

Share Placement

Highlights:

- Melbana undertaking placement of 150 million shares, the approximate number of shortfall shares in the recent entitlement offer, at 1.4 cents to raise \$2.1 million (before costs)
- Placement price of 1.4 cents, a discount of 12.5% to Melbana's last traded price and at a 40% premium to the price of the recent entitlements offer
- Strong appetite for placement from existing shareholders and new investors
- Funding to support working capital for New Zealand and Cuban operations

MELBOURNE, AUSTRALIA (15 December 2017)

Melbana Energy Limited (ASX: **MAY**) ("**Melbana**" or "**the Company**") is pleased to advise that it has accepted commitments to raise up to \$2.1 million (before costs) through a placement of 150 million fully paid ordinary shares at \$0.014 per share to qualified institutional and sophisticated investors ("**Placement**").

The Offer Price represents a discount of 12.5% to Melbana's last traded share price on 13 December and to the 5 day volume weighted average price up to and including 13 December.

The Placement is for the approximate number of shortfall shares from the Entitlement Offer undertaken by Melbana in August this year. Melbana has been able to issue these shares at a 40% price premium to the previous Entitlement Offer as the Company has now progressed its projects in Cuba, New Zealand and most recently at Beehive, offshore Northern Australia.

Proceeds from the Placement will be used primarily for the Company's Cuba and New Zealand projects. The net proceeds will also be used for corporate costs and for general working capital purposes.

The Placement will be completed in a single tranche pursuant to the Company's capacity under ASX Listing Rule 7.1 (using 508,285 shares of that placement capacity) and 7.1A (using all the placement capacity of 149,491,715 shares). The Placement is scheduled to settle on Thursday 21 December 2017 with new shares expected to be allotted and commence trading on ASX on Friday 22 December 2017. Patersons Limited acted as Lead Manager to the Placement.

Melbana Energy's MD and CEO Peter Stickland said:

"The strong interest in Melbana has meant we are able to raise \$2.1 million in new funds (before costs) at a substantial premium to the Entitlement Offer undertaken in August. We are appreciative of the strong interest in the Placement from both new and existing shareholders.

Melbana is now well positioned to proceed with its portfolio of high impact exploration projects, commencing next month with the exciting drilling opportunity at Pukatea-1 onshore New Zealand, and with the preparatory activities for its planned drilling program of up to two wells in Cuba commencing mid 2018."

Peter Stickland
Managing Director and Chief Executive Officer