

27 September 2018

The Manager
Company Announcements Office ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir

Cleansing Notice under Section 708A of the Corporations Act

This notice is given by Melbana Energy Limited (**Melbana** or **Company**) under Section 708A(5)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**).

Melbana hereby confirms that:

- (a) it has today issued 188,817,582 fully paid ordinary shares (**Shares**) at an issue price of \$0.018 per share in relation to the Share Placement announced 21 September 2018.
- (b) the Shares were issued without disclosure to investors under Part 6D.2 of the Corporations Act;
- (c) the Company is providing this notice under paragraph 5(e) of section 708A of the Corporations Act;
- (d) as at the date of this notice the Company, as a disclosing entity under the Corporations Act, has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (ii) section 674 of the Corporations Act as it applies to the Company; and
- (e) as at the date of this announcement, there is no excluded information of the type referred to in Sections 708A(7) and 708A(8) of the Corporations Act.

Additional Disclosures under ASX LR3.10.5A

The Company provides the below additional disclosure in relation to ASX Listing Rules 7.1A4(b) and 3.10.5A following the issue of 188,817,582 fully paid ordinary shares on this day:

- (a) Details of the dilution to existing holders of ordinary securities caused by the issue:

The below outlines the dilution caused by the allotment of fully paid ordinary shares ('FPOs') under ASX Listing Rule 7.1, the current issued capital and following the issue of 188,817,582 FPOs under ASX Listing Rule 7.1A:

- Number of FPOs on issue prior to the placement was 1,681,061,470 FPOs.

- Number of FPOs on issue post the allotment of FPOs under ASX Listing Rule 7.1 is 1,701,772,905 FPOs.
 - Number of FPOs on issue post the allotment of FPOs under ASX Listing Rule 7.1A is 1,869,879,052 FPOs.
 - Percentage of voting dilution post the issue under ASX Listing Rule 7.1 and 7.1A is 10.09%.
- (b) The Company issued the relevant shares under ASX Listing Rule 7.1A as it considered that the Issue, was the most cost-efficient and expedient method available to it at the time for raising the funds required by the Company to achieve its objectives, given the funding certainty, investor enquiry and the pricing achieved under the Placement.
- (c) There were no underwriting arrangements for the Issue.
- (d) There were lead manager fees of 6% to Patersons Corporate Finance incurred in connection with the Issue under ASX Listing Rule 7.1A.

Melbana's Chairman, Andrew Purcell has agreed to purchase 5,626,863 shares and 1,875,621 unlisted options under the Placement, subject to shareholder approval which will be sought at the upcoming Annual General Meeting.

Yours Sincerely,



Melanie Leydin
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Melbana Energy Limited

ABN

43 066 447 952

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares (Shares)
Unlisted Options (Options) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | a) 188,817,582 fully paid ordinary shares
b) 62,939,202 unlisted options |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | a) Fully paid ordinary shares
b) Unlisted options exercisable at \$0.03, expiry 27 March 2020. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>a) Yes, the new shares will rank equally in all respects with the existing fully paid ordinary shares from the date of allotment</p> <p>b) No, however fully paid ordinary shares issued upon the exercise of the options will rank in all respects pari passu with existing shares at the date of issue.</p>
<p>5 Issue price or consideration</p>	<p>a) \$0.018 per Share b) Nil consideration</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issue of fully paid ordinary shares and one accompanying unlisted option per three shares placed pursuant to the terms of the Share Placement announced 21 September 2018.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>23 November 2017</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>a) 20,711,435 Fully Paid Ordinary Shares b) 62,939,202 Unlisted Options</p>

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	168,106,147 Fully Paid Ordinary Shares				
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A				
6f	Number of +securities issued under an exception in rule 7.2	N/A				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	<p>Yes</p> <p>Issue Date: 27 September 2018</p> <p>Issue Price: \$0.018</p> <p>15 Day VWAP: \$0.0206</p> <p>75% of 15 day VWAP: \$0.01545</p> <p>Source: Patersons</p>				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer to Annexure 1				
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	27 September 2018				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Number</th> <th style="text-align: center;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1,869,879,052</td> <td style="text-align: center;">Fully Paid Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	1,869,879,052	Fully Paid Ordinary Shares
Number	+Class					
1,869,879,052	Fully Paid Ordinary Shares					

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	4,000,000	Options exercisable at \$0.065 (6.5 cents) each expiring 3/11/2019
	11,250,000	Options exercisable at \$0.032 (3.2 cents) each expiring 27/9/2020
	20,000,000	Options exercisable at \$0.018 (1.8 cents) each expiring 23/11/2020
	6,763,158	Exercisable Share Performance Rights expiring 30 April 2021
	80,000,000	Options exercisable at \$0.022 (2.2 cents) each expiring 12 months from vesting date. (Refer ASX Announcement 19 April 2018)
	62,939,202	Options exercisable at \$0.030 (3 cents) each expiring 27/03/2020

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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Part 2 - Pro rata issue

11 Is security holder approval required?	N/A
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12 Is the issue renounceable or non-renounceable?	N/A
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+ See chapter 19 for defined terms.

13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A

+ See chapter 19 for defined terms.

Appendix 3B New issue announcement

26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:
 - the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	
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<p>42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)</p>	<table border="1"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 80px;"></td> <td></td> </tr> </tbody> </table>	Number	+Class			
Number	+Class					

Quotation agreement


- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

+ See chapter 19 for defined terms.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 27/09/2018
Company Secretary

Print name: Melanie Leydin

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital													
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated													
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	1,494,917,147												
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: right;">20,833,333 – 6 December 2017</td> </tr> <tr> <td></td> <td style="text-align: right;">150,000,000 – 21 December 2017</td> </tr> </table> • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: right;">5,333,333 – 6 July 2018</td> </tr> <tr> <td></td> <td style="text-align: right;">3,141,226 – 13 August 2018</td> </tr> </table> • Number of partly paid +ordinary securities that became fully paid in that 12 month period <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: right;">4,761,215 – 20 August 2018</td> </tr> <tr> <td></td> <td style="text-align: right;">1,247,988 – 28 August 2018</td> </tr> </table> <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 		20,833,333 – 6 December 2017		150,000,000 – 21 December 2017		5,333,333 – 6 July 2018		3,141,226 – 13 August 2018		4,761,215 – 20 August 2018		1,247,988 – 28 August 2018	827,228 – 5 September 2018
	20,833,333 – 6 December 2017												
	150,000,000 – 21 December 2017												
	5,333,333 – 6 July 2018												
	3,141,226 – 13 August 2018												
	4,761,215 – 20 August 2018												
	1,247,988 – 28 August 2018												
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil												
“A”	1,681,061,470												

Step 2: Calculate 15% of “A”

+ See chapter 19 for defined terms.

“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	252,159,220
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>20,711,435 fully paid ordinary shares – 27 September 2018</p> <p>62,939,202 unlisted options – 27 September 2018</p>
“C”	83,650,637
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	252,159,220
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	83,650,637
Total [“A” x 0.15] – “C”	168,508,583 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities
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+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
<p>“A”</p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p>	1,681,061,470
Step 2: Calculate 10% of “A”	
<p>“D”</p> <p><i>Note: this value cannot be changed</i></p>	0.10
Multiply “A” by 0.10	168,106,147
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
<p>Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period under rule 7.1A</p> <p>Notes:</p> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	168,106,147 fully paid ordinary shares – 27 September 2018
“E”	168,106,147
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
<p>“A” x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	168,106,147
<p>Subtract “E”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	168,106,147
Total [“A” x 0.10] – “E”	- <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.