

Corporate Presentation

February 2017



Forward-looking Statements and Resources

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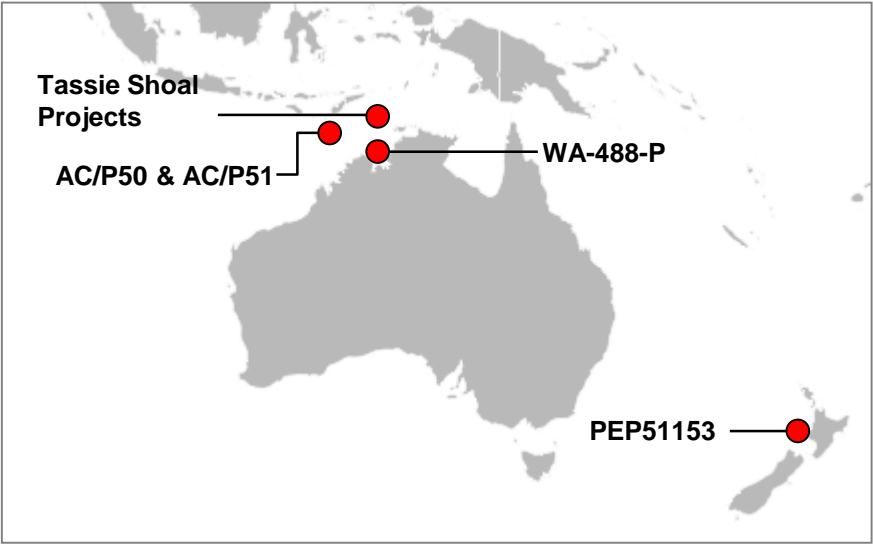
Contingent and Prospective Resources: The information in this presentation that relates to Contingent Resources and Prospective Resources for Melbana Energy is based on, and fairly represents, information and supporting documentation compiled by Peter Stickland, the Managing Director and Chief Executive 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.

Summary



Cuba

- Block 9 exploration potential increased 50% to ~12 billion barrels of oil-in-place with recoverable Prospective Resources of 612 million barrels (100% share, unrisks Best Estimate)*
- Alameda Prospect highest ranked with 65 million barrels Prospective Resources and 32% chance of success (100% share, unrisks Best Estimate)*
- Targeting drilling in early 2018
- Only ASX listed company with Cuban energy exposure



NZ

- High impact Pukatea prospect targeting drilling in late 2017 on PEP51153 (Melbana 30%)
- Prospective Resource of 12.4 million boe (unrisks Best Estimate, 100% share)*, reservoir capable of rates up to 5,000 barrels per day

Australia

- Beehive prospect located in WA-488-P is potentially the largest undrilled conventional target in Australia

Corporate

- Strong balance sheet - \$4.4m cash, no debt

* See Prospective Resources Cautionary Statement on page 8

Corporate Snapshot

Capital Structure

Share price (as at 31/1/2017)	A\$0.021
Shares on issue	953.2m
Options	6.5m
Share Performance Rights	26.3m
Market Capitalisation	~A\$20m
Cash (Dec 2016)	~A\$4.4m

Major Shareholders

Leni Gas Cuba Limited	13.76%
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Share Price



Board & Management Team

Peter Stickland	Managing Director & CEO
Andrew Purcell	Non-Executive Chairman
Michael Sandy	Non-Executive Director
Colin Naylor	CFO & Company Secretary
Robert Zammit	Exec. Manager – Commercial & BD
Rafael Tenreyro	Cuba Representative



Cuba

Cuba Block 9 – An Overview

Block 9 PSC

- 100%* interest in Block 9 PSC (2,380km² or 588,000 acres) located onshore in Cuba
- 25 year term (awarded in 2015)
- Exploration sub periods:
 - 1 (Sept 2015 to Nov 2017) – studies and seismic reprocessing – largely completed
 - 2 (Nov 2017 to Nov 2019) – 200km 2D seismic acquisition

Excellent Operating Environment

- Block 9 consists largely of low-lying farm land
- Sealed roads connect Block 9 to Havana (~160km), a deep water port with oil terminal (~75km) and international airport (~40km)
- Multiple modern land drilling rigs currently operating in Cuba



