

Grant of Petroleum Exploration Permit AC/P70

SYDNEY, AUSTRALIA (16 FEBRUARY 2022)

Melbana Energy Limited (ASX: MAY) (**Melbana**) is pleased to announce that it has been advised by the National Offshore Petroleum Titles Administrator that it has been granted petroleum exploration permit AC/P70, located in the Territory of Ashmore and Cartier Islands, for an initial period of six years. Melbana made an application for this permit under the Australian Government's 2020 Offshore Petroleum Exploration Acreage Release.

Petroleum exploration permit AC/P70 contains the undeveloped Vesta-1 oil discovery drilled in 2005. The Vesta-2 appraisal well drilled in 2007 identified a gas cap. This complex field is an attractive opportunity to a junior explorer like Melbana with the technical capability and track record of identifying new play types and attracting large, well-funded, partners to test its exploration theses – often by overturning conventional thinking^{1 2 3}.

Melbana Energy's Executive Chairman, Andrew Purcell, commented: "Our experience in this sub-basin coupled with the previous discoveries and multiple data sets and play types offered in this permit area affords a good opportunity for a technically strong and motivated junior like Melbana to try and identify its next substantial exploration prospect in Australian waters. Our track record gives us some insights into what the market is looking for and we believe demand for more such opportunities will likely remain buoyant, especially if the current oil price is maintained."

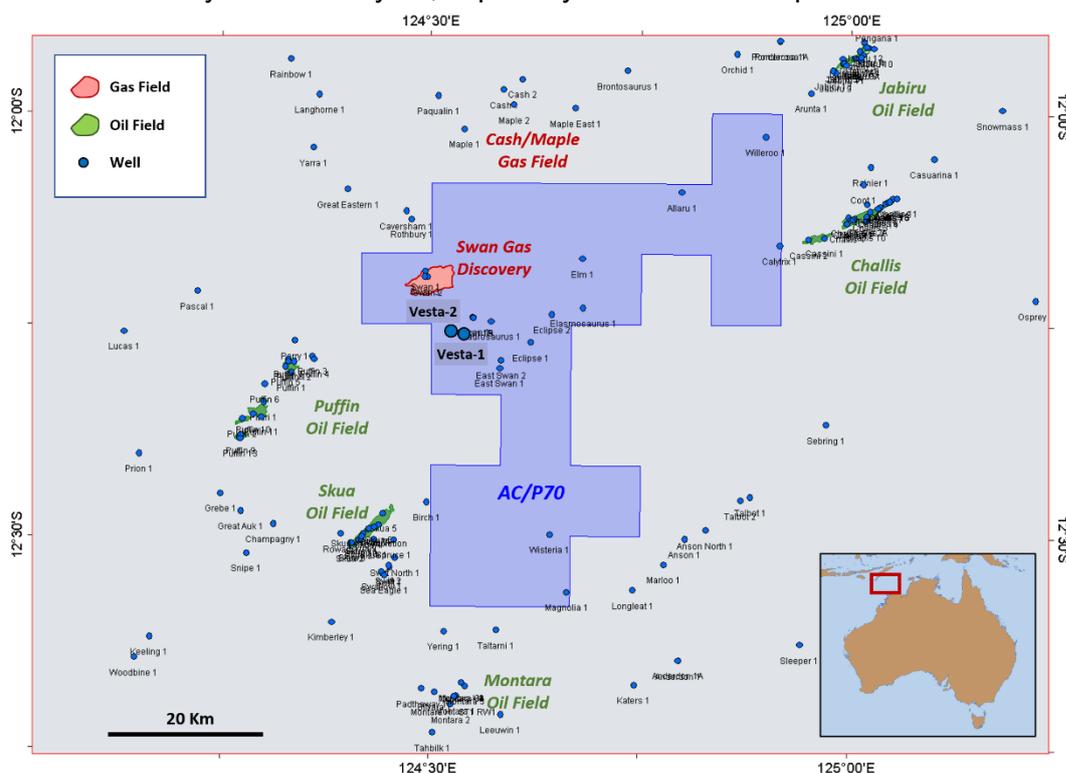


Figure 1 - Existing well control in and around the awarded permit area

¹ ASX announcement, 12 December 2017 - option agreement with Santos and Total

² ASX announcement, 23 December 2019 – farmout agreement with National Oil Company of Angola

³ ASX announcement, 23 April 2021 – sale and purchase agreement with US Fortune 500 company

The work program for this permit is summarised in Table 1, below. The Minimum Work Requirements for the first three years of each permit area are guaranteed, following which Melbana may elect to proceed to permit year 4 and so on thereafter on a year by year basis.

Table 1 - Minimum Work Requirements

Permit Year	Minimum Work Requirements	Estimated Expenditure (\$AU)
1 – 3	Licence 200km ² Cygnus MC3D Seismic Survey data	780,000
	Licence 700km ² repro NOVAR MC3D + Zepon MC3D datasets	170,000
	Interpretation studies/ranking of drilling opportunities	300,000
	Operations planning	1,000,000
	Drill on exploration well	23,000,000
4	Geological and geotechnical studies including seismic interpretation	600,000
5	Reprocessing and inversion of 300km ² 3D seismic data	200,000
6	Drill one exploration well	30,000,000

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 -