

18 August 2011

Australian Stock Exchange Limited

Company Electronic Lodgement

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## **Successful Completion of Institutional Component of Entitlement Offer**

### **Key points**

- \$100 million Institutional Offer oversubscribed
- Strong demand from existing and new institutional investors
- Remaining shareholders eligible to participate in Retail Offer commencing on Thursday, 25 August 2011

### **Institutional Offer**

Bandanna Energy Limited ("Bandanna") today announced the successful completion of the institutional component ("Institutional Offer") of its 5 for 16 accelerated non-renounceable entitlement offer ("Entitlement Offer") of new Bandanna ordinary shares ("New Shares") at an offer price of \$1.00 per New Share ("Offer Price")

Completion of the Institutional Offer represents the first stage of Bandanna's capital raising of up to approximately \$133 million, announced on 17 August 2011. The Institutional Offer has raised gross proceeds of approximately \$100 million.

The Institutional Offer attracted strong demand from Bandanna's existing institutional shareholders and new institutional investors and was oversubscribed.

Bandanna's Managing Director, Ray Shaw said that "there was strong support for the capital raising from both existing and new investors. The proceeds from the capital raising will be used to assist with developing key projects including securing Stage 1 capacity at Wiggins Island Coal Export Terminal and associated rail allocation."

SAMTAN Aures Pty Ltd ("SAMTAN"), a wholly owned subsidiary of a private South Korean coal producer and major shareholder of Bandanna elected to take up its full entitlement, to maintain its current shareholding of approximately 10%.

New Shares taken up under the Institutional Offer are expected to be issued on Monday, 29 August 2011 and commence trading on ASX on the same day.

### **Retail Offer**

The retail component of the Offer ("Retail Offer") is for up to approximately \$33 million and is not underwritten. The Retail Offer will open on Thursday, 25 August 2011 and close at 5.00pm (AEST) on Friday, 9 September 2011.

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Eligible retail shareholders will have the opportunity to participate at the same price and offer ratio as under the Institutional Offer. Eligible retail shareholders may also apply for New Shares in excess of their Entitlement ("Additional New Shares"). Additional New Shares will only be allocated to eligible retail shareholders if and to the extent that Bandanna so determines, in its absolute discretion and subject to any available shortfall, having regard to circumstances as at the time of the close of the Retail Offer.

The retail offer booklet will be sent to eligible retail shareholders in Australia and New Zealand on 25 August 2011 and will also be made available on Bandanna's website for eligible retail shareholders to view ([bandannaenergy.com.au](http://bandannaenergy.com.au)). Eligible retail shareholders wishing to participate in the Retail Offer for New Shares and Additional New Shares will need to complete the Entitlement and Acceptance Form which will accompany the retail offer booklet.

Event	Date <sup>1,2</sup>
Trading halt lifted; Bandanna shares recommence trading on ASX	Thursday, 18 August 2011
Record Date	7:00PM, Monday, 22 August 2011
Retail offer opens	Thursday, 25 August 2011
Institutional settlement	Friday, 26 August 2011
Allotment and normal trading of new shares issued under the institutional offer	Monday, 29 August 2011
Retail offer closes	Friday, 9 September 2011
Retail settlement	Friday, 16 September 2011
Retail allotment	Monday, 19 September 2011
Trading of new shares issued under retail offer	Tuesday, 20 September 2011

<sup>1</sup> All dates and times refer to Australian Eastern Standard Time

<sup>2</sup> Timetable is subject to change without notice, subject to applicable laws

## **Further Information**

Shareholders who have questions regarding the Retail Offer should call the Bandanna Energy Offer Information Line on 1300 657 955 (from within Australia) or +61 3 9415 4037 (from outside Australia) at any time from 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Offer Period.

## **NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States, unless they have been registered under the Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

Neither this announcement nor any other documents relating to the offer of New Shares may be sent or distributed to persons in the United States.

## **ENDS**

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