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

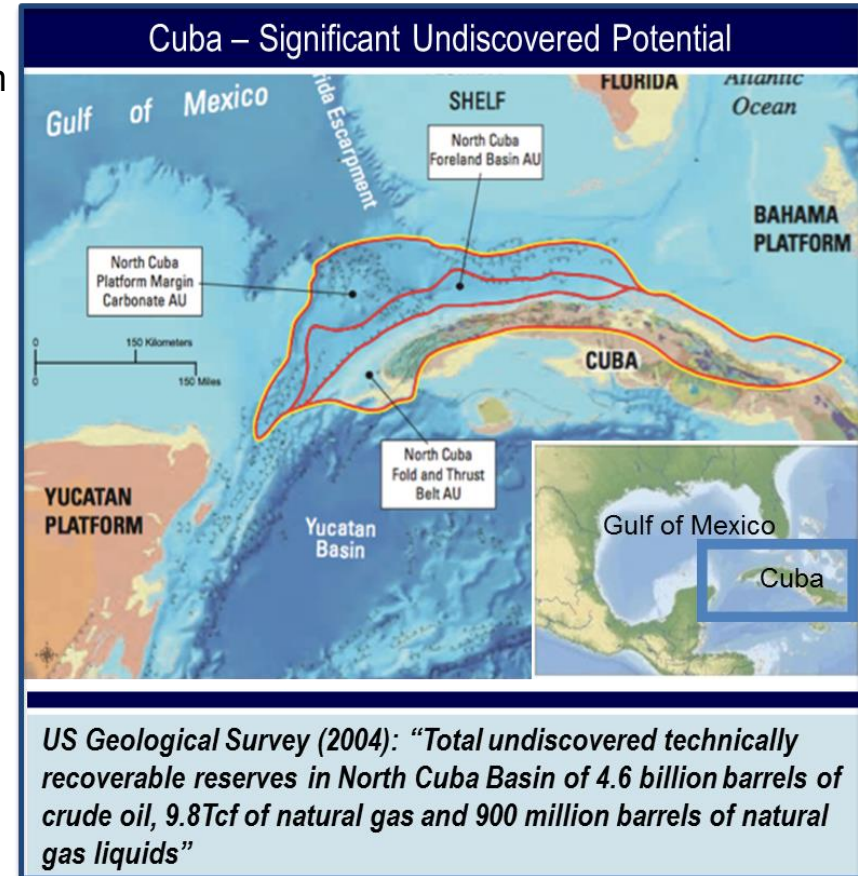
Cuba Block 9 – An Oil Rich Region

Cuba Prospectivity and Market

- Represents under-explored south-eastern margin of the Gulf of Mexico – one of the world's great petroleum mega provinces
- Limited application of modern exploration techniques due to 50+ year US embargo
- Cuba currently producing ~45,000 barrels of oil and 3 million cubic metres of gas per day
- Strong focus on growing production
- ~50% of oil imported (mostly from Venezuela)

Block 9 Prospectivity

- Lightly explored but contains natural oil seeps and has several small discoveries
- Along trend from Varadero oil field (>11 billion barrels)
- Potential for Varadero type structures in Block 9
- Adjacent to TSX-listed Sherritt International's producing area (~14,700 barrels per day at operating cost of <US\$7/bbl in Q3 2016)**



**Sherritt International Corporation Third Quarter 2016 Report

Cuba Block 9 – Resource Assessment

Exploration potential for over 12 billion barrels of oil-in-place

- Exploration potential increased 50% to over 12 billion barrels of oil-in-place and Prospective Resources of ~600 million barrels (unrisked Best Estimate, 100% basis)
- 18 individual leads identified in conventional “Lower Sheet Play”
- Depths between 2,000 and 4,000 metres
- High potential Alameda prospect identified close to historical oil recoveries
- Recoverable volumes conservatively estimated using the historical 5% recovery factor for nearby Cuban fields
- Potential for higher quality light crude oil suggested by historical oil recoveries
- Ongoing assessment may add further potential
- Additional secondary objectives in Upper Sheet and Shallow Tertiary plays
- Potentially drill two wells targeting lower sheet in early 2018

