ABN 43 066 447 952
Level 15, 500 Collins St
Melbourne Victoria 3000
Australia
T +61 3 8625 6000
E admin@melbana.com
melbana.com

ASX & Media Release

High Impact Pukatea Prospect - Drilling Preparation Update

Highlights:

- **PEP51153 Joint venture (Melbana 30%) orders long lead equipment to support drilling of onshore New Zealand Pukatea Prospect**
- **The Pukatea prospect is a high impact exploration opportunity, targeting a highly productive conventional reservoir**
- **Drilling planned to commence mid-October 2017 to early November 2017**

MELBOURNE, AUSTRALIA (1st March, 2017)

Melbana Energy Limited (ASX: **MAY**) ("Melbana" or "the Company") is pleased to advise that the PEP51153 Joint Venture (Melbana 30%) has ordered the required long lead equipment to support the drilling of the onshore New Zealand high impact Pukatea-1 well which is planned to commence between mid-October and early November 2017.

The Pukatea-1 well will be drilled from the existing Puka production pad where three wells have previously been drilled. Operator TAG Oil (70%) operates the nearby Cheal production complex, approximately 4.5km from the Pukatea prospect location.

Melbana Energy's CEO and MD Peter Stickland, commented on the announcement:

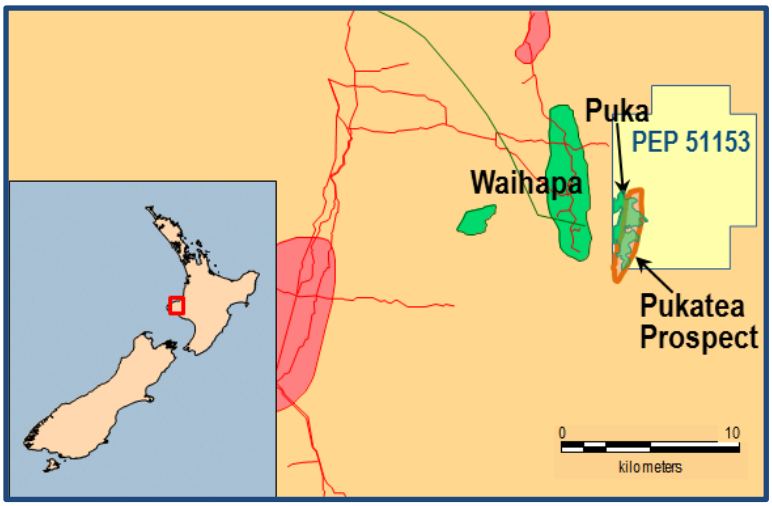
"The ordering of long lead equipment and the firming of a spud date represent a positive step towards drilling the Pukatea prospect. A discovery at Pukatea has the potential to be very significant for Melbana shareholders, and we look forward to the progressing the operational aspects of the drill over the next few months."

Peter Stickland
Managing Director & Chief Executive Officer

Background on PEP51153 and the Pukatea Prospect

The PEP51153 permit covers an area of approximately 85 square km (21,000 acres) and is located to the east of TAG's producing Cheal field. The permit contains the Pukatea prospect, a Tikorangi Limestone target situated directly below the Puka oil pool.

The Pukatea prospect is a high impact exploration opportunity, targeting a highly productive conventional reservoir. The PEP51153 Joint Venture has recently significantly upgraded the prospective resources attributable to the Pukatea prospect which are estimated to range from 1.3 to 40 million barrels (Low-High estimates) with a Best Estimate of 12.4 million barrels of oil equivalent* (see the following table). The chance of success** for Pukatea is 19%. The Operator's analysis of Pukatea and the adjacent Waihapa field (~5km from Pukatea), is an important analogue having produced in excess of 23MMboe with initial individual well rates of ~4,000 barrels per day.



The Douglas-1 well drilled in 2012 at the edge of the Pukatea prospect encountered a 145m of reservoir interval and oil shows in a down-dip location, with more than 350m of up-dip potential estimated.

Pukatea Prospective Resource Summary is set out in the table below:

100% MMboe*	COS**	Low	Best	Mean	High
Pukatea -100%	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.*

***** COS** means "Chance of Success"*

PEP51153 also contains the shallow Puka Oil field discovered in 2012, with the Puka-1 and Puka-2 wells producing 100 barrels per day from the Mt. Messenger formation before being shut in in early 2016 due to low oil prices and mechanical issues.

Contingent & Prospective Resources. The information that relates to Contingent Resources and Prospective Resources for Melbana is based on, and fairly represents, information and supporting documentation compiled by Peter Stickland, the Managing Director and Chief Executive Officer of Melbana. 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.