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Options Prospectus

Melbana Energy Limited

ACN 066 447 952

Placement Options Offer

- (a) An offer of 411,764,706 quoted Attaching Options to Placement Participants, for nil consideration, on the basis of 1 Attaching Option for one Placement Share issued to the Placement Participants under the Placement.
- (b) An offer of 205,882,353 unquoted Bonus Options to Placement Participants, for nil consideration, on the basis of 1 Bonus Option for every two Attaching Options exercised, to be issued to holders of Attaching Options following the expiry date of the Attaching Options.

Together, the Attaching Options and Bonus Options referred to as the **Placement Options Offer**.

Director Option Offer

As part of the Placement Options Offer, 7,058,824 Attaching Options and 3,529,412 Bonus Options will be issued to Directors (**Director Option Offer**).

Lead Manager Option Offer

This Prospectus also incorporates an offer of 25,000,000 Attaching Options and 12,500,000 Bonus Options to be issued to Bell Potter Securities Limited and PAC Partners Securities Pty Limited (in equal proportions) who acted as the Joint Lead Managers under the Placement (**Lead Manager Options**).

Offers

The Placement Options Offer (which includes the Director Option Offer) and the Lead Manager Option Offer (together, the **Offers**) collectively comprise the Offers under this Prospectus.

The Offers are not open to the general public.

The issuance of the options that are the subject of the Offers has been approved by the Company's shareholders at the Annual General Meeting on 20 November 2025.

Important Notice

This is an important document and should be read in its entirety.

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act. If you have any questions about any part of this Prospectus, please contact your professional adviser without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

This Prospectus must not be distributed or released in the United States or to U.S. wire services. The Offers contained herein are not being made in the United States or to persons acting for the account or benefit of U.S. persons.

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Corporate Directory

Directors	Andrew Purcell - Executive Director Michael Sandy - Non-Executive Director Peter Stickland - Non-Executive Director
Company Secretary	Uno Makotsvana
Registered Office	Mezzanine Floor 388 George Street Sydney NSW 2000 Telephone: + 61 2 8323 6600 Email: admin@melbana.com Website: www.melbana.com
ASX Code	MAY
Legal Advisers	Dentons Australia Level 16, 77 Castlereagh Street Sydney NSW 2000
Lead Managers*	Bell Potter Securities Limited Level 29, 101 Collins Street Melbourne VIC 3000 PAC Partners Securities Pty Ltd Level 8/360 Collins Street Melbourne VIC 3000
Auditor*	MNSA Pty Ltd 283 George Street Sydney NSW 2000
Share Registry*	Boardroom Pty Limited Level 8, 210 George Street Sydney NSW 2000 Telephone: +61 1300 737 760 Email: corporateactions@boardroomlimited.com.au

*These entities are included for information purposes only. They have not participated in the preparation of this Prospectus, nor have they consented to being named in this Prospectus.

Important Notice

This Prospectus is dated 18 December 2025 (**Prospectus Date**) and was lodged with the ASIC on that date. Neither ASIC, the Australian Securities Exchange (**ASX**), nor any of their respective officers take responsibility for the contents of this Prospectus or the merits of the investment offered herein.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to provide any information or make any representation in relation to this Prospectus that is not expressly contained within it. Any such information or representation should not be relied upon as having been authorised by the Company in connection with this Prospectus.

The Securities offered by this Prospectus should be considered as highly speculative. Prospective investors being the Placement Participants are strongly advised to read this Prospectus in full and carefully consider its contents. It contains important information about the Offers and the Securities available. Investors should seek independent professional advice where appropriate to assess the suitability of the investment in light of their individual circumstances.

This Prospectus is a transaction-specific prospectus for an offer of continuously quoted securities, as defined under the Corporations Act, and has been prepared in accordance with section 713 of the Corporations Act. In accordance with the reduced disclosure requirements applicable to transaction-specific prospectuses under the Corporations Act, this Prospectus does not include the same level of detail as a prospectus for an initial public offering. This Prospectus is required to contain only information that is material to investors for assessing:

- the effect of the issue of the Securities on the Company; and
- the rights and liabilities attaching to the Securities.

It is not necessary for this Prospectus to include general information regarding the Company's assets and liabilities, financial position, performance, or prospects, except to the extent that such information is materially impacted by the issue of the Securities.

The representations contained in this Prospectus have been made on the basis that the Company is a disclosing entity for the purposes of the Corporations Act. Accordingly, certain information relevant to the Company is publicly available or may reasonably be expected to be known by investors and their professional advisers, whom prospective investors may consult in relation to the Offers.

