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Australian Stock Exchange Limited

Company Electronic Lodgement

Results of Retail Component of Entitlement Offer

On 17 August 2011 Bandanna Energy Limited ("Bandanna") (ASX: BND) announced its 5 for 16 accelerated non-renounceable entitlement offer ("Entitlement Offer") to raise up to approximately \$133 million. The institutional component of the offer underwritten by UBS, attracted strong demand from Bandanna's existing institutional shareholders and new institutional shareholders and was oversubscribed, raising gross proceeds of approximately \$100 million.

Bandanna wishes to advise that the non-underwritten Retail component of the Entitlement Offer ("Retail Offer") which closed at 5.00pm (AEST) on Friday, 9 September 2011 resulted in a total uptake of 1,134,269 shares raising \$1,134,269 before expenses.

Managing Director, Dr Ray Shaw, said that "the Board had obviously wanted to provide an opportunity for existing shareholders to participate in what should have been a rights offer at historically attractive prices."

"Unfortunately, however, this was thwarted by a coincidental deterioration in macroeconomic conditions."

"Having said that, as the retail component of the offer was not underwritten, Bandanna has not relied on that component in its funding planning. 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 allocations" he said.

Allocation of the Retail Offer shares will take place on Monday 19th September 2011 with trading of new shares issued under the Retail component to commence on Tuesday 20th September 2011.

ENDS

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