Entitlement (subject to the Bhushan Cap, described below). Bhushan currently holds 73.6% of our issued share capital.

If the Entitlement Offer is fully subscribed, there will be no change in Bhushan's percentage ownership of the Company. Where Bhushan takes up its Entitlement under the Entitlement Offer and other Shareholders (or new investors) do not, Bhushan's shareholding in the Company (expressed as a percentage of the total issued share capital) would increase.

Bhushan has agreed to have its Entitlement scaled back in accordance with the Bhushan Cap.

In the absence of the Bhushan Cap, were Bhushan to take up its full Entitlement, Bhushan's likely shareholding in the Company, where no other Entitlements are taken up by other Shareholders or new investors, would reach 90.7%.

Under Part 6A.2 of the Corporations Act, if Bhushan acquires 90% or more of the Company's Shares, it is able to exercise a general compulsory acquisition power for the remaining Shares (subject to complying with the provisions of the Corporations Act). The Bhushan Cap is in place to allow our minority Shareholders to maintain their shareholding following the Entitlement Offer. The Board believes that the imposition of the Bhushan Cap, assists in striking a fair balance between our fundraising requirements and protecting the interests of minority Shareholders.

The table below shows Bhushan's likely shareholding in the Company (expressed as a percentage) in circumstances where 100%, 50% and no other Entitlements are taken up by other Shareholders or new investors:

Percentage of Entitlements Taken Up by Shareholders (other than Bhushan) and Acquirers of Entitlements	Bhushan's Percentage Shareholding ¹
100%	73.6%
50%	81.3%
0%	89.9% ²

Note:

¹ Assumes Bhushan takes up its full Entitlement under the Entitlement Offer.

² Capped at 89.9%.

Six months following the issue of New Shares, Bhushan may increase its shareholding to equal to or above 90% (using the creep exception in section 611, item 9 of the Corporations Act). In this case, Bhushan may (within six months) exercise its compulsory acquisition powers under the Corporations Act. Please see Section 7.5 for further details of the compulsory acquisition procedure.

2.9. Directors' interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within two years before the lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Entitlement Offer; or
- (c) the Entitlement Offer,

and we have not paid or agreed to pay any amount (in cash, Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or the Entitlement Offer pursuant to this Prospectus.

Directors' interests in securities of the Company at the date of this Prospectus are¹:

Name	Shares	Options	Entitlement - New Shares	Remuneration (\$)
Neil Stuart	1	Nil	3	\$52,000
Mark Sheppard	10,000	Nil	25,000	\$240,000
Neeraj Singal	60,127,689 ^{2,3}	Nil	150,319,223	Nil
Brij Bhushan Singal	60,127,689 ^{2,3}	Nil	150,319,223	Nil
Nittin Johari	60,127,689 ^{2,3}	Nil	150,319,223	Nil
Anil Ahuja	60,127,689 ^{2,3}	Nil	150,319,223	Nil

Notes:

1. Our major Shareholder, Bhushan, has indicated to the Board its intent to take up its Entitlement under the Entitlement Offer, subject to the Bhushan Cap.

2. Held by Bhushan.

3. 11,406,638 Shares were acquired during the 2010 financial year through the on market takeover bid by Bhushan.

Non-executive Director remuneration is determined within the aggregate Director's fee pool, which is periodically recommended for approval by Shareholders. The Australian based Directors (Mark Sheppard and Neil Stuart) each receive a fee for being a Director of the Company. The Indian based Directors (being all other Directors), including the Managing Director, have elected not to receive any fees. No additional fees are paid for Board committee membership. Should a Director be requested by the chairman to undertake review work additional to normal Board and Board committee work, the Director receives additional fees based on commercial hourly rates.

The Executive Director's remuneration is fixed. The level is set so as to provide a base level of remuneration, which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Board and the process consists of a review of company-wide, business unit and individual performance, relevant comparative remuneration in the market as well as internal and, where appropriate, external advice on policies and practices.

2.10. Key risks

The Directors are of the view that the New Shares offered under this Prospectus should be considered speculative because of the nature of the Company's business and that an investment in the Company is subject to a number of risks.

Set out below is a summary of the key risk factors which should be considered before subscribing for New Shares under this Prospectus. This list is not exhaustive and you should examine the contents of this Prospectus, including the risk factors outlined in more detail in Section 7, and consult your professional advisers before deciding whether to apply for New Shares.

(a) Financial risks

We recorded a loss of \$1,467,775 for the year ended 30 June 2011 with cash outflows from operations of \$755,053 during the period.

As of 30 June 2011, our current liabilities exceeded current assets by \$7,409,250. The degree to which the Company is leveraged could have negative consequences such as:

- (i) a substantial portion of our potential future cash flow being required to service debt; or
- (ii) the Company being required to raise additional equity to pay down debt.

The Directors form the view, however, that the Entitlement Offer will be sufficient to ensure that we will be able to settle our liabilities as they fall due in the ordinary course of business. For further details, please refer to Section 7.1.

(b) Exploration risks

Our Projects are at an early stage of exploration, and you should understand that mineral exploration and development are high-risk undertakings.

Even if an apparently viable deposit is identified, there is no guarantee that we can economically exploit it.

Our future exploration activities may be affected by a range of factors including geological conditions, limitations on activities due to unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations, access to sufficient development capital, adverse weather conditions and many other factors beyond our control.

Two of our exploration permits, EPC 1083 (Tarong Project) and EPC 1014 (part of the East Middlemount Project), are located in an area over which the Queensland Government has introduced temporary measures to address the impact of mining exploration on urban areas. Under these measures we were requested by the

Queensland Government to voluntarily relinquish sub-blocks of land relating to EPC 1083 and EPC 1014. We chose not to relinquish the relevant sub-blocks under the measure. However, future legislation or measures introduced by the Queensland Government may have a significant impact on our ability to conduct our operations, and may lead to the compulsory relinquishment of part or all of EPC 1083 and/ or EPC 1014. Further details of these measures and the risk they bear to the Company are set out in Section 7.2.

Further, if the *Strategic Cropping Land Bill 2011 (Strategic cropping legislation)*, aimed at preserving the productive capacity of arable land, is enacted in Queensland then our ability to carry out future exploration programs in certain areas may be limited or prevented. Further details regarding the Strategic Cropping legislation are set out in Section 7.2.

(c) **Adverse weather conditions**

Our exploration activities have been affected unfavourably by seasonal weather patterns in past years. As announced in our Activities Report for January – March 2011, no drilling or related field work programs were possible during that quarter due to flooding and weather related access issues on the tenements. Future exploration programs may also be subject to disruption by adverse weather conditions which could lead to a reduction in the value of the Projects, a reduction in our cash reserves and possible relinquishment of one or more of our Projects.

(d) **Minority Shareholder and liquidity risk**

Bhushan, has indicated to the Board its intent to take up its full Entitlement under the Entitlement Offer (subject to the Bhushan Cap). Bhushan currently holds 73.6% of the issued share capital of the Company. Should Bhushan's percentage shareholding increase to above 75%, Bhushan will be able to pass special resolutions at a general meeting of the Company (subject to the requirements of the Corporations Act, the Listing Rules and other legislation) in addition to its ability to pass ordinary resolutions (which it currently has the capacity to do).

(e) **Compulsory acquisition**

If Bhushan's interest in the Company increases to 90% or more in the future, Bhushan will acquire a discretionary statutory power to compulsorily acquire the remaining Shares in the Company. However, Bhushan, will not be entitled to acquire further Shares in reliance on the exception in section 611, item 9 of the Corporations Act, for six months following the issue of the New Shares. Bhushan has not indicated to us whether it intends to proceed with compulsory acquisition should it acquire the ability to do so in the future. Further details regarding compulsory acquisition are set out in Section 7.5.

(f) **Access and compensation**

The *Mineral Resources Act 1989 (Qld)* requires that prior to the grant or renewal of an exploration tenement, the holder of the tenement must enter into a compensation agreement with each land owner who owns land to which the tenement is subject (**Landowner**). We are currently negotiating an access and compensation agreement with the Landowners of the Tarong Project (EPC 1083). We will also be required to negotiate access and compensation agreements with the Landowners of other tenements in the future. While we consider that we have good relations with relevant Landowners, any failure to obtain the access and compensation arrangements required, or any dispute with a Landowner with regard to access and

compensation, could adversely affect the Company and its ability to carry out exploration activities.

(g) **Litigation risk**

We may be exposed to potential legal and other claims or disputes in the future which could negatively impact our financial performance through damages, payments and harm to our reputation. We are in current litigation in the Federal Court of Australia, the details of which are set out in Section 8.5 below.

2.11. Estimated expenses of the Entitlement Offer

In the event that the Entitlement Offer is fully subscribed, the estimated expenses of the Entitlement Offer are as follows:

	\$
ASIC fees	2,137
ASX fees	15,100
Lead Manager Fees	210,000
Legal expenses	90,000
Registry and other expenses	52,763
Total	370,000

3. OVERVIEW OF PROJECTS

We hold significant land positions, principally within the Bowen Basin, exploring for Coking, PCI and Thermal coal deposits. We currently hold interests in ten exploration permits either through joint venture arrangements or in our own right.

We have entered into two Joint Venture Agreements with Bhushan regarding exploration of EPC 1045/EPC 1206 and EPC 1001/EPC 1002 (**Bhushan JV**). If the results of the exploration program meet certain conditions, we will apply for a mining lease and other approvals for the construction and operation of a mine in the relevant area. Under the Bhushan JV, Bhushan is liable for the costs required to commission the mine.

In addition, we hold seven granted exploration leases for uranium, base and precious metals.



Current exploration Projects are summarised in the following table.

