

Beehive Prospective Resources Upgrade

Highlights:

- Best Estimate Prospective Resource increased to more than 400 million barrels
- Beehive prospect interpretation strongly validated by results of 3D seismic survey and consistent with prior interpretation
- Farmout process underway for potential drilling in late 2021

MELBOURNE, AUSTRALIA (24 August 2020)

Melbana Energy Limited (ASX: MAY) (**Melbana, the Company**) is pleased to report a modest increase in the Best Estimate Prospective Resource of the Beehive Prospect, located in WA-488-P (Melbana 100%) based on the results of a comprehensive assessment of the Beehive 3D seismic data acquired across the prospect.

The 3D seismic data set has strongly validated the presence of the Beehive prospect, with the resulting characterisation having a modest 7% increase of Best Estimate Prospective Resource compared to the assessment conducted in 2018 by independent reserves expert McDaniel & Associates based on the pre-existing 2D seismic data.

Table 1 - 2020 updated Beehive Prospective Resources incorporating 3D seismic data

Prospect	Scenario	COS ¹	Unrisked Prospective Resource			
			Low (1U)	Best (2U)	High (3U)	Mean
	<u>Gas-only</u>					
	Gas (BCF)		198	2,186	7,184	3,054
	Condensate (MMbbl)		2	38	185	70
	<u>Oil-only</u>					
	Oil (MMbbl)		37	419	1,435	604
Beehive	TOTAL (MMboe)	20%	37	416	1,424	599

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.

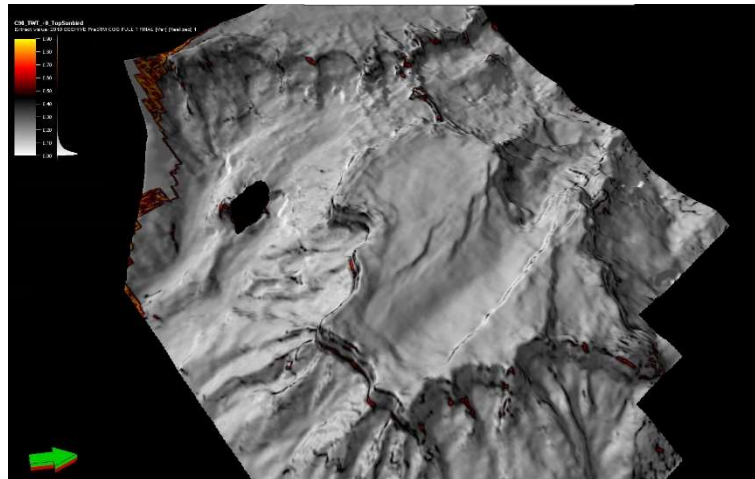


Figure 1 – Beehive Prospect from recent 3D seismic survey

Table 2 - Previous 2018 Beehive Prospective Resources by independent reserves expert McDaniel & Associates based on the pre-existing 2D seismic data

Prospect	Scenario	COS ¹	Unrisked Prospective Resource			
			Low (1U)	Best (2U)	High (3U)	Mean
Beehive	TOTAL (MMboe)	20%	91	388	1,645	704

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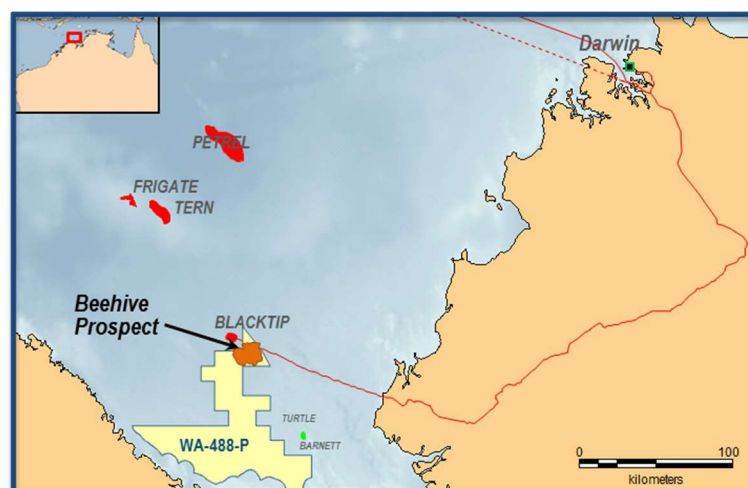


Figure 2 - Beehive Prospect is adjacent to the Blacktip gas field and pipeline

Melbana Chairman, Andrew Purcell, said:

“The 3D seismic data provides excellent definition of the Beehive prospect, which is now characterised as greater than 400 million barrels of prospective resource in the best case.

This updated assessment, along with the 12-month extension to the permit tenure that Melbana successfully applied for earlier this year provides a solid foundation for securing a farmin partner to WA-488-P.

Depending on the outcome of the current farmout process, Melbana expects the Beehive prospect to be drilled in late 2021.”

For and on Behalf of the Board of Directors: **For further information please contact**

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Contingent and Prospective Resources: The information in this presentation that relates to Contingent Resources and Prospective Resources for Melbana is based on, and fairly represents, information and supporting documentation compiled by Peter Stickland, a Non-Executive Director of Melbana. Mr Stickland B.Sc (Hons) has over 30 years of relevant experience, is a member of the European Association of Geoscientists & Engineers and the Petroleum and Exploration Society of Australia, and consents to the publication of the resource assessments contained herein. The Contingent Resource and Prospective Resource estimates are classified in accordance with the SPE PRMS (Society of Petroleum Engineers Petroleum Resources Management System) and are consistent with the definitions of hydrocarbon resources that appear in the Listing Rules.

Mr Stickland is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

Conversion factors: 6 Bscf gas equals 1 MMboe; 1 bbl condensate equals 1 boe. “Mmboe” means million barrels of oil equivalent.

Prospective resources have been estimated by Melbana using the Probabilistic Method. The prospective resources information in this document is effective as at 21 August 2020.

¹ The COS represents the geological chance of success at the Beehive prospect. This excludes phase risk, which Melbana has estimated to be 80% oil (20% gas). These prospective resources are also subject to a Chance of Development (COD) which Melbana estimates to be 80%. Quantifying the COD requires consideration of both economic contingencies and other contingencies, such as legal, regulatory, market access, political, social licence, internal and external approvals and commitment to project finance and development timing. As many of these factors are uncertain the COD must be used with caution.