BANNERMAN EXPLORATION UPDATE

Perth, Australia – Bannerman Resources Limited (ASX: BMN, TSX: BAN, NSX: BMN) ("**Bannerman**" or the **"Company**") provides the following update regarding the latest exploration activities surrounding its Etango Uranium Project in Namibia, southwestern Africa:

- **High grade surface rock chip samples, with assays up to 1,698ppm U_3O_8, collected at the Cheetah Prospect during an initial mapping and ground geophysics program.**
- **Assay intersections of up to 10 metres at 339ppm U_3O_8 returned from an initial 17 hole RC drilling program at Cheetah, including:**

Drillhole No.	From Depth (m downhole)	Downhole Interval (m)	Grade (ppm U_3O_8)
GCHRC0003	20	**2**	**349**
GCHRC0011	50	**2**	**864**
GCHRC0015	20	**8**	**240**
GCHRC0016	18	**10**	**339**
GCHRC0016	34	**3**	**231**
GCHRC0016	38	**3**	**263**

- **RC drilling is now underway seeking extensions to the mineralisation at the Hyena and Ondjamba Prospects immediately to the south of the Etango deposit.**
- **Targets are also ready for drilling along the Rössingberg, Ombuga and Gohare line of mineralisation.**
- **Active near-Project and regional exploration programs planned for 2011.**

Bannerman CEO Len Jubber said: "The Bannerman exploration team had a successful year in 2010 when regional exploration was extended beyond the Etango Project in Namibia. Significant mineralisation was discovered at the Hyena and Ondjamba Prospects, directly leading to the definition of some 44Mlbs of inferred U_3O_8 resources in satellite deposits."

"In 2011, there remains considerable potential for further discoveries in the vicinity of the existing Etango deposit and exploration is continuing using geological mapping, ground geophysics and RC drilling to advance the definition of any near-project mineralisation. New prospects are now being explored at Cheetah and Ombepo, which lie along strike to the north from Etango towards the Rössing Mine. There also remains additional regional exploration potential in the Rössingberg, Ombuga and Gohare Prospects."

"In addition to the regional exploration work, RC drilling on extensions to the known Hyena mineralisation immediately to the south of the Etango deposit is also underway. It is envisaged that 2011 will be an active year for the exploration team."

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Background

Bannerman has been exploring at the Etango Project since 2006. Initial work concentrated on the recognised Anomaly A radiometric anomaly, which lies over granitic alaskite intrusions that are emplaced into Chuos and Khan Formation metasedimentary rocks close to their contact with the basement rocks of the Palmenhorst Dome. Early exploration followed the mineralisation north from Anomaly A to Oshiveli and then onto the Onkelo Prospect, with these three areas now comprising the Etango deposit.