No Investment Advice

The information contained in this Prospectus does not constitute financial product advice or investment advice, and has been prepared without taking into account your individual objectives, financial situation, or particular needs, including matters relating to taxation.

Before deciding whether to subscribe for Securities offered under this Prospectus, you should consider whether the investment is appropriate in light of your personal circumstances. It is recommended that you seek independent professional advice from your accountant, financial adviser, stockbroker, lawyer, or other qualified adviser.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targeted', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that may cause actual results to differ materially from those anticipated.

Risk factors

Please refer to Section 3 for details of the risks associated with an investment in the Company. As with any securities investment, there are risks associated with investing in the Company. Investors should be aware that an investment in the Company involves risks that may be greater than risks associated with an investment in some other companies.

The principal risks that could affect the financial and market performance of the Company are detailed in Section 3 of this Prospectus. The Securities on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

The Board seeks to manage the risks associated with the Company's operations through careful planning and the implementation of appropriate risk control measures. However, certain risks, particularly those arising from external factors, are inherently unpredictable, and the extent to which they can be effectively mitigated is limited.

The risks associated with investing in the Company's existing assets, as well as general investment risks, are detailed in Section 3 of this Prospectus. Prospective investors being the Placement Participants are strongly encouraged to carefully review all matters raised in this document, including the specific and general risk factors, prior to applying for Securities offered under this Prospectus.

Investors should consider the risks outlined in Section 3, in conjunction with the broader information contained throughout this Prospectus, before making any investment decision. An investment in the Company should be assessed in light of each investor's individual objectives, financial position, and risk tolerance.

Overseas shareholders

The distribution of this Prospectus outside Australia or New Zealand may be restricted by law. Persons who come into possession of this Prospectus outside these jurisdictions should seek

independent legal advice and observe any such restrictions. Any failure to comply with applicable restrictions may constitute a breach of relevant securities laws.

This Prospectus does not, and is not intended to, constitute an offer or invitation to subscribe for securities in any jurisdiction where such an offer would be unlawful. This Prospectus has not been, and will not be, lodged, filed, or registered with any regulatory authority outside Australia or New Zealand. Please refer to section 1.12 for the selling restrictions for New Zealand.

Continuous disclosure obligations

The Company is a 'disclosing entity' as defined under section 111AC of the Corporations Act and, accordingly, this Prospectus has been prepared in accordance with section 713 of the Corporations Act. As a listed entity, the Company is subject to regular reporting and disclosure obligations.

In particular, the Company is required to comply with the continuous disclosure requirements under the ASX Listing Rules and the Corporations Act. This means the Company must immediately disclose to the market any information that a reasonable person would expect to have a material impact on the price or value of its Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken all reasonable precautions and made appropriate enquiries, the Company believes it has complied with the general and specific requirements of the ASX Listing Rules applicable during the three months preceding the issue of this Prospectus.

In particular, the Company has notified ASX of information concerning events or matters as they have arisen, in accordance with its continuous disclosure obligations, for the purpose of making such information available to the market operated by ASX.

Please refer to Section 5.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options under this Prospectus.

This Prospectus will only be distributed to investors being the Placement Participants who fall within the target market determination (**TMD**), as outlined on the Company's website at www.melbana.com. Investors should review the TMD prior to applying for Securities under this Prospectus to ensure the investment aligns with their objectives, financial situation, and needs.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.melbana.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be resident in a Permitted Jurisdiction and must only access this Prospectus from within a Permitted Jurisdiction.

As set out in Sections 2.1 and 2.2, no application form is required for the Offers. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 2 8323 6600 during office hours or by emailing the Company at admin@melbana.com.

Company Website

Any documents or other information accessible on the Company's website do not form part of this Prospectus and have not been incorporated by reference. Investors should not rely on such materials when making investment decisions in relation to the Offers contained in this Prospectus.

Financial information

The Company has not included detailed financial statements or forward-looking financial forecasts in this Prospectus. This is because the Company lodged its Annual Financial Report on 26 September 2025 on www.asx.com.au which provides a comprehensive review of its financial position, performance, and operations for the relevant period. Placement Participants are encouraged to refer to that report for complete financial information.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, operated by ASX Settlement Pty Ltd. Investors who have, or wish to have, a sponsoring stockbroker will be able to hold their Securities through CHES. Investors who do not elect to participate in CHES will be issuer sponsored by the Company.

