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

Gravity and Magnetic Study Supports Large Prospect Identified in Cuba

Highlights:

- Independent gravity and magnetic study supports Block 9 Zapato prospect
- Study results verify Melbana's structural interpretation
- Supports other potential large prospects in southern part of Block 9

MELBOURNE, AUSTRALIA (12 June 2018)

Melbana Energy Limited (ASX: **MAY**) ("**Melbana**" or "**the Company**") is pleased to provide the following update on Cuba Block 9 (Melbana 100% and operator).

Recently completed gravity and magnetic study commissioned by Melbana and undertaken by Cuba's specialist technical laboratory CEINPET over the 71 million barrel[1] Zapato prospect has indicated a strong gravity and magnetic alignment with the structural interpretation Melbana's technical team derived from seismic and surface data. This result is supportive of Melbana's assessment of the prospectivity of Zapato as a large carbonate duplex structure along strike from the Motembo discovery which produced light 56°API oil.

Block 9 has high quality detailed pre-existing gravity and magnetic data sets. In the type of geology present in Cuba it is common to use a combination of seismic, magnetic and gravity data sets to define prospectivity. The study of these data sets, when used together, are tools that can be used in the technical de-risking of other large leads and prospects identified in the seismic based interpretation in the southern part of Block 9. Carbonate duplex structures such as Zapato are being targeted by Melbana due to their potential to contain Varadero style oil accumulations and are able to be identified using this technique by their combined gravity and magnetic response which differentiates them from low prospectivity intervals. Melbana is considering use of this technique to highgrade other Block 9 prospects, such as Piedra.

Melbana Energy's CEO, Robert Zammit, said:

"The work commissioned by Melbana as part of its Block 9 work program supports our structural interpretation and demonstrates the significant potential of the Zapato prospect for high quality light oil similar to that found at Motembo. We are progressing environmental approvals and permitting to allow us to drill Zapato. Several of our potential farmin partners have expressed strong interest in Zapato and we remain flexible in our forward plans."