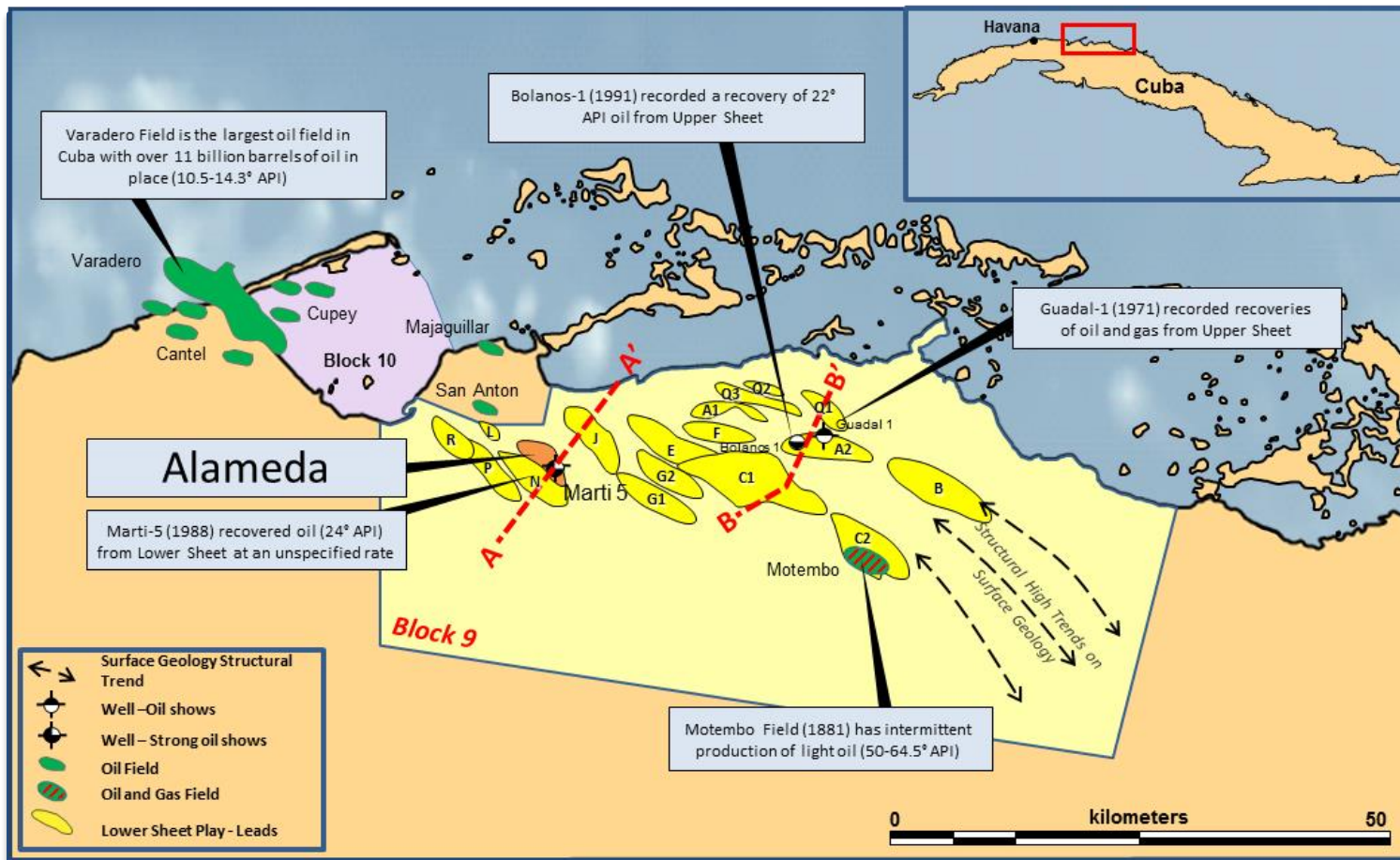


Block 9 Exploration Potential	Low	Best	High	Mean
	MMstb	MMstb	MMstb	MMstb
Oil-in-Place (unrisked, 100%)	1,141	12,243	42,300	17,759
Prospective Resources (recoverable, unrisked, 100%)	57	612	2115	888

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.

Cuba Block 9 – 18 Leads in Conventional Lower Sheet

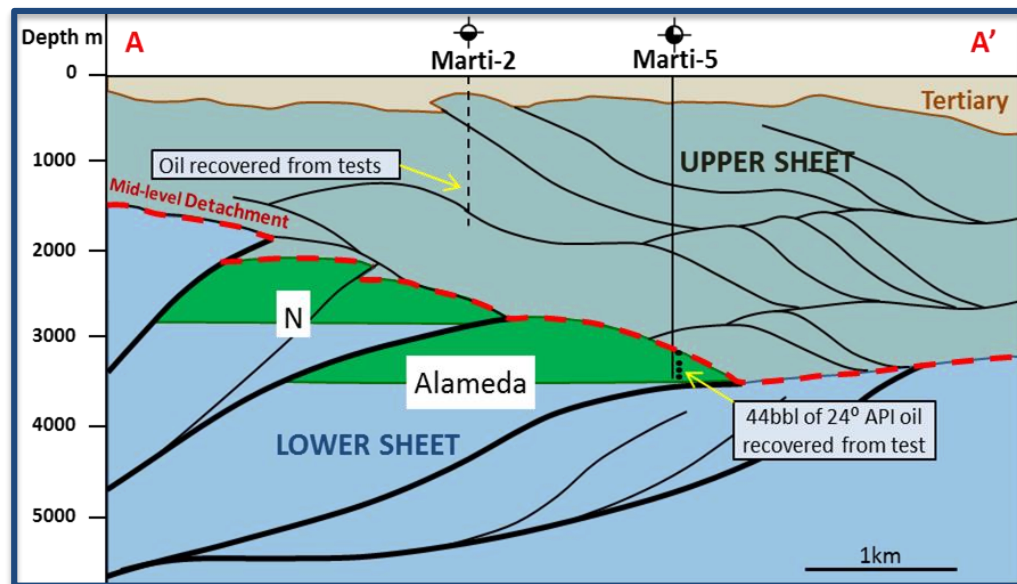
Priority drill targets identified – Alameda Prospect, C1 and A2 Leads



Cuba Block 9 – Alameda Prospect

214 million barrel high side potential close to historic oil recoveries

- Large structure in western part of Block 9
- Primary objective in depth range from 3,000 to 3,700 metres
- Marti-5 (drilled 1988) recovered lighter oil (24°API) and had oil shows over a 850 metre gross interval from the Lower Sheet
- 32% chance of success
- Potential for shallow secondary objectives in Upper Sheet and Tertiary
- Currently designing well to test Alameda with potential for drilling early in 2018
- Preliminary discussions held with rig owners and service providers



Prospective Resources (MMstb)

Alameda Prospect	CoS*	Low	Best	High	Mean
Oil in Place (100%)	32%	62	1,293	4,278	1,829
Prospective Resource (100%)		3	65	214	91
Prospective Resource (NEI**)		2	44	144	61

