

21 December 2017

The Manager
Company Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir

Cleansing Notice under Section 708A of the Corporations Act

Melbana Energy Limited (ABN 43 066 447 952) (**MAY**) has today issued 150,000,000 shares in MAY to qualified institutional and sophisticated investors as announced on 15 December 2017.

In accordance with the requirements of Section 708A(6), MAY gives notice under section 708A(5)(e) of the *Corporations Act 2001* (Cth) (**Act**) that:

- 1 it has today issued 150,000,000 ordinary shares in MAY without disclosure to investors under Part 6D.2 of the Act;
- 2 as at the date of this notice, MAY has complied with the provisions of Chapter 2M and section 674 of the Act as they apply to MAY; and
- 3 as at the date of this notice, there is no information that is 'excluded information' within the meaning of section 708A(7) and 708A(8) of the Act.

Information under ASX Listing Rule 3.10.5A

MAY provides the following information in accordance with ASX Listing rule 3.10.5A in relation to shares issued under ASX Listing rule 7.1A.

(a) Details of the dilution to existing holders of ordinary securities caused by the Placement is provided below:

	Shares	Percentage
Pre-placement Security Holders	1,515,750,480	91.0
Placement shares issued to qualified institutional and sophisticated investors under Listing rule 7.1	508,285	0.0
Placement shares issued to qualified institutional and sophisticated investors under Listing rule 7.1A	149,491,715	9.0
Total Post Placement Shares	1,665,750,480	100.0

Dilution as a result of the issue under Listing rule 7.1A of 149,491,715 shares is 9.0%.

- (b) The 149,491,715 shares issued under Listing rule 7.1A were issued to sophisticated investors as it was considered the most efficient mechanism for raising funds needed for the Company's ongoing exploration program in PEP51153 New Zealand and Block 9 Cuba.
- (c) The Placement was not underwritten.
- (d) Patersons Securities Limited is entitled to a fee totalling \$141,000 excl. GST for funds raised under the Placement.

Yours sincerely



Colin Naylor

Chief Financial Officer & Company Secretary