

Corporate Presentation

November 2016



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•**Contingent and Prospective Resources:** The information in this presentation that relates to Contingent Resources and Prospective Resources for Melbana Energy is based on, and fairly represents, information and supporting documentation compiled by Peter Stickland, the Managing Director and Chief Executive Officer of Melbana Energy. Mr Stickland B.Sc (Hons) has over 25 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 consistent with the definitions of hydrocarbon resources that appear in the Listing Rules. Conversion factors: 6 Bscf gas equals 1 MMboe; 1 bbl condensate equals 1 boe.

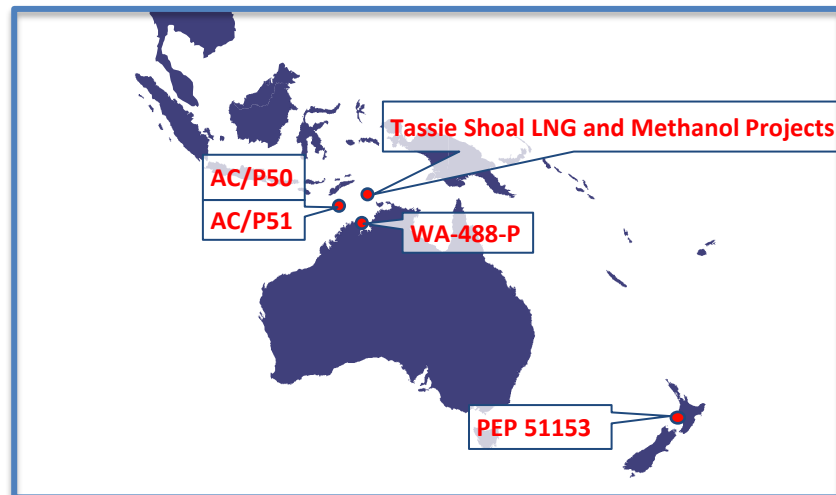


Corporate Overview



Company Overview

- ASX listed (ASX: MAY) petroleum exploration company
- Only ASX listed company with Cuban energy industry exposure
 - 100%* interest in Block 9 PSC, Cuba
- Identified exploration potential in Cuba Block 9 for over 8 billion barrels of oil-in-place with Prospective Resources of 395 million barrels just in one play (unrisked Best Estimate, 100% basis)**
 - Further assessment results in coming months
- Seeking early drilling opportunities in Block 9
- Potential onshore New Zealand high impact drilling of the Pukateas prospect late 2017
- Portfolio also includes high impact projects offshore in Australia, including Beehive prospect
- Strong balance sheet, ~\$5.4m cash, no debt
- Disciplined strategy focused on:
 - Cuba Block 9
 - High-impact, low cost activity from Australia/NZ portfolio
 - Fiscal discipline across all activities



* Subject to Petro Australis conditional option to back in for 40%, no later than Sept 2017. See ASX announcement dated 3 September 2015

** See Prospective Resources Cautionary Statement on page 11

Corporate Snapshot

Capital Structure

Share price (as at 31/10/2016)	A\$0.030
Shares on issue	953.2m
Options on issue (exercise price \$0.50)	2.5m
Share Performance Rights	26.3m
Market capitalisation	~A\$29m
Approx cash position	~A\$5.4m

Substantial Shareholders (>5%)

Leni Gas Cuba Limited	14.76%
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Share Price



New Leadership Under MD Peter Stickland & New Board

Board & Management

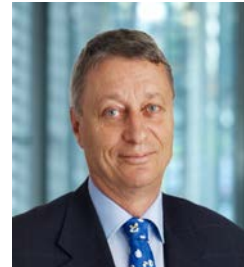
Board of Directors



Peter Stickland
Managing
Director & CEO



Andrew Purcell
Non-Executive
Chairman



Michael Sandy
Non-Executive
Director

Senior Team



Colin Naylor
CFO &
Company
Secretary



Robert Zammit
Exec Manager –
Commercial &
BD



**Errol
Johnstone**
Chief
Geoscientist



**Dean
Johnstone**
Senior
Geoscientist



**Dr. Rafael
Tenreyro**
Cuba
Representative



Cuba



Block 9 - Positioned in Oil Rich Highly Prospective Area

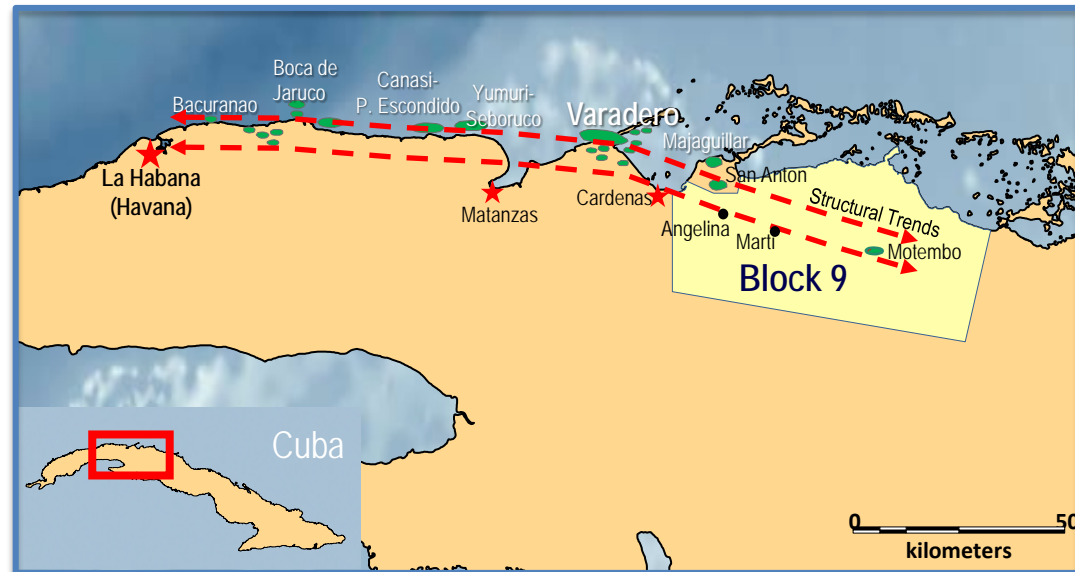
On trend with existing producing fields, very significant oil potential

