

Drilling Update #3: Pukatea-1, New Zealand

Key Points:

- Penetrated Mt. Messenger secondary target 2m higher than prognosis
- Encouraging oil shows recorded over a 14m gross interval
- Significance of oil shows to be assessed by wireline logging program

MELBOURNE, AUSTRALIA (7 February 2018)

Melbana Energy Limited (ASX: **MAY**) (“**Melbana**” or “the **Company**”) provides the following update with respect to the drilling of the Pukatea-1 exploration well in New Zealand onshore permit PEP 51153.

The well penetrated the secondary Mt. Messenger objective, which was encountered 2m high to prognosis, recording encouraging oil shows over a 14mMD gross interval. The significance of these shows will be assessed when the zone is wireline logged (anticipated to occur towards the end of the week once drilling has reached the programmed 244mm casing point).

At the conclusion of logging, casing will be run as per the drill program before continuation of drilling to the Primary target of the Tikorangi Limestone.

Melbana Energy’s CEO Robert Zammit commented on the announcement:

“This is an encouraging result for the secondary target of this well. The result increases our confidence in the extent of the Puka field and will be analysed with a view to considering potential restart of production from the Puka field. Drilling will continue towards our primary high impact target, the Tikorangi Limestone, immediately upon completion of the logging of the oil shows in the Mt. Messenger zone.”