PROJECT	TENEMENT	NAME	HOLDER	STATUS	NO. OF SUB-BLOCKS	GRANT DATE
Blackwater South	EPC1045	SHOTOVER	BHUSHAN/ KONDOR HOLDINGS ¹	GRANTED	222	23/05/2007
	EPC1206	PLANET DOWNS	BHUSHAN / BOWEN	GRANTED	34	19/06/2009
East Middlemount	EPC 930	RICHFIELD	ROCKLANDS/ BOWEN ENERGY	GRANTED	240	7/04/2005
	EPC 1014	COCKATOO	GOLDEN COUNTRY ¹²	GRANTED	22	20/03/2006

	EPC 1085	NORTH MIDDLEMOUNT	BOWEN	GRANTED	3	23/01/2007
West Rolleston ⁴	EPC 1001	MT CHEOPS	BHUSHAN /GOLDEN COUNTRY	GRANTED	22	12/01/2006
	EPC 1002	KIA ORA	BHUSHAN /GOLDEN COUNTRY	GRANTED	40	26/09/2007
	EPC 1084	SPRINGSURE SOUTH	BOWEN	GRANTED	26	23/01/2007
	EPC 1187	BUCKLAND	BOWEN	GRANTED	300	4/08/2010
Tarong	EPC 1083	COOYAR	BOWEN	GRANTED	145	26/03/2009
Glen Isla	EPM 14910	GLEN ISLA	AUSGEO	GRANTED	5	26/05/2006
Croydon	EPM 16267	CLARA RIVER 1	BOWEN	GRANTED	50	20/01/2010
	EPM 16272	CLARA RIVER 2	BOWEN	GRANTED	50	20/01/2010
	EPM 16274	CLARA RIVER 3	BOWEN	GRANTED	46	20/01/2010
	EPM 17364	NORMAN RIVER	BOWEN	GRANTED	26	3/11/2009
Bullseye Creek ³	EPM 16269	BULLSEYE CREEK 1	BOWEN	PENDING	98	
	EPM 16270	BULLSEYE CREEK 2	BOWEN	PENDING	99	
Archie Creek	EL 80/3537	ARCHIE CREEK	BOWEN	GRANTED	24	19/09/2006
	EL 80/3898	SABRINA	BOWEN	GRANTED	106	23/04/2009

Notes:

¹ & ² Wholly owned subsidiaries of the Company.

³ We have accepted the offer of grant in relation to EPM's 16269 and 16270. Final grant is pending subject to approval by the Queensland Department of Employment, Economic Development and Innovation (DEEDI).

⁴ With regard to the West Rolleston Project, EPC's 1001 and 1002 are held under the Bhushan JV, while EPCs 1084 and 1187 are wholly owned by us.

3.1. Exploration project management

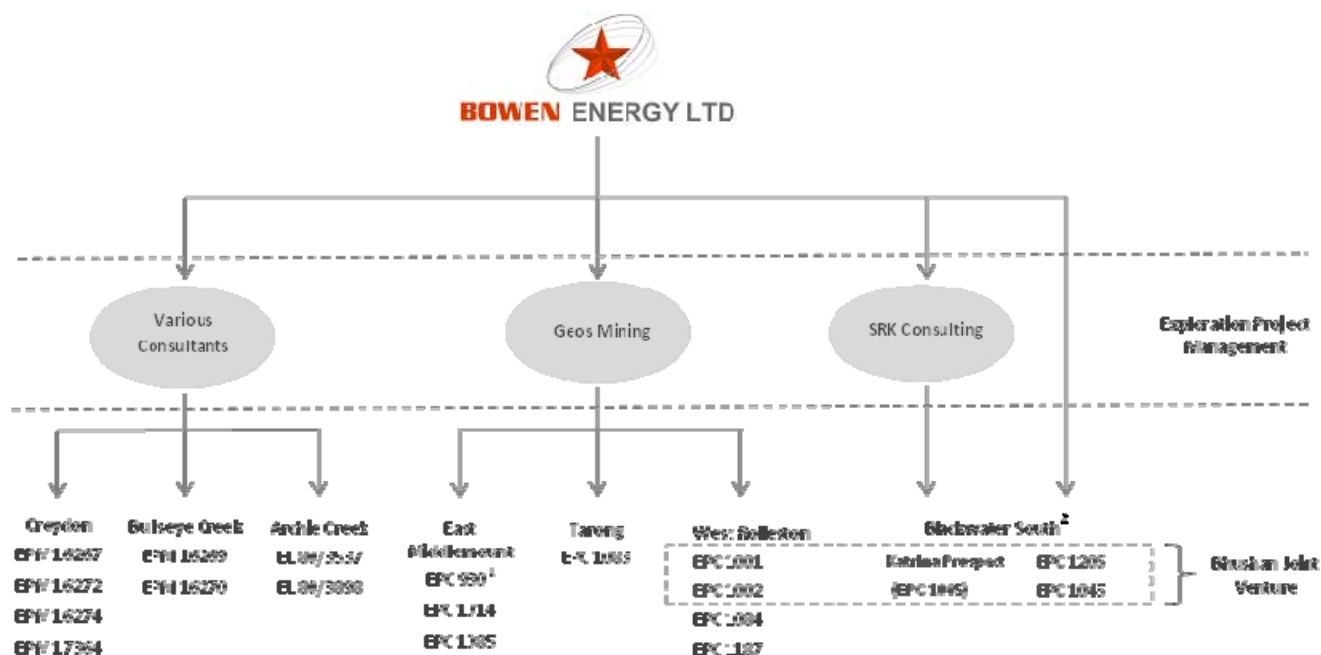
We have initiated an exploration work program for the tenements owned outside the Bhushan JV and for tenements held under the Bhushan JV, subject to our commitment to provide our proportion of funding towards exploration of the joint venture Projects.

The work program exceeds the minimum required to maintain the tenements in good standing. The Board considers the scope of the program reasonable to better assess the exploration potential of the tenement package.

Geos Mining successfully won the tender to provide exploration project management services for the coal exploration Projects situated at Tarong, West Rolleston and East Middlemount. A number of other mineral exploration and

geophysical consultancy services groups have been retained to manage work programs at Croydon, Archie Creek and Bullseye Creek.

The diagram below depicts the exploration project management structure implemented by us across our various Projects:



Notes:

¹ EPC 930 is under a Joint Venture Agreement with Rockland Richfield Ltd.

² SRK Consulting currently provides project management consulting services in relation to the Katrina Prospect within EPC 1045. The remainder of the Blackwater South exploration activities are currently being managed by Bowen directly.

Geos Mining are continuing a process of geological review of work programs previously completed in relation to the Tarong, West Rolleston and East Middlemount Projects with a view to developing new work programs and geological targets to enable concurrent target drilling. Following a review of tenders, we have awarded a contract to Geos Mining to facilitate these drilling programs. Geos Mining are also continuing the process of Landowner notifications and the development of compensation agreements required under the new land access regulations introduced by the Queensland Department of Employment, Economic Development and Innovation (DEEDI).

Under the Bhushan JV, SRK Consulting was engaged to conduct a work program for the Katrina Prospect located within EPC 1045 at the Blackwater South Project, including pre-drilling works, exploration drilling and geophysical surveys, interpretation of exploration data and modelling of geological data.

3.2. Project details – Non-Bhushan JV assets

Set out below are some key features of assets held by us that do not form part of the Bhushan JV.

(a) East Middlemount

The Project is situated in the Bowen Basin. A drilling proposal developed by Geos Mining for up to ten combined chip and HQ core holes was prepared to target areas with potential to host small PCI quality targets. Drilling was expected to commence in late 2011, however the proposed program is currently being re-evaluated due to the recent moratorium on working in urban areas which impacted the region around Middlemount. Please refer to Section 7.2 for further details of the exploration risks associated with the Queensland Government's review of exploration-urban interface issues, including with respect to the East Middlemount Project.

We have previously completed ten open drill holes for 3084 metres, successfully geophysically logged nine holes, and received analytical results from chip samples for the drill holes.

Analytical results demonstrate the samples (F1.8 fraction on chip samples) suggest they are sub-anthracite to anthracite low volatile coals that may potentially produce a PCI quality coal product.

(b) Tarong

The Tarong Project covers approximately 530 square kilometres over sections of the Tarong, Surat and Clarence-Morton Basins in south-east Queensland.

A TSIM (Thiel Surface Impedance Method) Survey was conducted over selected traverses within EPC1083. The shallow penetrating electromagnetic survey was conducted as a trial to evaluate the effectiveness of the technique in discriminating geological features through shallow alluvial and variable regolith conditions. As some areas with the Project are environmentally and culturally sensitive this technique may offer a non-ground disturbing approach to exploring in these areas. We are currently evaluating the results of this trial.

Geos Mining is currently overseeing the management of the coal exploration Project to evaluate the coal potential in this region. Drilling commenced at the Project in October 2011. Currently, we have completed four holes of a planned 12 hole program, with preliminary results suggesting that no coal has been intersected in the four initial scout holes.

A program of obtaining access and compensation agreements with Landowners has commenced. Please refer to Section 7.6 for details of the potential risks associated with access and compensation arrangements.

(c) Archie Creek

The Archie Creek Project is located approximately 120 kilometres south west of Kununarra and approximately 35 kilometres from the potentially mineralized Dunham fault zone. The Project is centred on the Proterozoic Speewah Group of rocks. The Speewah group consists of a package of porphyritic and rhyolitic volcanic and pyroclastic rocks overlain by a sequence of arkosic sediments.

We have completed a technical review and targeting study on the Project. During the September quarter of 2011, we completed a subsequent geochemical survey to test a number of exploration targets for vanadium, base metals and uranium.

Interpretation of these results has not identified any significant mineralisation. We are now planning follow-up programs to test additional targets identified from regional data.

(d) Croydon

The Croydon Uranium Project is located to the south east of Croydon in North Queensland. The Project contains a prominent magnetic complex which is evident in the government regional airborne magnetic data. Earlier exploration in the region indicates this magnetic feature lies beneath approximately 100 metres of Mesozoic and Jurassic cover sequences.

