

## OIL & GAS FLASHNOTE

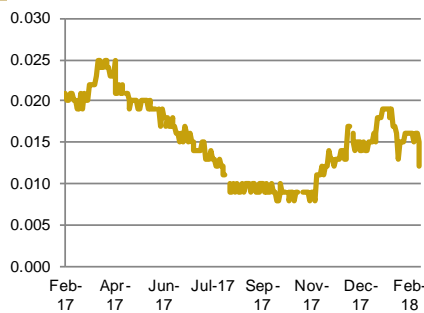
# Melbana Energy (MAY AU)

27 February 2018

### Stock Data

Share Price:	A\$0.012
Market Cap (M):	A\$25.0m
EV (M):	A\$18.6m
Liquidity (30 day ave)	6.5m

### Price Chart



### 52 Week Range

A\$0.008		A\$0.012
A\$0.026		

### Company Summary

Melbana Energy is an Oil & Gas exploration company with licences in Australia, Cuba and New Zealand.

## Pukatea-1 well result

### Event

Melbana Energy ("Melbana" or the "Company") has announced that the Pukatea-1 exploration well (Melbana 30% WI) in New Zealand has reached total depth. The well encountered oil in the secondary target. However, the primary objective was absent. A further 160m of intermittent hydrocarbon shows were recorded and will be logged. The well will then be plugged back to the oil-bearing Mt. Messenger sands and completed ready for testing.

The Company has also announced that the WA-488-P licence, containing the Beehive prospect, has been extended by 6 months to 21 September 2018 allowing sufficient time for 3D seismic to be acquired. Total and Santos will fund the entire cost of this programme under a farm-in option agreement announced in December 2017.

### Comment

While the result of the primary target in the Pukatea-1 well is disappointing, the overall outcome of the well is balanced by the success of encountering oil in the Mt. Messenger sands. A successful test on this zone should also enable production to recommence from the suspended Puka oil field. With the Company now focused on Cuba, these assets were already considered non-core.

The extension of the WA-488-P licence is perhaps more important news flow, with the planned 3D seismic programme due to commence by mid-2018. If Total and/or Santos elect to exercise the farm-in option, Melbana will retain a 20% working interest and will be carried through to the completion of the first well, due to be drilled in 2019. The Beehive prospect is a 558mmbbl carbonate structure and has an estimated 16% CoS.

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## Research Disclosures

### William Arnstein

Will is a CFA charterholder and has more than 10 years' experience as a sell-side equity research analyst having previously worked at Dresdner Kleinwort, Jefferies International and finnCap. In his last role, he co-founded the Oil & Gas franchise at finnCap and later became Head of Oil & Gas, where he also coordinated corporate finance and corporate broking in addition to his responsibilities as a Research Director. During his career, Will has worked closely with many international E&P companies, both listed and private, evaluating assets across the globe and has developed particular expertise in petroleum economics and asset valuation. In 2010, Will was awarded No.1 stock picker for the European energy sector in the FT/Starmine Awards.

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Research disclosure as of 27 February 2018

Company Name	Disclosure
Melbana Energy (MAY AU)	1,2,8

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