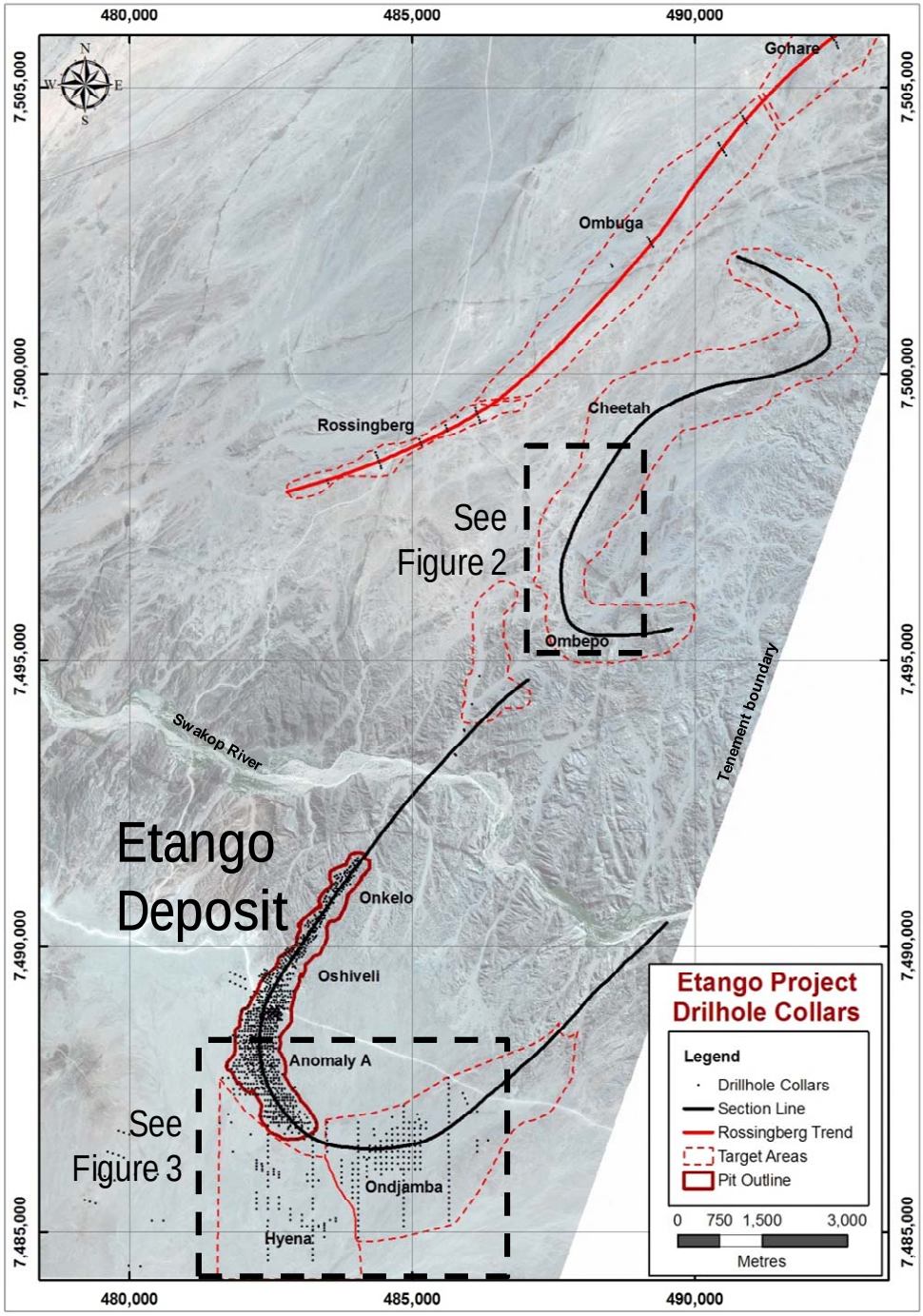

***Figure 1**: Satellite image showing the trace of the favourable stratigraphic setting at the contact of the Khan and Chuos Formations at Etango and to the north. The Rössingberg trend lies on a different structure.*

In 2010, RadonX™ surveys, exploration drilling, ground geophysics and geological mapping led to the discovery of the Ondjamba and Hyena deposits which lie in similar stratigraphic and structural settings, to the immediate south and east of the existing Etango resource area.

Much of the recent exploration success has come from the introduction of the RadonX™ survey method to better define anomalous uraniferous zones under desert sand cover or in areas where surface depletion has resulted in low uranium values at the surface.

Cheetah and Ombepo Prospects

Analysis of exploration results during 2010 led Bannerman to conclude that the favourable Khan/Chuos Formation stratigraphy extends north across the Swakop River and then for another 10-15km within Bannerman's Exclusive Prospecting Licence ("EPL") 3345. First indications of anomalous radon values in the area were received from the Rössingberg RadonX™ survey (reported in July 2010) and recent detailed geological mapping and surface sampling combined with ground radiometric geophysics surveys has now led to the delineation of the new Cheetah and Ombepo Prospects.

The Cheetah Prospect mineralisation is hosted in alaskite intrusions within the Khan and Chuos Formations, an identical stratigraphic and structural setting to the Etango deposit, the northern (Onkelo) portion of which lies only 5km to the south. The mineralisation follows the margin of the Palmenhorst Dome and has, to date, been mapped over a strike length of some 5km.

The Cheetah Prospect area has now been the subject of detailed geological mapping, a surface radiometric geophysical survey and surface sampling. A total of 23 surface grab samples were collected during the geological mapping phase and excellent chemical analytical results were received from these samples, including:

Sample	U_3O_8 ppm	Sample	U_3O_8 ppm	Sample	U_3O_8 ppm
A151907	**1,179**	A151915	**1,214**	A151923	**34**
A151908	**1,698**	A151916	**419**	A151924	**415**
A151909	**433**	A151917	**676**	A151925	**358**
A151910	**282**	A151918	**262**	A151926	**154**
A151911	**433**	A151919	**501**	A151927	**195**
A151912	**373**	A151920	**192**	A151928	**101**
A151913	**112**	A151921	**307**	A151929	**198**
A151914	**233**	A151922	**202**		

Table 1: Cheetah Prospect – U_3O_8 grades from chemical analysis of surface samples

Elevated uranium values were identified in the uranium channel in the ground radiometric survey and these are coincident with the alaskite intrusive bodies. Some elevated radiometric values are also associated with red granite bodies, basement rocks and recent deposits of alluvium in some of the drainage channels. Drill targeting was completed based upon the relationship between the radiometric values, for uranium, thorium and potassium, and the mapped alaskite bodies.