Positioning

- Block 9 PSC (2,380 km² or 588,000 acres) located onshore and close to infrastructure
- Melbana Energy (100%*) awarded Block 9 PSC in September 2015 for 25 year term
- Low first Exploration sub-period commitment consisting of studies and seismic reprocessing
- Block 9 lightly explored but contains natural oil seeps and has several small oil discoveries
- Adjacent to TSX-listed Sherritt International's producing area (~14,700 barrels per day at operating cost of <US\$7/bbl in Q3 2016)**

Prospectivity

- Along trend from producing Varadero oil field (>11 billion barrels Oil Originally in Place)
- Melbana Energy assessment has identified very significant prospective resource potential for lighter, high quality oil in one of three oil plays in Block 9
- Further assessment results in coming months
- Potential for overlooked pay zones in old wells
- Investigating potential for early drilling



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**Sherritt International Corporation 6 Third Quarter Report

Cuba Oil and Gas Potential - Untapped Region of the Gulf of Mexico

Melbana Energy has early mover advantage into this significantly under explored region

- The Gulf of Mexico is one of the world's great petroleum mega provinces
 - Cuba represents the under-explored south-eastern margin of this province
- US Geological Survey estimates undiscovered technically recoverable reserves of 4.6 billion barrels in North Cuba
- Cuba currently producing ~80,000 boe per day, but seeking to grow production
 - Imports ~50% of oil, mostly from Venezuela
 - Varadero field: >11 billion barrels OOIP
 - Local market for oil and gas
- Limited application of modern exploration techniques due to 50+ year US embargo
- Melbana Energy staff experienced with Cuban-style geology
- Melbana Energy opened Havana office and appointed experienced, high calibre in country representative to facilitate accelerated activity



Cuba Block 9 – Resource Potential

Multi-billion barrel oil potential identified so far in just 1 of 3 oil plays

Technical Assessment

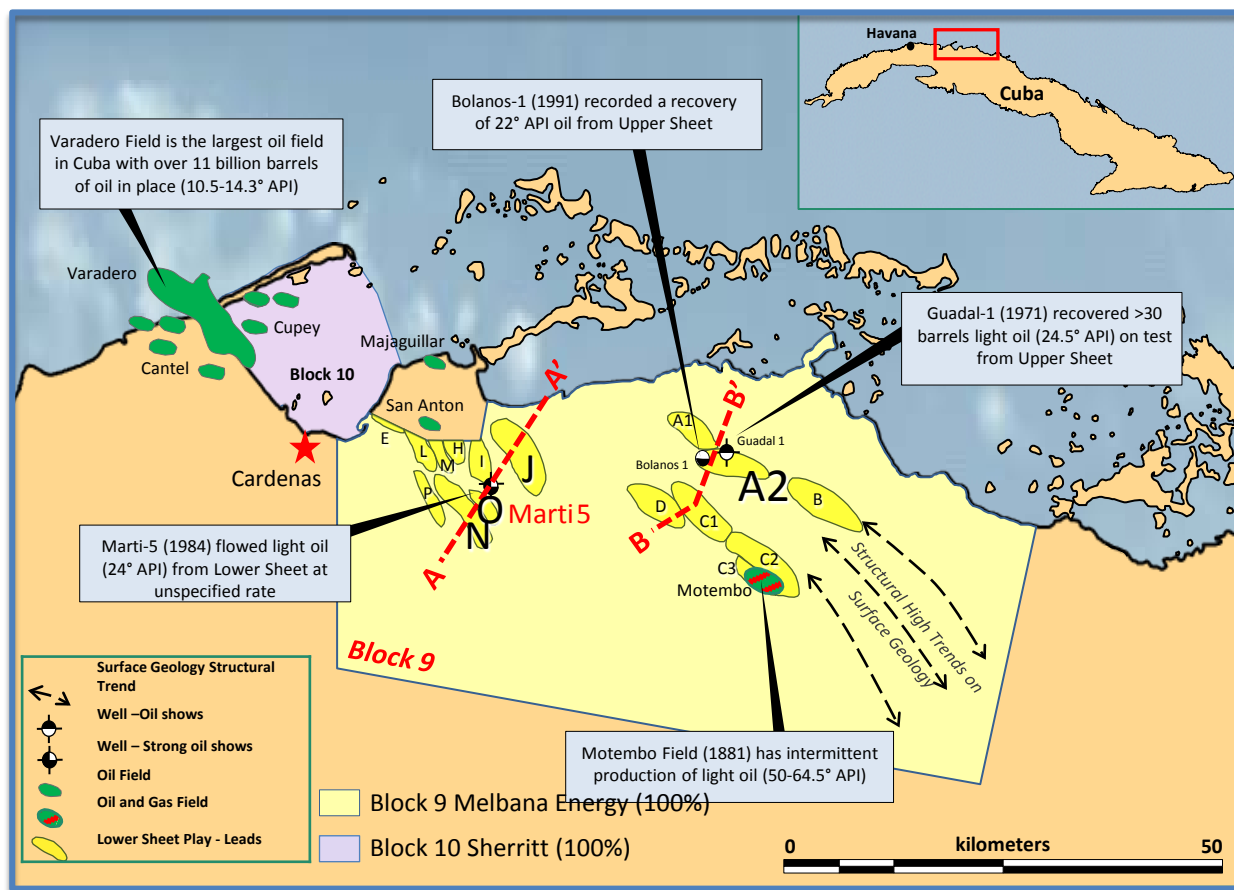
- Identified the following three play types:

