

Funds received from sale of permits

Highlights:

- ~\$400,000 received under terms of sale of AC/P50 and AC/P51 to Rouge Rock in 2018
- Rouge Rock has sold AC/P50 to Santos and SapuraOMV. Melbana entitled to the above payment as its share of the consideration
- Exploration well planned for 2022. If successful, Melbana to share in contingent royalties
- Rouge Rock has also granted Santos and SapuraOMV an option to acquire AC/P51 on similar terms. If exercised, Melbana would receive similar benefits to the above

MELBOURNE, AUSTRALIA (7 May 2021)

Melbana Energy Limited (ASX: MAY) (**Melbana**) is pleased to provide this update with regards to its interests in exploration permits AC/P50 and AC/P51 (**Permits**) in the Vulcan sub-basin.

Melbana sold its 55% interest in the Permits to joint venture partner Rouge Rock Pty Ltd (**Rouge Rock**) in 2018¹. The terms of the divestment gave Melbana an interest in any future farmout or sale of the Permits.

Subsidiaries of Australia's Santos and Malaysia's SapuraOMV (**Purchasers**) have acquired AC/P50. As a result of this transaction, Melbana has received an upfront cash payment of about \$397,000 as well as an entitlement to a 10% share of any future royalty Rouge Rock would receive for production that may occur from this permit area during a defined period.

The Purchasers have also acquired the right to acquire AC/P51. Should this right be exercised, Melbana would be entitled to receive similar cash consideration and contingent royalties.

Melbana Energy's Executive Chairman, Andrew Purcell, said:

"This transaction gives Melbana's shareholders an interest in yet another exploration well – the fourth in a series commencing with the two wells in Cuba and finishing with this well and the one expected to be drilled next year into the Beehive structure. We congratulate Rouge Rock on completing this transaction."

For and on Behalf of the Board of Directors:

Mr Andrew Purcell
Executive Chairman

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¹ See ASX release 22 August 2018