Under the electronic sub-register system, the Company will not issue physical certificates for Securities. Instead, holders will receive periodic statements, similar to bank account statements, detailing the number of Securities issued to them under this Prospectus. These statements will also include the holder's unique Holder Identification Number (**HIN**) or Security Holder Reference Number (**SRN**), along with guidance on how Securities may be bought or sold under either CHES or issuer sponsorship arrangements.

Electronic sub-registers enable the transfer of ownership of Securities without the need for paper-based documentation. Additionally, holders will receive monthly statements if there have been any changes to their holdings during the preceding month.

Photographs and Diagrams

Photographs included in this Prospectus without accompanying descriptions are provided for illustrative purposes only. They should not be interpreted as implying that any individual depicted endorses this Prospectus or its contents, nor should they be taken to indicate that any assets shown are owned by the Company.

Diagrams contained in this Prospectus are intended solely for illustrative purposes and may not be drawn to scale. They should not be relied upon as precise representations of actual structures, assets, or arrangements.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 7.

All references to time in this Prospectus are references to Australian Eastern Daylight Time.

Privacy statement

The Company collects, holds, and uses personal information provided by investors to assess applications, manage shareholder relationships, facilitate distribution payments, and enable corporate communications.

This information may also be disclosed, as required or permitted by law, to third parties including:

- persons inspecting the share register (such as potential bidders in takeover scenarios),
- regulatory authorities including the Australian Taxation Office,
- authorised securities brokers,
- print and mail service providers, and
- the Company's share registry.

Shareholders have the right to access, correct, and update the personal information held by the Company. To do so, please contact the share registry using the contact details provided in this Prospectus.

The collection, use, and disclosure of personal information is governed by applicable legislation, including the *Privacy Act 1988* (Cth), the Corporations Act, and relevant rules such as the ASX Settlement Operating Rules.

Use of Trademarks

This Prospectus may include references to the Company's registered and unregistered trademarks. These trademarks are the property of the Company and are protected under applicable intellectual property laws.

All other trademarks, trade names, and service marks appearing in this Prospectus are the property of their respective owners. Their inclusion does not imply any affiliation with or endorsement by those third parties.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept an Offer, please call the Company Secretary on +61 2 8323 6600.

Timetable and Important Dates

Lodgement of Prospectus with ASIC and ASX	18 December 2025
Opening Date of Offers	7 January 2025
Closing Date of Offers (5pm AEDT)	9 January 2026
Expected date of Official Quotation of Attaching Options issued under the Placement Options Offer (including the Director Options and the Lead Manager Options)	12 January 2026
Attaching Options Expiry Date (including the Director Options and the Lead Manager Options)	One year from the date of issue of the Attaching Options
Issue date and lodgement of Appendix 3G with ASX for the Bonus Options (unquoted) issued under the Bonus Options Offer	Following the expiry of the Attaching Options
Bonus Options Expiry Date (including the Director Options and the Lead Manager Options)	Three years from the date of issue of the Bonus Options
Issue date and lodgement of Appendix 3G with ASX for the Lead Manager Options issued under the Lead Manager Options Offer	12 January 2026

*The above dates are indicative only and subject to change. The Company reserves the right to vary any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. The Company also reserves the right to withdraw or not proceed with any or all of the Offers at any time, at its absolute discretion.

1. Details of the Offer

1.1 Background

On 21 August 2025, the Company announced that it had received binding firm commitments to raise approximately \$7 million (before costs) via a placement (**Placement**) to existing Shareholders and new sophisticated and professional investors (**Placement Participants**). As part of the Placement, the Company received binding firm commitments from Directors for a total aggregate amount of \$120,000 (**Director Participants**), which was subsequently approved by Shareholders at the Annual General Meeting.

The Placement comprises the issue of 411,764,706 Shares at \$0.017 per Share (**Placement Shares**). The Placement Shares were issued on 27 August 2025 under the Company's available placement capacity pursuant to ASX Listing Rule 7.1.

Attaching Options

Each Placement Share is accompanied by one (1) quoted option (**Attaching Option**), exercisable at \$0.02 and expiring one (1) year from the date of issue. Upon exercise, each Attaching Option entitles the holder to one (1) Share in the Company.

Bonus Options

In addition, for every two (2) Attaching Options exercised, holders will be entitled to receive one (1) unquoted bonus option (**Bonus Option**), exercisable at \$0.03 and expiring three (3) years following the expiry of the Attaching Options. A total of 205,882,353 Bonus Options may be issued upon the valid exercise of Attaching Options. The Bonus Options will not be issued at the same time as the Attaching Options but will be issued separately at a later date. Bonus Options are contingent upon the exercise of Attaching Options; therefore if Attaching Options are not exercised, no Bonus Options will be issued.