Lower Sheet Play

- Exploration potential for over 8 billion barrels of oil-in-place with Prospective Resources of 395 million barrels just in “Lower Sheet Play” (unrisked Best Estimate, 100% basis)*
- 15 individual leads identified in conventional “Lower Sheet Play”
- Depths between 2,000 and 3,500 metres
- Potential for higher quality light crude oil suggested by historical oil recoveries

Upper Sheet and Shallow Tertiary Plays

- Further assessment results in coming months

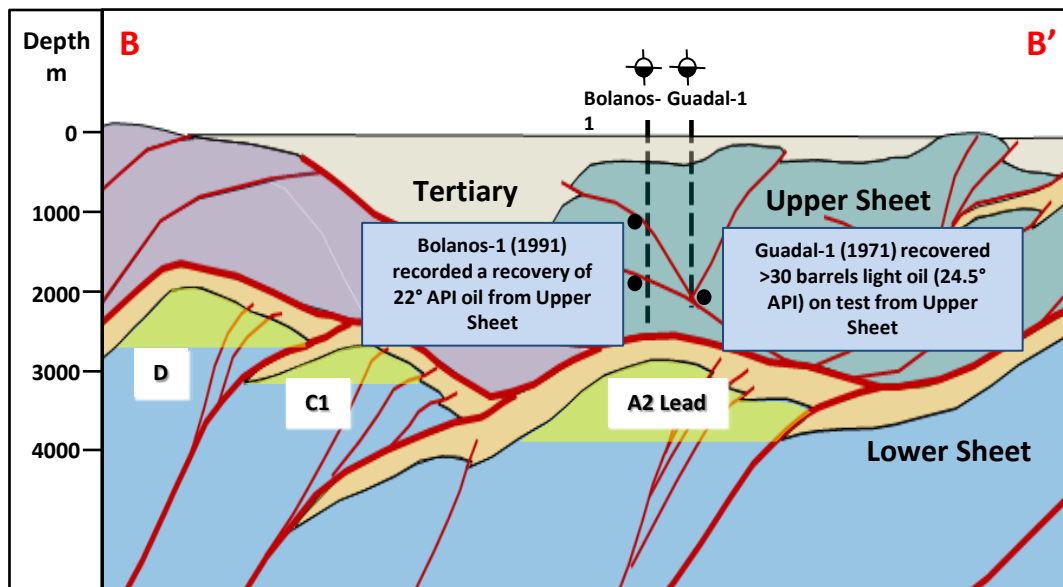


*See Prospective Resources Cautionary Statement on page 11

Potential of A2 Lead at the Lower Sheet

222 million barrel high side potential with an estimated 25% chance of success

- Large structure (up to 44km²) at Lower Sheet objective
- Reservoir is a conventional, fractured carbonate
- Recoverable volumes conservatively estimated using the historical 5% recovery factor for nearby Cuban fields
- Higher quality, light oil indicated by two old wells which recovered oil from Upper Sheet
- Additional potential from Upper Sheet not yet assessed
- Assessing A2 lead as candidate for early drilling in Q1 2018



A2 Lead (MMbbls)

Lower Sheet Play Only	CoS*	Low	Best	High	Mean
Oil in Place	25%	130	1275	4447	1917
Prospective Resource (100%)		7	64	222	96
Prospective Resource (NEI**)		4	43	150	65

*Chance of Success

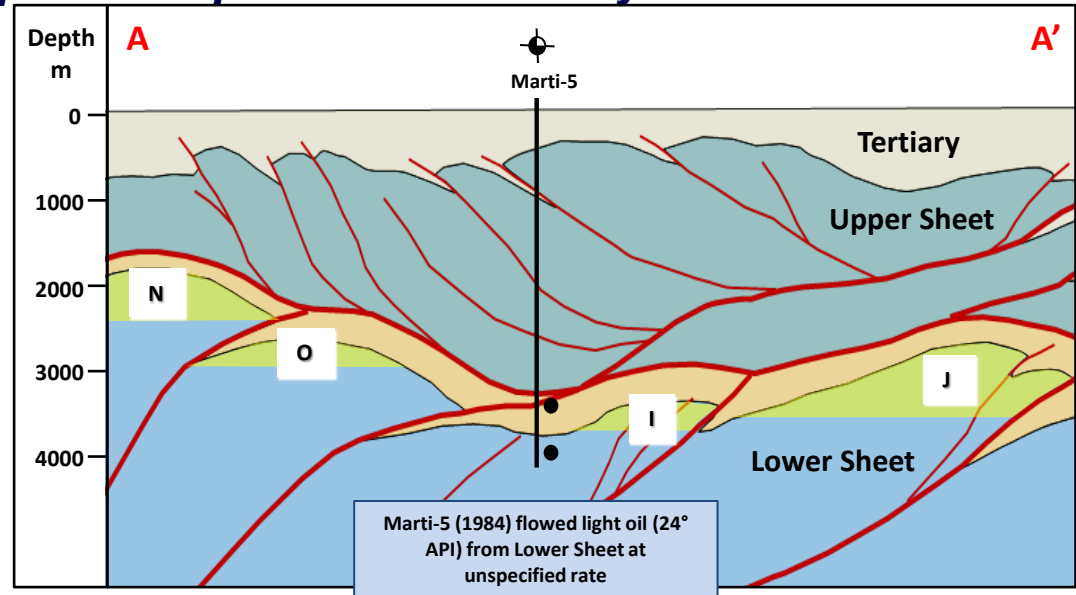
**Net Entitlement Interest based on Production Sharing Contract

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.

