

AC/P50 and AC/P51: Improved seismic data quality identifies additional prospectivity

Highlights:

- Seismic reprocessing results in a significant improvement in data quality
- Additional prospectivity identified
- Seismic amplitude-supported objective identified immediately above existing Ramble On prospect

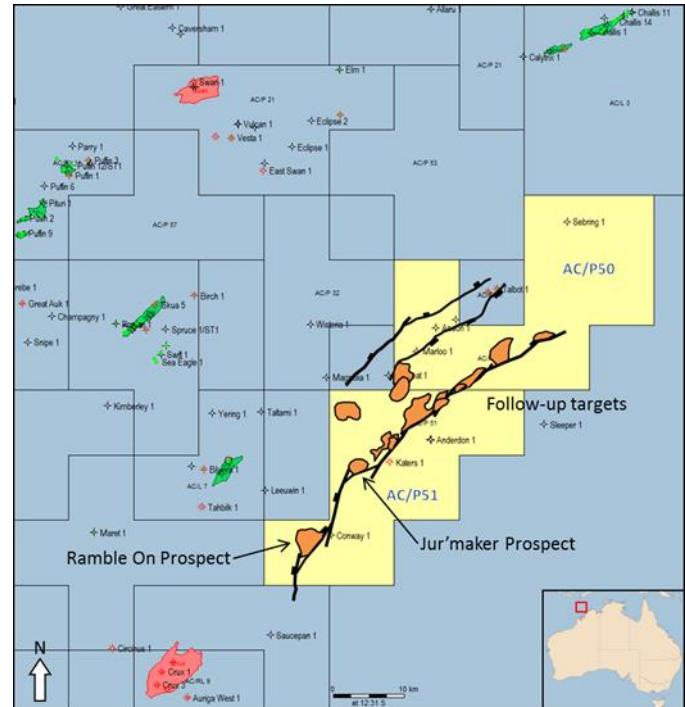
MELBOURNE, AUSTRALIA (10 November 2017)

Melbana Energy Limited (ASX: MAY) (“**Melbana**” or “**the Company**”) is pleased to provide the following update on its offshore Australian Exploration Permits AC/P50 and AC/P51 (“**Permits**”) (Melbana 55%¹ and operator).

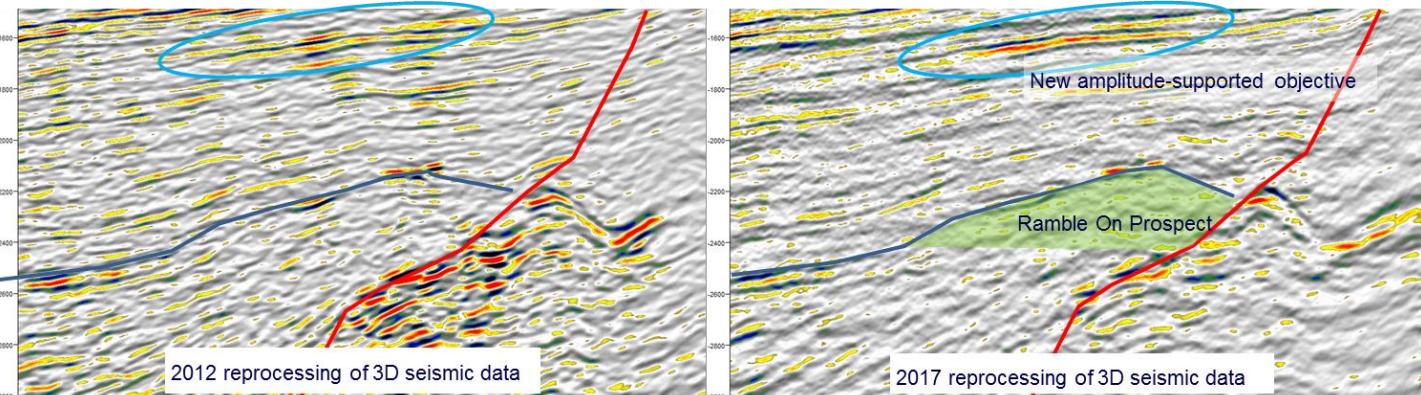
Melbana’s preliminary assessment of the recent 3D seismic broadband reprocessing results has identified the potential for additional prospectivity in the Permits resulting from improved data quality, including an amplitude-supported objective immediately above the existing Ramble On prospect. In the right conditions, an amplitude anomaly can be a direct indicator of hydrocarbons.

The 3D seismic broadband reprocessing was undertaken by incoming Joint Venture partner Rouge Rock Pty Ltd (“**Rouge Rock**”) at its own cost as part of the program through which it earnt a 45% participating interest in the Permits. The indicative value of the reprocessing work undertaken by Rouge Rock is approximately \$1.15 million.

Melbana is currently undertaking a detailed evaluation of the reprocessed data and the resulting suite of enhanced technical products which are intended to characterise any new prospects and leads as well as further de-risk the identified prospects and leads, facilitating a potential further farm-out of the Permits to fund future discretionary exploration drilling.



Below are examples of the seismic data across Ramble On before and after the 2017 reprocessing which highlights the improved seismic data quality in general and specifically the presence of an amplitude anomaly, previously not identified, in a prospective sequence directly overlying the deeper Ramble On prospect. Further detailed analysis will now be undertaken to quantify this newly identified zone of interest.



Comparison of 3D seismic data before and after 2017 reprocessing showing significant improvement in data quality

Melbana Energy's CEO and MD Peter Stickland said:

"The recent substantial seismic reprocessing study, valued at over \$1 million, through which Melbana was fully carried by Rouge Rock, has significantly improved the seismic imaging in an area with historically poor data quality. We are already seeing some additional prospectivity in this proven oil area that was not visible on the old data. Melbana's technical team will now proceed to integrate the new reprocessed seismic with existing datasets in the area with a view to further defining this potential new play type."



Peter Stickland
Managing Director and Chief Executive Officer

Background

The AC/P50 and AC/P51 Permits are located in the Vulcan sub-basin off the North West coast of Australia, adjacent to a number of oil and gas discoveries, and are both currently 55%¹ owned by Melbana. The Ramble On and Jur'maker oil prospects have been identified in a proven petroleum system defined on modern 3D seismic data in a shallow water area suitable for drilling via a lower cost jack-up rig. The Permits were renewed in 2015 for a five year term with a minimum work program of studies and seismic reprocessing in the first three years.

¹ Subject to a 5% back-in option held by Far Cape Pte Ltd.