We consider this area to be prospective for magmatic nickel-copper-PGE mineralisation. Empirically key features of these deposit types are interpreted to be present in the Project area.

Remodelling of the regional magnetics for the Project has been completed and, as a result six electromagnetic test lines, were scheduled to be completed during the September quarter of 2011.

We commissioned six electromagnetic lines as a result of our review of the Project and modelling of the magnetic anomalies. Field data collection was initiated in September 2011 and completed in October 2011. Preliminary review of the raw data indicates that no significant bedrock conductor has been identified below the moderate to shallow cover sequences.

(e) West Rolleston

EPC1084 and EPC1187 target the Permian Bandanna Formation, a corollary of the Rangal Coal Measures. The upper Bandanna Formation potentially contains multiple coal seams.

We completed two boreholes on EPC1084 during 2009 and 2010. As previously stated in this Prospectus, Geos Mining is currently overseeing the management of the coal exploration Project.

Drilling has commenced on EPC 1187 with three holes now completed. We have not confirmed the results of the drilling, which is subject to completion of geophysical logging and interpretation work.

3.3. Project details – Bhushan JV assets

Set out below are some key features of assets held by the Company that form part of the Bhushan JV.

(a) Blackwater South

The Katrina Prospect is located within EPC1045 in the Bowen Basin of Central Queensland.

Preliminary exploration completed by the Company under the Bhushan JV has identified two possible seams at the Katrina Prospect within EPC1045, with a thickness of greater than 1.6 metres below 370 to 640 metres from surface.

Two high level scoping studies of the Katrina Prospect have been undertaken. Both studies have confirmed the presence of two correlated coal seams, the Aries 1 and the Castor 1 seams, as having sufficient potential to warrant continued exploration.

The prospect is now considered by the Company to be at an advanced exploration stage. SRK Consulting has been engaged by the Bhushan JV to progress the Project to resource definition.

The tender for an initial stage of 2D seismic data acquisition has been awarded to Velseis Pty Ltd, with data acquisition expected to be completed by the end of December 2011.

(b) West Rolleston

EPC1001 and EPC1002 target the Permian Bandanna Formation, a corollary of the Rangal Coal Measures. The upper Bandanna Formation potentially contains multiple coal seams as previously mentioned in this Prospectus.

With respect to Projects included in the Bhushan JV, drilling has commenced on EPC 1002 with one hole now completed. The results of the drilling are yet to be confirmed, subject to completion of geophysical logging and interpretation work.

3.4. Competent Person statement

The information in this Prospectus that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mark Sheppard BSc, MSc, MAusIMM, MAAG, who is a Member of the Australasian Institute of Mining and Metallurgy.

Mr Sheppard is a full-time employee of the Company and is our Executive Director. Mr Sheppard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

4. DETAILS OF THE OFFER

4.1. Entitlement Offer

By this Prospectus, we offer for subscription approximately 204,234,000 New Shares in a pro-rata renounceable Entitlement Offer to Eligible Shareholders on the basis of 2.5 New Shares for every 1 Share held on the Record Date at an issue price of \$0.033 per New Share.

If fully subscribed, the Entitlement Offer will raise approximately \$6,740,000. The purpose of the Entitlement Offer and the use of funds raised are set out in Sections 2.5 and 2.6 of this Prospectus respectively.

Fractional Entitlements will be rounded up to the nearest whole number.

4.2. Pricing

The Entitlement Offer is priced at \$0.033 per New Share (**Offer Price**). This represents an 8.33% discount to the closing market price of the Shares on 17 October 2011 (being the last trading day prior to the day on which the Entitlement Offer was announced) and a 12.25% discount to the average closing market price over the last five trading days on which the Shares traded prior to the announcement of the Entitlement Offer on 18 October 2011. The Offer Price represents a 17.86% premium to the closing market price of the Shares on 16 December 2011, being the last trading day prior to lodgement of this Prospectus.

The Board believes that the Offer Price is reasonable and strikes an appropriate balance between the Company's fundraising objectives and the potential dilution effect of the Entitlement Offer on the holdings of Shareholders who elect not to take up their Entitlement.

4.3. Size

We have 81,693,738 Shares on issue with paid-up share capital of \$14,662,566. The Entitlement Offer seeks to raise a maximum of approximately \$6,740,000, that is, approximately 46% of our paid-up share capital. As of 30 June 2011, our current liabilities exceeded current assets by \$7,409,250 putting us in a net liability position of \$4,043,124. The size of the Entitlement Offer ensures that we have sufficient working capital to meet our forecast expenditure over the next 12 months.

The minimum subscription specified under the Entitlement Offer is approximately \$4,350,000, representing Bhushan's Entitlement (subject to the Bhushan Cap). This amount reflects the outcome of extensive deliberations by the Board regarding our minimum capital requirements for the next 12 months.

4.4. Timing

The Entitlement Offer is not being undertaken as an accelerated entitlement offer. In addition, we have provided you with more time to consider whether to participate in the Entitlement Offer than is the minimum required under the Listing Rules.

4.5. Renounceability

The Entitlement Offer is renounceable meaning that if you are an Eligible Shareholder and you do not elect to participate, you may nevertheless sell your Entitlement on-market. The renounceability of the Entitlement Offer seeks to widen the pool of

potential Applicants, promote a greater level of subscription for the Entitlement Offer and reduce the potential control effect of the Entitlement Offer.

4.6. Type of fundraising

As noted at Section 8.3(b), under the Bhushan Loan Agreement, we have established a \$10,000,000 loan facility. Inclusive of capital interest, the amount outstanding under this facility is \$8,100,000. This amount is more than twice the amount of our market capitalisation. The Entitlement Offer, as a capital raising, will allow us to meet our projected level of expenditure for the next 12 months without increasing our debts.

4.7. How to apply

(a) Shareholder Rights

If you are an Eligible Shareholder, your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Prospectus. You may participate in the Entitlement Offer as follows:

- (i) take up your Entitlement in full (refer to Section 4.7(b));
- (ii) take up part of your Entitlement and elect for the balance to be sold or to lapse (refer Section to 4.7(c));
- (iii) sell all or part of your Entitlement on the ASX (refer Section 4.7(d));
- (iv) transfer all or part of your Entitlement other than on-market via the ASX (refer Section 4.7(e)); or
- (v) renounce all of your Entitlement (refer to Section 4.7(f)).

For those Shareholders with registered addresses outside of Australia and New Zealand (**Ineligible Shareholders**), we have appointed BurnVoor to act as Nominee in relation to the Entitlement Offer. The Nominee will arrange the sale of the Entitlements that would have been given to Ineligible Shareholders, and if they are sold, for the net proceeds to be sent to those Ineligible Shareholders.

The Nominee (or an associate) will only sell those Entitlements if there is a viable market in those Entitlements and a premium over the expenses of sale can be obtained. Any such sale will be at a price and be conducted in a manner that the Nominee will determine in its absolute discretion.

Neither the Company nor the Nominee will be liable for any failure to sell the Entitlements or to sell the Entitlements at any particular price. If there is no viable market for the Entitlements they will be allowed to lapse.

We reserve the right to reject any Entitlement and Acceptance Form that is received after the Closing Date. You may apply for any number of New Shares up to your full Entitlement. The Closing Date for Applications is 7:00pm (AEDT) on 20 January 2012 (however, this date may be varied by us, in accordance with the Listing Rules).

(b) Taking up all of your Entitlement

If you are an Eligible Shareholder and you wish to take up your Entitlement in full, complete the Entitlement and Acceptance Form in accordance with the instructions set out on the form.

Please return your completed Entitlement and Acceptance Form together with your Application Monies in accordance with Section 4.8 for the amount shown on the Entitlement and Acceptance Form to the Share Registry so that it is received no later than 7:00pm (AEDT) on 20 January 2012 at the address set out below:

By hand delivery

Bowen Energy Ltd
C/- Boardroom Pty Ltd
Level 7, 207 Kent Street
Sydney NSW 2000

By post

Bowen Energy Ltd
C/- Boardroom Pty Ltd
GPO Box 3993
Sydney NSW 2001

- (c) Taking up part of your Entitlement and electing for the balance to be sold or to lapse

If you are an Eligible Shareholder and you wish to take up part of your Entitlement and sell the balance on the ASX, complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the other steps required in accordance with Section 4.7(b). If payment is made and we receive an amount that is less than the Offer Price multiplied by your Entitlement (**Reduced Amount**), your payment may be treated as an application for as many New Shares as your Reduced Amount will pay for in full. For that part of your Entitlement that you wish to sell, liaise with your stockbroker accordingly, about their requirements for trade and settlement.

- (d) Selling your Entitlement on the ASX

If you are an Eligible Shareholder and you wish to sell your Entitlement on the ASX, liaise with your stockbroker about their requirements for trade and settlement. Entitlement trading commences on 22 December 2011. You must deal with the part of your Entitlement that you do not wish to accept by no later than 13 January 2012, being the last day that Entitlements will trade on the ASX.

- (e) Transfer of Entitlement other than on-market via the ASX

If you are an Eligible Shareholder and you wish to transfer all or part of your Entitlement to another person other than on-market using the ASX, then you must forward the following:

- (i) a completed standard renunciation form (available from the Share Registry); and
- (ii) a transferee's cheque for the amount due in respect of the New Shares to the Share Registry using the addresses set out in Section 4.7(b) by not later than 7:00pm (AEDT) on 20 January 2012.

If we receive both a completed renunciation form and an Entitlement and Acceptance Form, we will accept the renunciation form and reject the Entitlement and Acceptance Form.

- (f) Renouncing all of your Entitlement

If you are an Eligible Shareholder and you do not wish to accept any part of your Entitlement and do not intend to sell or transfer your Entitlement, do not take any further action.