Marti-5 highlights potential of Lower Sheet in Western Area of Block 9

Old well drilled off structure points to potential of nearby leads

- Marti-5 (drilled 1984) recovered lighter oil (24° API) and had oil shows over a 390 metre gross interval from the Lower Sheet
- Later seismic data indicates Marti-5 outside of mapped closure
- High grades the potential of the adjacent mapped structures to contain oil, particularly Leads I, J and O
- Assessing candidates for early drilling in Q1 2018



Prospective Resources (100%, MMbbls)

Lower Sheet Play Only	CoS*	Low	Best	High	Mean
Lead I	29%	1	10	35	15
Lead J	29%	3	24	92	38
Lead O	19%	1	5	14	6

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

Cuba - Re-emerging as an investment destination

Internal changes and start of normalization of relations with US having positive impact

- Cuba has implemented an attractive fiscal regime:
 - New Law of Foreign Investment in 2014, including 8 year profit tax exemption
- In December 2014 US President Obama and Cuban President Castro announced the beginning of a process of normalizing relations between Cuba and the United States:
 - Already seeing benefits in banking and travel
 - Significant regulatory restrictions announced October 2016
- Cuba reached a deal with “Paris Club” creditor nations late 2015 - an important step to normalizing relations with international finance community
- Increasing foreign interest in Cuba including Australia, with former Trade Minister Andrew Robb leading first Australian business mission, including Melbana Energy, to Havana in early 2016
- US airlines now have direct flights to Cuba
- Melbana Energy is the only ASX listed company with Cuban energy industry exposure, with 3-years in-country experience



Presidents Castro and Obama (March 2016)

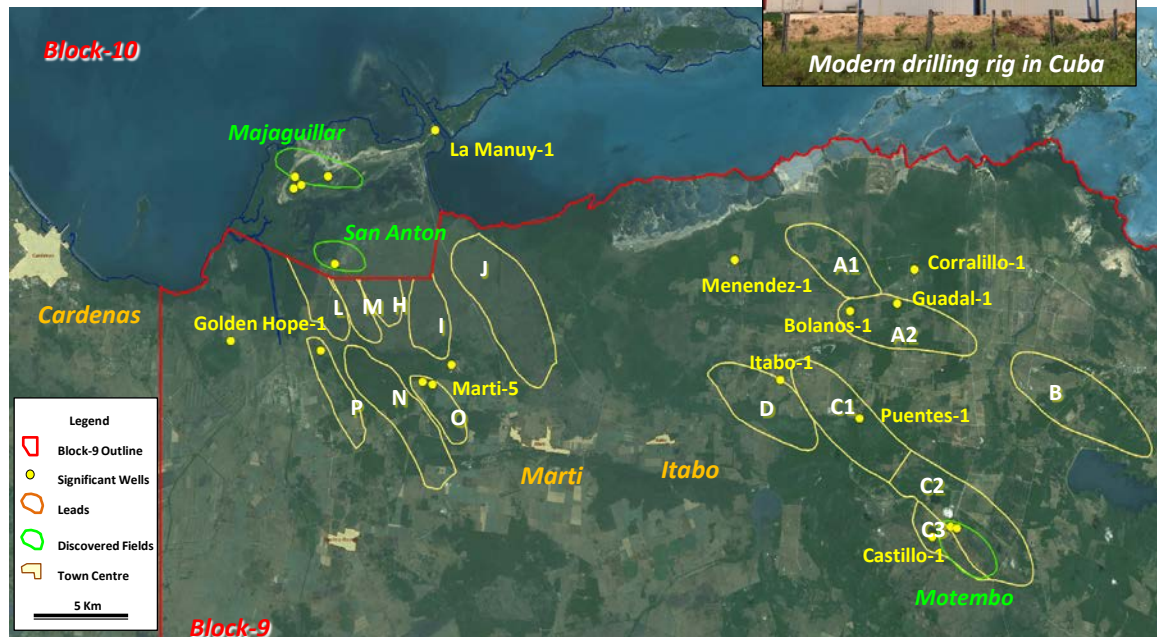


Melbana Energy's Peter Stickland, with former Australian Trade Minister Andrew Robb and Cuban Foreign Trade Minister Rodrigo Malmierca Diaz (February 2016)

Investigating Cuba Block-9 Operating Environment

Accessible area in close proximity to active oil industry

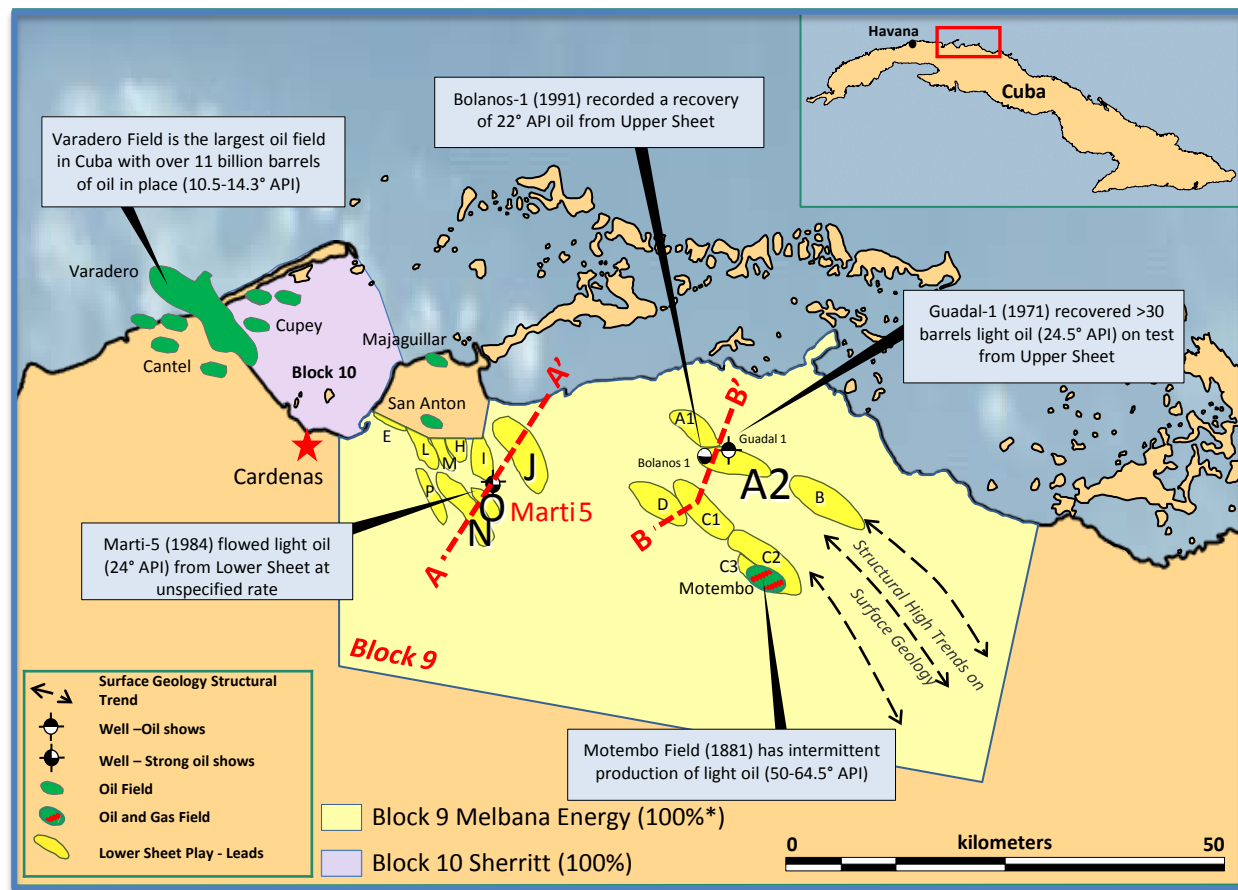
- Block 9 consists largely of low-lying farm land
- A number of sealed roads cross Block 9
- Largest nearby city is Cardenas (population ~100,000) approximately 5km west of Block 9
- ~40km from international airport
- ~75km from deep water port with oil terminal
- ~160km east of Havana
- There are a number of modern land drilling rigs currently operating in Cuba