Together, the Attaching Options and Bonus Options comprise the **Placement Options Offer** under this Prospectus.

The Placement Options Offer described in this Prospectus is strictly limited to Placement Participants who qualify as sophisticated investors or professional investors under the Corporations Act. Accordingly, the Placement Options Offer is not available to retail investors, and no applications will be accepted from retail investors.

Options to Joint Lead Managers

Bell Potter Securities Limited (ACN 006 390 772) and PAC Partners Securities Pty Limited (ACN 623 653 912) acted as Joint Lead Managers (Lead Managers) to the Placement pursuant to a mandate letter dated 8 August 2025. In consideration for their services, the Company has agreed to pay a management fee of 2% and a selling fee of 4% of the Placement proceeds raised. These fees will be shared equally between the Lead Managers, with each receiving 50% of the total fee. In addition to the cash fees, the Company will issue the Lead Managers 25,000,000 Attaching Options and up to 12,500,000 Bonus Options, both on the same terms as described above (**Lead Manager Options**). The Attaching Options will be issued in equal proportions between the Lead Managers. The issue of the Lead Manager Options was subsequently approved by Shareholders at the Annual General Meeting.

Shares and Options to Directors

The Directors' participation in the Placement comprises the subscription for 7,058,824 Shares at an issue price of \$0.017 per Share (**Director Shares**), along with 7,058,824 Attaching Options and potentially 3,529,412 Bonus Options on the same terms as described above.

The issue of the Director Shares and their related Attaching Options and Bonus Options was subsequently approved at the Annual General Meeting.

Use of proceeds

Proceeds raised under the Placement will be applied towards the Company's share of drilling costs for the Amistad-2 production well, as well as for general corporate purposes.

Terms of reference

For the purposes of this Prospectus, the Placement Options, Director Options, and Lead Manager Options are collectively referred to as **Options**.

1.2 Rationale for Prospectus

As the Attaching Options are not in a class of securities of the Company that has been quoted on the ASX at all times during the preceding three months, the Company is precluded from issuing a cleansing notice under section 708A(5) of the Corporations Act. Accordingly, this Prospectus is issued to facilitate secondary trading of the Attaching Options and any Shares issued upon exercise of the Options.

Bonus Options will not be quoted on the ASX and the Bonus Options do not require a separate prospectus under the Corporations Act. However, because Bonus Options are directly linked to the Attaching Options and form part of the overall offer structure, this Prospectus includes relevant information about the Bonus Options to ensure transparency and provide investors (i.e. Placement Participants) with a complete understanding of the potential impact on the Company's capital structure.

1.3 Attaching Options Offer

Each Placement Participant is entitled to receive one (1) free-attaching option (**Attaching Option**) for every one (1) Placement Share issued to them under the Placement.

Subject to Shareholder approval at the upcoming Meeting, this Prospectus offers the opportunity for Placement Participants to receive up to 411,764,706 Attaching Options in accordance with their entitlements under the Placement (**Attaching Option Offer**). The Attaching Option Offer is available exclusively to:

- (a) Placement Participants; and
- (b) Joint Lead Managers, in recognition for their services as Joint Lead managers (please refer to section 1.7 for further details).

Subject to satisfying the quotation requirements of the ASX Listing Rules, the Company will apply for the Attaching Options issued under this Prospectus to be quoted as a new class of listed options.

The Attaching Options will be issued for nil consideration, and will be exercisable at \$0.02 each, expiring one year from the date of issue (**Expiry Date**).

Upon exercise of the Attaching Options on or prior to the Expiry Date, Placement Participants will be entitled to:

- (a) one (1) new Share for each Attaching Option exercised; and
- (b) one (1) Bonus Option for every two (2) Attaching Options exercised (being the Options the subject of the Bonus Options Offer).

The Attaching Option Offer is being made in accordance with the Company's previously announced intention to offer free-attaching Options to Placement Participants.

No funds will be raised from the initial issue of the Attaching Options under this Prospectus. However, if all Attaching Options are exercised, the Company expects to raise approximately \$8,235,294.12 in proceeds. Any funds raised from the exercise of the Attaching Options will be applied towards the Company's general working capital requirements at that time.

As at the date of this Prospectus, the Company has no Options on issue.

The Attaching Options will be issued on the terms and conditions set out in Section 4.1 of this Prospectus. The Attaching Options will be issued in accordance with the ASX Listing Rules and the indicative timetable set out at the beginning of this Prospectus.

