

22nd November 2017

Ms Cheng Tang
Senior Adviser, Listings Compliance (Melbourne)
ASX Compliance Pty Limited
Level 4, North Tower,
525 Collins Street
Melbourne VIC 3000

By Email: cheng.tang@asx.com.au

Dear Cheng,

Re: Price Query

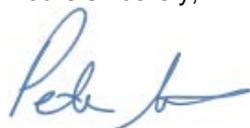
We refer to your correspondence received today, 22th November 2017, in relation to the price increase in Melbana shares from a low of 1.2 cents at the close of trade on 21st November 2017 to an intra-day high of 1.55 cents today and the significant increase in volume of Melbana securities trade today.

Melbana makes the following responses to your specific numbered points:

1. The Company is not aware of any information that has not already been announced to the market which, if known by some in the market, could explain the recent trading in the securities.
2. Not applicable.
3. The Company is not aware of any *specific* reason for the rise in the share price. The Company notes the announcement on 26th September 2017 by the then major Melbana shareholder, Leni Gas Cuba Limited (LGC), to immediately exit all investments with companies that have business activities relating to Cuba. We also note that on 6 October 2017, LGC issued a Form 605 – Notice of ceasing to be a substantial shareholder which disclosed that LGC had at that time a shareholding of 83.6 million Melbana shares.
4. We confirm that to the best of our knowledge, the Company is in full compliance with the listing rules and, in particular, listing rule 3.1.
5. We confirm that Melbana's responses to the questions above have been authorised and approved in accordance with the company's continuous disclosure policy.

We trust these explanations satisfy your query.

Yours sincerely,



Peter Stickland
Managing Director & Chief Executive Officer
Melbana Energy Limited



22 November 2017

Mr Colin Naylor
CFO and Company Secretary
Melbana Energy Limited
Level 15, 500 Collins Street
Melbourne VIC 3000

By email: colin.naylor@melbana.com

Dear Mr Naylor

Melbana Energy Limited (“MAY”): price query

We note the change in the price of MAY’s securities from a low of 1.2 cents at close of trade yesterday to an intra-day high of 1.55 cents today.

We also note the significant increase in the volume of MAY’s securities traded today.

In light of this, ASX asks MAY to respond separately to each of the following questions and requests for information:

1. Is MAY aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

In responding to this question, please consider in particular whether MAY is aware of any information that its earnings for the 6 month period ending on 31 December 2017:

- a) are likely to differ materially (downwards or upwards) from any earnings guidance it has given for the period; or
- b) if MAY has not given any earnings guidance for the period, are otherwise likely to come as a surprise to the market (by reference to analyst forecasts for the period or, if MAY is not covered by analysts, its earnings for the prior corresponding period)?

2. If the answer to question 1 is “yes”:

- a) Is MAY relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in MAY’s securities would suggest to ASX that such information may have ceased to be confidential and therefore MAY may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.

- b) Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).

- c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is “no”, is there any other explanation that MAY may have for the recent trading in its securities?
4. Please confirm that MAY is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that MAY’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of MAY with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 9.30 am AEDT) on Thursday, 23 November 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in MAY’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, MAY’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at cheng.tang@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to MAY’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that MAY’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is “yes” and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in MAY’s securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;

- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Cheng Tang
Senior Adviser, Listings Compliance (Melbourne)
P: (03) 9617 8706
E: cheng.tang@asx.com.au