



Media release

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BANDANNA WELCOMES DRAFT TERMS OF REFERENCE FOR SOUTH GALILEE PROJECT

Bandanna Energy Limited (ASX:BND) and its farmin and co-venturer, AMCI (Alpha) Pty Ltd, have welcomed the release of the Queensland Government's draft Terms of Reference (ToR) for their proposed \$1.5 billion South Galilee coal project west of Rockhampton.

Bandanna Managing Director Dr Ray Shaw said the draft Terms of Reference was another significant step in maturing the project towards production following its declaration as a State Significance Project by the Queensland Government in May of this year.

Bandanna is the only ASX-listed company currently in pre-feasibility stage in the Galilee Basin where India's largest coal importer Adani this week struck a deal for the purchase of Linc Energy Ltd's coal assets for an upfront \$500 million in cash plus a royalty. The aggregate value of the transaction is estimated to be \$3 billion over 20 years.

Operated by AMCI, the Joint Venture South Galilee project has completed a concept study which indicates the project has the potential to support annual production of up to 20 Mtpa of high volatile thermal coal for export to international markets with a mine life of at least 40 years.

An \$8 million pre-feasibility study including drilling of more than 140 holes is currently underway by the Joint Venture.

Under the terms of the farmin agreement, AMCI will earn up to 50% of the South Galilee project from Bandanna by undertaking up to \$25 million in exploration and engineering study expenditure commitments.

Dr Shaw said the release of the draft Terms of Reference outlined the proposed scope of the State Government's comprehensive Environmental Impact Statement (EIS) for the project and has encouraged residents and other interested parties to have their say.

The draft ToR which can be viewed at www.dip.qld.gov.au/projects will be available for public comment until September 13.

"The South Galilee Project Joint Venture is committed to community engagement and will continue pursuing comprehensive stakeholder consultation gathering input and feedback as the project develops," Dr Shaw said.

Minister for Infrastructure and Planning Stirling Hinchliffe said the construction phase of the project could employ up to 1500 workers and the ongoing operation of the mine could support 750 permanent jobs.

"Infrastructure for the open cut and underground mining operations would include a run of mine facility, coal handling and preparation plant, storage facilities, access and haul roads, a water pipeline, onsite raw water dams and an accommodation village," Mr Hinchliffe said.

"It would also include the construction of a rail spur to connect to the proposed common user rail and port infrastructure at Abbot Point," he said.

Further information can be obtained on the Bandanna website at www.bandannaenergy.com.au or by calling Bandanna Energy Limited.

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