

BANNERMAN PROVIDES UPDATE REGARDING EPANGELO DISCUSSIONS

Perth, Australia – Bannerman Resources Limited (ASX: BMN, TSX: BAN, NSX: BMN) (“**Bannerman**”) provides the following update regarding its discussions with Namibian state-owned mining company Epangelo Mining Company (Pty) Ltd (“**Epangelo**”).

As previously disclosed, Bannerman and Epangelo signed a Term Sheet in April this year setting out the terms and conditions offered to Epangelo for it to acquire an initial 5% interest (plus a follow-on option for an additional 5% interest) in Bannerman's 80%-owned Namibian subsidiary, the sole owner of the Etango Uranium Project. The Term Sheet required certain conditions to be satisfied within four months (ending today), including Epangelo completing its due diligence investigations and obtaining its acquisition finance.

Since that time, Epangelo has completed technical due diligence investigations to its satisfaction and confirmed its recognition of the importance of the Etango Project to Namibia. However, the parties have been unable to complete a mutually acceptable agreement reflecting the commercial substance of the Term Sheet.

Bannerman is in a solid position in the current weak equity and uranium markets, with good cash reserves (A\$9.6 million as at 30 June 2012) and a recently-completed Definitive Feasibility Study on the Etango Project. Monthly expenditures will now be low and, whilst Bannerman is under no compulsion to transact the Etango Project at cyclically low prices, Bannerman will continue to pursue local Namibian and international development partners in a manner which will deliver fair value to shareholders.

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About Bannerman - Bannerman Resources Limited is an emerging uranium development company with interests in Namibia, a southern African country considered to be a premier uranium mining jurisdiction. Bannerman's principal asset is its 80%-owned Etango Uranium Project situated southwest of Rio Tinto's Rössing uranium mine and to the west of Paladin Energy's Langer-Heinrich mine. Etango is one of the world's largest undeveloped uranium deposits. Bannerman is focused on the development of a large open pit uranium mining and processing operation at Etango. More information is available on the Company's website at www.bannermanresources.com.

Certain disclosures in this release, including management's assessment of Bannerman's plans and projects, constitute forward looking statements that are subject to numerous risks, uncertainties and other factors relating to Bannerman's operation as a mineral development company that may cause future results to differ materially from those expressed or implied in such forward-looking statements. The following are important factors that could cause Bannerman's actual results to differ materially from those expressed or implied by such forward looking statements: fluctuations in uranium prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; general market conditions; the uncertainty of future profitability; and the uncertainty of access to additional capital. Full descriptions of these risks can be found in Bannerman's various statutory reports, including its Annual Information Form available on the SEDAR website, sedar.com. Readers are cautioned not to place undue reliance on forward-looking statements. Bannerman expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.