If you are an Eligible Shareholder and you do not accept or sell your Entitlement in accordance with the instructions set out above, your Entitlement for any New Shares under the Entitlement Offer (or New Shares that relate to the portion of your Entitlement that has not been accepted or sold) will lapse after the Closing Date.

4.8. Payment

The consideration for the New Shares is payable in full on return of an Entitlement and Acceptance Form by a payment of \$0.033 per New Share.

The Entitlement and Acceptance Form must be accompanied by a cheque for the Application Monies, unless payment is being made via Electronic Funds Transfer as outlined below. Cheques must be drawn in Australian currency on an Australian bank and made payable to 'Bowen Energy – Entitlements Issue Account' and crossed 'Not Negotiable'.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your Entitlement and Acceptance Form may not be accepted. Please note that post dated cheques may not be accepted.

Alternatively, payment can be made via Electronic Funds Transfer (**EFT**) by following the instructions on the enclosed Entitlement and Acceptance Form. If you pay by EFT you must still complete and return your Entitlement and Acceptance Form along with a receipt of the EFT transaction. Note it is the responsibility of the Applicant to ensure funds submitted through EFT by not later than 7:00pm (AEDT) on 20 January 2012. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment. You should take this into consideration when making payment.

You must not forward cash by mail. Receipts for payment will not be issued.

4.9. Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Entitlement and Acceptance Form. The Directors' (or their delegates') decision whether to treat an application as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

4.10. Minimum subscription

The minimum subscription in respect of the Entitlement Offer is \$4,350,000. This amount is equivalent to Bhushan taking up its full Entitlement under the Entitlement Offer (subject to the Bhushan Cap).

No New Shares will be allocated or issued until the minimum subscription has been received. If the minimum subscription is not achieved within four months after the date of the issue of this Prospectus, we will either repay the Application Monies to you or issue a supplementary prospectus or replacement prospectus and allow you one month to withdraw your Application and be repaid your Application Monies.

4.11. Underwriting

The Entitlement Offer is not underwritten.

4.12. Australian Securities Exchange Listing

Application for Quotation by the ASX of the New Shares will be made within seven days after the date of this Prospectus. If approval is not obtained from the ASX before the expiration of three months after the date of issue of the Prospectus (or such period as modified by ASIC), we will not issue any New Shares and will repay all Application Monies for the New Shares within the time prescribed by the Corporations Act, without interest.

The fact that the ASX may grant Quotation to the New Shares is not to be taken in any way as an indication of our merits or those of the New Shares.

4.13. Allotment of New Shares

New Shares issued pursuant to the Entitlement Offer will be allotted as soon as practicable after the Closing Date. We will allot the New Shares on the basis of your Entitlement. Where the number of New Shares issued is less than the number applied for, or where no allotment is made, surplus Application Monies will be refunded without interest to the Applicant as soon as practicable after the Closing Date.

Pending the allotment and issue of the New Shares or payment of refunds pursuant to this Prospectus, all Application Monies will be held by us in trust for the Applicants in a separate bank account. We will, however, be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

4.14. Overseas Shareholders

This Entitlement Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for us to comply with the securities laws of overseas jurisdictions having regard to the number of Ineligible Shareholders, the number and value of New Shares these Ineligible Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Entitlement Offer is not being extended and New Shares will not be issued to Ineligible Shareholders.

If you reside in New Zealand, you should consult your professional advisers as to whether any government or other consents are required, or other formalities need to be observed, to enable you to exercise your Entitlements under the Entitlement Offer.

4.15. Taxation implications

The Directors do not consider that it is appropriate to give Applicants advice regarding the taxation consequences of applying for New Shares under this

Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation consequences. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Applicants. Potential Applicants should, therefore, consult their own professional tax adviser in connection with the taxation implications of the New Shares offered pursuant to this Prospectus.

4.16. Clearing House Electronic Sub-register System (CHES) and Issuer Sponsorship

We will not be issuing share certificates. We will apply to the ASX to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. If you do not wish to participate through CHES, you will be issuer sponsored by us. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that we will not issue certificates to you. Instead, we will provide you with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to you under this Prospectus. The statement will also advise you of your Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

4.17. Privacy

If you complete an Entitlement and Acceptance Form, you will be providing personal information to us (directly or by our Share Registry). We collect, hold and will use that information to assess your Entitlement and Acceptance Form, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and our Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact us or our Share Registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988 (Cth)* (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, we may not be able to accept or process your Entitlement and Acceptance Form.

5. FINANCIAL INFORMATION

The consolidated statement of financial position as at 30 June 2011 and the Pro Forma consolidated statement of financial position as at 30 June 2011 shown on the following page have been prepared on the basis of the accounting policies normally adopted by us and reflect the changes to our financial position. They have been prepared on the assumption that all New Shares offered by the Entitlement Offer are issued as at 30 June 2011.

The consolidated statement of financial position has been prepared to provide you with information on our assets and liabilities and our pro-forma assets and liabilities as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

Consolidated Statement of Financial Position and Pro Forma Consolidated Statement of Financial Position as at 30 June 2011

	Notes	30 June 2011 Actual \$	30 June 2011 Pro-forma \$
CURRENT ASSETS			
Cash and cash equivalents	1	602,105	6,971,838
Trade and other receivables		57,084	57,084
Other		5,355	5,355
TOTAL CURRENT ASSETS		<u>664,544</u>	<u>7,034,277</u>
NON-CURRENT ASSETS			
Available-for-sale financial assets		108,850	108,850
Exploration and evaluation costs		3,257,276	3,257,276
TOTAL NON-CURRENT ASSETS		<u>3,366,126</u>	<u>3,366,126</u>
TOTAL ASSETS		<u>4,030,670</u>	<u>10,400,403</u>
CURRENT LIABILITIES			
Trade and other payables		501,564	501,564
Borrowings		7,572,230	7,572,230
TOTAL CURRENT LIABILITIES		<u>8,073,794</u>	<u>8,073,794</u>
TOTAL LIABILITIES		<u>8,073,794</u>	<u>8,073,794</u>
NET ASSETS		<u>-4,043,124</u>	<u>2,326,609</u>

EQUITY

Net issued capital	2	14,662,566	21,032,299
Option reserve		561,500	561,500
Available-for-sale reserve		52,583	52,583
Accumulated Losses		-19,319,773	-19,319,773
TOTAL EQUITY		<u>-4,043,124</u>	<u>2,326,609</u>

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION**1 ACTUAL AND PROPOSED TRANSACTIONS TO ARRIVE AT PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

Proposed transactions adjusting the 30 June 2011 consolidated statement of financial position for Bowen in the 30 June 2011 pro-forma consolidated statement of financial position of Bowen is as follows:

- (a) Issue of 204,234,345 shares at \$0.033 per New Share to raise a gross \$6,739,733;
- (b) Payment of cash expenses of the Entitlement Offer of \$370,000 and the expensing of such costs against share equity.

	NOTE	CONSOLIDATED ACTUAL 30 JUNE 2011 \$	CONSOLIDATED PRO FORMA 30 JUNE 2011 \$
1. CASH ASSETS			
The movements in cash assets are as follows:			
30 June 2011		602,105	602,105
Issue of New Shares	(a)	-	6,739,733
Costs of Entitlement Offer	(b)	-	-370,000
		<u>602,105</u>	<u>6,971,838</u>

	NOTE	CONSOLIDATED 30 JUNE 2011 \$	CONSOLIDATED 30 JUNE 2011 \$
2. ISSUED CAPITAL			
Ordinary Shares			
81,693,738 shares at 30 June 2011		14,662,566	14,662,566
204,234,345 shares pursuant to Entitlement Offer	(a)	-	6,739,733
		<u>14,662,566</u>	<u>21,402,299</u>
Less: estimate share issue costs	(b)	-	-370,000
		<u>14,662,566</u>	<u>21,032,299</u>

6. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to New Shares. This summary is not exhaustive and does not constitute a definitive statement of your rights and liabilities. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares (including the New Shares) are set out in the Constitution, a copy of which is available for inspection at our registered office during normal business hours.

6.1. General meetings

You are entitled to receive notices of and to attend and vote at all of our meetings.

You may requisition meetings in accordance with section 249D of the Corporations Act and clause 19.5 of the Constitution.

6.2. Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every Shareholder or representative of a Shareholder has one vote;
- (c) on a poll, every Shareholder present in person or by proxy or attorney or representative has one vote for each Share held; and
- (d) a Shareholder is only entitled to vote at a general meeting if all calls and other amounts presently payable by the member in respect of those Shares have been paid.

6.3. Dividend rights

The Directors may from time to time determine that a dividend is payable in accordance with the Corporations Act and Constitution. The Directors may fix the amount, time for payment and method of payment which may include the payment of cash, the issue of Shares or the grant of Options.

Subject to any special dividend right, all dividends will be declared and paid in proportion to the amounts paid or credited as paid on the Shares. All dividends will be paid pro rata to the period for which the Share has been held unless a Share is issued on terms providing that it will rank for dividend from a particular date.

The Directors may from time to time pay or credit to the Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. Interest is not payable by the Company in relation to any dividend. Before recommending any dividend, the Directors may set aside out of the profits of the Company such amounts as they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

The Directors may from time to time grant to Shareholders the right to reinvest cash dividends paid by the Company by subscribing for Shares in the Company on such terms and conditions as the Directors think fit.

6.4. Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders the whole or any part of the property of the Company, and may for that purpose set such value as the liquidator considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

6.5. Transfer of Shares

Subject to the Constitution, the Listing Rules and the Corporations Act, you may transfer any or all of your Shares by a transfer in a form approved by the Directors. The transferor remains the holder of the Shares transferred until the transfer is effected in accordance with the ASX Settlement Operating Rules.

The Directors may refuse to register a transfer of the Shares as permitted by the Listing Rules or otherwise in accordance with the Constitution.

