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ASX RELEASE/ MEDIA RELEASE

Update on Strategic Review Process

Following recent speculation in the press Bandanna wishes to advise as follows.

As previously announced to the market Bandanna has completed a Strategic Review Process which reached the following conclusions:

- That in order to complete the development of its key assets, funds would be required in the future which are additional to current cash reserves.
- That because BND has a 100% interest in its assets (except the South Galilee Project) there exists the capacity to raise the required funds by inviting partners to acquire interests in core assets and participate in their development.
- That despite Bandanna's capacity to raise the necessary funds, corporate transactions or whole of asset transactions should be considered where they deliver greater value than can be achieved by Bandanna funding and developing its projects.

As previously announced, Bandanna has appointed UBS to provide assistance with a transaction process to address the outcomes of the Strategic Review.

As part of the transaction process, an Information Memorandum has been distributed under a confidentiality agreement to a number of interested parties, inviting non-binding indicative bids to participate in transactions which will advance the conclusions of the Strategic Review. Such transactions could include acquiring an interest in one or more development projects, or a whole of asset or corporate transaction. Non-binding indicative bids are due for submission by close of business on 4th May 2011.

As is usual for such a transaction process, it is intended that following the receipt of non-binding indicative bids, negotiations will be continued with a shortlist of parties with the aim of receiving binding offers for transactions, from which Bandanna can select the transaction or combination of transactions which will advance the conclusions of the strategic review and maximise the value delivered to shareholders.

Although interest in the process to date has been strong, Bandanna has not formed any view as to which parties will be included in the short list for further negotiations as the date for submission of non-binding indicative bids has not yet been reached.

ENDS

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