

Company Update

January 31, 2019



In last few months of 2018, we were very active.....

- ✓ Signed Letter of Intent for Cuba Block 9 farmout *(Oct, 2018)* 
- ✓ Signed binding agreement for Block 9 farmout *(Dec, 2018)* 
- ✓ Finalised binding agreement with CubaPetroleo for Santa Cruz IOR *(Dec, 2018)* 
- ✓ Signed deal with Total/Santos to accelerate Beehive drilling planning *(Dec, 2018)* 

Melbana is positioned for an even more active 12 -18 months.....

Company Overview

Company Data

Listed	1998
Exchange	ASX ("MAY")
Shares on issue	~1,870 million
Options/Rights	~178/~7 million
Market Cap (23 Jan 19)	~A\$26 million
Cash (4 Jan 19)	~A\$4.4 million
Enterprise Value	~A\$22 million

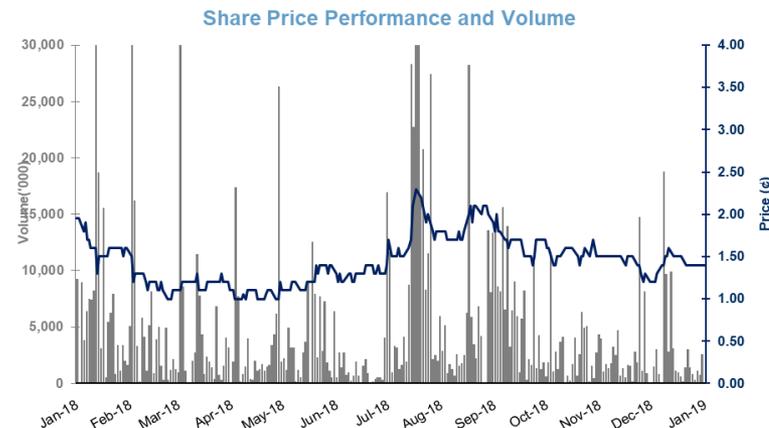
Shareholders

Cadence Capital	~7%
Board/Management	~5%
Top 20	~27%

Experienced Board and Management

- Decades of international experience in Oil & Gas
- Technical, Financial and Commercial backgrounds
- Extensive fold and thrust belt experience

12 Month Share Price Performance



Board and Management

CEO		Board of Directors			
	Robert Zammit Chief Executive Officer		Andrew Purcell Non-Executive Chairman	Michael Sandy Non-Executive Director	Peter Stickland Non-Executive Director
	Senior Team				
			Errol Johnstone Chief Geoscientist	Dean Johnstone Senior Geoscientist	Dr. Rafael Tenreiro Cuba Representative

Major Projects Summary

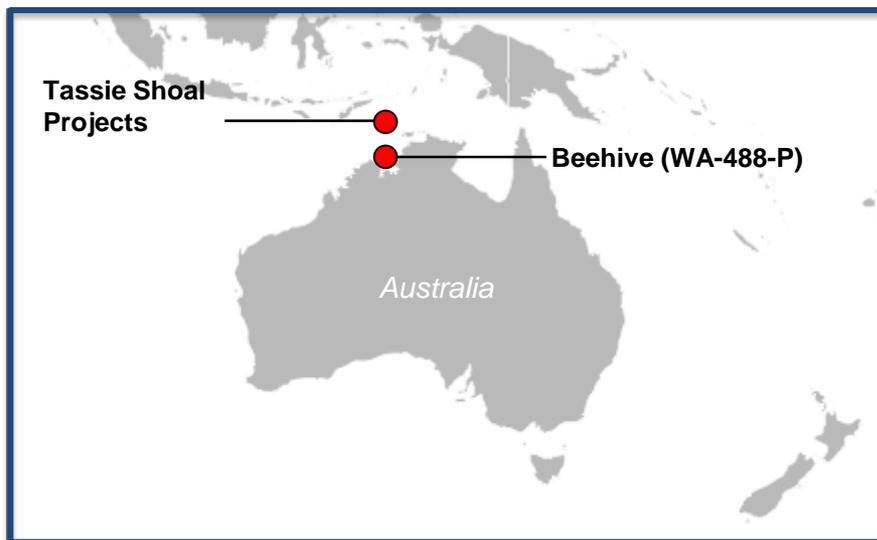


Cuba - Block 9, 100%¹

- Onshore block in Cuba's northern fold belt trend
- Potential of ~15.7 billion barrels of oil in place², recoverable Prospective Resources of 718 million barrels of oil²

