

1 August 2011

ASX RELEASE/ MEDIA RELEASE

Strategic Review Update

Bandanna is aware of further recent media speculation concerning the process which Bandanna Energy Limited (Bandanna ASX : BND) previously announced to address the outcomes of the strategic review conducted earlier in the year.

As released to the market on 14 July 2011 Bandanna, in conjunction with its advisors UBS, invited a short-list of parties to progress through a second stage of the process. This involved management presentations and detailed due diligence.

Second stage proponents expressed interest in both individual project assets and corporate based transactions. Bandanna is now in discussion with several proponents. This may, or may not, result in a proposal being made or recommended by the Board.

The market will be advised of any such board recommendations and the outcome of the process, as appropriate.

ENDS

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