

*Rule 5.3*

# **Appendix 5B**

## **Mining exploration entity quarterly report**

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

**BANDANNA ENERGY LIMITED**

ABN

34 009 356 665

Quarter ended (“current quarter”)

30 June 2012

### **Consolidated statement of cash flows**

<b>Cash flows related to operating activities</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(5,670) - - (2,894)	(19,219) - - (8,572)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2,520	5,735
1.5	Interest and other costs of finance paid	-	(495)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>		(6,044)	(22,551)
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (52)	- - (8,879)
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - 11	- - 11
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	96	278
<b>Net investing cash flows</b>		55	(8,590)
1.13	Total operating and investing cash flows (carried forward)	(5,989)	(31,141)

<sup>+</sup> See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(5,989)	(31,141)
1.14	<b>Cash flows related to financing activities</b>		
1.15	Proceeds from issues of shares, options, etc.	-	101,264
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
	Other (provide details if material)		
	Funding of Wiggins Island Coal Export Terminal (WICET) Feasibility Costs	-	(356)
	WICET Preference Capital Subscription		
	Payment	-	(20,117)
	Payments for Capital Raising	-	(3,769)
	Proceeds of Senex & Drillsearch Share sale	-	2,746
	<b>Net financing cash flows</b>	-	79,768
	<b>Net increase (decrease) in cash held</b>	(5,989)	48,627
1.20	Cash at beginning of quarter/year to date	120,907	66,291
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	114,918	114,918

#### Payments to directors of the entity and associates of the directors

#### Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	338
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payments to Directors (per 1.23) in accordance with contracts \$267k and consulting services \$71k.	

#### Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows


+ See chapter 19 for defined terms.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standbyarrangements	-	-

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	12,800
4.2 Development	-
4.3 Production	-
4.4 Administration	4,700
<b>Total</b>	<b>17,500</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	40,326	47,143
5.2 Deposits at call	74,592	73,764
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>114,918</b>	<b>120,907</b>

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**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	nil			
6.2 Interests in mining tenements acquired or increased	nil			

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> + <i>securities(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	nil			
7.3 <b>Ordinary securities</b>	528,481,199	528,481,199		
7.4 Changes during quarter (a) Increases through issues: Exercise of options (b) Decreases through returns of capital, buy-backs	nil			
7.5 <b>Convertible debt securities</b> + <i>description</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	nil			
7.7 <b>Options</b> + <i>description and conversion factor</i> Executive Options			<i>Exercise price</i>	<i>Expiry date</i>
Executive Options Exercisable once the Company's share price has increased to at least \$1.20 during the exercise period	409,000		74.5cents	1/3/2013
Executive Options Exercisable once the Company's share price has increased to at least \$1.60 during the exercise period	438,000		74.5 cents	1/3/2013

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Executive Options Exercisable once the Company's share price has increased to at least \$1.50 during the exercise period	538,000	74.5 cents	21/6/2013
Executive Options Exercisable once the Company's share price has increased to at least \$2.00 during the exercise period	621,000	74.5 cents	21/6/2013
Executive Options Exercisable once the Company's share price has increased to at least \$1.50 during the exercise period	1,103,000	74.5 cents	12/11/2012
Executive Options Exercisable once the Company's share price has increased to at least \$2.00 during the exercise period	1,283,000	74.5 cents	12/11/2012
Executive Options Exercisable once the Company's share price has increased to at least \$1.00 during the exercise period	1,197,000	74.5 cents	12/11/2012
Executive Options Exercisable once the Company's share price has increased to at least \$1.20 during the exercise period	1,282,000	74.5 cents	12/11/2012
Executive Options Exercisable once the Company's share price has increased to at least \$1.20 during the exercise period	245,000	74.5 cents	11/10/2013
Executive Options Exercisable once the Company's share price has increased to at least \$1.60 during the exercise period	261,000	74.5 cents	11/10/2013
Executive Options Exercisable once the Company's share price has increased to at least \$1.50 during the exercise period	188,000	74.5 cents	3/11/2013
Executive Options Exercisable once the Company's share price has increased to at least \$1.60 during the exercise period	189,000	74.5 cents	3/11/2013
Executive Options Exercisable once the Company's share price has increased to at least \$2.00 during the exercise period	80,000	144.5 cents	17/01/2013
Executive Options Exercisable once the Company's share price has increased to at least \$2.20 during the exercise period	145,000	164.5 cents	1/03/2014
Executive Options Exercisable once the Company's share price has increased to at least \$2.60 during the exercise period	146,000	164.5 cents	1/03/2014
Executive Options Exercisable once the Company's share price has increased to at least \$1.10 during the exercise period	1,932,000	74.5 cents	1/12/2014

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Executive Options Exercisable once the Company's share price has increased to at least \$1.10 during the exercise period	2,308,397		74.5cents	1/6/2015
Executive Options Exercisable once the Company's share price has increased to at least \$1.10 during the exercise period	1,813,740		74.5 cents	1/6/2015
7.8 Issued during quarter Executive Options Exercisable once the Company's share price has increased to at least \$1.10 during the exercise period	4,122,137		74.5 cents	1/6/2015
7.9 Exercised during quarter	nil			
7.10 Expired during quarter	nil			
7.11 <b>Debentures</b> ( <i>totals only</i> )				
7.12 <b>Unsecured notes</b> ( <i>totals only</i> )				

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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does /~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

(Director/Company secretary)

Date: ...31<sup>st</sup> July 2012 .....

Print name: .Michael Gray.....

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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