Placement Participants will automatically receive Attaching Options as part of their participation in the Placement. However, there is no assurance that such Placement Participants will continue to hold these Attaching Options at the time of exercise, as the Attaching Options may be transferred or sold prior to that time.

Placement Participants are not required to submit an application to receive Attaching Options under the Attaching Option Offer. Accordingly, no application form is attached to this Prospectus in relation to the Attaching Option Offer.

Holding statements for the Attaching Options issued under the Offer will be dispatched to Placement Participants as soon as practicable following the issue.

All Placement Participants will be provided with a copy of this Prospectus.

Any Shares issued upon the future exercise of Attaching Options will rank equally with existing Shares on issue at the date of this Prospectus. For further information regarding the rights and liabilities attaching to Shares, please refer to Section 4.5.

Attaching Options are intended to be listed on the ASX, and may therefore be freely traded by any market participant.

1.4 The Bonus Options Offer

The Bonus Options Offer comprises an offer to Placement Participants of one (1) Bonus Option for every two (2) Attaching Options exercised on or before the Expiry Date. Each Bonus Option will be exercisable at \$0.03 and will expire three (3) years from the date of issue (**Bonus Option Expiry Date**).

The issue of the Bonus Options are contingent on the exercise of Attaching Options.

The Bonus Options will be issued following the expiry of the Attaching Options, and not upon exercise of the Attaching Options. This means that the Bonus Options will not be issued to Placement Participants at the same time as the Attaching Options are issued.

Bonus Options are contingent upon the exercise of Attaching Options; therefore, if Attaching Options are not exercised, no Bonus Options will be issued.

Each Bonus Option entitles the holder to one (1) Share, exercisable on or before the Bonus Option Expiry Date.

Assuming all Attaching Options are exercised, 205,882,353 Bonus Options will be issued after the Attaching Options expire, i.e. one year from the date of issue of the Attaching Options.

No funds will be raised from the issue of the Bonus Options themselves, other than any proceeds received from the exercise of Attaching Options (as outlined in Section 1.1). However, if:

- (a) all Attaching Options issued under the Placement Options Offer are exercised; and
- (b) all Bonus Options subsequently issued are also exercised,

the Company expects to raise approximately \$14,411,764.71 in additional funds. Any funds raised from the exercise of Bonus Options will be applied towards the Company's general working capital requirements at the relevant time.

While Bonus Options will be issued in connection with the exercise of Attaching Options originally allocated to Placement Participants, the Attaching Options are listed and tradeable, and may be exercised by any holder. Accordingly, Bonus Options may be issued to parties other than the original Placement Participants.

The Bonus Options will be issued on the terms and conditions set out in Section 4.2.

Any Shares issued upon the future exercise of Bonus Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.3 for further information regarding the rights and liabilities attaching to Shares.

The purpose of the Bonus Options Offer and the intended use of funds raised are set out in Section 2.1.

As the Bonus Options Offer involves the issue of Bonus Options to holders who validly exercise Attaching Options, regardless of whether they were original Placement Participants, no application form is required to receive Bonus Options under this Offer. Bonus Options will be automatically issued to the exercising party following the expiry of the Attaching Options, in accordance with the terms of the Offer. If Attaching Options are not exercised, no Bonus Options will be issued.

Holding statements for Bonus Options issued under the Bonus Options Offer will be dispatched to the relevant holders who exercised Attaching Options, as soon as practicable following their issue.

1.5 Underwriting

The Offers are not underwritten.

1.6 Minimum subscription

There is no minimum subscription under the Offers.

1.7 Director Option Offer

This Prospectus details the proposed issue of up to 7,058,824 Attaching Options and 3,529,412 Bonus Options to Directors who participated in the Placement, in accordance with their entitlements under the Placement (**Director Option Offer**), which was subsequently approved by Shareholders at the Annual General Meeting.

Each Director is entitled to receive Attaching and Bonus Options with the same exercise prices, expiries and terms as described above in Sections 1.3 and 1.4 and in more comprehensive details in Sections 4.1 and 4.2.

The Director Option Offer is being made in accordance with the Company's announced intention to offer free-attaching Options to those participants in the Placement.

The Director Option Offer is only available to Directors who participated in the Placement. Directors are not required to submit an application form to receive Attaching Options and Bonus Options under the Director Option Offer. Accordingly, no application form is attached to this Prospectus in relation to the Director Option Offer.

1.8 Lead Manager Option Offer

As set out in Section 1.1, the Company appointed Bell Potter Securities Limited (ACN 006 390 772) and PAC Partners Securities Pty Limited (ACN 623 653 912) as joint lead managers (together, **Lead Managers**) to the Placement.