Cuba - Santa Cruz

- Enhancement of oil production for existing oil field
- Potential future sources of near term production cash flow



Australia - Beehive, 100%³

- Largest undrilled target in Australia
- Beehive Prospective Resource estimated as 388 million barrels of oil equivalent²
- Total and Santos are partners in 3D Seismic Survey with option to drill well and fund Melbana

Australia - Tassie Shoal Projects, 100%

- Lowest cost development path for discovery undeveloped gas

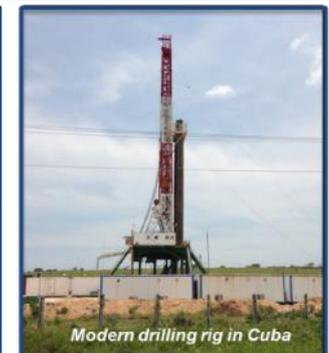
¹ Binding Farmout agreement signed with Anhui Guangda Mining Investment Co. Ltd subsidiary

² Best Estimate per Independent Expert McDaniel & Associates Report

³ Subject to Total and Santos Options for cumulative 80% interest

Cuba – Why?

- Under-explored
- Huge oil potential
- Produce half of domestic needs
- Reported low operating costs ~USD14/bbl¹
- Investment climate
 - No evidence of corruption
 - Government support for oil industry
 - Tax rate
 - Tax holiday
- Good local infrastructure
- Educated workforce
- Early mover advantage achievable
- Aligned with technical competence
- Add value by applying new exploration techniques
- Political reforms continuing



¹ TSX Listed Sherritt International Corporation 3Q2018 results converted to US\$ @0.76

Cuba, Block 9 – Resource Assessment

McDaniel & Associates assess Prospective Resources up to 1.5 billion barrels

- Large footprint - 2,380km²
- Lightly explored
- Along trend from Varadero oil field
- 3 prospects, 16 leads identified
- Potential for large Varadero type structures
- Cuba experts McDaniel & Associates Consultants² independently assessed resources per London Alternative Investment Market (AIM) listing standards:
 - Best estimate Oil-in-Place 15.7 billion barrels of oil³
 - Best estimate recoverable oil 718 million barrels of oil³



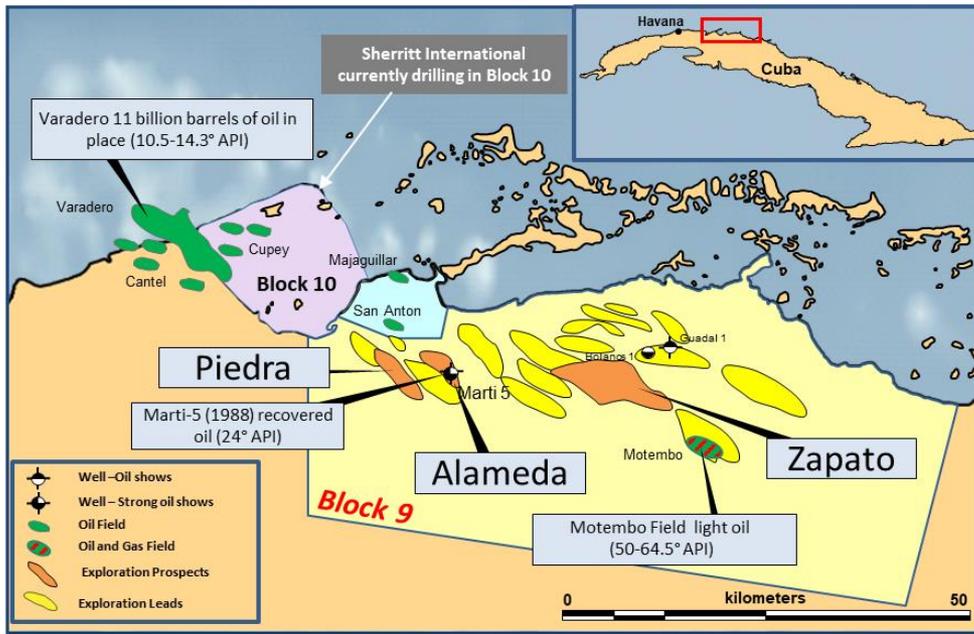
Block 9 Exploration Potential ³	Low	Best	High	Mean
	MMstb	MMstb	MMstb	MMstb
Oil-in-Place	8,185	15,763	30,250	17,825
Prospective Resources (recoverable)	305	718	1,553	848

Prospective Resources Cautionary Statement - The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate 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.