Subsequently, 17 RC drillholes were completed, for 2,739m, over a strike length of some 3km. The results are highlighted in Figure 2 and are tabulated in full in the Attachment. Encouraging results were received and are now being reviewed with a view to conducting a follow-up drilling program.

Geological mapping is also continuing to the north along the prospective contact zone and dome margin with a view to this area also being drill tested in the near future. Bannerman is now exploring the entire 10-15km of strike length of the favourable stratigraphy north of the Swakop River.

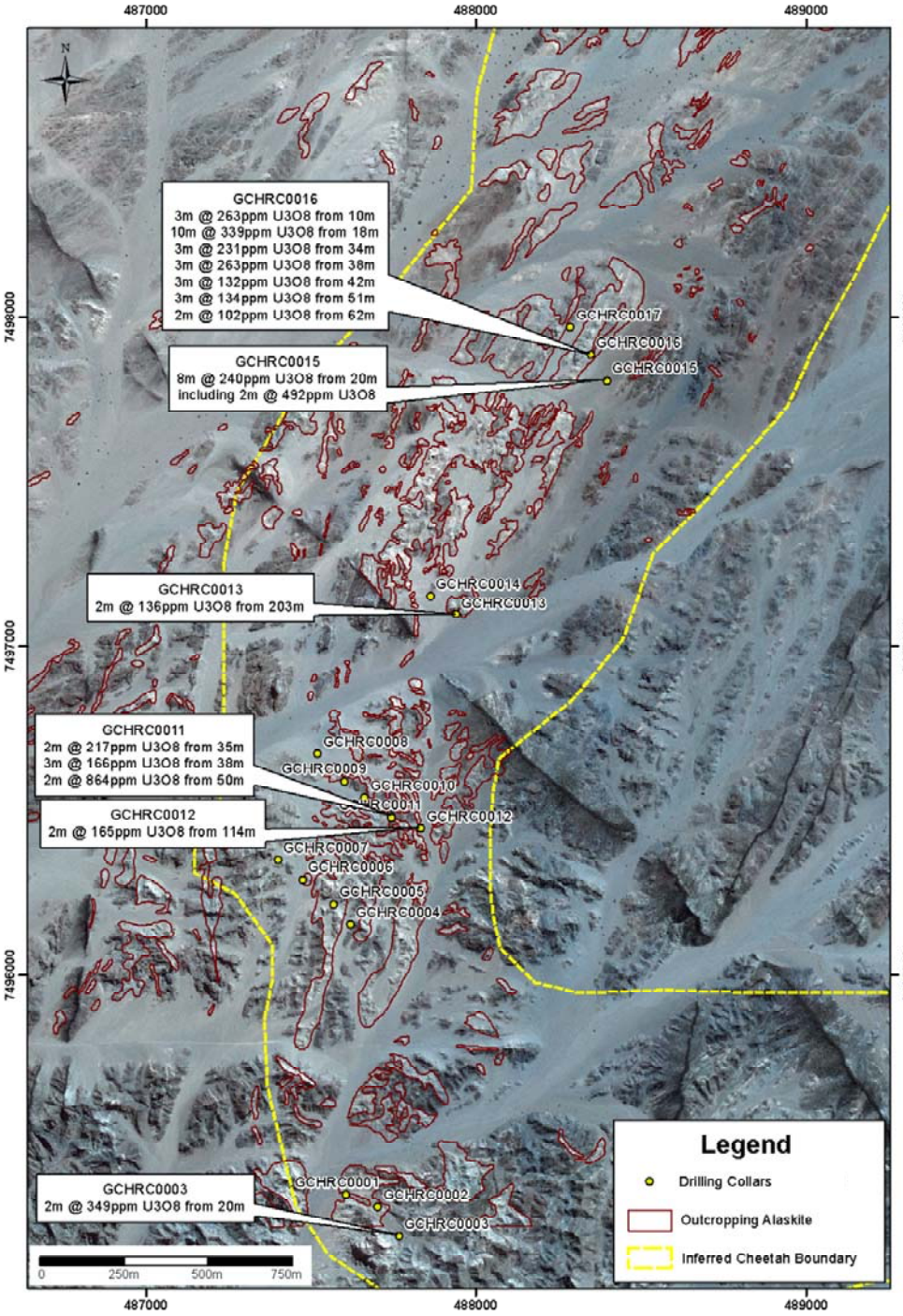

***Figure 2**: Satellite image with overlay showing the outcropping Cheetah Prospect alaskite bodies and the completed Phase 1 RC drillhole locations with assay results.*