Zapato Prospect Background

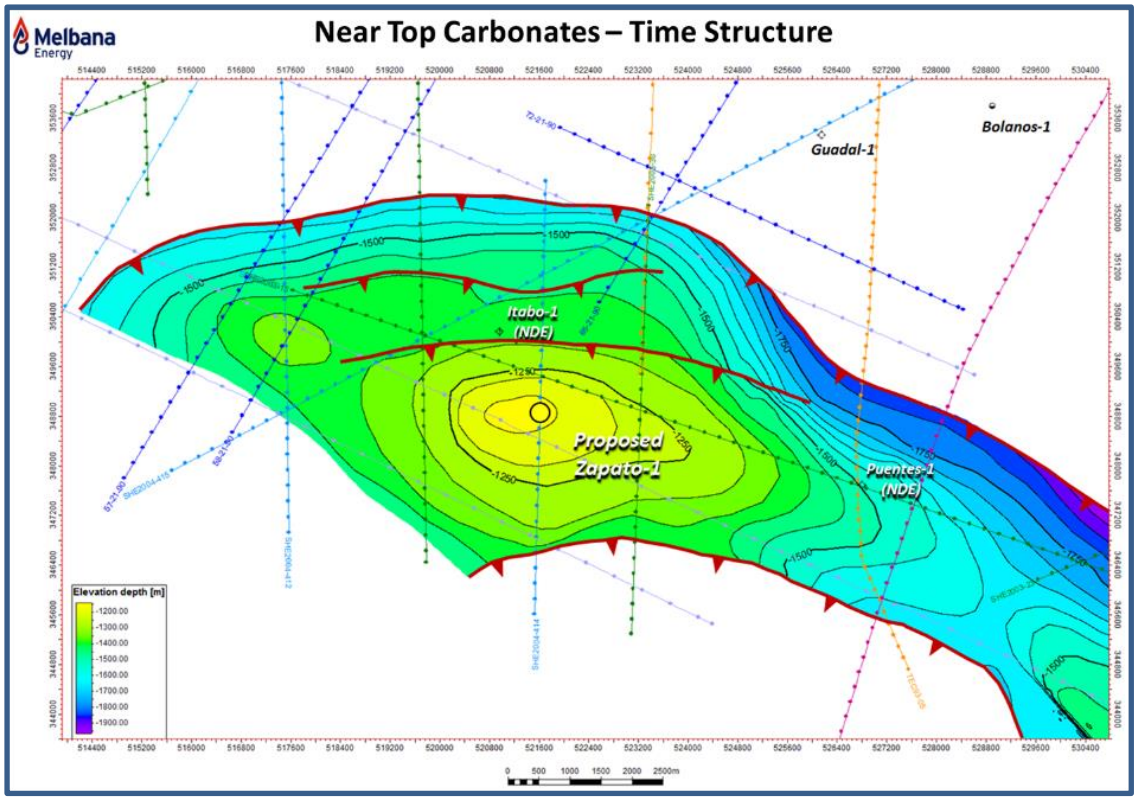

Figure 1 – Zapato prospect structure map

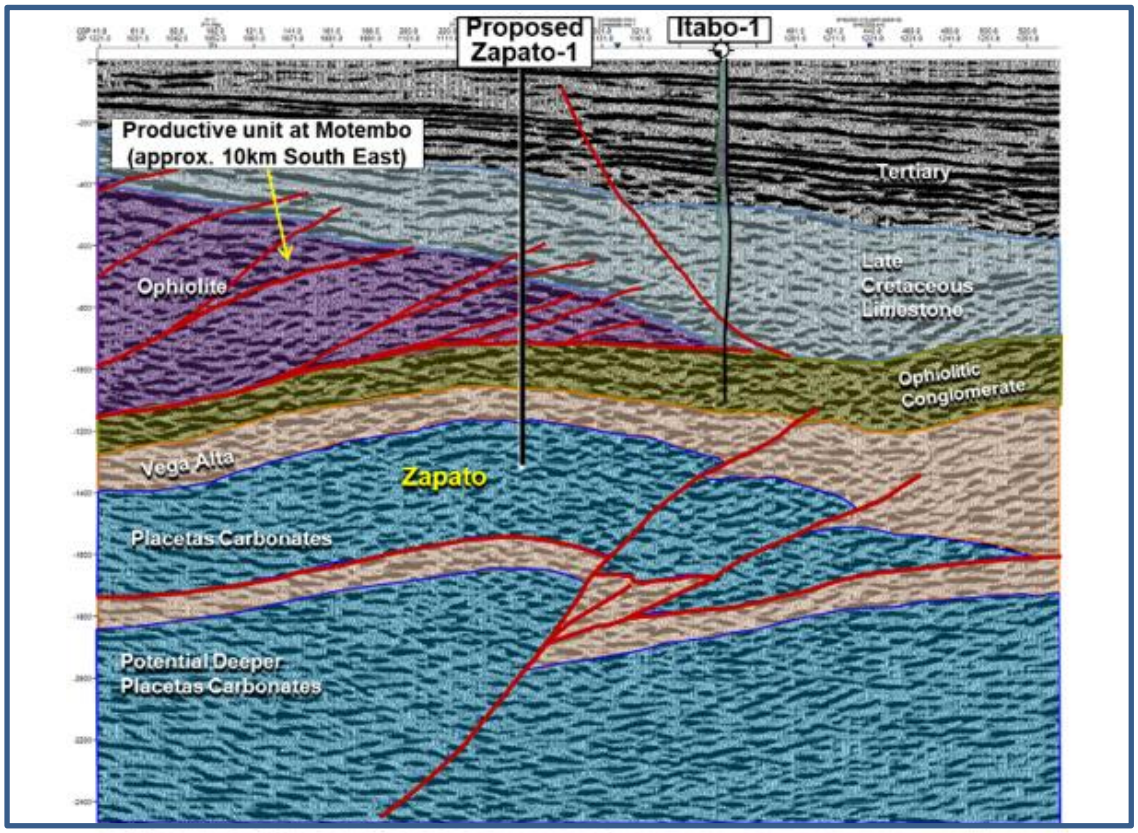

Figure 2 – Zapato Prospect Seismic Profile and Well Path

Zapato Recoverable Prospective Resource (100%, MMstb)					
	CoS*	Low	Best	High	Mean
Zapato	25%	5	71	297	118

[1] **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.

