



ABN 43 066 447 952

Level 3, 350 Collins Street
Melbourne 3000
Australia

T +61 3 8625 6000
E admin@melbana.com
melbana.com

Off-market takeover bid by Melbana Energy Limited for Metgasco Limited – Third Supplementary Bidder's Statement

MELBOURNE, AUSTRALIA (5 NOVEMBER 2019)

In accordance with section 647(3) of the Corporations Act 2001 (Cth), we enclose a supplementary bidder's statement dated 5 November 2019, setting out amendments and supplementary information to the original bidder's statement dated (and lodged with ASIC) on 10 September 2019, the first supplementary bidder's statement dated 3 October 2019 and the second supplementary bidders statement dated 16 October 2019.

Yours faithfully

A handwritten signature in black ink, appearing to read "Melanie Leydin".

Melanie Leydin
Company Secretary, Melbana Energy Limited



Supplementary Bidder's Statement

1. Important notices

This document is a supplementary bidder's statement under section 643 of the Corporations Act (**Third Supplementary Bidder's Statement**). It is supplementary to the bidder's statement dated 10 September 2019 (**Original Bidder's Statement**), the first supplementary bidder's statement dated 3 October 2019 (**First Supplementary Bidder's Statement**) and the second supplementary bidder's statement dated 16 October 2019 (**Second Supplementary Bidder's Statement**), and is issued by Melbana Energy Limited ABN 43 066 447 952 in relation to its off market takeover bid for all Metgasco Shares under Part 6.5 of the Corporations Act. This Third Supplementary Bidder's Statement supplements, and should be read together with the Original Bidder's Statement, First Supplementary Bidder's Statement and Second Supplementary Bidders Statement. Unless the context requires otherwise, defined terms in the Original Bidder's Statement have the same meaning in this Third Supplementary Bidder's Statement. This Third Supplementary Bidder's Statement prevails to the extent of any inconsistency.

A copy of this Third Supplementary Bidder's Statement was lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for the content of this Third Supplementary Bidder's Statement.

2. Supplementary information in relation to the Offer

Melbana Energy attaches the ASX announcement to this Third Supplementary Bidder's Statement, which relates to the exercise of the Beehive farm-in option in respect of WA-488P by Santos.

3. Acceptance of the Offer

Metgasco Shareholders are encouraged to refer to the Original Bidder's Statement, as supplemented by information contained within the First Supplementary Bidder's Statement, Second Supplementary Bidder's Statement and this Third Supplementary Bidder's Statement, including information on the reasons to accept the Offer and the risks associated with not accepting the Offer.

If you have already accepted the Offer, you need not take any action. If you have not yet accepted the Offer, we encourage you to accept without delay. The Offer is due to close at 7.00pm (Sydney time) on 15 November 2019 (unless the offer period is extended).

If you have any queries in relation to how to accept the Offer or any other matter relating to the takeover bid, please call the offer information line on +61 1300 306 413 between 8.30am and 5.00pm (Sydney time) Monday to Friday.

4. Authorisation

This Third Supplementary Bidder's Statement has been approved by a unanimous resolution of the directors of Melbana Energy and is signed for and on behalf of Melbana Energy by:

A handwritten signature in black ink, appearing to read 'Michael Sandy', is written over a horizontal line.

Michael Sandy
Director and Interim Chief Executive Officer

Annexure – ASX Announcement

Beehive Option Notifications Received

Highlights:

- Santos has given notice that it exercises its option to acquire a 40% interest in WA-488-P, the permit containing the Beehive prospect (the **Permit**)
- TOTAL has given notice that it has decided not to exercise its option to acquire a 40% interest in the Permit
- In accordance with the option agreement, Santos' option is modified such that it now has the right to acquire an 80% interest in the Permit in return for agreeing to fund 100% of the cost of the Beehive-1 well. This option expires on 4 December 2019 and, if not exercised, Melbana's interest in the Permit would remain at 100%.

MELBOURNE, AUSTRALIA (5 November 2019)

Melbana Energy Limited (ASX: MAY) (**Melbana**) wishes to advise that it has been notified by Santos Limited (**Santos**) that it exercises its option to acquire a 40% interest in the Permit.

Melbana has also received notification from TOTAL E&P Australia Exploration Pty Ltd (**TOTAL**) that it has decided not to exercise its option to also acquire a 40% interest in the Permit. TOTAL's option therefore expires with immediate effect.

As a consequence of TOTAL's decision and pursuant to the terms of the option agreement, Santos' option is now modified such that it may now acquire an 80% interest in the Permit in return for funding 100% of the costs for an exploration well in the Permit area. Santos has until 4 December 2019 to exercise the modified option. If Santos does not exercise this modified option, Santos will not acquire any interest in the Permit and Melbana's interest in the Permit will remain at 100%.

The Beehive prospect has been assessed by Independent Expert McDaniel & Associates to contain a best estimate prospective resource of 388 million barrels of oil equivalent (which has been prepared using the probabilistic method)¹.

¹ 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. All quoted volumes taken from Independent Expert McDaniel & Associates Competent Persons Report 30 June 2018. Gas to Oil Factor: based on Mcf to BOE energy equivalence conversion of 6 to 1.

Melbana Energy's Chairman, Andrew Purcell, said:

“Santos’ recently announced decision to acquire the northern Australian assets of ConocoPhillips, consistent with its aim to be a leading regional LNG supplier, make it a particularly exciting time for the energy sector in northern Australia. There is a great deal of interest from industry in these developments and we are confident that our Beehive prospect has a role to play there given other recent regional successes, its shallow water position close to existing infrastructure and the increased confidence in the prospect resulting from the newly processed 3D seismic survey acquired by Santos and TOTAL. We look forward to continuing to work closely with Santos and are confident that other well credentialed parties will have an interest in the Beehive prospect should the opportunity become available for them to participate in the drilling of this well.”

Contingent and Prospective Resources: The information that relates to Prospective Resources for Melbana Energy is based on, and fairly represents, information and supporting documentation compiled by Peter Stickland, a director 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 Prospective Resource estimates are consistent with the definitions of hydrocarbon resources that appear in the Listing Rules.