

Drilling Update #5: Pukatea-1, New Zealand

Key Points:

- Drilling continuing to the Tikorangi Limestone primary objective
- Casing to be set at top of Tikorangi as planned to allow for optimal drilling conditions through the anticipated fractured interval below

MELBOURNE, AUSTRALIA (20 February 2018)

Melbana Energy Limited (ASX: **MAY**) (“**Melbana**” or “the **Company**”) provides the following update with respect to the drilling of the Pukatea-1 exploration well in New Zealand onshore permit PEP 51153.

Pukatea-1 has continued drilling the deviated hole toward the top of the Tikorangi Limestone which is expected to be reached within the coming days. A string of 178mm casing is planned to be run once the top of the unit is intersected to allow the Primary objective to be drilled under the most optimal conditions as per the well plan. Drilling will then continue to intersect potential fractures toward the middle of the unit, which have been shown to be the most likely productive interval in offset wells.

Robert Zammit
Chief Executive Officer

Pukatea-1 Weekly Report

Permit:	PEP 51153
Well Type:	Exploration
Location:	Onshore Taranaki Basin, New Zealand
Interest holders:	Melbana Energy 30%, TAG Oil (Operator) 70%
Primary Target:	Tikorangi Limestone
Secondary Target:	Mount Messenger Sandstones
Rig:	Nova Rig 1
Date Drilling Commenced:	14:00 Hrs (NZDT), 24 January, 2018
Planned Total Depth:	Approx. 3170m measured depth
Progress Report Date:	06:00 Hrs (NZDT), 20 February 2018
Current Depth:	2815 m MD
Current Formation:	Murihiku Fm Melange
Prognosed Time to Completion:	33 Days from Spud
Operations Since Last Report:	Drilled 311mm (12-1/4") directional hole to the current depth of 2879m.
Forward Operations:	Change Bit, Drill ahead, Run 178mm (7") casing. Drill through the Tikorangi Limestone primary target.

Background:

The Pukatea-1 well is located approximately 50 km south of New Plymouth and 2.5 km east of the Waihapa Oil Field. The well is forecast to take approximately 33 days to reach the anticipated total depth of 3170m MDRT (2537m TVD subsea) and has been planned as a deviated well to intersect the Primary Tikorangi Limestone target from the Puka production pad. A secondary objective of the well is to appraise the extent of the Mount Messenger oil pool, previously discovered by the Puka-1 well in 2012.