6.6. Alteration of capital

Subject to the Constitution, the Listing Rules and the Corporations Act, we may issue, consolidate, divide or cancel Shares.

6.7. Variation of rights

Subject to the Constitution and the Corporations Act we may, with the sanction of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attaching to any class of shares (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of 75% of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

7. RISK FACTORS

You should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares. Any investment in the Company is speculative and you should consult your professional advisers before deciding whether to apply for Shares.

The following is not intended to be an exhaustive list of the risk factors to which we are exposed.

SPECIFIC RISKS

7.1. Financial risks

We recorded a loss of \$1,467,775 for the year ended 30 June 2011 with cash outflows from operations of \$755,053 during the period.

Under the Bhushan Loan Agreement, we have established a \$10,000,000 loan facility. Bhushan currently controls 73.6% of the issued Shares in the Company. At the date of this Prospectus, we have drawn down \$7,062,000 of this facility. Inclusive of capitalised interest, the total amount outstanding to Bhushan under this facility is \$8,100,000. Please refer to Section 8.3(b) for a summary of the key terms of the Bhushan Loan Agreement.

As of 30 June 2011, our current liabilities exceeded current assets by \$7,409,250 with the Company in a net liability position of \$4,043,124. The degree to which we are leveraged could have negative consequences such as:

- a substantial portion of our potential future cash flow being required to service debt and not being available to fund future operations or pay dividends;
- the Company being required to raise additional equity to pay down debt; and
- debt exposing us to interest rate movements.

In the opinion of our Auditor, PKF, the financial report gave a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2011 and of our performance for the financial year ending 30 June 2011. PKF noted in its report that the financial position of the Company (summarised above and detailed in our Annual Report) indicates the existence of a material uncertainty that may cast significant doubt about our ability to continue as a going concern and therefore we may be unable to realise our assets and discharge our liabilities in the ordinary course of business.

However, the Directors form the view that, taking into consideration:

- (a) the minimum required expenditure to maintain title to existing exploration licences;
- (b) current levels of administrative expenditure;
- (c) costs associated with the current litigation with 2KD Drilling Pty Limited (see Section 8.5 for details); and
- (d) the terms of repayment under the Bhushan Loan Agreement,

the Entitlement Offer will be sufficient to ensure we will be able to settle our liabilities as they fall due in the ordinary course of business.

The ongoing viability of the Company and the recoverability of our non-current assets are dependent upon the success of raising cash flows from either equity raising or debt funding. Should we be unable to continue as a going concern we may be required to realise our assets and discharge our liabilities other than in the normal course of business and at amounts different to those stated in the 2011 Annual Report. Any additional equity financing will dilute shareholdings, and debt financing (if available) may involve restrictions on financing and operating activities.

7.2. Exploration risks

Our Projects are at an early stage of exploration, and you should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Projects, or any other tenements that we may acquire in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that we can economically exploit it.

Our future exploration activities may be affected by a range of factors including geological conditions, limitations on activities due to unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations, access to sufficient development capital and many other factors beyond our control.

The Queensland Government announced on 15 August 2011 a temporary halt to the acceptance of new coal or mineral exploration permit applications in and around urban areas until a permanent solution to exploration-urban interface issues has been implemented.

Two exploration permits for coal (**EPCs**) currently held by us, EPC1083 (Tarong Project) and EPC1014 (part of the East Middlemount Project), have been included in Restricted Area 384 by the Queensland Government as part of interim measures introduced under the *Mineral Resources Act 1989*.

Under these measures we were requested by the Queensland Government to voluntarily relinquish sub-blocks of land relating to EPC 1083 and EPC 1014. We chose not to relinquish the relevant sub-blocks under the measure.

Future legislation or measures introduced by the Queensland Government may lead to the compulsory relinquishment of sub-blocks of land by us.

The Queensland Government has introduced the *Strategic Cropping Land Bill 2011* (**Strategic Cropping legislation**). The purposes of the proposed Strategic Cropping legislation is to protect land that is highly suitable for cropping, manage the impacts of development on that land and preserve the productive capacity of that land for future generations.

Intensified land use competition for agricultural land, particularly in relation to mining development, has highlighted shortcomings in the current planning framework to conserve agricultural land. The Queensland Government has noted its commitment to addressing this gap to ensure that the State's interest in agricultural land is given due consideration in land use planning and development decisions.

As an outcome of this proposed legislation, a part or whole of one or more of our tenement areas could come under the Strategic Cropping legislation. This could limit or prevent us from carrying out any future exploration programs in certain areas.

Our success depends upon being able to maintain title to our tenements and obtaining all required approvals for our activities.

7.3. Adverse weather conditions

Our exploration activities have been affected unfavourably by seasonal weather patterns in past years. As announced in our Activities Report for January – March 2011, no drilling or related field work programs were possible during that quarter due to flooding and weather related access issues on the tenements.

Future exploration programs may also be subject to disruption by adverse weather conditions.

In the event that exploration programs prove to be unsuccessful, or are unable to be carried out, this could lead to a reduction in the value of the Projects, a reduction in our cash reserves and possible relinquishment of one or more of our Projects.

7.4. Minority Shareholder and liquidity risk

Bhushan has indicated to the Board its intent to take up its full Entitlement under the Entitlement Offer, subject to the Bhushan Cap. Bhushan currently holds 73.6% of the issued share capital of the Company.

If the Entitlement Offer is fully subscribed, there will be no change in Bhushan's percentage ownership of the Company. Where Bhushan takes up its Entitlement under the Entitlement Offer and other Shareholders (or new investors) do not, Bhushan's shareholding in the Company (expressed as a percentage of the total issued share capital) would increase.

The Bhushan Cap prevents Bhushan's interest in the Company from exceeding 89.9%. Bhushan has confirmed that it will agree to such a constraint.

In the absence of the Bhushan Cap, Bhushan's likely interest in the Company in circumstances where no other Entitlements are taken up by other Shareholders or new investors would reach 90.7%.

Under Part 6A.2 of the Corporations Act, if Bhushan acquires 90% or more of the Company's securities, it is able to exercise a general compulsory acquisition power for the remaining Shares (subject to complying with the provisions of the Corporations Act). The Bhushan Cap is in place to allow our minority Shareholders to maintain their shareholding following the Entitlement Offer. The Board believes that the imposition of the Bhushan Cap, assists in striking a fair balance between our fundraising requirements and protecting the interests of minority Shareholders.

The table below shows Bhushan's likely shareholding in the Company (expressed as a percentage) in circumstances where 100%, 50% and 0% of other Entitlements are taken up by other Shareholders or new investors:

Percentage of Entitlements Taken Up by Shareholders (other than Bhushan) and Acquirers of Entitlements	Bhushan's Percentage Shareholding ¹
100%	73.6%
50%	81.3%
0%	89.9%

Note:

¹ Assumes Bhushan takes up its full Entitlement under the Entitlement Offer, subject to the Bhushan Cap.

² Capped at 89.9%.

As a consequence, there may be a greater lack of liquidity in the market for the Shares. In addition, should Bhushan's percentage shareholding increase to above 75%, Bhushan will be able to pass special resolutions at our general meetings (subject to the requirements of the Corporations Act, the Listing Rules and other legislation) in addition to its ability to pass ordinary resolutions which it currently has the capacity to do.

7.5. Compulsory acquisition

(a) General observations

The Bhushan Cap prevents Bhushan's interest in the Company from exceeding 89.9% by virtue of the Entitlement Offer. Bhushan will not be entitled to acquire further Shares in reliance on the exception in section 611, item 9 of the Corporations Act, for six months following the issue of the New Shares. If Bhushan's interest in the Company does subsequently increase to 90% or more, Bhushan will acquire a discretionary statutory power to compulsorily acquire the remaining Shares in the Company (**Power**). The Power is exercisable within six months of the date on which Bhushan acquires a 90% interest in the Company. ASIC has discretion to extend the six month exercise period if court action is taken objecting to the procedure by which the Power is exercised or where Bhushan, for reasons beyond its control, ceases to have at least a 90% interest in the Company.

Where the Power is exercised, the terms upon which it is exercised must be supported as fair by an independent expert. This is discussed further at 7.5(c) below.

(b) Rights of remaining Shareholders

The Corporations Act permits our remaining Shareholders (**Recipients**) to object to the exercise of the Power by signing an objection form and returning it to Bhushan (**Objection**). The Objection must be made within one month of the Recipients receiving the notice (set out in detail in 7.5(c) below) (**Objection Period**). The Recipient must lodge the Objection with ASIC and the ASX as soon as practicable after receipt and before the expiration of the Objection Period.

(c) Procedure for exercising the Power

If Bhushan elects to exercise the Power, it must follow the procedure prescribed by the Corporations Act. Bhushan must prepare a notice in the prescribed form for distribution to the Recipients. The notice must:

- (i) set out a cash sum (being either a specified sum of money or a formula which is capable of being applied at the date of the notice

- according to some objective standard so that the sum payable can be calculated or ascertained definitively) for the acquisition;
- (ii) explain the rights of the Recipients under the Corporations Act;
 - (iii) disclose information about the price paid for any securities in the relevant class in the last 12 months;
 - (iv) disclose any other information that is known to Bhushan that is material to the Recipients in deciding whether to object to the exercise of the Power;
 - (v) be accompanied by a report produced by an expert nominated by ASIC (**Report**). The Report must:
 - (A) state whether, in the expert's opinion, the terms proposed for the compulsory acquisition give fair value for the Shares;
 - (B) set out the reasons for forming that opinion;
 - (C) state whether, in the expert's opinion, Bhushan has full beneficial ownership in at least 90% of the Shares by value; and
 - (D) set out details indicating the independence of the expert;
 - (vi) be lodged with ASIC and, in Bowen's case, given to the ASX; and
 - (vii) be dispatched to the Recipients on the same or next Business day that it is lodged with ASIC and the ASX.

