

## Share Placement

### Highlights:

- **Placement of 194 million shares to raise \$3.5 million (before costs)**
- **Placement price of 1.8 cents per share plus one accompanying unlisted option at exercise price of 3.0 cents per option per three shares placed expiring 18 months from grant**
- **Placement price is a discount of 14% to Melbana's last traded price and the 10 day VWAP of 2.1 cents per share**
- **Demand in excess of funds sought and introduced a number of new institutional investors to the Melbana register; scale back applied**

MELBOURNE, AUSTRALIA (21 September 2018)

Melbana Energy Limited (ASX: **MAY**) ("**Melbana**" or "**the Company**") is pleased to advise that it has accepted commitments to raise up to \$3.5 million (before costs) through a placement to qualified institutional and sophisticated investors of 194 million fully paid ordinary shares at \$0.018 per share plus an accompanying one unlisted share option per three shares placed exercisable at \$0.03 per option expiring 18 months from grant date ("**Placement**").

The Offer Price represents a discount of 14% to Melbana's last traded share price on 24 September and to the 10 day volume weighted average price up to and including 24 September.

The demand for the placement was in excess of the funds sought by the Company and scale back was applied to limit the funds raised to \$3.5 million (before costs). Melbana's Chairman Andrew Purcell has agreed to purchase 5,626,863 shares and 1,875,621 unlisted options, subject to shareholder approval which will be sought at the upcoming Annual General Meeting. Proceeds from the Placement will be used primarily to continue preparations for Block 9 drilling and advance the Company's technical and geological evaluation of the Santa Cruz Incremental Oil Recovery opportunity. The net proceeds will also be used for corporate costs and for general working capital purposes.

The Placement will be completed in a single tranche pursuant to the Company's capacity under ASX Listing Rule 7.1 (using 91,736,852 securities of that placement capacity) and 7.1A (using all the placement capacity of 167,422,503 shares). The Placement is scheduled to settle on Thursday 27 September 2018 with new shares expected to be allotted and commence trading on ASX on Friday 28 September 2018. Patersons Securities Limited acted as Lead Manager to the Placement.

**Melbana Energy's CEO Robert Zammit commented:**

*"The funds raised allow us to continue to progress our Cuban projects without delay, while we continue our Block 9 farmout negotiations with a view to finalizing a preliminary farmout agreement shortly. As we have recently outlined, the Company has seven potential near term catalysts, each of which offers opportunity for a substantial increase in value in the Company. We are appreciative of the strong interest in the Placement from both new and existing shareholders including a number of new institutional shareholders."*