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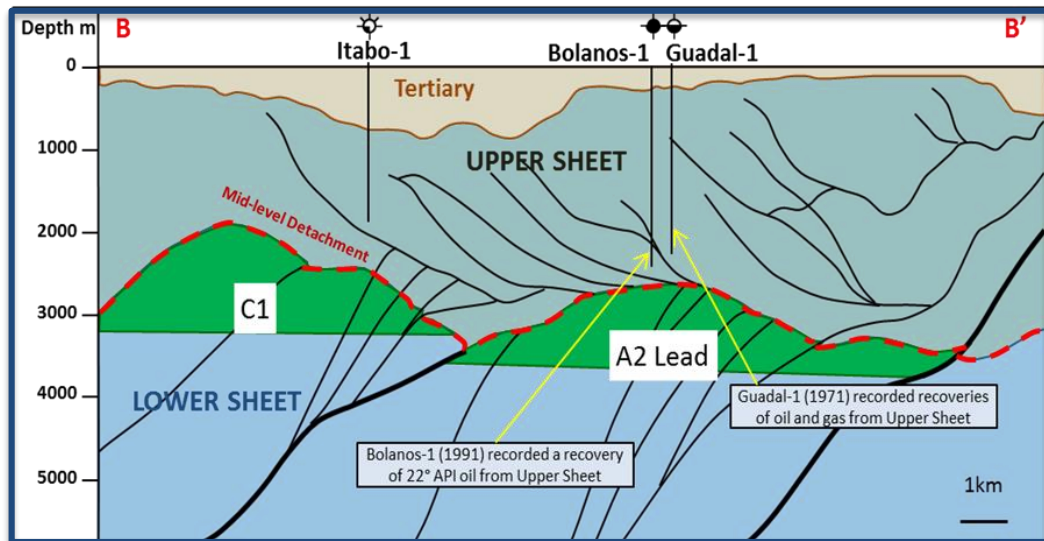
* Chance of Success

** Net Entitlement Interest based on Production Sharing Contract

Cuba Block 9 – High Potential A2 and C1 Leads

Multiple structures with hundred million barrel exploration potential

- A2 Lead is a large structure supported by two nearby shallow wells that recovered oil from the upper sheet above the deeper A2 lower sheet target
- C1 Lead is also a large structure targeting main fractured carbonate objective
- C1 Lead is only 13km from the historical, shallower Motembo oil field which has produced very light oil.
- Assessing A2 and C1 leads for potential early drilling in Q1 2018



Prospective Resource (100%, MMstb)