Hyena Prospect

Previously reported drilling at Hyena intersected areas of high grade mineralisation, with values up to 16 metres at 1,021ppm U_3O_8. Starting in February 2011, exploration is now focused on a new phase of RC drilling at the Hyena Prospect with the aim of better defining and extending this high grade mineralisation. To date, further anomalous intersections have been obtained, as evidenced by hand held scintillometer readings on the drill cuttings. Chemical assay results will be reported in due course.

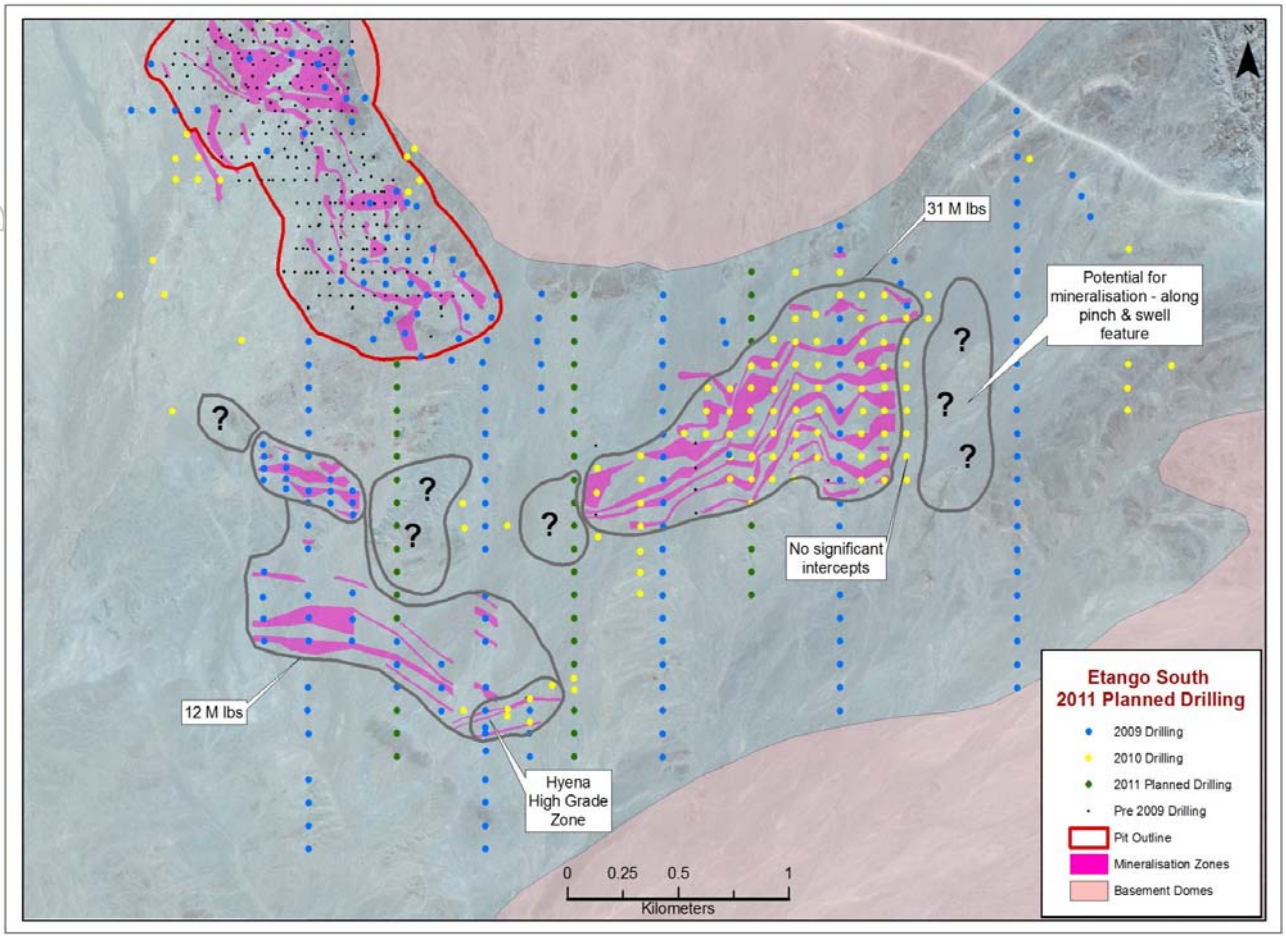

***Figure 3**: Etango South area showing the Hyena High Grade Zone location and some of the planned exploration drillhole locations for 2011.*

2011 Exploration Activities

Exploration activities in 2011 will include an initial 10,000-15,000 metre drilling program as well as further ground-based geological mapping, ground radiometric surveys and regional reconnaissance, in conjunction with additional Radon cup surveys. Follow-up drilling programs will be designed based on the results received.

