

BANNERMAN UPDATE ON HANLONG PROPOSAL

Perth, Australia – On 11 July 2011, Bannerman Resources Limited (ASX: BMN, TSX: BAN, NSX: BMN) (“**Bannerman**”) announced that it had received a highly conditional acquisition proposal from the Sichuan Hanlong Group (“**Hanlong**”).

Since the proposal was announced, Bannerman has assisted Hanlong in undertaking technical and legal due diligence enquiries using external advisers. Bannerman and Hanlong have also had a number of constructive meetings and discussions which suggest to Bannerman that there is a strong alignment of views between Bannerman and Hanlong on the positive outlook for the uranium sector and the quality and strategic value of the Etango Uranium Project given the size of its mineral resource, its location and its low development and processing risk.

During recent negotiations in China, Hanlong advised Bannerman that the China Development Bank (which is the intended financier of any Hanlong offer) requires additional due diligence to be undertaken to gain greater certainty regarding the timing and conditions of a mining licence before financing commitments can be made to Hanlong. Hanlong has not yet been able to confirm the scope of that work, how long it will take to complete or how long it will take to secure approvals from the China Development Bank and the Chinese Government.

As a result, the Board of Bannerman has concluded that it is unlikely that Bannerman will know whether Hanlong is in a position to enter into a binding agreement with Bannerman within a timeframe that would meet the reasonable expectations of Bannerman’s shareholders and other stakeholders, including the Namibian Government.

Accordingly, Bannerman has formally advised Hanlong that, whilst Bannerman remains willing to consider a less conditional proposal from Hanlong, Bannerman will now focus on its existing discussions with other parties regarding development joint ventures and alternative corporate arrangements.

About Bannerman - Bannerman Resources Limited is an emerging uranium development company with interests in two properties in Namibia, a southern African country considered to be a premier uranium mining jurisdiction. Bannerman’s principal asset is its 80%-owned Etango 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 feasibility assessment and development of a large open pit uranium operation at Etango. More information is available on Bannerman’s website at www.bannermanresources.com.

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