Cuba Block 9 – Near Term Activities

Expand resource base and investigate potential for early drilling

- Further updates on resource potential in coming months
- Develop drilling program by Q1 2017 for accelerated drilling in Block 9 to test the potential of the Lower Sheet Play
- Potential drilling in Q1 2018
- Investigate merits of additional seismic data acquisition
- Monitor drilling of high impact exploration well currently drilling in Block 10, adjacent (and on trend) to Block 9. Sherritt announced they expect results in December 2016



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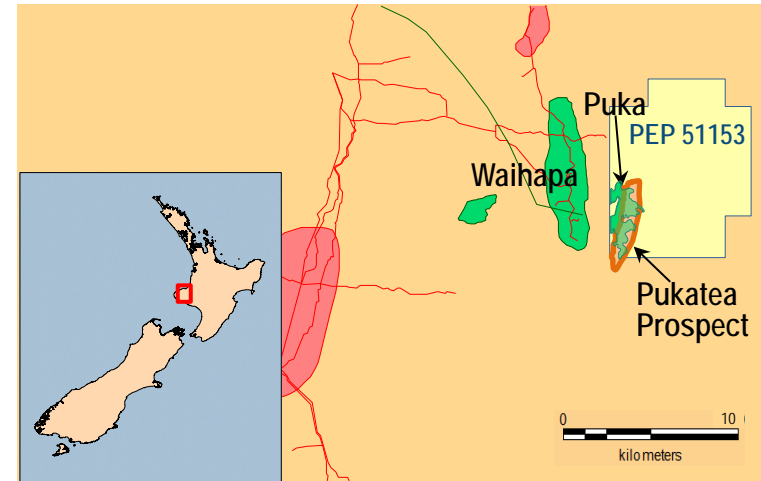


Australia and New Zealand Portfolio



Potential 2017 drilling of Pukatea prospect

- Considering drilling Pukatea in Q4 2017. Decision by Joint Venture expected by end 2016
- Tag Oil subsidiary recently appointed operator
- Pukatea (formerly Shannon) Prospect:
 - Potential high impact wildcat oil opportunity
 - Analogous to nearby Waihapa oil field (23+ MMstb produced) with highly productive wells
 - Potential to drill from existing Puka production pad with potential for rapid production from a discovery
- Puka oil accumulation – currently suspended
 - Shallow oil accumulation with 2 producing wells. Produced at ~110 barrels/day under long term test before shut-in January 2015 due to mechanical problem and low oil price



Contingent Resources (MMstb, 100%)

