

BANDANNA ENERGY BANDANNA ENERGY LIMITED

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15 December 2008

ASX RELEASE

General Manager,
The Company Announcements Office
Australian Stock Exchange Limited
Electronic Lodgement System

Dear Sir,

Coking Coal Potential in EPC 892 – Arcadia Project Area

Bandanna Energy Limited (Bandanna – ASX Code BND) is pleased to release the following coal quality results for Hole PUR015C situated in EPC 892 – Arcadia, Bowen Basin, Queensland. This tenement is 100% owned by Arcadia Coal Pty Ltd, a wholly owned subsidiary of Bandanna.

The tenement is subject of on-going exploration including the current drilling of a further six boreholes for coal quality analyses.

The attached results are significant both for the low ash content of the Aries 1 and 2 (A1 and A2) seams and potential for a semi or soft coking coal within the tenement, as reflected by the crucible swelling numbers.

Yours faithfully,

BANDANNA ENERGY LIMITED



Dr Ray Shaw

Managing Director

Report on Drilling Results EPC - 892

Arcadia Coal Pty Ltd

Recent coal washability analysis from the Aries 1 and 2 Seams within Holes PUR015C have been received by Arcadia Coal Pty Ltd from SGS Coal Laboratories, Newcastle. The analysis points toward the coal within the Purbrook Anticline area of EPC892 to be a possible low ash, semi or soft coking quality coal. Further testing of the A2 Seam for coking properties is occurring, coupled with the ongoing drilling of a further 6 coal quality holes to provide further material to test. PUR015C occurs in the south-eastern quadrant of the Arcadia lease. Of particular note is the very low average ash content within the Aries 2 Seam at both a 1.35gm/cc float, and at a 1.375gm/cc float, coupled with very high yields. The Crucible Swelling Number (CSN) reported indicates the presence of potential semi or soft coking properties.

Coal Quality Report

A1 Seam, Summary washability results

Size Fraction :	Proportion of Sample:	Fraction	Mass %	Cumulative	
				Ash %	CSN
+16.0mm	21.2%	< F1.35	47.8%	6.91	2.41
-16.0 + 1.4mm	54.4%	< F1.35	75.0%	6.49	3.66
-1.4 + 0.5(ww)mm	7.5%	< F1.35	66.8%	2.86	2.93
-0.5(ww) + 0.25mm	6.7%	< F1.35	56.3%	2.54	2.85
Cumulative Yield, reported size fractions			66.5%	6.00	3.33
Size Fraction :	Proportion of Sample:	Fraction	Mass %	Cumulative	
				Ash %	CSN
+16.0mm	21.2%	< F1.375	47.8%	6.91	2.41
-16.0 + 1.4mm	54.4%	< F1.375	81.1%	7.02	3.49
-1.4 + 0.5(ww)mm	7.5%	< F1.40	75.1%	3.51	2.83
-0.5(ww) + 0.25mm	6.7%	< F1.40	67.8%	3.24	2.54
Cumulative Yield, reported size fractions			71.7%	6.43	3.20

A2 Seam, Summary washability results

Size Fraction :	Proportion of Sample:	Fraction	Mass %	Cumulative	
				Ash %	CSN
+16.0mm	28.4%	< F1.35	81.0%	8.52	0.88
-16.0 + 1.4mm	51.2%	< F1.35	75.0%	5.98	2.89
-1.4 + 0.5(ww)mm	6.0%	< F1.35	62.3%	3.40	2.75
-0.5(ww) + 0.25mm	5.3%	< F1.35	53.7%	2.86	3.67
Cumulative Yield, reported size fractions			74.8%	6.57	2.24
Size Fraction :	Proportion of Sample:	Fraction	Mass %	Cumulative	
				Ash %	CSN
+16.0mm	28.4%	< F1.375	92.7%	9.05	0.77
-16.0 + 1.4mm	51.2%	< F1.375	87.8%	6.60	2.47
-1.4 + 0.5(ww)mm	6.0%	< F1.375	73.2%	4.07	2.34
-0.5(ww) + 0.25mm	5.3%	< F1.375	66.3%	3.63	3.35
Cumulative Yield, reported size fractions			87.1%	7.14	1.94

Statement of Compliance

The information compiled in this report relating to resources is based on information compiled by Gordon Saul, who is a member of the Australian Institute of Geoscientists and who is employed by Resolve Geo Pty Ltd. Gordon Saul has sufficient experience which is relevant to the style of mineralization and types of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves". Gordon Saul consents to the inclusion in this report of the matters based on his information and in the form and context in which it appears. Resolve Geo Pty Ltd is a shareholder in Bandanna Energy Limited.

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ASX RELEASE

General Manager,
The Company Announcements Office
Australian Stock Exchange Limited
Electronic Lodgement System

Dear Sir,

Further Update on Details of Drilling in EPC 891 Springsure Creek

Bandanna Energy Limited (Bandanna – ASX Code BND) is pleased to release the following coal quality results from EPC 891 – Springsure Creek, located in the Bowen Basin, Queensland. This tenement is 100% owned by Springsure Creek Coal Pty Ltd, a wholly owned subsidiary of Bandanna.