	CoS*	Low	Best	High	Mean
A2 Lead	21%	9	69	213	93
C1 Lead	25%	5	71	297	118

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

** Net Entitlement Interest based on Production Sharing Contract

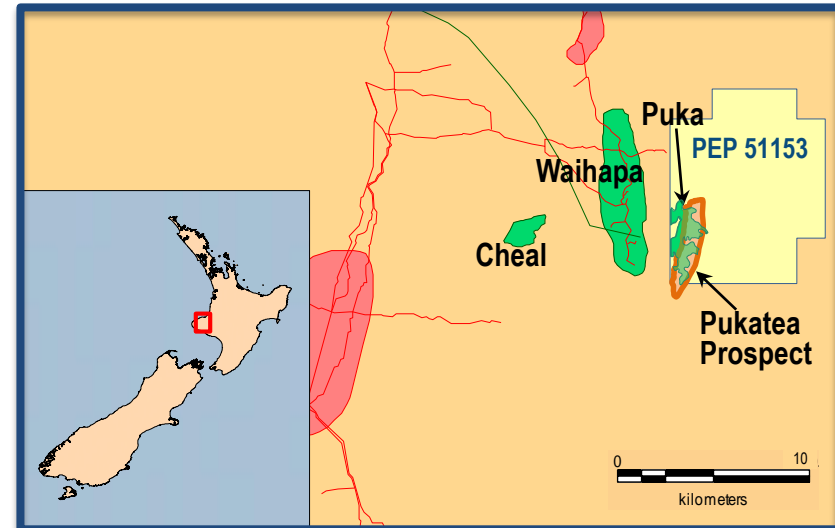


Australia and New Zealand

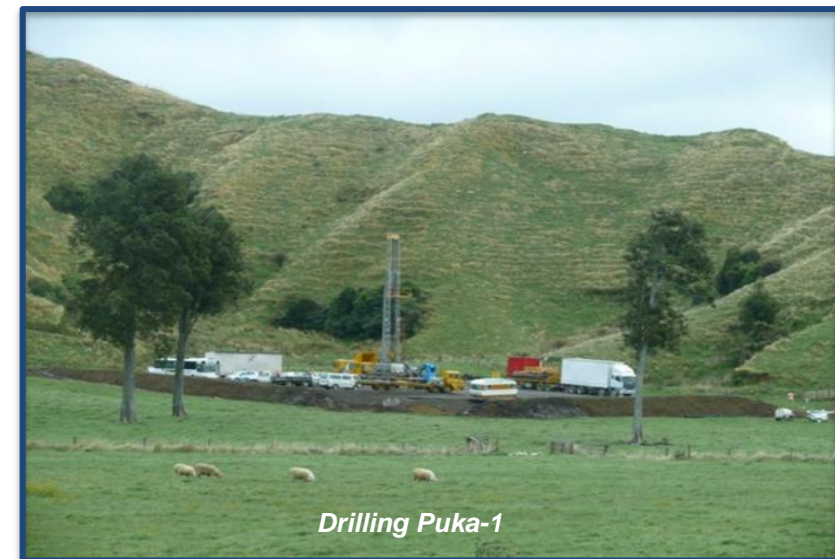


Onshore New Zealand – PEP51153 Overview

- 30% interest in PEP51153 (85km² or 21,000 acres) located onshore in New Zealand east of TAG Oil Ltd's producing Cheal field
- TAG is operator and holds remaining 70%
- PEP51153 contains the high impact Pukatea prospect, targeting drilling Q3/Q4 2017
- PEP51153 also contains the shallow Puka oil accumulation discovered in 2013, with two oil production wells currently suspended
- Close to existing infrastructure with multiple low cost alternative development paths for any discoveries
- NZ fiscal terms are some of the best in the world
- Robust natural gas market in the North Island of NZ



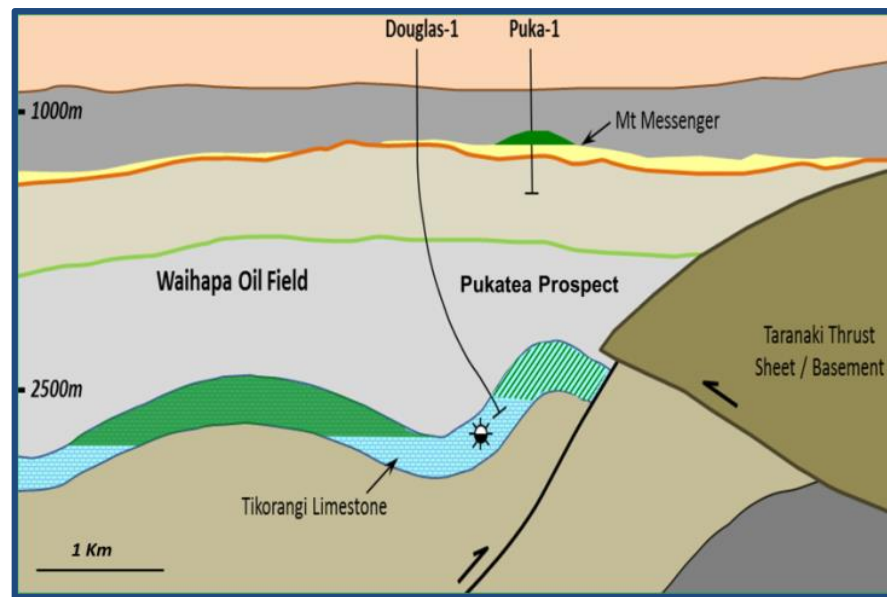
Contingent Resources (MMstb, 100%)			
Puka	1C	2C	3C
Mount Messenger	0.3	0.6	1.8



Onshore New Zealand – Pukatea-1

High impact Pukatea prospect targeted to be drilled in 2017

- Joint Venture recently upgraded prospectivity assessment for Pukatea by nearly 50%
- High impact exploration opportunity, targeting a highly productive conventional reservoir in the Tikorangi Limestone directly below the Puka oil pool
- Prospective resources estimated to range from 1.3 to 40 million barrels (Low-High estimates, 100% share)
- Production capability from the Tikorangi Limestone has been well proven at the adjacent Waihapa oil field, which has produced in excess of 23 MMstb of oil to date, with individual initial rates up to 5,000 barrels/day
- Good reservoir and oil shows demonstrated by 2012 Douglas-1 well drilled down-dip at the edge of the Pukatea prospect, with more than 350m of up-dip potential
- Melbana's share of the dry hole cost of the well estimated at ~\$2.8 million (including potential testing)
- Targeting drilling in Q3/Q4 2017



Prospective Resources (MMboe, 100%)

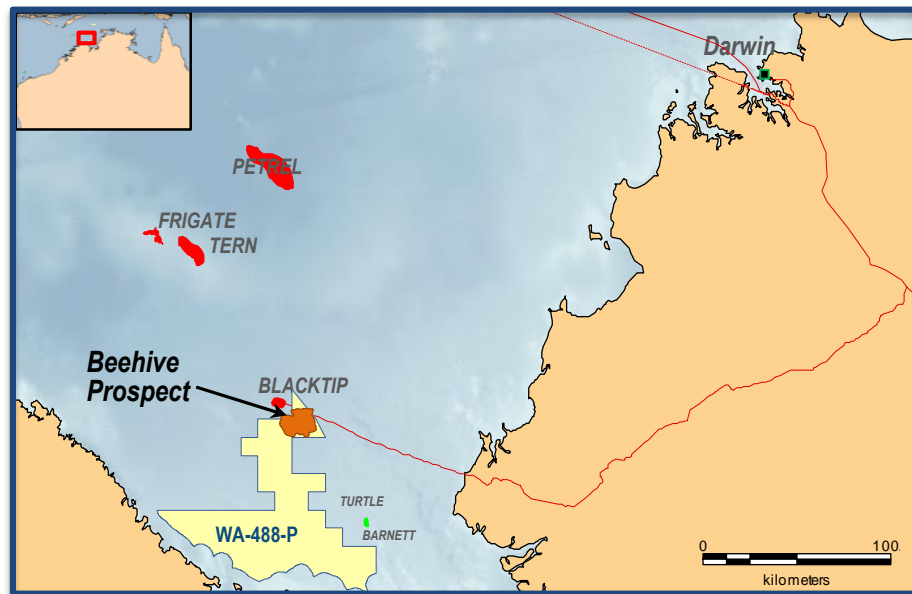
	CoS	Low	Best	Mean	High
Pukatea	19%	1.3	12.4	17.1	40

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.

