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ASX RELEASE/ MEDIA RELEASE

Bandanna Energy appoints new CEO, Michael Gray

Bandanna Energy Limited (ASX:BND) announces the appointment of highly experienced mining executive Michael Gray to the position of Chief Executive Officer. Mr.Gray's appointment will become effective in the first quarter of 2012 at which time he will join the board of the company as Managing Director.

Mr Gray has more than 20 years experience in the planning and development of major mining infrastructure projects, including high-level involvement in resource feasibility and development, project finance, project execution, environmental management and Native Title issues.

Mr Gray is currently Chief Executive Officer of Middlemount Coal Pty Ltd where he had overall responsibility for development of the Middlemount project from exploration to operating mine. This was the first greenfield coal project developed in Queensland since 2007.

Other career highlights have included senior roles with Macarthur Coal, including as Executive General Manager - Projects and Infrastructure where he was responsible for the overall management of exploration and project feasibility activities and management of long-term infrastructure requirements and Government relations.

Before joining Macarthur Coal, Mr Gray held senior project development roles with the Port of Brisbane Corporation and the Queensland Government's Office of the Coordinator-General.

He is a graduate of the Australian Company Director's Course and was the inaugural winner of the Talbot Family Foundation International Company Directors Scholarship.

He holds a Bachelor of Engineering (Civil) from University of Queensland and a Masters of Business Administration from Deakin University.

Bandanna Energy Limited Chairman, Jeremy Barlow, said:

"We are delighted to welcome Michael as the new CEO of Bandanna Energy."

"His outstanding coal experience in Queensland, managerial and strategic talents combined with proven track record in infrastructure development, project execution and environmental management will be vital in the development of our world class Bowen and Galilee Basin coal assets, and our transition from explorer to producer."

Mr Barlow also paid tribute to retiring Managing Director, Dr Ray Shaw, whose leadership and tireless work ethic had contributed greatly to Bandanna Energy being the success it is today.

“Ray has done a tremendous job for Bandanna Energy and has been instrumental in taking the company forward since the backdoor listing of Bandanna’s assets into Enterprise Energy Limited in 2008. Originally he agreed to continue on a two year contract in order to bed down the company’s new coal focus and develop port and rail options. Ray extended his contract in order to oversee financial close of WICET Stage 1, which occurred in October 2011. During his time Ray has helped build up the top team of executives and the very firm foundations for future growth that the Company now has. Ray will stay on for some months to ensure a smooth transition for his successor,” Mr Barlow said.

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