The results relate to drilling on the Springton Anticline which has previously been subject to drilling along three traverses; the southern, central and northern. SPR022C and SPR024C, located on the northern traverse, have intersected 3.17 and 3.75 m thickness of coal, respectively, and provide coal quality results 4.85 km north of the previously reported results - for boreholes on the central traverse. Boreholes SPR026C and SPR 028C are located a 3.85 km further north again, in an attempt to ascertain the extreme northern extent of potential exploration interest. Whilst these holes penetrated thinner seams, 1.71 and 1.06 m respectively, coal quality results here are consistent with those of the northern, central and southern traverses, a strike length along the anticline of some 14 km.

The results are very encouraging and give further confidence that this project has the capacity to deliver a probable high quality, low ash, low sulphur raw thermal coal product.

Yours faithfully,

BANDANNA ENERGY LIMITED



Dr Ray Shaw

Managing Director

Report on Drilling Results EPC - 891
Springsure Creek Coal Pty Ltd

Recent coal quality analysis from the Aries 2 Seams within Holes SPR022C, 24C, 26C and 28C, have been received by Springsure Creek Coal Pty Ltd from SGS Coal Laboratories, Newcastle. The analysis confirms both previous analysis, and the view that the coal within the Springton Anticline area of EPC891 to be of a probable high quality raw thermal coal. The holes tested occur 4.85 Km to the north of previously reported coal quality results, and considerably extend the area in which Springsure Creek Coal Pty Ltd has modern coal quality analysis. Of particular note is the low average raw ash content within the Aries 2 Seam, the low sulphur content and the excellent energy values. Holes SPR026C and SPR028C, drilled 3.85km to the north of SPR022C & SPR024C, confirm the northern limit of the Springton Anticline area of interest, both reporting the Aries 2 Seam at less than 2.0m thickness.

Coal Quality Report

SGS Reference: NP/1924		Springsure EPC891 SPR 022C									
<u>RAW PLY RESULTS</u>		Air Dry basis									
		Thick (m)	RD	M	A	VM	FC	TS	CV	Cl	Phos
Sample	Seam & Ply			%	%	%	%	%	MJ/kg	%	%
3039	Roof	0.50	2.30	4.1	78.6			<0.01			
3040	A2	0.21	1.51	8.1	15.8	25.5	50.6	0.12	23.85	0.03	0.007
3041	A2	0.49	1.55	8.6	15.7	29.1	46.6	0.12	23.50	0.03	0.053
3042	A2	0.43	1.43	9.4	9.4	26.3	54.9	0.17	26.58	0.04	0.147
3043	A2	0.34	1.45	9.5	12.3	26.3	51.9	0.17	25.39	0.04	0.041
3044	A2	0.35	1.48	8.5	12.2	25.9	53.4	0.15	25.61	0.04	0.082
3045	A2	0.25	1.39	10.7	6.3	29.1	53.9	0.18	26.98	0.04	0.023
3046	A2	0.38	1.38	11.0	6.5	32.0	50.5	0.23	27.01	0.05	0.030
3047	A2	0.29	1.36	11.3	5.8	31.5	51.4	0.24	27.23	0.04	0.002
3048	A2	0.43	1.34	11.7	3.4	32.5	52.4	0.30	27.96	0.04	0.002
3049	Floor	0.50	2.48	3.8	88.6			<0.01			
Weighted Average											
A2 Seam			1.43	9.88	9.68	28.85	51.57	0.188	26.01	0.038	0.047

SGS Reference:		Springsure EPC891									
NP/1953		SPR 024C									
RAW PLY RESULTS		Air Dry basis									
		Thick (m)	RD	M	A	VM	FC	TS	CV	CI	Phos
Sample	Seam & Ply			%	%	%	%	%	MJ/kg	%	%
3057	Roof	0.20	2.15	4.3	75.6			<0.01			
3061	A2	2.25	1.36	8.2	11.5	25.7	54.6	0.16	26.51	0.06	0.066
3062	A2	0.46	1.32	9.5	7.2	29.6	53.7	0.20	27.87	0.07	0.018
3065	A2	1.04	1.37	9.5	6.6	32.6	51.3	0.27	27.55	0.06	0.004
3066	Floor	0.20	2.55	3.9	89.0			<0.01			
Weighted Average A2 Seam			1.35	8.72	9.61	28.85	51.57	0.195	26.98	0.061	0.042

SGS Reference:		Springsure EPC891									
NP/1949		SPR 026C									
RAW PLY RESULTS		Air Dry basis									
		Thick (m)	RD	M	A	VM	FC	TS	CV	CI	Phos
Sample	Seam & Ply			%	%	%	%	%	MJ/kg	%	%
1701	Roof	0.32	2.92	3.8	83.8			<0.01			
1702	A2	1.71	1.47	8.7	16.4	23.3	51.6	0.17	24.43	0.05	0.056
1703	Floor	0.28	2.68	2.3	93.0			<0.01			
Average A2 Seam			1.47	8.7	16.4	23.3	51.6	0.17	24.43	0.05	0.056

SGS Reference:		Springsure EPC891									
NP/1944		SPR 028C									
RAW PLY RESULTS		Air Dry basis									
		Thick (m)	RD	M	A	VM	FC	TS	CV	CI	Phos
Sample	Seam & Ply			%	%	%	%	%	MJ/kg	%	%
3051	Roof	0.50	2.59	6.3	85.1			<0.01			
3055	A2	1.06	1.39	9.5	11.5	26.6	52.4	0.25	26.24	0.09	0.038
3056	Floor	0.46	2.39	4.0	89.5			<0.01			
Average A2 Seam			1.39	9.5	11.5	26.6	52.4	0.25	26.24	0.09	0.038

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