

Response to Metgasco announcement regarding the South Marsh 74 project

MELBOURNE, AUSTRALIA (23 July 2019)

Melbana Energy Limited (ASX: MAY) (**Melbana**) refers to the announcement by Metgasco Limited (ASX: MEL) (**Metgasco**) dated 18 July 2019 that:

- Metgasco and Byron Energy Limited (**Byron**) had agreed a settlement of Metgasco's financial exposure to the unsuccessful initial test well in respect of the South Marsh Island 74 project, which would be capped at A\$1.75 million; and
- Metgasco had exercised 10 million options to subscribe for Byron shares at an exercise price of \$0.25 per Byron Option,

(the **Metgasco Announcement**).

The transactions disclosed in the Metgasco Announcement breach a number of conditions of Melbana's potential takeover offer (**Offer**) for 100% of the ordinary shares in Metgasco, as detailed in its announcement dated 15 July 2019. Melbana has written to Metgasco seeking further information regarding the Metgasco Announcement so it may fully assess the impact of those transactions on the Offer.

Melbana reserves all of its rights in relation to the consequences of the events detailed in the Metgasco Announcement, including its rights to waive any breach of the Offer conditions, to withdraw the Offer (subject to any required relief) and/or seek appropriate orders from the Takeovers Panel.

Ends

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