

---

3 August 2012

**Measured Coal Resource confirmed at Springsure Creek for  
at least the first 10 years of underground mine plan  
Completion of geotechnical holes for detailed mine development**

- **Maiden Measured Resource of 52.8 Million Tonnes in Aries 2 Seam**
- **Indicated Resource of 222.3 Million Tonnes in Aries 2 Seam**
- **Total Springsure Creek Resource now 543.7 Million Tonnes**
- **Completion of geotechnical holes for main mine access drifts and underground pit bottom (including main ventilation shaft and underground mine services area)**

Bandanna Energy Limited (ASX: BND), through its wholly owned subsidiary Springsure Creek Coal Pty Ltd, is pleased to announce a Resource in the Springton domain Aries 2 Seam totalling **259.4 million tonnes**. This Resource comprises a Measured Resource of **52.8 million tonnes**, an Indicated Resource of **140.3 million tonnes** and an Inferred Resource of **66.3 million tonnes** (refer Table 1). The new Resource statement follows the completion of boreholes intersecting the targeted Aries 2 Seam from December 2011 to June 2012.

The Springton domain was the focus of drilling from December 2011, with all drilling occurring on the property Denlo Park, owned by a Bandanna subsidiary company. Denlo Park is the site of the main entry and first development of a planned high production underground longwall mine in the Aries 2 Seam.

The maiden 52.8 million tonnes of Measured Resource is a significant step up in the geological confidence of the Springsure Creek project. This progressive improvement will enable a new determination of the mineable reserve to be made, especially in the early areas of the mine plan below Denlo Park to be mined in the first ten years.

No drilling occurred in the Turkey Creek, Moorooloo and Arcturus domains and previous resource certifications remain unchanged for those sections of the deposit (refer Table 1).

Additional to the Aries 2 Seam, Bandanna is pleased to announce the incorporation of **49.6 million tonnes** of Inferred Resource in the Castor and Aries 3 Seams within the Springton domain. Both the Castor Seam and Aries 3 Seams are seen as potential targets for extended mine development in future years.

The JORC Resource for Springsure Creek now totals **543.7 million tonnes**.

**Table 1.** Total Resource for **Aries 2 Seam** at Springsure Creek

Domain	JORC Resource Category			Total
	Inferred	Indicated	Measured	
Turkey Creek	35			35
Springton	66.3	140.3	52.8	259.4
Moorooloo	71.7	82		153.7
Arcturus	46			46
	219	222.3	52.8	494.1

In addition to the Resource upgrade, a series of geotechnical holes have been drilled along the proposed main access declines, which provide access to the seam from the surface. The information gathered has been used to design the entries and prepare preliminary tenders as part of the Definitive Feasibility Study (DFS), which is on track for completion in September 2012.

Additionally, a fully cored hole was drilled at the site of the proposed ventilation shaft. This hole will provide stratigraphical and geotechnical information for the design and tender of the shaft construction.

Drilling continues in Denlo Park with a view to expanding the Measured Resource and providing further geotechnical information for the DFS and mine design. Drilling is also scheduled to continue to the south of the Moorooloo line to convert the Indicated and Inferred JORC Resource in these domains to the higher category of Measured Resource, and underpin long term mine development.

Bandanna Energy Managing Director, Mr Michael Gray commented, "The maiden declaration of Measured Resource confirms Springsure Creek as a world class thermal coal project. Furthermore, it showcases Bandanna's resolve to consistently meet its exploration, environmental and engineering targets and timelines for the project to remain on course for coal production in the second half of 2014. We now await an updated Reserve declaration that will further demonstrate the engineering and financial feasibility of the proposed underground development".

Springsure Creek Coal Pty Ltd has secured 4 Mtpa export capacity for Springsure Creek through Stage 1 of the Wiggins Island Coal Export Terminal (WICET) at Gladstone. Springsure Creek Coal Pty Ltd has also secured both below rail and rail haulage contracts for the transportation of the Springsure Creek coal with QRN and Pacific National respectively.

## **ENDS**

Investor enquiries:  
Michael Gray:  
07 3041 4400

Media enquiries:  
Andrew Crook  
Mb: 0419 788 431

## **\*Statement of Compliance**

1) The information compiled in this report relating to resources for the Turkey Creek, Moorooloo and Arcturus domains is based on information compiled by David Keilar, who was a member of the Australian Institute of Geoscientists and employed by Resolve Geo Pty Ltd at the time of compilation of the information. David has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". David Keilar has previously consented to the inclusion of the matters based on his information in reports of similar form and context. Resolve Geo Pty Ltd is a shareholder in Bandanna Energy Limited.

2) The information in this report relating to exploration results and coal resources for the Springton domain is based on information compiled by Mr Troy Turner who is a member of the Australasian Institute of Mining and Metallurgy and is a full time employee of Xenith Consulting Pty Ltd. Mr Turner is a qualified geologist and 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 Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Turner consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.