

Successful \$15m Placement to Drive Block 9 Forward Work Program

Highlights

- Firm commitments received for a \$15 million Placement at \$0.12 per share
- Strong support from domestic and international institutions and sophisticated investors resulting in a significant excess of demand for the funds sought
- Issue price represents a 14.3% discount to the last closing price of \$0.14 per share and a 1.6% discount to the 5-day volume weighted average price of \$0.122 per share
- Funds to be used primarily for Melbana's share of costs associated with new and expanded work streams arising from recent exploration successes in Block 9, Cuba

SYDNEY, AUSTRALIA (16 MARCH 2022)

Melbana Energy Limited (ASX: MAY) (**Melbana**) is pleased to announce that it has received firm commitments to raise \$15 million (before costs) through the issue of 125 million fully paid ordinary shares at \$0.12 per share (**Placement**) to new and existing institutions and sophisticated investors.

Funds raised from the Placement will strengthen Melbana's existing cash reserves to meet new and expanded work streams including:

- upcoming flow tests;
- additional studies;
- planning and permitting work for contemplated appraisal wells;
- field development planning;
- expansion of the executive and operations teams to drive the project forward; as well as
- general corporate purposes.

These placement shares are to be issued under Melbana's ASX Listing Rule 7.1 placement capacity and are expected to settle on 22 March 2022 with quotation on ASX expected the following day.

Canaccord Genuity (Australia) Limited acted as lead manager, broker and sole bookrunner to the placement. They will be paid a cash fee of 6% of the funds raised.

Melbana Energy’s Executive Chairman, Andrew Purcell, commented: “We undertook this placement to give us the added financial flexibility to action the new and expanded work streams associated with Block 9 where Melbana has a 30% working interest. The increasingly exciting potential scope of what we’ve encountered in Cuba, given the recently announced¹ independent estimate of 2.5 billion barrels of oil in place (119 million barrels of Prospective Resource, mean estimate unrisks on a 100% basis)² in just the upper sheet at Alameda-1 with the potential of more to follow given the oil intervals encountered in the lower structures, demands we progress our understanding as quickly as possible. We are very pleased to have added many high-quality institutions to our register and at minimal dilution to existing shareholders.

“There is considerable enthusiasm for the multiple potentially value accretive events in front of us, as summarised in the table on the next page. Melbana is now exceptionally well-placed for the future and we anticipate making regular operational updates as this exciting Block 9 program unfolds.”

- ² Prospective Resources Cautionary Statement - The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related 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 have been taken from Independent Expert McDaniel & Associates Competent Persons Report dated 8 March 2022. Melbana is not aware of any new information or data that materially affects the information included in that announcement and that all the material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

For and on Behalf of the Board of Directors: For further information please contact

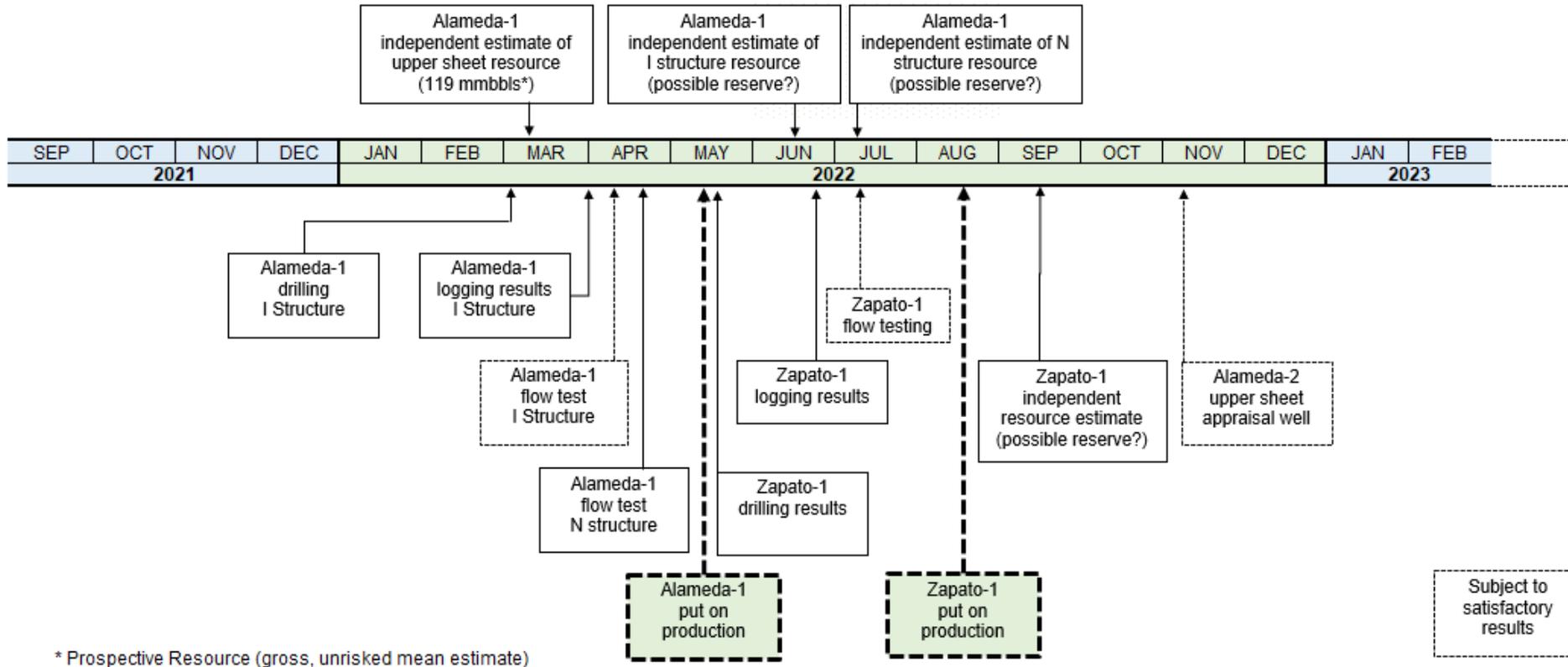
Mr Andrew Purcell
Executive Chairman

Mr Theo Renard
Company Secretary
+61 2 83 23 66 00

Ends -

¹ See ASX announcement dated 14 March 2022

FUTURE POTENTIAL PRICE CATALYSTS



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