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MEDIA RELEASE/ASX ANNOUNCEMENT

Bandanna Energy awards major coal haulage contract

Bandanna Energy Limited (ASX: BND), through its wholly owned subsidiary Springsure Creek Coal Pty Ltd, is pleased to announce it has awarded a contract to Asciano (ASX: AIO) for the haulage of coal for up to 15 years.

The contract with Asciano's Pacific National Coal haulage business is for the transportation of up to 4 million tonnes per annum (Mtpa) from Bandanna Energy's Springsure Creek mine in Central Queensland.

Bandanna Energy Managing Director Dr Ray Shaw said the haulage contract commencement was aligned to the start of operations of the Wiggins Island Coal Terminal Stage 1 at Gladstone, due for first export coal in mid 2014.

"We are very pleased to have finalised this agreement with Australia's largest national rail freight and ports operator, to provide a clear pathway from mine to port for our quality Springsure Creek coal assets."

"The contract compliments our Take or Pay agreement executed with WICET, in which Bandanna Energy is a 14% shareholder, for the movement of our full allocation of 4 million tonnes each year."

"In line with our recent commercial agreement with QR National Network to proceed with the below rail component, the Wiggins Island Rail Project (WIRP), the award of this contract finalises the integrated rail movement of our coal from mine to port in time for WICET Stage 1," he said.

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