² See www.mcdan.com/experience

³per Independent Expert McDaniel & Associates Report

Cuba, Block 9 – 19 Leads in Conventional Play



Highlights

- Varying qualities of oil recovered
- Motembo, oldest oil field in Cuba is very light oil
- Sherritt active in Block 10
- 3 key targets
- Recent farm out
- Farminee commitment to 2019 drilling program to test Alameda and Zapato – aggregate best estimate prospective resource of ~236 million barrels of oil

Recoverable Prospective Resources (100% MMstb)³

Objective	CoS*	Low	Best	High	Mean
Alameda High/(Amistad)	15%	24	60	132	71
Alameda Mid	23%	4	9	19	10
Alameda Deep	32%	39	72	128	79
Zapato	23%	38	95	214	114
Piedra	23%	14	34	76	40

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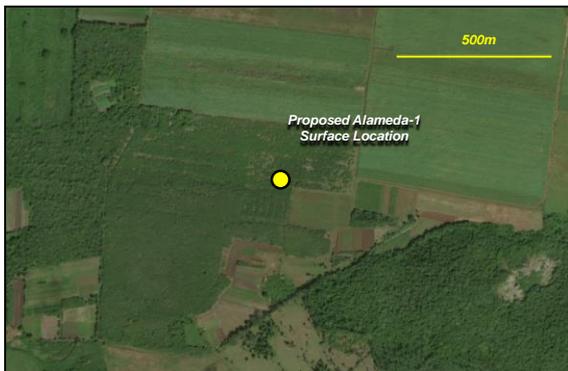
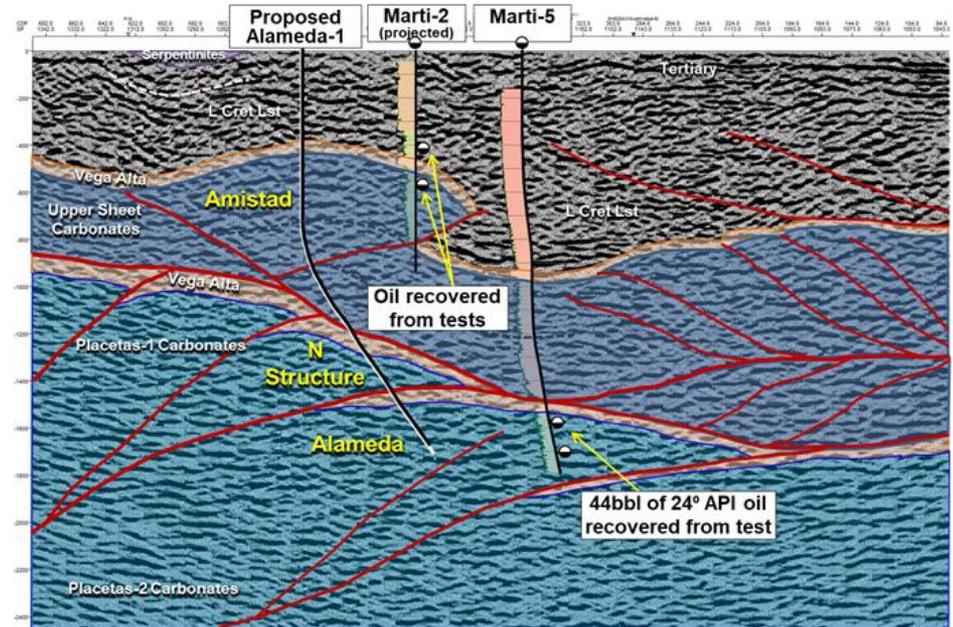
2019 two exploration well program tests ~236MBO prospective resource (best estimate)³

³per Independent Expert McDaniel & Associates Report

Cuba, Block 9 - Alameda Prospect

Multi-target exploration drilling close to historic oil recoveries

- Three individual target zones for Alameda, two up-dip of known oil recoveries
- Marti-5 (1988) recovered oil (24°API) with oil shows over an 850 metre gross interval
- 32% chance of success at Alameda
- Best Estimate combined exploration potential:
 - 3 billion barrels oil-in-place³
 - 141 million barrels of recoverable oil³
- Primary objective depth range from 3,000 to 3,700 metres
- Accessible, all-weather surface location