Following lodgement, Bhushan must wait for the expiration of the Objection Period (**Expiration Date**), following which Bhushan must proceed with compulsorily acquiring the remaining Shares within 14 days of the Expiration Date.

- (d) Bhushan's intentions

Bhushan has not indicated to us whether it intends to proceed with compulsory acquisition should it acquire the ability to do so in the future.

7.6. Access and compensation

The *Mineral Resources Act 1989* (Qld) requires that prior to the grant or renewal of an exploration tenement, the holder of the tenement must enter into a compensation agreement with each land owner who owns land to which the tenement is subject (**landowner**). We are currently negotiating an access and compensation agreement with the landowners of the Tarong Project (EPC 1083). We will also be required to negotiate access and compensation agreements with the landowners of other tenements in the future. While we consider that we have good relations with relevant landowners, any failure to obtain the access and compensation arrangements required, or any dispute with a landowner with regard to access and compensation, could adversely affect the Company and its ability to carry out its exploration activities.

7.7. Litigation risk

We may be exposed to potential legal and other claims or disputes in the future which could negatively impact our financial performance through damages, payments and harm to our reputation. We are in current litigation in the Federal Court of Australia, the details of which are set out in Section 8.5 below.

GENERAL RISKS

7.8. Economic risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on our exploration, development and production activities, as well as on our ability to fund those activities.

Further, share market conditions may affect the value of our quoted securities regardless of our operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

7.9. Operating risks

Our operations may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Having been incorporated on 28 July 2006, we do not have a significant operating history. However, it should be noted that the Directors have between them significant operational experience. Nevertheless, assurances cannot be given that we will achieve commercial viability through the successful exploration and/or mining of our Projects. Until we are able to realise value from our Projects, we are likely to incur ongoing operating losses.

7.10. Exploration targets and resource estimates

We have identified a number of exploration targets based on geological interpretations and data and historical drilling. Insufficient data however exists to provide certainty of the mineralisation. Whilst we intend to undertake additional exploratory work with the aim of defining a resource, we provide no assurances that

additional exploration will result in the determination of a resource. Even if a resource is identified, we cannot assure you that it can be economically extracted.

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect our operations.

7.11. Commodity price volatility and exchange rate risks

If we achieve success leading to mineral production, any revenue we may derive through the sale of commodities exposes our potential income to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond our control. Such factors include supply and demand fluctuations for coal, uranium, precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas our income and expenditure are and will be taken into account in Australian currency, exposing us to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

7.12. Environmental risks

Our operations and proposed activities are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, our activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. We intend to conduct our activities to the highest standard of environmental obligation, including compliance with all applicable environmental laws.

7.13. Insurance risks

We have insured our operations in accordance with industry practice. However, in certain circumstances, our insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on our business, financial condition and results.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

7.14. Competition risk

The industry in which we are involved is subject to domestic and global competition. Although we will undertake all reasonable due diligence in our business decisions and operations, we will have no influence or control over the activities or actions of our competitors, which activities or actions may positively or negatively affect the operating and financial performance of our Projects and business.

7.15. Title risk and Native Title

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, we could lose title to, or our interest in, tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

The tenements extend over areas in which legitimate common law native title rights of indigenous Australians exist. Our ability to gain access to our tenements and to conduct exploration, development and mining operations remains subject to any Native Title rights and the terms of registered Native Title agreements.

The Directors will closely monitor the potential effect of Native Title claims involving tenements in which we have or may have an interest.

7.16. Aboriginal sites of significance

Commonwealth and State legislation obliges us to identify and protect sites of significance to Aboriginal custom and tradition. Some sites of significance may be identified within the tenements. It is therefore possible that one or more sites of significance will exist in an area which we consider to be prospective.

7.17. Contract risks

Our interest in the assets relating to the Glen Isla Project is the subject of an option agreement with Empire.

Our interest in the assets relating to the Blackwater South and West Rolleston Projects forms part of the Bhushan JV.

Failure by Empire and/or Bhushan to comply with their contractual obligations may adversely affect our interests.

Details of our material contracts are contained in Section 8.3.

7.18. Market conditions

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities and in particular, resources stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

7.19. Security investments

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of our performance.

Exploration in itself is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

7.20. Legislative changes, Government policy and approvals

Further to the specific risks set out in Section 7.2, changes in government regulations and policies may adversely affect our financial performance. For example, any increased rentals under the *Mining Act 1978* (WA) or the *Mineral Resources Act 1989* (Qld) may impact our actual financial statements. Our capacity to explore and mine, in particular our ability to explore and mine any reserves, may be affected by changes in government policy, which are beyond our control.

The Department of Industry and Resources of Western Australia, and the Department of Environment and Resource Management of Queensland, from time to time review the environmental bonds that are placed on tenements in their respective jurisdictions. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to our funding needs.

7.21. Future capital requirements

Our ongoing activities will require substantial expenditure. We cannot guarantee that the funds raised through the Entitlement Offer will be sufficient to successfully achieve all of the objectives of our overall business strategy. If we are unable to continue to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Entitlement Offer, there can be no assurances that we will have sufficient capital resources for that purpose, or other purposes, or that we will be able to obtain additional fundraising on terms acceptable to us or at all. Any additional equity financing may be dilutive to Shareholders and any debt financing, if available, may involve restrictive covenants, which may limit our operations and business strategy.

Our failure to raise capital if and when needed could delay or suspend our business strategy and could have a material adverse effect on our activities.

7.22. Reliance on key personnel and employees

Our prospects depend in part on the ability of our executive officers, senior management and key consultants to operate effectively, both independently and as a group. To manage our growth, we must attract and retain additional highly qualified management, technical, sales and marketing personnel and continue to implement and improve operational, financial and management information systems. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of contractors.

In addition, Queensland and Western Australia are currently experiencing a shortage of skilled labour including those skills utilised in the mining industry. We cannot guarantee that our mining and exploration activities will not be negatively affected by an inability to employ appropriately skilled staff.

7.23. Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by us or our investors. The above factors, and others not specifically referred to above, may materially affect our future financial performance and the value of the New Shares. Therefore, the New Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

You should consider an investment in the Company as speculative and should consult your professional advisers before deciding whether to apply for New Shares.

8. ADDITIONAL INFORMATION

8.1. Continuous disclosure obligations

We are a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, are subject to regular reporting and disclosure obligations. Specifically, like all listed companies, we are required to continuously disclose any information we have to the market which a reasonable person would expect to have a material effect on the price or value of our securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of our securities, the rights attaching to the securities and information not previously disclosed to the market. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to us which has been notified to the ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. You should therefore have regard to the other publicly available information in relation to us before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, we believe that we have complied with the general and specific requirements of the ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required us to notify the ASX of information about specified events or matters as they arise for the purpose of the ASX making that information available to the stock market conducted by the ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

We, as a disclosing entity under the Corporations Act, state that:

- (a) we are subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to us (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) we will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) our financial statements for the financial year ended 30 June 2011 being the most recent financial statements lodged with ASIC before the issue of this Prospectus;
 - (ii) any half year financial statements of the Company lodged with ASIC since the lodgement of the last financial statements for the

year ended 30 June 2011 lodged with ASIC before the issue of this Prospectus; and

- (iii) any documents used to notify the ASX of information relating to us in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with ASIC in relation to us can be inspected at our registered office during normal office hours.

We have lodged the following announcements with the ASX since the lodgement of the 2011 audited financial statements:

Date	Description of Announcement
22/11/2011	Results of Annual General Meeting
02/11/2011	Pro-rata Renounceable Entitlement Offer Update
28/10/2011	Quarterly Activities Report
27/10/2011	Quarterly Cashflow Report
21/10/2011	Annual Report sent to Shareholders
21/10/2011	Notice of Annual General Meeting/Proxy Form
18/10/2011	Appendix 3B
18/10/2011	Capital Raising

The ASX maintains publicly available information for all ASX listed companies. Our announcements to the ASX can be viewed online at www.asx.com.au at any time.

Our ASX announcements are also available through our website www.bowenenergy.com.au.

8.2. Options

7,500,000 unlisted Options in the Company held by Bhushan, with an exercise price of \$0.20, expired on 8 July 2010.

There are no unissued Shares of the Company under Option at the date of this Prospectus.

8.3. Material contracts

- (a) Lead Manager Agreement

We have entered into an agreement with BurnVoir pursuant to which BurnVoir was appointed as the Lead Manager to the Entitlement Offer under this Prospectus (**Lead Manager Agreement**). Pursuant to the Lead Manager Agreement, BurnVoir will provide services relating to the management and marketing of the Entitlement Offer.

In consideration for the services provided pursuant to the Lead Manager Agreement, we will pay BurnVoir an arranging fee of \$210,000 (the **Fee**).

In addition to the Fee, we will pay for any out-of-pocket expenses reasonably incurred by BurnVoir in relation to the provision of services under the Lead Manager Agreement. BurnVoir will consult with us with regards to any expenses over \$1,000.

The Lead Manager Agreement may be terminated by either party at any time in writing, provided that any outstanding fees and reimbursement for any expenses accrued will all become immediately due and payable.

The Lead Manager Agreement contains warranties, representations and indemnities in favour of BurnVoir that are standard for agreements of this nature.

(b) Bhushan Loan Agreement

We have established a \$10,000,000 loan facility with Bhushan. At the date of this Prospectus we have drawn down \$7,062,000 of this loan. The unsecured facility accrues interest at a rate of 3% above the prevailing Westpac Indicator Lending Rate. Inclusive of capitalised interest, the total amount outstanding to Bhushan under this facility is \$8,100,000.

Repayment of the principal and interest is to be made in such amounts as are available when we have surplus cash resources or when Bhushan subscribes for Shares in the Company on the exercise of Options held by Bhushan or otherwise. There are no outstanding exercisable Options at the date of this Prospectus.