Puka	1C	2C	3C
Mount Messenger	0.3	0.6	1.8

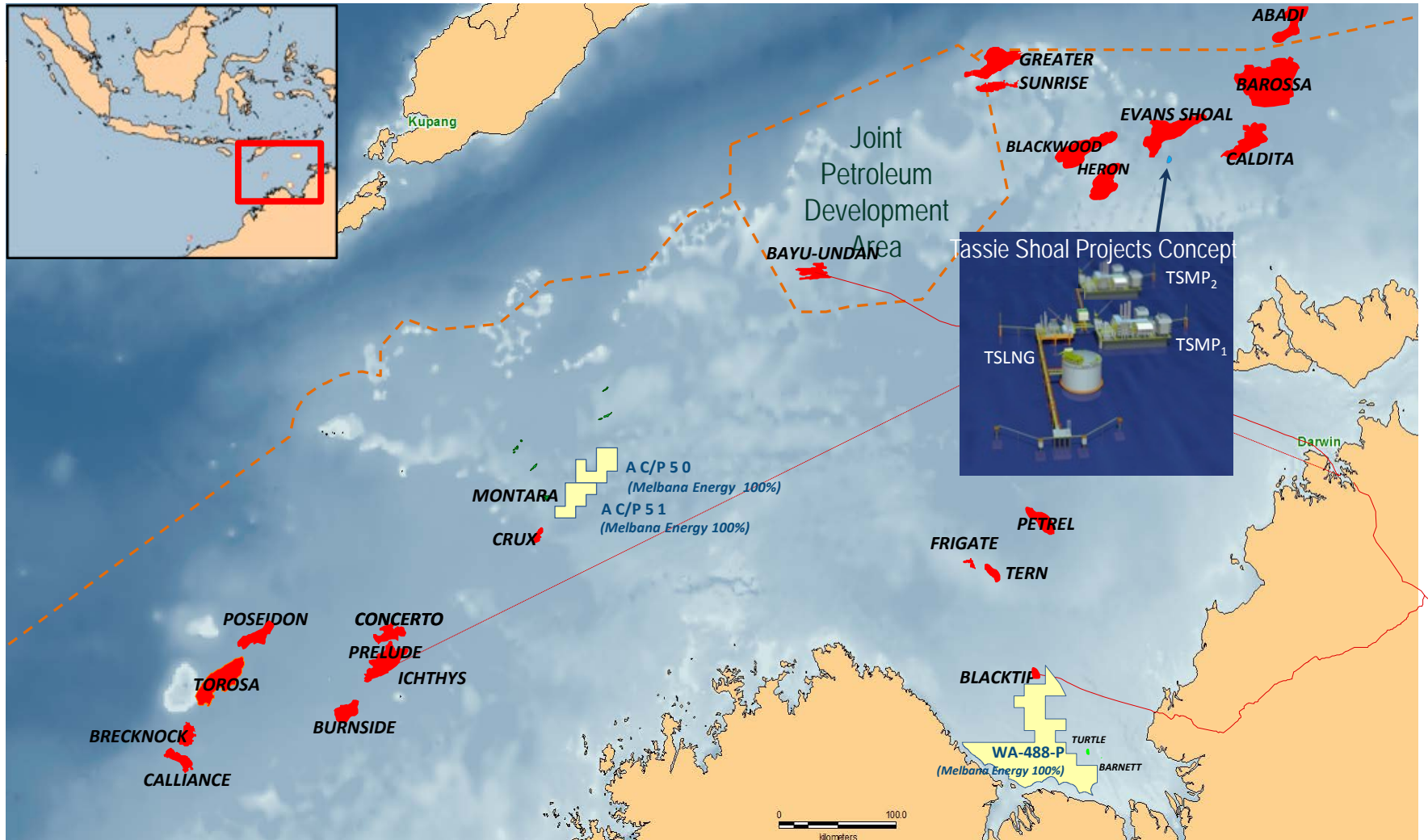
Prospective Resources (MMstb, 100%)

Pukatea (Shannon)	CoS	Low	Best	Mean	High
Tikorangi	16%	0.3	5.3	7.0	16

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.

Northern Australia Acreage and Projects

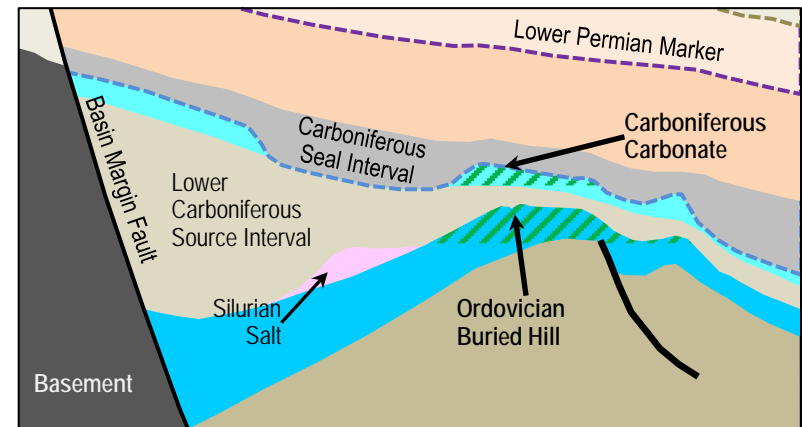
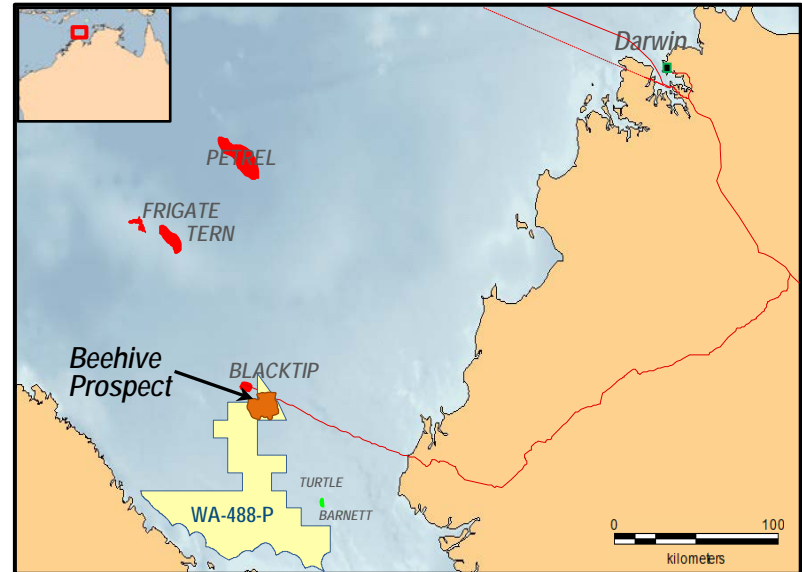
Discrete upstream projects adjacent to proven hydrocarbons



WA-488-P (Melbana 100%) – Beehive Giant Oil Prospect

Beehive being upgraded with recent seismic reprocessing before farmout

- Significant, multi billion barrel oil prospect
- Potentially the largest undrilled oil prospect offshore Australia
- Shallow water, suitable for lower cost jack-up drilling rig
- Developable by FPSO or pipeline
- Recent 2D broadband reprocessing and seismic inversion substantially enhanced characterisation of Beehive Prospect
- Near term focus:
 - Seeking to farm down to secure a partner to fund Melbana Energy's share of activities
 - If farmed down, then potential drilling in 2017-18



