

## **Bandanna Energy Limited appoints voluntary administrators**

**Brisbane 22 September 2014** The Board of Bandanna Energy Limited (ASX: BND) (the **Board**) (and the board of each of the group entities listed in the schedule below) (**BND Group**), today resolved to place Bandanna Energy Limited (Bandanna), and each of the BND Group entities, into voluntary administration.

The Board resolved to appoint Grant Sparks, Martin Ford and Phillip Carter of PPB Advisory as joint and several voluntary administrators of the BND Group.

As advised to the ASX on 10 June 2014, Bandanna has been in formal discussions with Credit Suisse AG to restructure the Senior Secured Guarantee Facility Agreement (**SSGFA**), which secures the take or pay obligations of Springsure Creek Coal Pty Ltd to Wiggins Island Coal Export Terminal (WICET) for ship loading capacity and to Aurizon for rail access. Bandanna, on behalf of the BND Group, has worked constructively with Credit Suisse and numerous proposals to extend the SSGFA have been discussed. During this time, Bandanna vigorously explored alternative funding sources, including from Credit Suisse, existing and potential new major equity investors and also explored opportunities for binding commitments to asset sales. Bandanna was also well advanced on the two matters most often cited as obstacles by potential investors, namely, securing a deferral of WICET obligations and Aurizon take or pay obligations and resolving landholder objections and impediments toward the award of the mining lease.

Negotiations with Credit Suisse have been both extensive and cordial however the Board, after significant deliberations, determined by majority decision that an agreement with Credit Suisse could not be reached. With no direct improvement in Bandanna's financial position and with limited ability to raise additional funds to progress the grant of the mining lease, the Board formed the view that Bandanna was not able to continue as a going concern.

John Pegler, the Chairman of Bandanna, said: "over the past few years, the BND Group has made substantial progress towards the development of the Springsure Creek project including obtaining EIS Approval from the Queensland Government, environmental approval from the Commonwealth Government and broad support from the local community and Local Government. Unfortunately, progress has been impacted by delayed approval of the Springsure Creek mining lease and the deepening cyclical decline in seaborne thermal coal prices, which together have further exacerbated delays in investor interest and participation".

Given the circumstances, the Board is unanimous in its decision that the appointment of voluntary administrators is the appropriate course of action at this time.

The Board thanked employees and the management team, led by Managing Director Michael Gray, for their relentless and energetic efforts during extremely challenging market conditions and thanked stakeholders for their strong and patient support.

### **SCHEDULE**

Bandanna Energy Limited ACN 009 356 665

Springsure Property Holdings Pty Ltd ACN 151 660 561

Bandanna Coal Pty Ltd ACN 118 803 704

Springsure Creek Coal Pty Ltd ACN 119 713 601