

## Beehive – Option expiry extended by one month

### Highlights:

- Melbana has agreed to a request by Santos and TOTAL to extend by one month the expiry date of the options they each hold to acquire a 40% interest in WA-488-P.
- Santos and TOTAL now have until 4 November 2019 to notify Melbana of their intention to exercise their options.
- Santos and TOTAL confirm that they have completed their technical assessment of the Beehive prospect and that the extended time is required for both parties to finalise their commercial analysis and seek internal approvals.
- The granted one month extension is not expected to impact the ability to drill the Beehive-1 exploration well before the end of 2020, should Santos and Total elect to exercise their options.
- If both Santos and TOTAL exercise their options, they would each receive a 40% interest in WA-488-P in consideration for fully funding the drilling of the Beehive-1 well. Melbana would retain a 20% interest and be free carried through the drilling of this well in this scenario.

MELBOURNE, AUSTRALIA (3 October 2019)

Melbana Energy Limited (ASX: **MAY**) (**Melbana**) wishes to advise that it has received a request from TOTAL S.A. (**TOTAL**) and Santos Limited (**Santos**) (together, the **Parties**) to extend by one month the date by which the Parties must exercise the options they each hold to acquire a 40% interest in WA-488-P in return for agreeing to jointly fund the drilling of the Beehive-1 exploration well.

TOTAL and Santos confirm that:

- they have completed their technical assessment of the Beehive prospect; and
- the additional time requested is needed by the Parties to finalise their commercial analysis and seek internal approvals.

The extension to the option period is not expected to impact the ability of the Parties to drill the Beehive-1 exploration well before the end of next year, should Santos and Total elect to exercise their options.

In light of the above, Melbana has agreed to extend the option period by the requested one month given the significant and timely application shown by the Parties to date in evaluation of the Beehive prospect.

TOTAL and Santos now have until 4 November 2019 to notify Melbana of their decision with regards to the exercise of their options. The options therefore now expire on 4 December 2019.

Should TOTAL and Santos elect to exercise their options, they would each receive a 40% interest in Malbina's WA-488-P licence area (containing the Beehive prospect) in return for committing to jointly funding the cost of the Beehive-1 exploration well, in which Melbana would be free carried for its 20% interest.

Beehive has been assessed by Independent Expert McDaniel & Associates to contain a best estimate prospective resource of 388 million barrels of oil equivalent<sup>1</sup>.

<sup>1</sup> Prospective Resources Cautionary Statement - The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Future exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. All quoted volumes taken from Independent Expert McDaniel & Associates Competent Persons Report 30 June 2018. Gas to Oil Factor: based on Mcf to BOE energy equivalence conversion of 6 to 1.