(c) Joint Venture Agreements

In February 2008, we entered into two Joint Venture Agreements with Bhushan with regard to exploration of EPC 1045/EPC 1206 and EPC 1001/ EPC 1002. Under the agreements, we transferred an 85% interest in EPC 1045/EPC 1206 and a 90% interest in EPC 1001/ EPC 1002 to Bhushan.

If the results of the exploration program meet certain conditions, we will apply for a mining lease and other approvals for the construction and operation of a mine in the relevant area. Bhushan will then be liable for the costs required to commission the mine. Thereafter, the ongoing costs and revenue from operating the mine are to be shared based on the percentage interest.

If there is no material development activity within any rolling six month period after the parties agree to develop the mine following exploration, the interest in these tenements will revert back to us. We have also entered into put and call options with Bhushan which, if exercised, require Bhushan to purchase our interest in the mine at an agreed formula.

(d) Glen Isla Option Agreement

We entered into an option agreement with Empire on 29 November 2010 in relation to the Glen Isla Project (**Option Agreement**) to provide Empire with an option to acquire all rights and interests in EPM 14910 (**Option**).

Under the terms of the Option Agreement, Empire had 90 days in which to undertake due diligence of the tenement.

During the due diligence period, Empire had the right to advise us that it did not wish to proceed with the Option. Had this occurred the Option Agreement would have come to an end.

At the completion of the due diligence period, Empire agreed to pay us a sum of \$10,000 in the form of an Option Fee.

After payment of the Option Fee, Empire has 12 months in order to determine whether or not to proceed with the purchase of the Project. The agreed purchase price is \$100,000 with the Option Fee of \$10,000 considered to be a part payment towards the purchase. Empire has the right to exercise the Option at any time during the 12 month period. Should Empire decide not to exercise its Option then the agreement will come to an end.

(e) South Blackwater Exploration Services Agreement

We have engaged SRK Consulting to appraise the exploration potential of EPC1045 as part of the South Blackwater Project. The scope of the work consists of project guidance and exploration reconnaissance comprising:

- (i) preliminary drilling;
- (ii) 2D seismic data acquisition;
- (iii) hydrology; and
- (iv) technical investigations.

These items are considered essential to gauge the suitability of the deposit in proceeding to fast track mining evaluation. The suggested program is based on 100 days drilling using two drill rigs, commencing 30 September 2011. The total estimated cost to engage SRK Consulting is \$1,140,692.

(f) East Middlemount, West Rolleston and Tarong Project Management Agreement

We have engaged Geos Mining to provide exploration project management services in relation to the East Middlemount, West Rolleston and Tarong Projects.

Geos Mining will provide geological services as follows:

- (i) technical review of the Projects;
- (ii) development of a 1-3 year work program for exploring the three tenement groups;
- (iii) development of a budget in consultation with us;
- (iv) development of a timetable of operations;
- (v) resource allocation;
- (vi) subcontract management; and
- (vii) periodic reporting.

Geos Mining has provided an initial budget estimate in relation to a ten hole drilling program of \$444,202.

8.4. Interests and consents of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within two years before the lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by us in connection with the formation or promotion of the Company; or
- (c) the Entitlement Offer,

and we have not paid or agreed to pay any amount (in cash or Shares or otherwise) to any expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered by that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Entitlement Offer.

Pursuant to section 716 of the Corporations Act, Gadens Lawyers has given, and has not withdrawn, its consent to being named as our Solicitors in the Corporate Directory of this Prospectus in the form and context in which it is named. Gadens Lawyers has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus.

We will pay approximately \$90,000 to Gadens Lawyers for services in relation to this Prospectus. In the past two years, we have paid fees totalling approximately \$606,000 (excl. GST) to Gadens Lawyers. BurnVoir has been appointed Lead Manager to the Entitlement Offer and will be paid for these services on the terms and conditions in Section 8.3(a).

BurnVoir has given, and has not withdrawn, its consent to being named as Lead Manager to the Entitlement Offer in the Corporate Directory of this Prospectus in the form and context in which it is named. BurnVoir has not caused or authorised the issue of this Prospectus or the making of this Entitlement Offer. BurnVoir does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus or any omissions from this Prospectus.

We will pay \$210,000 to BurnVoir for services in relation to this Entitlement Offer. We have not paid BurnVoir any fees in the past two years.

The information in this Prospectus that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mark Sheppard BSc, MSc, MAusIMM, MAAG, who is a Member of the Australasian Institute of Mining and Metallurgy.

Mr Sheppard is a full-time employee of the Company. Mr Sheppard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Sheppard consents to the inclusion in the Prospectus of the matters based on his information in the form and context in which it appears.

PKF has given, and has not withdrawn its consent to being named as the Company's Auditors in the form and context in which it is named and to the inclusion of all statements made in this Prospectus on the basis of a statement made by and attributed to PKF, in the form and context in which those statements are made. PKF has not caused or authorised the issue of this Prospectus or the making of this Entitlement Offer. PKF takes no responsibility for any part of this Prospectus or any omissions from this Prospectus.

SRK Consulting has given, and has not withdrawn its consent to being named as a consultant to the Company and the Bhushan JV in the form and context in which it is named and to the inclusion of all statements made in this Prospectus on the basis of a statement made by and attributed to SRK Consulting, in the form and context in which those statements are made. SRK Consulting has not caused or authorised the issue of this Prospectus or the making of this Entitlement Offer. SRK Consulting takes no responsibility for any part of this Prospectus or any omissions from this Prospectus.

Geos Mining has given, and has not withdrawn its consent to being named as a service provider to the Company in the form and context in which it is named and to the inclusion of all statements made in this Prospectus on the basis of a statement made by and attributed to Geos Mining, in the form and context in which those statements are made. Geos Mining has not caused or authorised the issue of this Prospectus or the making of this Entitlement Offer. Geos Mining takes no responsibility for any part of this Prospectus or any omissions from this Prospectus.

8.5. Legal proceedings

In May 2009 we commenced Federal Court proceedings against 2KD Drilling Pty Ltd (**2KD**) and Kevin Newman seeking various declarations and damages. These proceedings relate to a drilling contract entered into between the Company and 2KD on 7 April 2008 (**Contract**). Under the Contract, we purchased a drilling rig and associated equipment and 2KD was to acquire the rig over a period of time and also provide drilling services to us. We suspended the operation of the Contract on 10 October 2008 as a result of 2KD's defective performance under the Contract.

We claim that we would not have entered into the Contract had certain misrepresentations not been made by 2KD and Mr Newman. We also claim that 2KD is in breach of the Contract.

In relation to the Contract, we have provided for full impairment in the 2011 audited financial statements as follows:

- (a) receivables amounting to \$880,275; and
- (b) pre-paid drilling costs amounting to \$1,150,000.

8.6. Market Price of Shares

We are a disclosing entity for the purposes of the Corporations Act and our Shares are enhanced disclosure securities quoted on the ASX.

The highest and lowest market sale prices of our Shares on the ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.040 on 4 November 2011

Lowest: \$0.026 on 9 December 2011

The latest available closing sale price of our Shares on the ASX prior to the lodgement of this Prospectus with ASIC was \$0.028 on 9 December 2011.

The Offer Price of \$0.033 per New Share represents a 12.25% discount to the average closing market price over the last five trading days on which our Shares traded prior to the Entitlement Offer being announced. The Offer Price represents a 17.86% premium to the closing market price of the Shares on 16 December 2011, being the last trading day prior to lodgement of this Prospectus.

8.7. Electronic Prospectus

Pursuant to Class Order 00/44, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic Entitlement and Acceptance Form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic Entitlement and Acceptance Form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Entitlement and Acceptance Form. If you have not, please phone us and we will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

We reserve the right not to accept an Entitlement and Acceptance Form from a person if we have reason to believe that when that Applicant was given access to the electronic Entitlement and Acceptance Form, they were not also provided with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

9. **DIRECTORS' CONSENT**

Each of the Directors of Bowen has consented to the lodgement of this Prospectus with ASIC in accordance with section 720 of the Corporations Act

Dated 19 December 2011

A handwritten signature in black ink, appearing to read 'M. Sheppard', is written over a horizontal line.

Mark Sheppard

Executive Director

Signed for and on behalf of

BOWEN ENERGY LTD

10. DEFINITIONS

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

Applicant means a person who has applied to subscribe for New Shares under the Entitlement Offer.

Application Monies means the aggregate amount payable for New Share applied for in a duly completed Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited (ACN 008 624 691) and the securities exchange operated by it.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Bhushan means Bhushan Steel (Australia) Pty Limited (ACN 125 970 372), a wholly owned subsidiary of Bhushan Steel Ltd.

Bhushan Cap means the agreement pursuant to which Bhushan, at our request, has agreed to allow its application in the Entitlement Offer to be scaled back if required so that Bhushan's interest in the Company cannot exceed 89.9%.

Bhushan JV means the Joint Venture Agreements we have entered into with Bhushan regarding exploration of certain tenements held by us (as more fully described in Section 3), the key terms of which are set out in Section 8.3(c).

Bhushan Loan Agreement means the loan agreement between us and Bhushan as described in Section 8.3(b).

Board means the board of Directors of the Company unless the context indicates otherwise.

BurnVoir means BurnVoir Corporate Finance Ltd (ACN 097 814 134).

Business Day means a day on which trading takes place on the stock market of the ASX.

Closing Date means the closing date of the Entitlement Offer, being 7:00pm (AEDT) on 20 January 2012 (unless extended).

Company, Bowen, we, us or our means Bowen Energy Limited (ACN 120 965 095).

Constitution means our constitution as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001*(Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Directors mean the directors of the Company at the date of this Prospectus.

Dollar or "\$" means Australian dollars.