Alameda Recoverable Prospective Resources (100% MMStb)³

Objective	CoS*	Low	Best	High	Mean
Amistad/(formerlyU1)	15%	24	60	132	71
N	23%	4	9	19	10
Alameda	32%	39	72	128	79

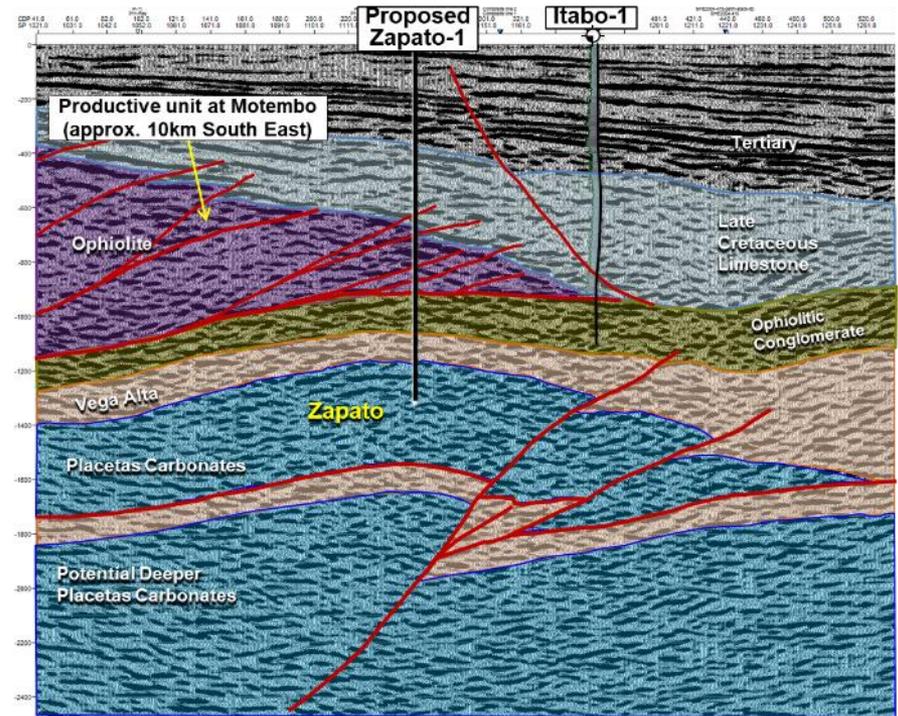
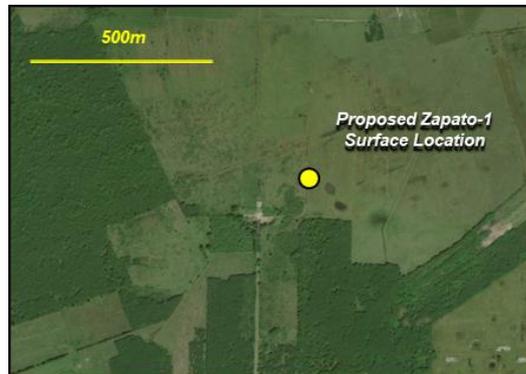
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³per Independent Expert McDaniel & Associates Report

Cuba, Block 9 – Zapato Prospect

Multiple structures with 200 million barrel oil exploration potential

- Large fractured carbonate objective
- Working oil system - adjacent to shallower Motembo oil field which produced high quality light crude (50 – 64.5° API)
- Crest of structure ~2,000 metres with nearly 1,000 metres vertical relief
- Recent gravity and magnetic study by Cuba's specialist technical laboratory CEINPET indicates strong gravity and magnetic alignment with the structural interpretation derived from seismic and surface data
- Accessible, all-weather surface location



Zapato Recoverable Prospective Resource (100%, MMstb)³

	CoS*	Low	Best	High	Mean
Zapato	23%	38	95	214	114

Prospective Resources Cautionary Statement - The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate 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. * Chance of Success