Australia – WA-488-P & the Beehive Prospect

Beehive - One of the largest undrilled hydrocarbon structures in Australia

- Beehive is a significant, multi billion barrel oil prospect located on WA-488-P
- Beehive Prospective Resources estimated to range from 97 to 2,033 million barrels (Low-High estimates)
- 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
- Current active farm down process underway to secure partner to fund potential drilling in 2018



Prospective Resources (Mmboe, 100%)*

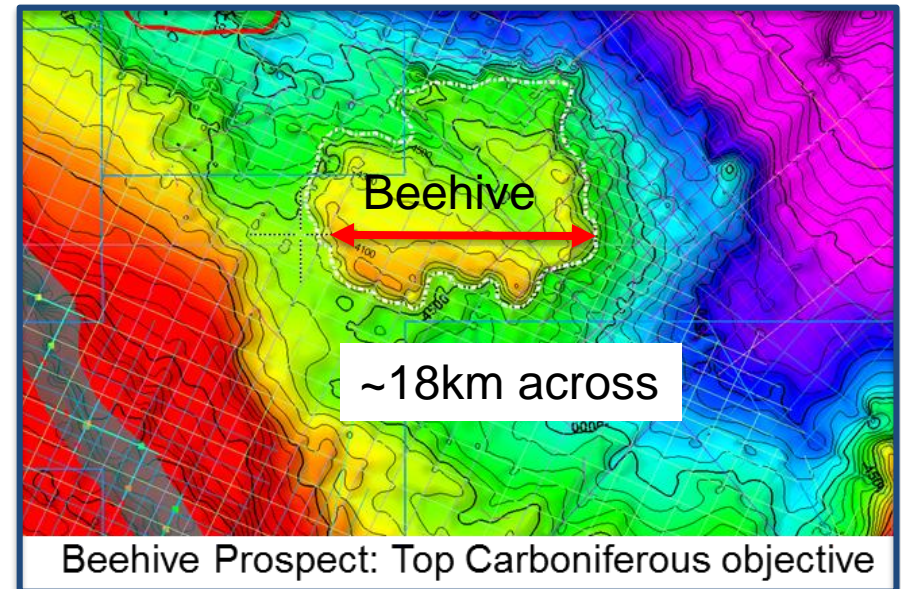
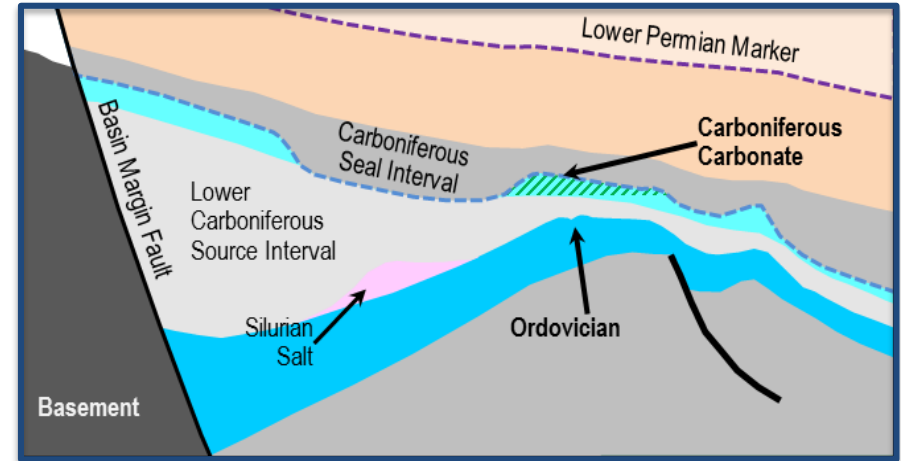
Beehive	CoS	Low	Best	Mean	High
Carboniferous objective	16%	97	558	940	2033

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.