In consideration for services provided in connection with the Placement, the Lead Managers (and/or their respective nominees) are entitled to receive the following fees, calculated on the total Placement proceeds raised:

- (a) a management fee of 2%; and
- (b) a selling fee of 4%.

The aggregate management and selling fees will be shared equally between the Lead Managers, with each receiving 50% of the total fees payable.

A summary of the terms and conditions of the appointment, including the fees payable to the Lead Manager and the circumstances in which the Lead Manager may terminate its mandate, is set out in Section 5.4.

Under the Lead Manager Mandate, the Lead Managers (and/or their respective nominees) are entitled to receive the Lead Manager Options as part of the agreed consideration for services provided in connection with the Placement. The Lead Manager Options comprise:

- (a) 25,000,000 Attaching Options; and
- (b) 12,500,000 Bonus Options.

The Lead Managers will receive the Lead Manager Options in equal proportions.

Each Lead Manager is entitled to receive Attaching and Bonus Options with the same exercise prices, expiries and terms as described above in Sections 1.2 and 1.3 and in more comprehensive details in Sections 4.1 and 4.2.

Shareholder approval for the issue of the Lead Manager Options was obtained at the Annual General Meeting.

This Prospectus includes a separate offer of the Lead Manager Options to the Lead Managers (and/or their nominees) as part of their compensation for lead management services (**Lead Manager Option Offer**). The Lead Manager Options will be issued for nil consideration and will otherwise mirror the terms of the Attaching Option Offer.

No funds will be raised from the initial issue of the Lead Manager Options under this Offer. However, if:

- (c) all 25,000,000 Attaching Options issued to the Lead Managers are exercised; and
- (d) all 12,500,000 Bonus Options subsequently issued are also exercised,

the Company expects to raise approximately \$800,000 in additional funds.

Any funds raised from the exercise of the Lead Manager Options will be applied towards the Company's general working capital requirements at the relevant time.

Each of Bell Potter Securities Limited (ACN 006 390 772) and PAC Partners Securities Pty Limited (ACN 623 653 912) do not need to submit application form for the Lead Manager Option Offer. Further details of the Lead Manager Mandate are set out in Section 5.4.

1.9 ASX listing

Application for Official Quotation of the Attaching Options offered pursuant to this Prospectus will also be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Attaching Options offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any of the Attaching Options offered under this Prospectus.

The fact that ASX may grant Official Quotation of the Attaching Options should not be regarded as an endorsement or indication of the merits of the Company or the Attaching Options offered under this Prospectus.

The Company does not intend to apply for Official Quotation of the Bonus Options issued pursuant to this Prospectus.

1.10 Timetable

The Offers will open on 7 January 2026 (**Opening Date**) and will close at 5:00pm (AEDT) on 9 January 2026 or such other date as determined by the Directors (subject to the ASX Listing Rules) (**Closing Date**). The full indicative timetable for the Offers is set out in the Key Information section on page 9.

The Opening Date and Closing Date for the Offers are indicative only and subject to change without notice. The Company may vary these dates, including to close any of the Offers early or extend the Closing Date, at any time prior to the issue of Options under the Offers (subject to the Corporations Act and the ASX Listing Rules). If any of the dates are changed, the subsequent dates may also change.

1.11 Overseas investors

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The distribution of this Prospectus (including electronic copies) in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Securities the subject of this Prospectus or otherwise permit a public offering of Securities the subject of this Prospectus in any jurisdiction outside of Australia.

1.12 Selling restriction for New Zealand

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (**FMC Act**).

The Attaching Options and Bonus Options offered in the Prospectus may only be offered in New Zealand to a person who is a wholesale investor as defined in the FMC Act. This includes a person who: (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act; (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act; (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make an informed decision. If you are a wholesale investor, the usual rules do not apply to offers of financial products made to you. You will also have fewer other legal protections for these

investments. Make sure you understand these consequences. Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

For personal use only

2. Purpose and effect of the Offer

2.1 Purpose of the Offers

The primary purpose of this Prospectus is to offer the Options to the Placement Participants, Directors and Lead Manager with disclosure required by Chapter 6D of the Corporations Act so as to facilitate secondary trading of:

- (a) the Attaching Options and the Bonus Options under the Placement Options Offer (which includes the Director Options);
- (b) the Lead Manager Options under the Lead Manager Option Offer; and
- (c) any Shares issued under the Placement and upon exercise of the Options issued under the Offers.