³per Independent Expert McDaniel & Associates Report

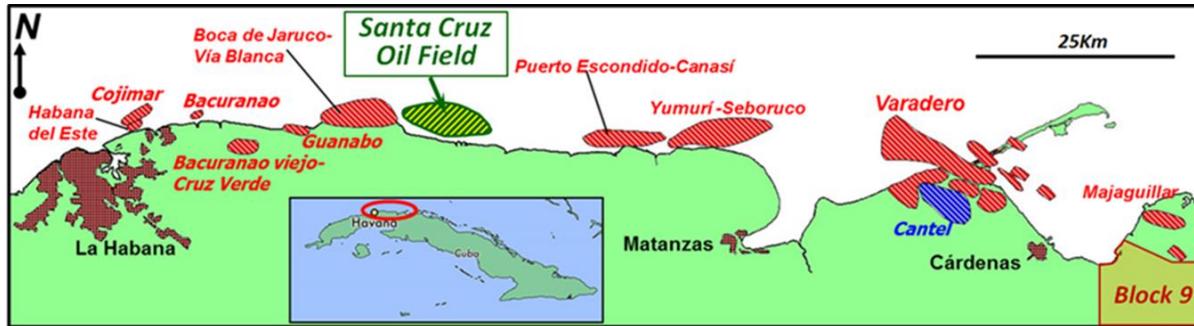
Cuba Block 9 Farmout signed Dec 31, 2018

- Farminee: Anhui Guangda Mining Investment Co Ltd (AGMI) private Chinese oil services company
- Farmin terms
 - Melbana fully carried for 100% of all PSC activities from Jan 1, 2019 for PSC life (20+ yrs)
 - Alameda and Zapato prospects to be drilled by November 2019; third well by July 2020
 - AGMI provides any required guarantees
 - ~US\$3.5M of Melbana's back costs recouped in event of development
 - Melbana retains 12.5% of profit oil
 - Agreement subject to a number of conditions, including Cuban and Chinese regulatory approvals
- AGMI reports
 - assets in excess of US\$1 billion
 - Oil production of 6,000 barrels/day
 - Subsidiaries operate over 13 exploration and exploitation blocks
 - Owns multiple onshore drilling rigs of varying capacity



Cuba, Santa Cruz – Incremental Oil Contract

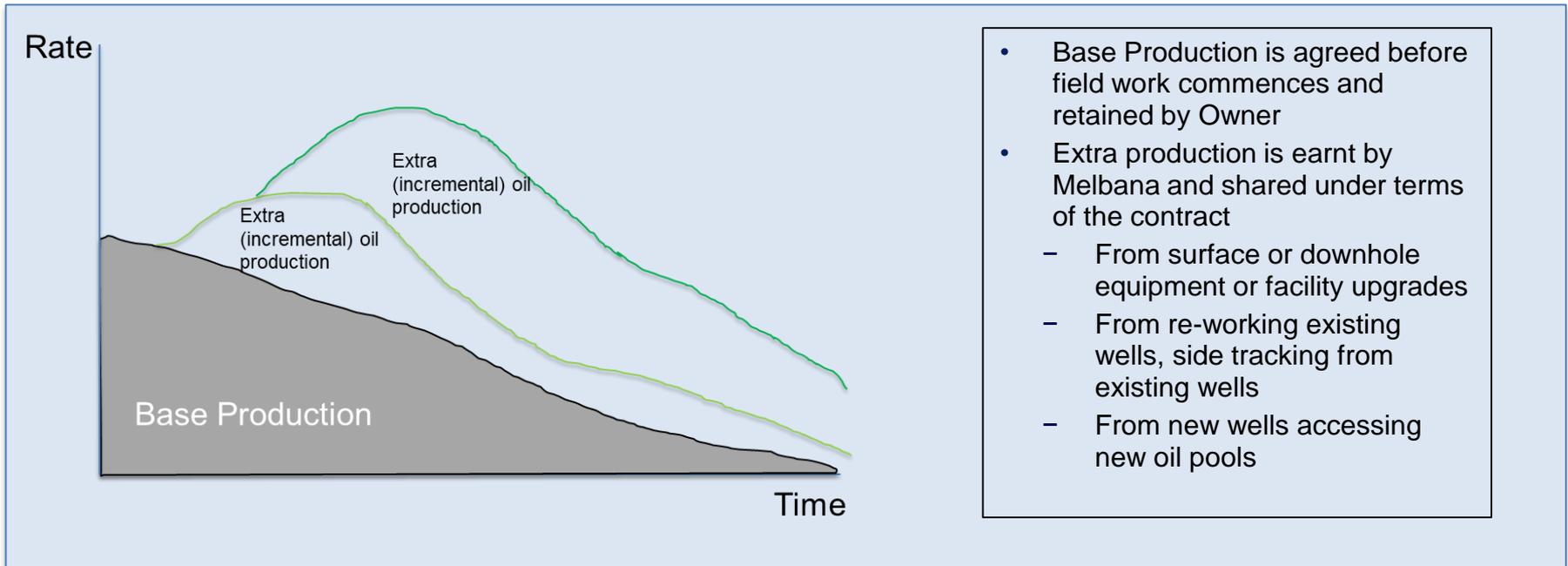
Accelerated path to becoming an oil producer and booking reserves in Cuba