Prospective Resources (Mmboe, 100%)*

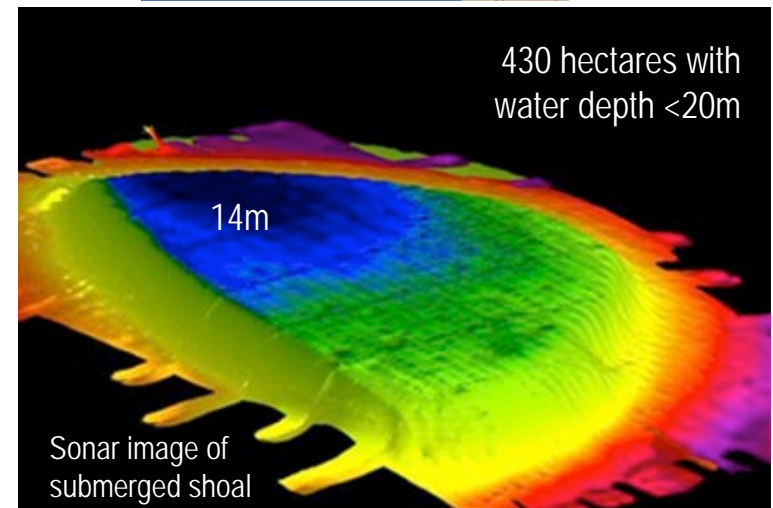
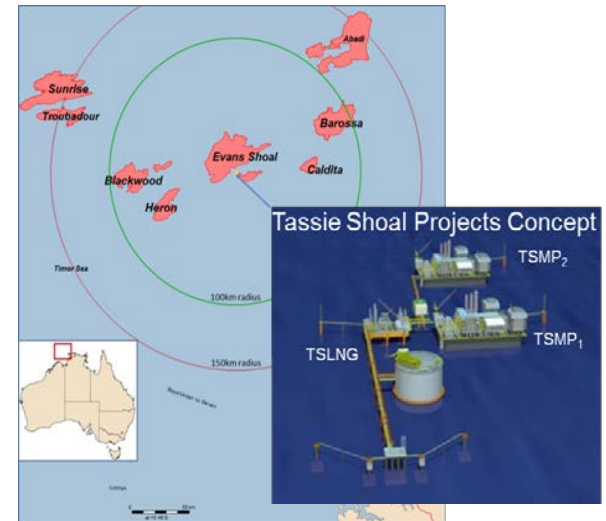
Beehive	CoS	Low	Best	Mean	High
Carboniferous objective	16%	97	558	940	2033

* See Prospective Resources Cautionary Statement on page 11

Tassie Shoal Projects (Melbana 100%)

Shallow water, innovative low cost development paths for regional stranded gas

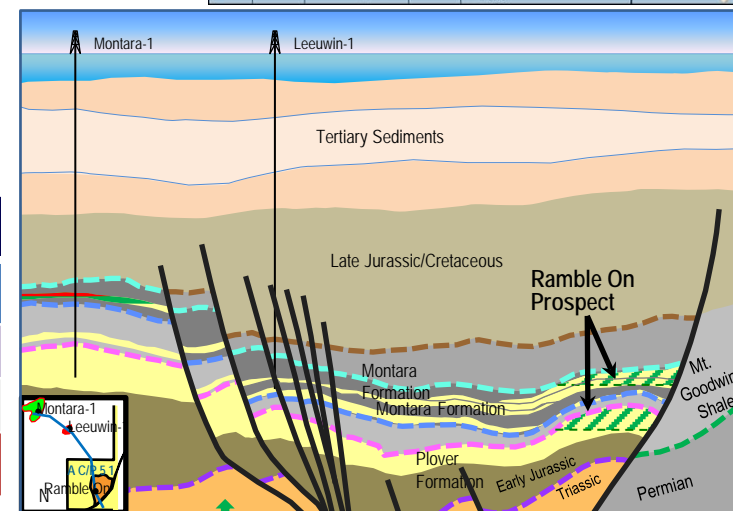
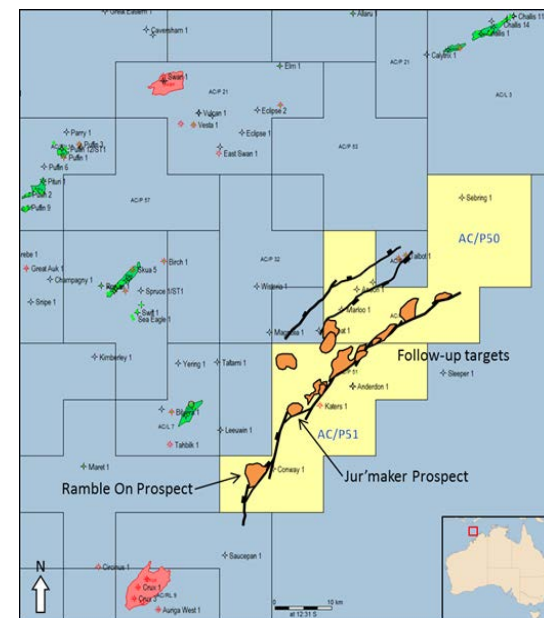
- Region has substantial undeveloped high CO₂ gas that needs a low cost development solution
- Methanol manufacturing uses gas with high CO₂ (up to 30%) as feedstock for value added product
- Offshore construction and installation of Tassie Shoal Methanol Plants (TSMP) and Tassie Shoal LNG (TSLNG) dramatically reduces capital costs compared to alternatives
- Melbana Energy has developed the concepts for constructing Methanol and LNG plants at Tassie Shoal
 - Long-dated Federal & State Government Environmental approvals (valid to 2052)
 - Undertaken pre-FEED engineering studies
 - Established relationships with key technology providers
- Low holding cost with significant potential value



AC/P50 & AC/P51 (Melbana100%*): Multiple oil targets

Melbana fully carried through 3D seismic reprocessing

- Identified material Ramble On and Jur'maker oil prospects in proven petroleum system defined on modern 3D seismic data
- Suitable for lower cost jack-up drilling rig
- Potential highlighted by Auriga West-1 well reported to find hydrocarbons in 2015 in similar play type
- Recently farmed out 45% for carry through 3D reprocessing & studies
- Near term activities:
 - Undertaking 3D seismic reprocessing (Melbana Energy free carried)
 - Update prospectivity on reprocessed seismic data
 - Seek to farm out in 2017
 - Future drilling potential if farmout successful



