

**Bandanna Energy Limited (Administrators
Appointed) (the Company) & subsidiaries (the
Companies)**

September 2014 – Shareholder FAQ

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A1. Who is PPB Advisory?	<p>PPB Advisory is a leading professional advisory firm that employs over 300 people across Australia and New Zealand.</p> <p>You can find out more at www.ppbadvisory.com</p>
A2. What has happened to the Companies? / Why did the administration come about?	<p>The directors of the Companies believed it would not be possible to continue meeting all financial commitments as and when they fell due over the next 12 months and appointed Grant Sparks, Martin Ford and Philip Carter of PPB Advisory as Joint and Several Administrators pursuant to Section 436A of the Corporations Act.</p> <p>The Administrators will be carrying out investigations as to how this came about. The preliminary view is that the following combination of factors put the Companies in an unviable financial position:</p> <ul style="list-style-type: none"> • Contingent liabilities arising from agreements with Wiggins Island Coal Export Terminal (WICET) • The cost of dealing with objections and compensation to landowners for the Mining Licence application to be approved • The declining price of coal.
A3. What companies have been placed into administration?	<ul style="list-style-type: none"> • Bandanna Energy Limited ACN 009 356 665 • Bandanna Coal Pty Limited ACN 118 803 704 • Springsure Creek Coal Pty Ltd ACN 119 713 601 • Springsure Property Holdings Pty Limited ACN 151 660 561
A4. What are the next steps?	<p>The Administrators are working with the Group's management team to fully understand the options available to the Group. This may include seeking expressions of interest to purchase the business and assets or a restructure/recapitalisation of the Group at an appropriate time.</p>
A5. What is a voluntary administration?	<p>Voluntary administration is an insolvency procedure where the directors of a financially troubled company or a secured creditor with a charge over most of the company's assets appoint an external administrator called a 'voluntary administrator'.</p> <p>The role of the voluntary administrator is to investigate the company's affairs, to report to creditors and to recommend to creditors whether the company should enter into a deed of company arrangement, go into liquidation or be returned to the directors.</p> <p>For more information regarding administrations, please visit www.asic.gov.au.</p>

A6. How long will the voluntary administration process take?	<p>The first meeting of Creditors will be held at 10:00am (AEST) on Thursday, 2 October 2014, at Brisbane Convention Centre, QLD</p> <p>A second creditors meeting will be held by 28 October 2014 (unless the convening period is extended), at which time the future of the Companies will be voted on by the creditors. The outcome of this meeting will either be a deed of company arrangement, liquidation or the company being returned to the directors. The company will only be returned to the directors if the company is found to be solvent.</p> <p>Creditors and employees will be kept informed as to the details of the second creditors meeting.</p>
A7. Will I get any money back?	Shareholders rank behind creditors in the distribution of funds. It is too early to tell whether shareholders will receive a return.
A8. Can I sell or transfer my shares?	Transfer of shares during the voluntary administration process will not be effective unless the Administrator gives written consent or permitted by the court. The Administrator will need to be satisfied that the transfer is in the interest of the Company.
A9. What are my rights as a shareholder in a voluntary administration?	The Administrators are not required to report to shareholders on the progress or outcome of the voluntary administration. Shareholders are not eligible to vote on the Companies' future.
A10. Can I claim a capital loss on my shares?	If the Company enters into a deed of company arrangement or liquidation, the deed administrator or liquidator may make a written declaration they have reasonable grounds to believe there is no likelihood shareholders will receive any further distribution. This will enable shareholders to claim a capital loss.
A11. Where can I get a copy of the Report to Creditors or other public communications issued by the Administrators?	<p>A copy of the first report to creditors was mailed on 24 September 2014 to all creditors and employees.</p> <p>A copy of the report to creditors and other key communications issued to stakeholders can be found on the PPB Advisory website: www.ppbadvisory.com under the link Creditor Information section.</p> <p>There will also be updates posted on the ASX: www.asx.com.au.</p>
A12. When and where is the meeting of creditors being held?	<p>The first meeting of creditors will be held at 10:00am (AEST) on Thursday, 2 October 2014, in the M3 Room – Mezzanine Level at Brisbane Convention and Exhibition Centre, Merivale Street, South Brisbane QLD 4101.</p> <p>Shareholders may attend the meeting as observers but are not entitled to vote.</p>