Australia – Beehive Prospect

Beehive – a feature of enormous scale

- Located in ~40 metres water depth
- Target depth 4,000 – 4,500m
- Prospect reservoir is an isolated carbonate platform of Carboniferous age.
- Enormous feature:
 - Platform 18km across (approx. same as Melbourne CBD to Airport)
 - Mapped closure ~140km²
 - Vertical relief ~400 metres





Corporate & Activity Pipeline



Multiple catalysts to support a significant re-rating

CUBA BLOCK 9 PSC

- Priority lower sheet drill targets identified
- Ongoing assessment of Block 9 prospectivity
- Up to two wells to be drilled in early 2018
- Drill program planning underway

NEW ZEALAND PEP51153

- Pukatea-1 targeting drilling in Q3/Q4 2017
- Drill program planning underway

AUSTRALIA WA-488-P

- Farmout process ongoing
- If farmout successful, potential drilling of Beehive in late 2018

Investment Highlights

Cuba

- ✓ Only ASX listed company with Cuban energy exposure
- ✓ Block 9 exploration potential increased 50% to >12 billion barrels of oil-in-place & Prospective Resources of ~600 million barrels (unrisked Best Estimate, 100% share)*
- ✓ Priority drill targets identified:
 - Alameda Prospect
 - A2 and C1 Leads
- ✓ Targeting drilling in early 2018

NZ

- ✓ High impact Pukatea prospect targeting drilling in late 2017 on PEP51153
- ✓ Pukatea has a best estimate prospective resource of 12.4 million boe* (unrisked , 100% share)

Australia

- ✓ Beehive prospect located in WA-488-P is potentially the largest undrilled target in Australia
- ✓ Farmout process ongoing

Corporate

- ✓ Strong balance sheet - \$4.4m cash, no debt
- ✓ Experienced leadership team

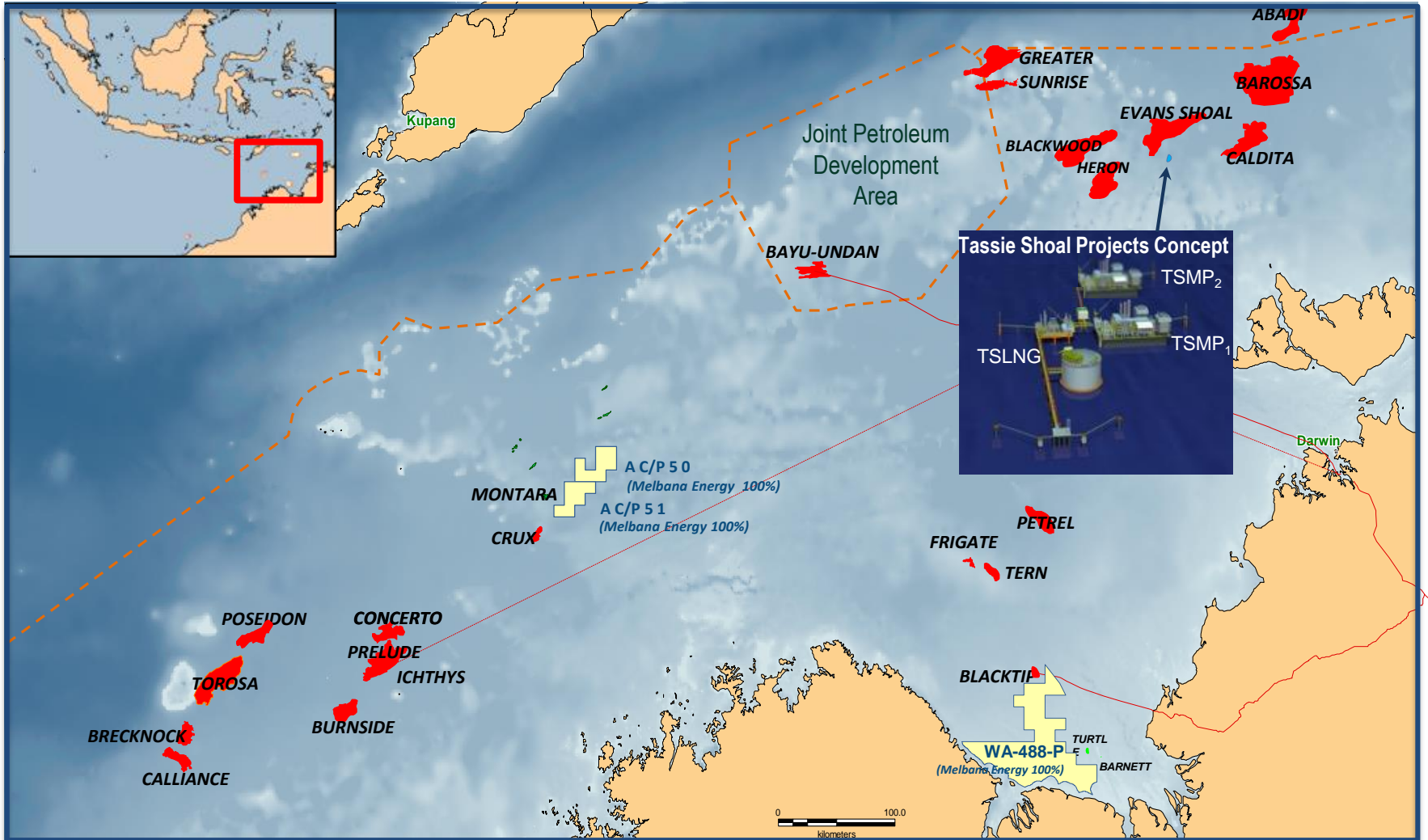
* See Prospective Resources Cautionary Statement on page 8

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Northern Australia Acreage and Projects