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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Regulatory Disclosures:

Bannerman Resources Limited ("Bannerman") manages its drilling and assaying activities in accordance with industry standard quality assurance/quality control (QA/QC) procedures. Samples are collected by Bannerman personnel and prepared in accordance with specified procedures at the relevant assay laboratories. The primary assay laboratory is SGS Johannesburg where site reviews are undertaken. Assay QA/QC involves the use of assay standards (sourced from African Mineral Standards (AMIS) in Johannesburg, made from Bannerman pulp rejects and cross-checked through umpire laboratories for which the round robin reports are available), field duplicates, blanks and barren quartz flushes. A third party "umpire" laboratory (Genalysis in Perth) is used to cross-check and validate approximately 5% of the assay results in accordance with standard procedures. Sample coarse rejects are retained and approximately 5% of samples are re-submitted for further assay verification. All sample pulps are retained at a storage facility in Johannesburg and half-core and rock-chip samples are retained at site. The surface and RC drill samples from the Cheetah Prospect were analysed for uranium by the Bureau Veritas Laboratory in Swakopmund, Namibia using the Inductively Coupled Plasma Mass Spectrometry (ICP/MS) method. Bureau Veritas is an International Laboratory Group with operations in 140 countries, including Ultratrace and Amdel in Australia.

The information in this release that relates to the exploration results of the projects owned by Bannerman is based on information compiled by Mr Kieron Munro, a geological consultant to Bannerman. Mr Munro is a Member of the Australian Institute of Geoscientists, a Recognised Professional Organisation by the Australasian Joint Ore Reserves Committee, who has sufficient experience relevant to the style of mineralisation and types of deposits under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and as a Qualified Person for purposes of National Instrument 43-101 of the Canadian Securities Administrators. Mr Munro consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

Bannerman has not completed feasibility studies on its projects. Accordingly, there is no certainty that such projects will be economically successful. Mineral resources that are not ore reserves do not have demonstrated economic viability.

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.

RC Drilling Results
for Cheetah Prospect

Drillhole ID	Northing	Easting	DIP	Azimuth	From	To	Interval	Grade (ppm U_3O_8)
GCHRC0003	7495212	487765	-90	0	20	22	2	349
GCHRC0011	7496481	487743	-60	110	35	37	2	217
GCHRC0011	7496481	487743	-60	110	38	41	3	166
GCHRC0011	7496481	487743	-60	110	50	52	2	864
GCHRC0012	7496447	487831	-60	110	114	116	2	165
GCHRC0013	7497099	487937	-60	210	203	205	2	136
GCHRC0015	7497808	488395	-60	305	20	28	8	240
GCHRC0016	7497886	488346	-60	311	10	13	3	263
GCHRC0016	7497886	488346	-60	311	18	28	10	339
GCHRC0016	7497886	488346	-60	311	34	37	3	231
GCHRC0016	7497886	488346	-60	311	38	41	3	263
GCHRC0016	7497886	488346	-60	311	42	45	3	132
GCHRC0016	7497886	488346	-60	311	51	54	3	134
GCHRC0016	7497886	488346	-60	311	62	64	2	102

Notes to the drilling results table:

1. Reported drilling is by the reverse circulation (RC) drilling method utilising 122-129mm diameter bits.
2. All intercepts in excess of 2 metres at 100ppm U_3O_8 are reported.
3. All reported intersections are downhole intervals, which are similar to true widths within the Etango and Ondjamba deposits, but at Cheetah and Hyena are of uncertain true width, due to the present lack of data.
4. Sample intervals are all of 1.0 metre length in the RC drillholes.
5. Sample sizes of ±1.0kg are sent to the sample preparation assay laboratory and after pulverisation a 200g sub-sample is derived for analysis. From this, 20g is used for an analysis. All quoted assays are by reputable certified laboratories.
6. Cheetah samples have been analysed using the ICP-MS method and Hyena samples have been analyzed using the XRF method.