Section 707(3) of the Corporations Act generally requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

The Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5). However, the Company is precluded from issuing a 'cleansing' notice in respect of the Options as they are not in a class of securities that were quoted securities at all times in the last 3 months.

Consequently, the Company has issued this Prospectus in respect of the Placement Options Offer to the Placement Participants, the Director Option Offer to the Directors and the Lead Manager Option Offer to the Lead Manager. Issuing the Options under this Prospectus will enable persons who are issued the Placement Options, Director Options and Lead Manager Options to on-sell their Options, and any Shares issued on exercise of the Options, to sell them pursuant to *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*.

The Placement Options Offer is not available to retail investors.

2.2 Effect on capital structure

The table below outlines the effect of the Offers on the capital structure of the Company, assuming all Options offered under the Prospectus are issued.

Securities	Amount
Shares*	
Total Shares on issue on the Prospectus Date	3,781,968,808
Total Shares on issue on completion of the Offers	3,781,968,808
Options	
Options on issue at Prospectus Date	Nil
Attaching Options to be issued under the Attaching Option Offer (including 7,058,824 issued to Directors)	411,764,706
Bonus Options to be issued under the Bonus Option Offer	205,882,353

Securities	Amount
Lead Manager Options to be issued under the Lead Manager Option Offer	37,500,000
Total Options on issue on completion of the Offers	655,147,049
Performance Rights	
Total Performance Rights on issue at Prospectus Date	13,946,104
Total Performance Rights on issue at completion of the Offers	13,946,104

* The figures in the table above assume that no new Shares, Options or Performance rights are issued prior to the close of the Offers.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

2.3 Potential dilution from Options

No immediate dilution will occur as a result of the issue of Options under this Prospectus.

Placement Participants will automatically receive Attaching Options as part of their participation in the Placement. Bonus Options will be automatically issued to the exercising party following the expiry of the Attaching Options.

In addition to the Attaching Options and Bonus Options offered to Placement Participants under this Prospectus, the Company also proposes to issue 37,500,000 Lead Manager Options to the Lead Managers (and/or their nominees) (in equal proportions) as part consideration for services provided in connection with the Placement.

Shareholders should be aware that the exercise of Attaching Options and Bonus Options will result in dilution of their existing shareholding. This will affect the proportional ownership of existing Shareholders who do not hold or exercise Options.

It is important to note that Placement Participants automatically receive Attaching Options as part of their participation in the Placement. However, there is no assurance that these Placement Participants will continue to hold the Attaching Options at the time of exercise, as such the Attaching Options may be transferred or sold prior to that time. As a result, Bonus Options issued only upon the valid exercise of Attaching Options may ultimately be allocated to parties other than the original Placement Participants.

The table below provides illustrative examples of how dilution may affect Shareholders who are not Placement Participants, assuming full exercise of all Options issued under this Prospectus and conversion of Performance Rights. The figures in the table include Attaching Options, Bonus Options, and Lead Manager Options:

Shareholder	Shares Held at the Prospectus Date	% of Total Shares at Prospectus Date	% if Shareholders are not recipients of Attaching Options, Bonus Options and Lead Manager Options
Shareholder 1	10,000,000	0.26	0.23
Shareholder 2	7,000,000	0.19	0.16
Shareholder 3	5,000,000	0.13	0.11
Shareholder 4	1,000,000	0.03	0.02
Shareholder 5	500,000	0.01	0.01

Note: The table assumes that no other Shares are issued, including on conversion of existing unquoted Performance Rights vesting. These figures are provided for illustrative purposes only and assume full exercise of Options under the Offers as well as conversion of Performance Rights. Actual dilution may vary depending on participation levels and future capital structure.

2.4 Effect on control

The maximum number of Options proposed to be issued under the Offer is 655,147,049 Options comprising:

- (a) 411,764,706 Attaching Options;
- (b) 205,882,353 Bonus Options; and
- (c) 37,500,000 Lead Manager Options.

As at the Prospectus Date, the Company does not anticipate that the Options issued under the Offers will have any effect on the control of the Company. No person is expected to have voting power greater than 20% as a result of the Offers.

2.5 Effect on capital structure on exercise

The effect of the Offers on the capital structure of the Company, assuming no additional Shares are issued (including through the exercise or conversion of other securities currently on issue) prior to the Prospectus Date, is set out below.

This includes the proposed issue of:

- (a) 411,764,706 Attaching Options to Placement Participants (including Directors under the Director Option Offer);
- (b) 205,882,353 Bonus Options to holders who exercise Attaching Options; and

- (c) 37,500,000 Lead Manager Options to the Lead Managers (and/or their nominees).

