

Completion of Sale of WA-488-P

Highlights

- Sale of WA-488-P (containing the Beehive prospect) to EOG Australia completed
- Melbana confirms receipt of the Initial Purchase Price of US\$7.5 million
- The WA-488-P permit has a commitment well required no later than 21 August 2023
- The Beehive Prospect has been assessed by Melbana to contain 416 million barrels of oil equivalent on a best estimate basis¹

SYDNEY, AUSTRALIA (24 November 2021)

Melbana Energy Limited (ASX: MAY) (**Melbana**) is pleased to report the completion of the sale of its exploration permit WA-488-P to EOG Resources Australia Block WA-488 Pty Ltd (**EOG Australia**)². Melbana has received a payment of US\$7.5 million from EOG Australia in consideration.

The terms of the sale agreement provide for EOG Australia to make Contingent Additional Payments to Melbana totalling US\$5.0 million, subject to EOG Australia making certain future elections in regard to the WA-488-P permit area. In addition, Melbana is entitled to payments of US\$10.0 million per 25 million barrels of oil equivalent (**boe**) that may be sold and delivered from within the WA-488-P permit area in future. Melbana has undertaken to not use any payments for any projects in Cuba.

The WA-488-P permit area contains the Beehive Prospect, estimated by independent reserves expert McDaniel & Associates³ to contain 388 million boe on a best estimate basis and as much as 1.6 billion boe. Melbana revised these estimates to 416 million boe (best estimate) and 1.4 million boe (upper estimate) following its assessment⁴ of the 3D seismic data acquired across the prospect in 2018⁵.

Melbana retains a 100% interest in the adjacent permit areas WA-544-P and NT-P87, which contain the undeveloped oil discoveries Turtle and Barnett. Melbana is currently conducting geoscientific studies over these permit areas.

¹ 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. 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.

² See ASX announcement dated 23 April 2021

³ See ASX announcement dated 7 August 2018

⁴ See ASX announcement dated 24 August 2020

⁵ See ASX announcement dated 14 August 2018

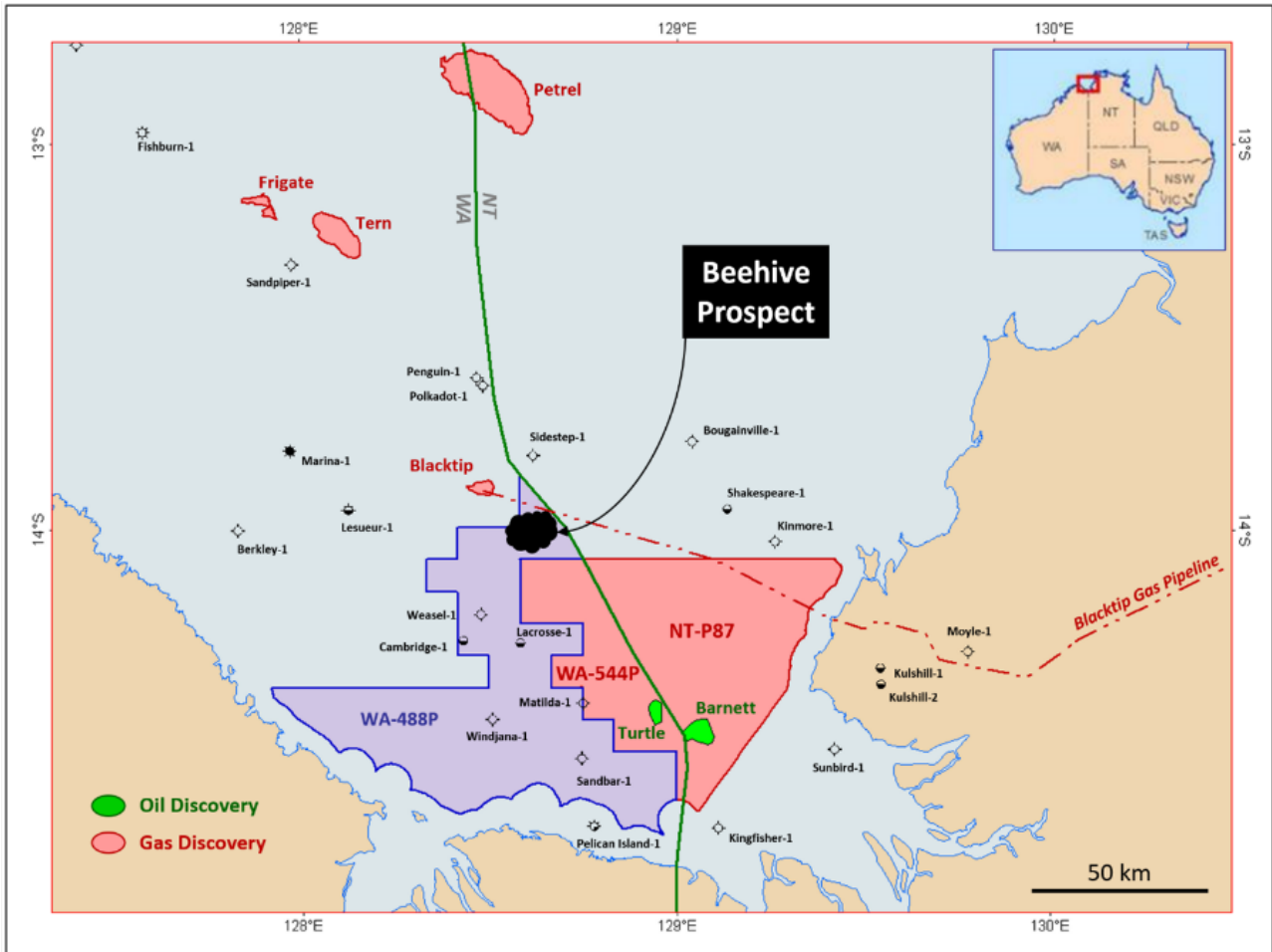


Figure 1 - The location of WA-488-P relative to Melbana's other permit areas in the Joseph Bonaparte Gulf

Melbana Energy's Executive Chairman, Andrew Purcell, commented: *"It is tremendously exciting for all of us here at Melbana (and, as we have learned, for many other observers) that the Beehive prospect identified and championed by our geoscience team is finally going to be tested. This play type, untested in Australia, has been responsible for some of the world's great hydrocarbon discoveries so we wish EOG Australia every success in its preparations for and execution of the exploration well they are planning to drill."*

For and on Behalf of the Board of Directors:

Mr Andrew Purcell
Executive Chairman

Ends -

For further information please contact

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