Eligible Shareholder, you or your means a Shareholder who is registered as a holder of Shares on the Record Date and who is not an Ineligible Shareholder.

Empire means Empire Energy Pty Ltd (ACN 142 154 434).

Entitlement means the entitlement to subscribe for New Shares offered to the holder of Rights.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Entitlement Offer means the pro rata renounceable entitlement issue of approximately 204,234,000 New Shares on the basis of 2.5 New Shares for every one Share held by Shareholders on the Record Date at an issue price of \$0.033 per New Share to raise approximately \$6,740,000.

Expiry Date of the Prospectus is 19 January 2013, being the date that is 13 months after the date of this Prospectus.

Fee means consideration for the services provided by BurnVoir, pursuant to the Lead Manager Agreement.

Geos Mining means GJN Enterprises Pty Ltd trading as Geos Mining (ACN 076 664 572).

Ineligible Shareholder a person will be an Ineligible Shareholder if that person has a registered address which is not in Australia or New Zealand.

Listing Rules means the Listing Rules of the ASX.

New Shares means Shares offered pursuant to this Prospectus.

Nominee means BurnVoir.

Offer Price means \$0.033 per New Share.

Option means an option to acquire a Share.

Projects mean the projects that we have an interest in, as set out in the table in Section 3 and **Project** means a reference to one of them.

Prospectus means this prospectus.

Quotation means official quotation on the ASX.

Record Date means 7:00pm (AEDT) on 30 December 2011.

Reduced Amount a payment amount received by us in relation to the Entitlement Offer that is less than the Offer Price multiplied by an Applicant's Entitlement.

Right means the right to subscribe for 2.5 New Shares for every one Share held by an Eligible Shareholder on the Record Date and Rights has a corresponding meaning.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Share Registry means Boardroom Pty Ltd (ACN 003 209 836).

SRK Consulting means SRK Consulting (Australasia) Pty Limited (ACN 074 271 720) trading as SRK Consulting.

11. CORPORATE DIRECTORY**Directors**

Mr Neil Stuart

Chairman

Mr Mark Sheppard

Executive Director

Mr Nittin Johari

Managing Director

Mr Brij Bhushan Singal

Non-Executive Director

Mr Neeraj Singal

Non-Executive Director

Mr Anil Ahuja

Non-Executive Director

Company Secretary

Mr Glenn Merchant

Registered Office

c/- Mitchell & Partners

Level 7

10 Barrack Street

Sydney NSW 2000

Telephone: +61 2 9392 8686

Facsimile: +61 2 9299 8195

Lead Manager

BurnVoir Corporate Finance
Limited

Level 12

28 O'Connell Street

Sydney NSW 2000

Telephone: +61 2 8078 6400

Facsimile: +61 2 8078 6499

Website

www.bowenenergy.com.au

*These parties have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

Solicitors

Gadens Lawyers

77 Castlereagh Street

Sydney NSW 2000

Telephone: +61 2 9931 4999

Facsimile: +61 2 9931 4888

Auditors*

PKF

Chartered Accountants

Level 10

1 Margaret Street

Sydney NSW 2000

ASX Code

BWN

Share Registry*

Boardroom Pty Ltd

Level 7

207 Kent Street

Sydney NSW 2000

GPO Box 3993

Sydney NSW 2001

Telephone: +61 2 9290 9600

Facsimile: +61 2 9279 0664

General Enquiries

Telephone: +61 2 9392 8686

STOCK BROKER USE ONLY		
Date	Rights Entitlement Reduced to	Signed By

ENTITLEMENT OFFER ENTITLEMENT & ACCEPTANCE FORM

Subregister:

HIN / SRN:

Entitlement No:

Number of Shares held at 7:00pm
AEDT on 30 December 2011:

Closing Date: 5:00pm AEDT 20 January 2012

RENOUNCEABLE ISSUE OF UP TO 204,234,000 NEW SHARES AT AN ISSUE PRICE OF \$0.033 EACH ON THE BASIS OF 2.5 NEW SHARES FOR EVERY 1 ORDINARY SHARE HELD

A Entitlements Acceptance

If you wish to accept your **FULL ENTITLEMENT** please complete and return this form **WITH YOUR PAYMENT FOR THE AMOUNT SHOWN BELOW**. The return of this form with payment by the closing date will constitute acceptance of the Entitlement Offer.

Entitlement to New Shares on the basis of 2.5 New Shares for every 1 Ordinary Share held	Price Per New Share	Amount Payable for Full Acceptance, at \$0.033 per New Share
	\$0.033 per New Share =	

If you wish to accept **PART OF YOUR ENTITLEMENT ONLY** please complete this form showing in the box below the **NUMBER OF NEW SHARES BEING ACCEPTED** and the appropriate amount payable

Number of New Shares accepted	Price Per New Share	Amount Enclosed
	\$0.033 per New Share =	\$

B Payment

Payment may only be made by cheque, bank draft, money order or by Electronic Funds Transfer. Cash will not be accepted via the mail or at Boardroom Pty Limited. Payments cannot be made at any bank. **Please note it is important that if you pay by Electronic Funds Transfer you MUST include your HIN or SRN number in the description field of the deposit and send a copy of the receipt together with your Entitlement and Acceptance Form in the envelope provided.**

Cheque (Record cheque details below)

DRAWER	CHEQUE NUMBER	BSB NUMBER	ACCOUNT NUMBER	AMOUNT \$AUD
				\$

- Only cheques, bank drafts or money orders in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque, bank draft or money order must be made payable to "Bowen Energy Limited – Entitlements Issue Account" and crossed Not Negotiable.
- Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected

C Contact Details

CONTACT NAME	EMAIL ADDRESS	TELEPHONE – WORK	TELEPHONE - HOME

PLEASE REFER TO REVERSE FOR LODGING INSTRUCTIONS

Important Information: This document is of value and requires your immediate attention. If in doubt consult your stockbroker, solicitor, accountant or other professional advisor without delay.

By submitting this Entitlement and Acceptance Form to accept the Entitlement Offer, I/We represent and warrant that I/we have read and understood the Prospectus to which this Entitlement and Acceptance Form relates and declare that this Application is completed and lodged according to the Prospectus and the instructions on the reverse of the Entitlement and Acceptance form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of Bowen Energy Limited and agree to the terms and conditions of the Entitlement Offer under this Prospectus. I/We represent and warrant that I/we have not relied on any other information provided by the Company other as set out in this Prospectus when making my/our decision to invest.

LODGEMENT INSTRUCTIONS TO APPLICANTS

Please read these instructions carefully

HOW TO ACCEPT SHARES OFFERED

- Cheque payment method:** The total amount payable to accept your Entitlement in full is shown in section A on the front of this form. Complete your payment details in section B and send your cheque/bank draft/money order and the completed Entitlement and Acceptance Form to Boardroom Pty Limited at the address shown below so as to reach the Share Registry before the closing date of the Entitlement Offer at 5.00pm AEDT on 20 January 2012.
- Electronic Funds Transfer:** Please note it is important that if you pay by Electronic Funds Transfer you MUST include your HIN or SRN number in the description field of the deposit and send a copy of the receipt together with your application form in the envelope provided.

Postal Delivery:

Bowen Energy Limited – Entitlement Offer
C/- Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Hand Delivery:

Bowen Energy Limited – Entitlement Offer
C/- Boardroom Pty Limited
Level 7, 207 Kent Street
SYDNEY NSW 2000

TO ACCEPT SOME OF YOUR ENTITLEMENT AND SELL YOUR REMAINING ENTITLEMENT THROUGH A STOCKBROKER

Insert in the boxes on the front of this Entitlement and Acceptance Form:

- the number of New Shares accepted; and
- the amount of the cheque for those New Shares

Indicate in the "Instructions to Your Stockbroker" section below, the number of New Shares you intend to accept, the amount of your payment for those New Shares and the number of Entitlements which you intend to sell. Send the Entitlement and Acceptance Form to your stockbroker with your cheque for the New Shares accepted. Sale of your Entitlement must be completed by 13 January 2012 when Entitlements trading ceases.

TO SELL ALL YOUR ENTITLEMENT THROUGH A STOCKBROKER

Insert the information required in the "Instructions to Your Stockbroker" section below. Send the Entitlement and Acceptance Form to your stockbroker. Sale of your Entitlement must be completed by 13 January 2012 when Entitlements trading ceases.

TO RENOUNCE SOME OR ALL OF YOUR ENTITLEMENT OTHER THAN THROUGH A STOCKBROKER (ISSUER SPONSORED HOLDERS)

Obtain a Standard Renunciation Form from your stockbroker or Boardroom Pty Limited. Complete the Standard Renunciation Form with the number of Entitlements you are renouncing, making sure that it is signed by both you and the buyer, and your SRN (Securityholder Reference Number) is noted. If you are accepting some of your Entitlement, insert in the boxes on the front of this Entitlement and Acceptance Form:

- the number of New Shares accepted, and
- the amount of your cheque for those New Shares

Lodge both the Standard Renunciation Form and the Entitlement and Acceptance Form with Boardroom Pty Limited by 5.00pm AEDT on 20 January 2012, together with your cheque for any New Shares you are accepting.

Rights trading commences on 22 December 2011 and ceases on 13 January 2012 by which time any sale of part or all of your Entitlement must be completed.

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT BOARDROOM PTY LIMITED FOR ASSISTANCE ON (02) 9290 9600.

Instructions to Your Stockbroker

To be completed and sent to your stockbroker only if you wish to sell the whole or part of your Entitlement.

Please insert the appropriate number in each of the boxes below:

Number of the New Shares which I intend to ACCEPT

Number of Entitlements which I intend to SELL

I attach a cheque/draft for the full amount of New Shares accepted

\$

Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form.

Our privacy policy is available on our website (http://www.boardroomlimited.com.au/help/share_privacy.html).