

Drilling Update #1: Pukatea-1, New Zealand

Key Points:

- Drilling on schedule, anticipate drilling Mt Messenger secondary target in approximately one week
- Drilled from surface to 603m, casing successfully run and cemented in place at 601.7m
- Current depth is approximately 28% of the depth to the primary Tikorangi target

MELBOURNE, AUSTRALIA (30 January 2018)

Melbana Energy Limited (ASX: **MAY**) (“**Melbana**” or “the **Company**”) provides the following update with respect to the drilling of the Pukatea-1 exploration well in New Zealand onshore permit PEP 51153 as at 06:00 hrs (NZDT), 29 January, 2018.

The Pukatea-1 Exploration well was spudded at 14:00 hrs (NZDT) on January 24, 2018 and a 444mm hole was drilled through Matemateaonga Formation shales and sandstones to the planned casing point at 603mMDRT. A string of 340mm casing was then run to 601.7mMDRT as per program.

Current operations at the wellsite is cementing the casing in place.

Over the upcoming week, the forward plan is to drill out of the 340mm casing and drill ahead while building angle in 311mm hole towards the Mount Messenger secondary target. A string of 244mm casing will then be run and set below the target.

Robert Zammit
Chief Executive Officer

Pukatea-1 Weekly Report

Permit:	PEP 51153
Well Type:	Exploration
Location:	Onshore Taranaki Basin, New Zealand
Interest holders:	Melbana Energy 30%, TAG Oil (Operator) 70%
Primary Target:	Tikorangi Limestone
Secondary Target:	Mount Messenger Sandstones
Rig:	Nova Rig 1
Date Drilling Commenced:	14:00 Hrs (NZDT), 24 January, 2018
Planned Total Depth:	Approx. 3170m measured depth
Progress Report Date:	06:00 Hrs (NZDT), 29 January 2018
Current Depth:	603 m MD
Current Formation:	Matemateaonga Fm
Prognosed Time to Completion:	33 Days from Spud
Operations Since Last Report:	Spudded well at 14:00 hrs (NZDT) on January 24, drilled 444mm (17-1/2") deviated hole to the casing point at 603mMD. Run and cement 340mm (13-3/8") casing
Forward Operations:	Drill out of 340mm (13-3/8") casing shoe and continue drilling 311mm (12-1/4") deviated hole to the 244mm (9-5/8") casing point below the Mt Messenger secondary target.

Background:

The Pukatea-1 well is located approximately 50 km south of New Plymouth and 2.5 km east of the Waihapa Oil Field. The well is forecast to take approximately 33 days to reach the anticipated total depth of 3170m MDRT (2537m TVD subsea) and has been planned as a deviated well to intersect the Primary Tikorangi Limestone target from the Puka production pad. A secondary objective of the well is to appraise the extent of the Mount Messenger oil pool, previously discovered by the Puka-1 well in 2012.

