

AC/P50 and AC/P51 Work Program Variations

Highlights:

- Revised work program approved by regulator
- Work Program aligned with further technical work focused on drilling targets
- Considering opportunities to divest and retain exposure to upside outcomes

MELBOURNE, AUSTRALIA (4 July 2018)

Melbana Energy Limited (ASX: **MAY**) (“**Melbana**” or “**the Company**”) is pleased to provide the following update on its non-core offshore Australian Exploration Permits AC/P50 and AC/P51 (“**Permits**”) (Melbana 55%¹ and operator²).

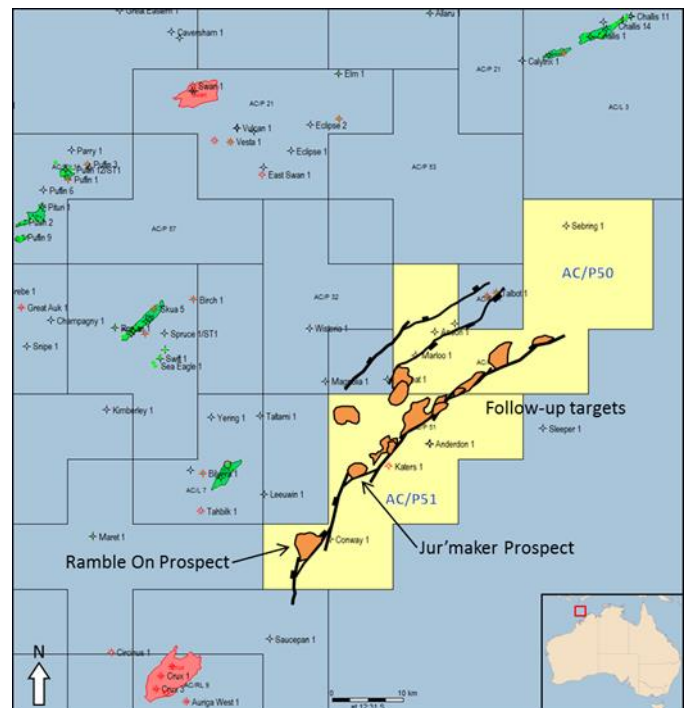
Melbana has received notice from the National Offshore Petroleum Titles Administrator (NOPATA) of the approval of its application to amend its forward work program.

The revised work program for each permit is shown in Figure 1.

As a result of the changes, the work program has been amended to extend the current year 3 permit year by 12 months to allow for additional work above the current commitment to be completed and also to vary the year 4 commitment by deferring one exploration well to year 5 to allow sufficient time to interpret the extra data acquired as a result of the new year 3 commitment.

Melbana Energy’s CEO, Robert Zammit, said:

“The work program changes have enabled the Joint Venture to commit to additional technical work being undertaken to support potential future exploration drilling in each permit. While we consider these permits are prospective, they are no longer aligned with our strategic focus on our high impact Cuban and Australian acreage and as such, we are currently assessing divestment opportunities for the permits which limits our resources committed to the permits but provides for Melbana to retain exposure to a success case.”



AC/P50				
Year	Permit Yr Starts	Permit Yr Ends	Minimum Work Requirements	Estimated Expenditure (A\$)
3	19/5/17	18/5/19	Geological and Geophysical studies including interpretation and mapping of reprocessed seismic data Rock Physics study of 3 wells 133km ² 3D seismic inversion processing	250,000 50,000 260,000
4	19/5/18	18/5/19	Geological and Geophysical studies including interpretation and mapping of reprocessed inversion seismic data	250,000
5	19/5/19	18/5/20	One Exploration well Geological and Geophysical studies including analysis of well results	20,000,000 250,000

AC/P51				
Year	Permit Yr Starts	Permit Yr Ends	Minimum Work Requirements	Estimated Expenditure (A\$)
3	19/5/17	18/5/19	Geological and Geophysical studies including interpretation and mapping of reprocessed seismic data Rock Physics study of 3 wells 86km ² 3D seismic inversion processing	250,000 50,000 250,000
4	19/5/18	18/5/19	Geological and Geophysical studies including interpretation and mapping of reprocessed inversion seismic data	250,000
5	19/5/19	18/5/20	One Exploration well Geological and Geophysical studies including analysis of well results	20,000,000 250,000

Figure 1 – AC/P50 and AC/P51 Revised Work Program

¹ Subject to a 5% back-in option held by Far Cape Pte Ltd

² Participating interest held in 100% owned subsidiary Vulcan Exploration Pty Ltd