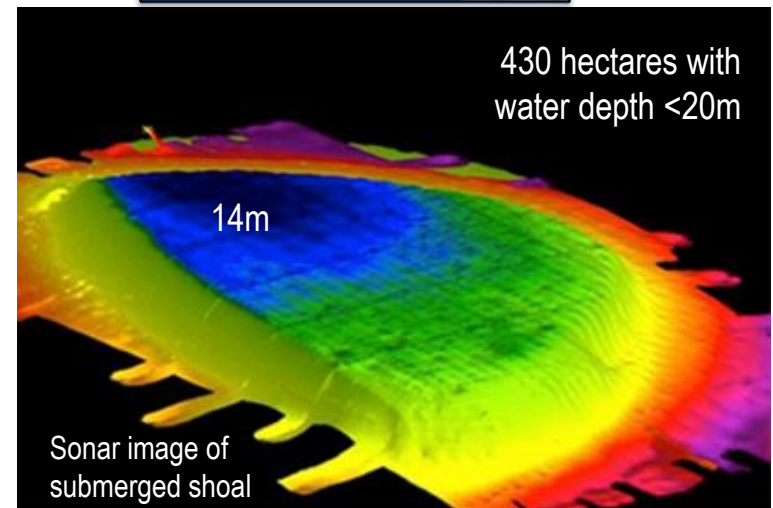
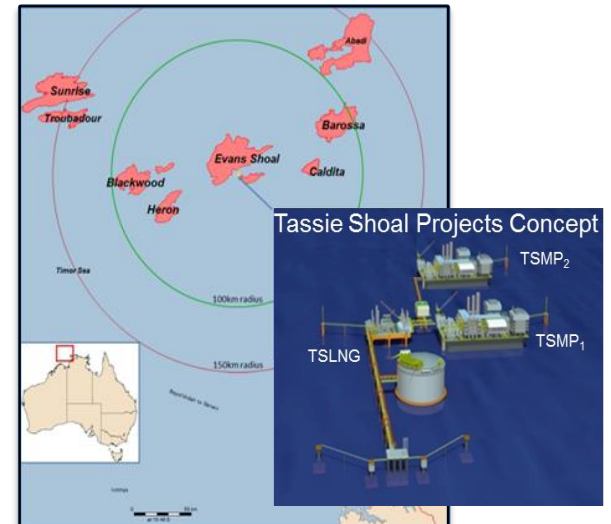
Discrete upstream projects adjacent to proven hydrocarbons



Tassie Shoal Projects (Melbana 100%)

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

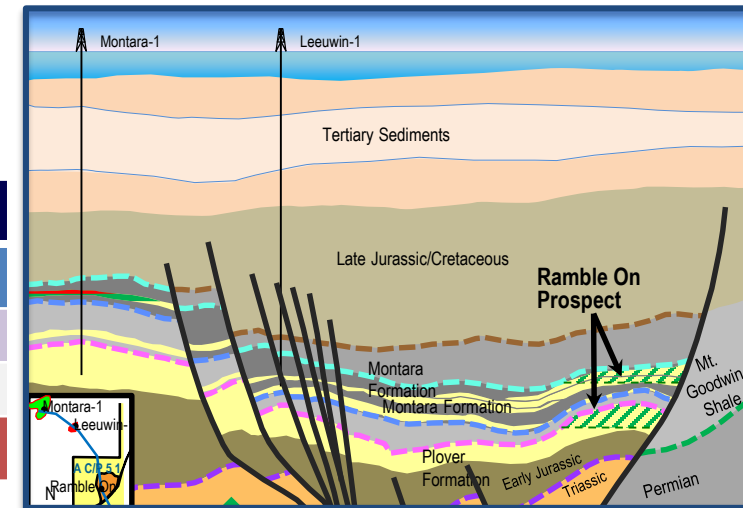
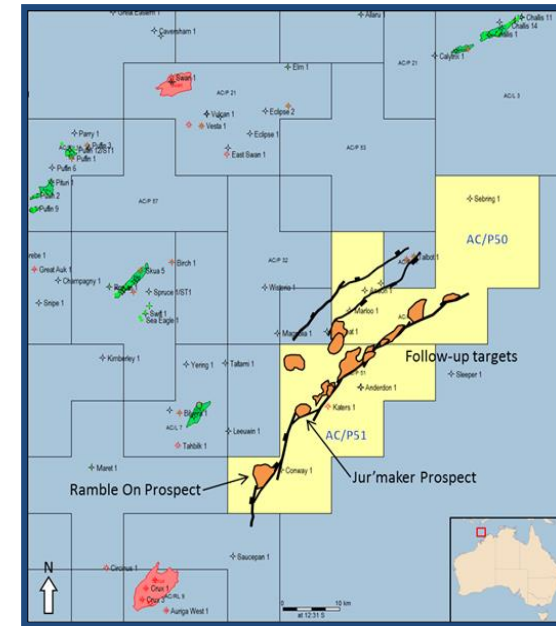
- Region has substantial undeveloped high CO₂ gas that needs a low cost development solution
- Methanol manufacturing uses gas with high CO₂ (up to 30%) as feedstock for value added product
- Offshore construction and installation of Tassie Shoal Methanol Plants (TSMP) and Tassie Shoal LNG (TSLNG) dramatically 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 20