- Incremental Oil Recovery (IOR) contract finalised in Dec 2018
 - Multiple phases, initial study period then optional implementation phase
- Part of Cuba's northern fold belt which continues into Block 9
- Discovered in 2004; initially tested at 1,250 barrels per day, oil quality 10 – 22° API
- Initial estimates 100 million barrels of recoverable oil
- By 2012, production rate 1,600bpd, total production 7.4 million barrels from 18 wells
- CubaPetroleo recently announced significant discovery of lighter than typical oil at Bacuranao
- Melbana project team formed, structural integration, facilities review and reservoir engineering study commenced

IOR (Incremental Oil Recovery) - Concept

Extra production over base is shared in accordance with contract terms

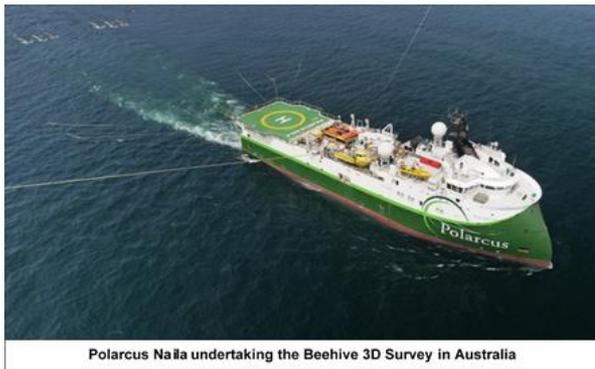
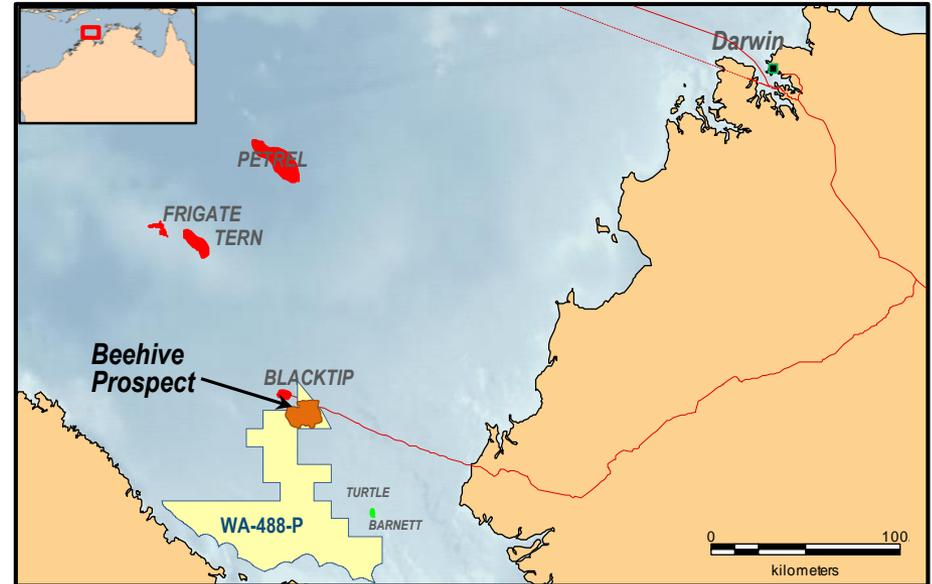


- **IOR projects are sought after by oil industry as lower risk as:**
 - Oil found
 - Oil flow proven
 - Have production history
 - Typically more geological data available
 - Existing processing facilities leads to faster path to production for each barrel
 - Can potentially book resources in certain circumstances

Australia – Beehive Prospect

Seismic Funding/Farmin Option Agreement with TOTAL and Santos.

