

(Administrators Appointed)

14 May 2015

The Manager
Company Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Bandanna Energy Limited (Administrators Appointed) (ASX:BND)

Annual General Meeting – Chairman's Presentation

Please find attached a copy of the Chairman's presentation to the Company's Annual General Meeting held today.

Yours faithfully



Grant Sparks
Administrator

Contact: Administrators' Office

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Annual General Meeting of Shareholders

**Bandanna Energy Limited
(Administrators Appointed)**

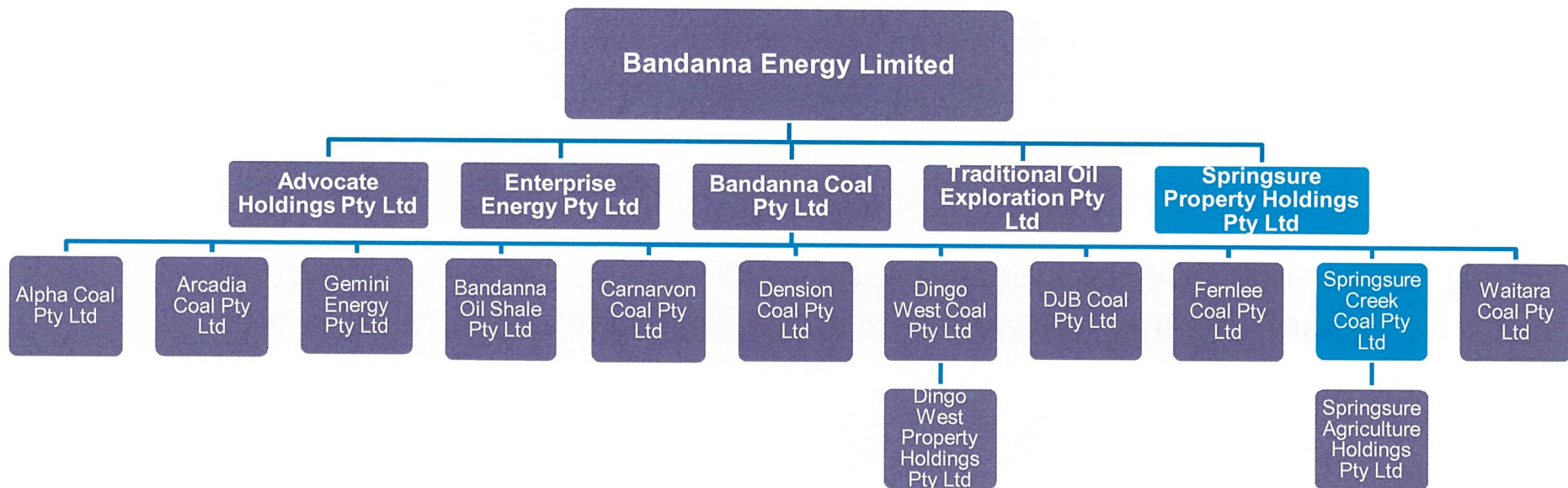
Thursday 14 May 2015

Chairman: Grant Sparks, Administrator



Meeting agenda

- Voluntary Administration
- Purpose of the meeting
- Meeting formalities
- Annual Report 2014
- Remuneration Report
- Questions

Appointment of Administrators



Key

-  Grant Sparks, Martin Ford and Philip Carter appointed Administrators
-  Receivers and Managers Appointed (in addition to appointment of Grant Sparks, Martin Ford and Philip Carter as Administrators)

Bandanna Energy Limited, together with all its subsidiaries, are referred to as the 'Companies'

Appointment of Administrators

- **Circumstances of appointment**
 - The directors resolved the Companies would not be able to continue meeting all financial commitments as and when they fell due
- **The Administrators' preliminary view of the causes of the appointment are:**
 - Contingent liabilities that would arise from agreements with Wiggins Island Coal Export Terminal (WICET)
 - The cost of dealing with objections and compensation to landowners for the mining lease applications to be approved
 - The declining price of thermal coal
 - The inability to raise interim funding or debt and equity to build the Springsure Creek mine

Next steps

- Working with key stakeholders to deliver the best outcome for creditors

- Commenced competitive sale process with appointment of Macquarie Capital as financial advisers

- Administrators will continue to provide updates through:
 - PPB Advisory website (www.ppbadvisory.com)
 - ASX website

Administrators' role

- Investigating the affairs of the Companies
- Reporting to creditors; and
- Providing a recommendation to creditors to enable them to vote

Convening period extended to October 2015

Second Meeting of creditors to be held no later than 28 October 2015

Creditors will vote at the Second Meeting of Creditors to either:

- return the Companies to the directors
- place the Companies in to liquidation; or
- enter into a deed of company arrangement (DOCA)

Outcome for shareholders

- Shareholders will only receive a return if creditors are paid in full or through a restructure of capital which may be included in a DOCA
- On information currently available to the Administrators it is considered unlikely that there will be a return to shareholders
- Liquidators can make a declaration to allow capital losses but not at this time

Any questions at this stage of the meeting?

Purpose of the meeting

- Consider Annual Report ending 30 June 2014
- Vote upon the resolution relating to the Remuneration Report

Meeting formalities

- Administrator, Grant Sparks, Chairman of the meeting
- Process for resolutions and voting
- Minutes will be lodged with ASX

Annual Report 2014

The Annual Report Includes:

- Financial Report
- Directors' Report
- Independent Audit Report
- Remuneration Report

The Annual Report relates to a period prior to the appointment of administrators and the Administrators can give no warranties in relation to the information contained in the report

Questions?

- Please state your name and the company you represent (if applicable)

Resolution

Proxies received

- 29,175,151 For (52.49%)
- 25,321,561 Against (45.56%)
- 407,674 Abstain (0.73%)
- 1,028,621 Proxy's discretion (1.85%)

“That the Remuneration Report for the year ended 30 June 2014 (as set out in the Administrators' Report) be adopted”

Thank you

The background of the slide is an abstract geometric composition. It features several planes in various shades of blue, ranging from a light, airy blue to a deep, dark indigo. These planes are arranged in a way that creates a three-dimensional effect, with some surfaces receding into the distance and others coming forward. The planes are separated by sharp, clean lines, creating a sense of depth and perspective. A large, bright white triangular shape is prominent in the lower right quadrant, pointing towards the center. The overall effect is modern and minimalist.