Overview of Block 9 PSC, Onshore Cuba

Block 9 PSC (Block 9) covers 2,380km^2 onshore of the north coast of Cuba. It is in a proven hydrocarbon system with multiple producing fields within close proximity, including the Majaguillar and San Anton fields immediately adjacent to it and the multi-billion barrel Varadero oil field further west (see figure 3). Block 9 contains the Motembo field, the first oil field discovered in Cuba. Melbana is prequalified as an onshore and shallow water operator in Cuba and was awarded Block 9 on 3 September, 2015. Melbana's established position in Cuba provides it with a strong early mover advantage.

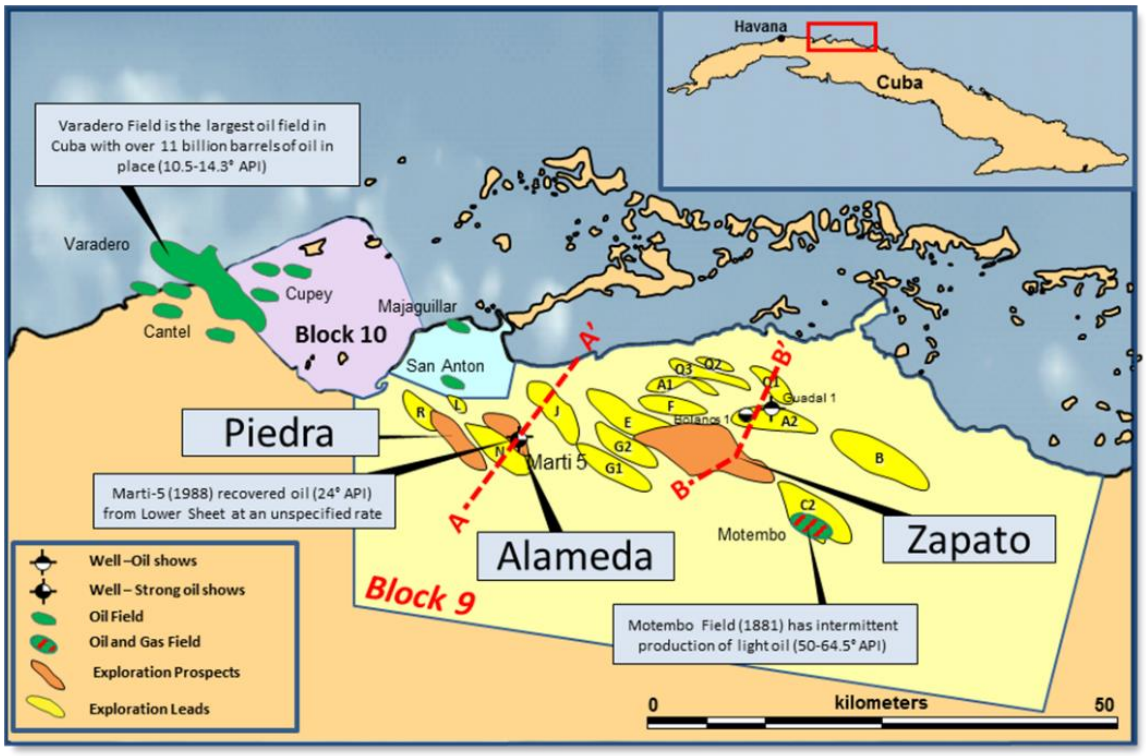

Figure 3 – Block 9 map showing location of key drilling targets

Contingent and Prospective Resources: The information that relates to Contingent Resources and Prospective Resources for Melbana is based on, and fairly represents, information and supporting documentation prepared by Mr. Dean Johnstone, who is an employee of the company and has more than 34 years of relevant experience. Mr. Johnstone is a member of the American Association of Petroleum Geologists. Mr. Johnstone 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