- Largest undrilled oil prospect offshore Australia
- Independent Expert McDaniel & Associates Report
- Total and Santos fully funded and fast tracked 3D seismic survey
 - 6 months from receipt of processed data to exercise option to drill
 - Either party can exercise option
- If Total and/or Santos exercise option, Melbana retains 20% and is fully carried through drilling of first well
- Multiple paths to development



Polarcus Naïa undertaking the Beehive 3D Survey in Australia

Prospective Resources (MMboe, 100%)³

Beehive	CoS*	Low	Best	High	Mean
Carboniferous objective	20%	91	388	1,645	704

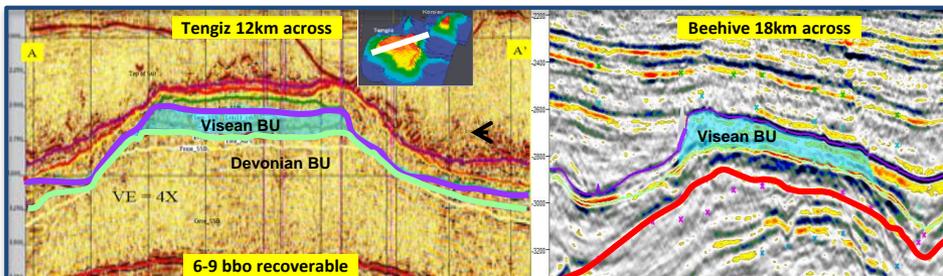
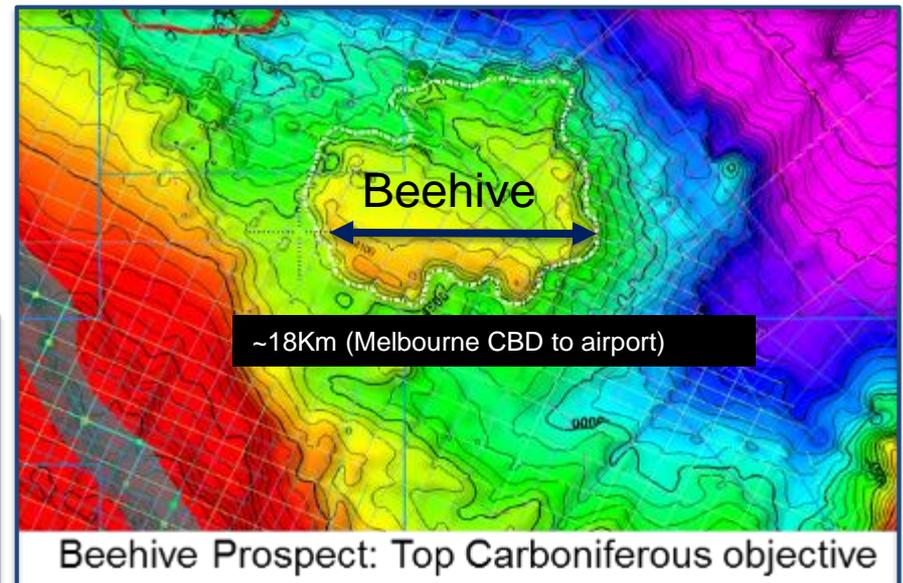
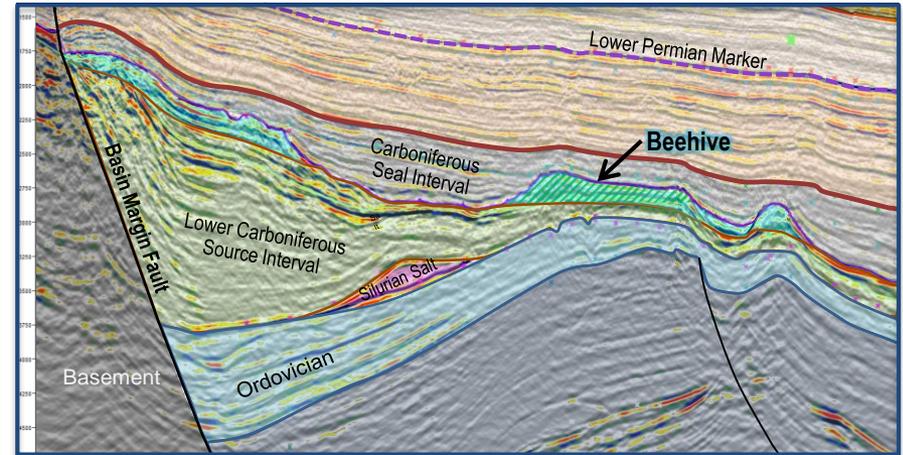
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³per Independent Expert McDaniel & Associates Report