Prospective Resources (100%)**

Ramble On	CoS	Low	Best	Mean	High
Oil Scenario (MMstb)	9%	8	39	56	130
Gas Scenario (Bscf)	2%	29	162	461	1,136
Total (MMboe)	11%	8	38	63	150

* Subject to options by Rouge Rock Pty Ltd for a 45% and Far Cape Pte Ltd for a 5% participating interest

**See Prospective Resources Cautionary Statement on page 11



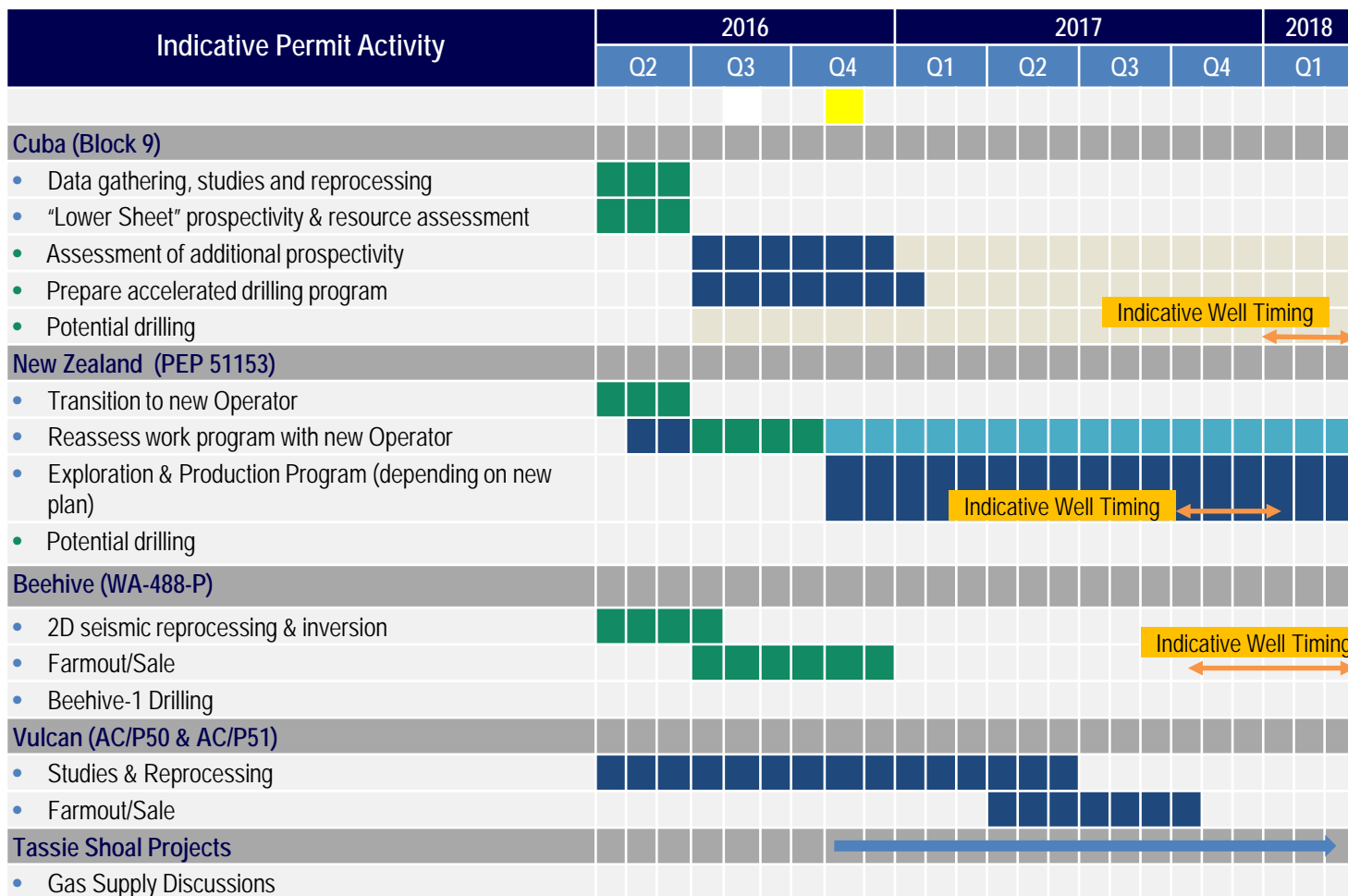
Corporate & Activity Pipeline

Major cost reduction initiatives implemented & new capital raised

- In total a 70% reduction in net administration expenses in past 18 months to ~\$2 million p.a.
- Discontinued involvement in 5 lower ranking offshore exploration permits in past 12 months
- Continually review the portfolio for strategic alignment with company objectives and increased Cuba focus
- Secured cornerstone investor in Q1 2016 through private placement with Leni Gas Cuba Limited at premium to closing share price to support Cuba resource assessment and exploration activities
- Recently raised \$2.2m using remaining placement capacity and Share Purchase Plan

Melbana Energy - Indicative Activity Pipeline

Key upcoming activities in Cuba, NZ and Australia



Investment Summary

- ✓ Refocused strategy targeting projects with appropriate risk reward profile
- ✓ Building a portfolio of high impact drilling opportunities in Cuba and Australia/NZ
- ✓ Unique Cuban leverage with early mover advantage
- ✓ Cuba has excellent oil & gas prospectivity and demonstrated modest operating costs
- ✓ Solid cash position to advance existing work programs with potential for unlocking shareholder value
- ✓ Diverse, high impact exploration asset portfolio in Australia/NZ with low carrying cost
- ✓ Long term, low holding cost optionality from Tassie Shoal Projects