Australia – Beehive Prospect

Beehive – an enormous feature analogous to giant Tengiz oil field

- Undrilled new play type in Basin
- Isolated carbonate platform
- Beehive highgraded following discovery of Ungani oil field in similar setting and interpreted as same age
- Age and Reservoir setting analogous to giant Tengiz oil field in Caspian Sea
- Enormous feature:
 - Carbonate platform is 18km across
 - Mapped closure ~140km²
 - Vertical relief ~400 metres
- Located in ~40 metres water depth
- Target depth 4,000 – 4,500m

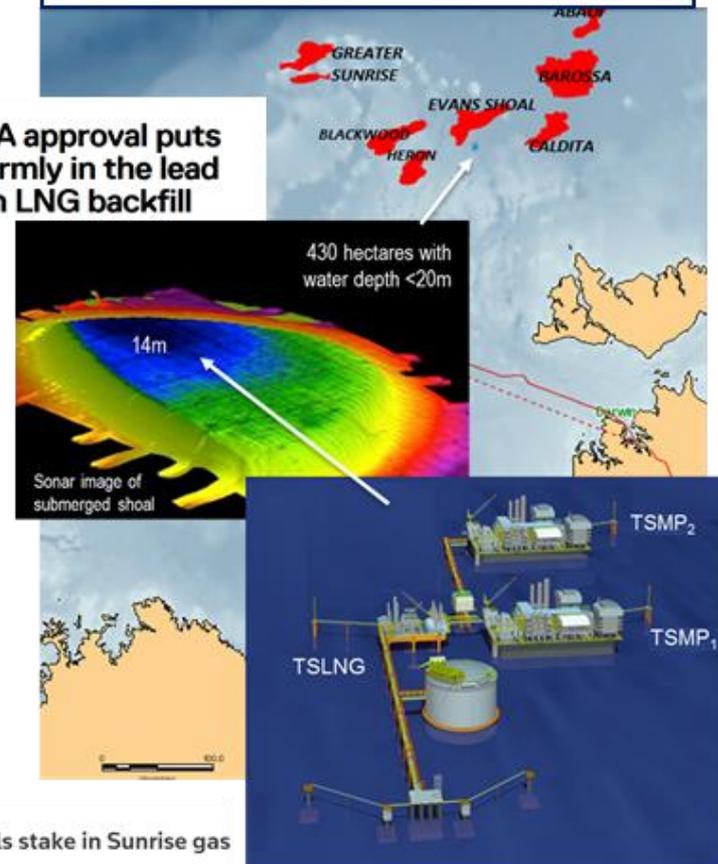


Australia - Industry changes around Tassie Shoal Projects

- Melbana (100%) has Federal & State Government Environmental approvals valid to 2052 to build two methanol and one LNG plant
- Evans Shoal and Barossa in race to replace declining Bayu-Undan production into Darwin LNG facilities
- Feedstock may become available as a result of development into Darwin LNG
- Evans Shoal is 28% CO₂ making it expensive to develop standalone and methanol production optimised with 30% CO₂
- Methanol is a widely traded liquid with many industrial and energy uses
- Investor support for methanol project if gas made available - past investors backed offer to titleholders to buy gas at US\$3MMBTU at well head to commercialise fields
- Potential for value creation via carried interest in development and/or tolling income

Tassie Shoal Projects - Gas available?

21 Mar 2018
NOPSEMA approval puts Barossa firmly in the lead for Darwin LNG backfill



Multiple upcoming catalysts....

✓ Beehive - initial review of 3D Seismic processed data (1Q)

✓ Beehive - Total/Santos option election to drill Beehive-1 well (~1-2Q)

✓ Tassie Shoal Projects – potential gas supply availability (~1-3Q)

✓ Cuba Block 9 - drilling preparations (~2Q)

✓ Cuba Santa Cruz – Study team assessment (2Q)

✓ Cuba Block 9 drilling of two high impact exploration wells (by Nov)

✓ Cuba Block 9 - drilling of third well (3Q)

✓ Beehive - If Total/Santos exercise option, drill Beehive well (~3Q)

2019

2020

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Forward-looking Statements and Resources

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