The following table summarises the anticipated capital structure of the Company following the completion of the Offers and assuming full exercise of all Options issued under this Offer Document:

Security type	Number of securities
Existing Shares on issue	3,781,968,808 ¹
Shares from Attaching Options (if fully exercised)	411,764,706
Shares from Bonus Options (if fully exercised)	205,882,353
Shares from Lead Manager Options (if fully exercised)	37,500,000
Total Shares post exercise	4,437,115,867

Notes: These figures are illustrative only and assume full subscription and exercise of all Options issued under the Offers. Actual outcomes may vary depending on participation levels, timing of exercise, and future changes to the Company's capital structure.

2.6 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Director Options, is set out in the table below:

Director	Shares	Options	Attaching Option Entitlement	Bonus Option Entitlement ¹
Andrew Purcell	245,394,215	Nil	4,294,118	2,147,059
Michael Sandy	8,300,000	Nil	1,000,000	500,000
Peter Stickland	16,592,125	Nil	1,764,706	882,353

2.7 Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
M&A Advisory Pty Ltd	245,394,215	6.49
Riddhi Group of Hotels Pty Ltd	206,280,145	5.45

¹ inclusive of 411,764,706 Placement Shares

The Offers will have no effect on the quantity of Shares held by shareholders as only Options are being issued.

2.8 Financial effect of the Offers

The Options to be issued pursuant to this Prospectus will be issued for nil consideration. As such, there will be no immediate impact on the Company's balance sheet upon their issue.

However, capital will be raised if the Options are exercised. The Company is unable to quantify with certainty the extent of any change to its balance sheet as there is no assurance as to if or when any of the Options will be exercised.

The costs associated with the Offers will be funded from the Company's existing cash reserves. Accordingly, the Offers will have an effect on the Company's financial position, being the decrease in the Company's existing cash reserves.

3. Risk factors

3.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

3.2 Company specific

(a) Funding Risk

The oil and gas industry is a capital-intensive industry with regulator mandated minimum work program obligations and financial support for those. There can be no assurances that Company's planned business activities will in fact be met without future borrowings or further capital raisings, and whether or not such funding will be available and on terms favourable to the Company. Melbana may be required or elect to issue further equity securities and such equity securities may be issued on terms less favourable to the Company (or not issued at all) depending on the prevailing conditions in equity markets which may result in the dilution of the holdings of current Shareholders. In the event that Melbana is unable to secure farm-in partners or raise funds as required, from its shareholders or other sources, it may not be able to take the planned or required actions to execute its plans for its key assets either in part or at all. This may affect the ability of Melbana to retain its key assets and the value of Melbana's interest in these projects.

(b) Operating Risks

Drilling risk

Drilling operations are high-risk and subject to hazards often encountered in exploration, development and production drilling programs. These include unexpected geological formations, infrastructure failure and other incidents or conditions which could result in damage to plant or equipment or the environment and which could impact production throughput. Although it is intended to take adequate precautions to minimise risk, there is a possibility of a material adverse impact on the Melbana's operations and its financial results should any of these hazards be encountered.

Exploration risk

Development of Melbana's petroleum exploration properties is contingent upon securing funding and obtaining satisfactory exploration results. Petroleum exploration and development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. The degree of risk increases substantially when Melbana's properties are in the exploration phase as opposed to the development phase. There is no assurance that commercial quantities of petroleum will be discovered on Melbana's exploration properties. There is also no

assurance that, even if commercial quantities of petroleum are discovered, a particular property will be brought into commercial production.

The discovery of resources is dependent upon a number of factors including the technical skill of the exploration personnel involved. The commercial viability of a particular resource, once discovered, is also dependent upon many factors, some of which include particular attributes of the resource. Drilling of oil and gas wells involves a high degree of risk, especially the risk of a dry hole or of a well that is not sufficiently productive to provide economic return of the capital expended to drill the well. No assurances can be given that if resources are discovered by Melbana, it will be able to commercialise any such resources as intended. In the event a commercial resource is discovered, depending on the type of operation involved, several years may elapse from the initial phase of drilling until commercial operations are commenced. Most of the above factors are beyond the control of Melbana.

Development risk

Melbana's development projects may be delayed or be unsuccessful for many reasons, including unanticipated financial, operational or political events, the failure to receive government approvals, whether a final investment decision is reached, cost overruns, decline in petroleum prices or demand, equipment and labour shortages, technical concerns including with respect to Reserves and deliverability difficulties, increases in operational cost structures, contractual issues with securing sales contracts for petroleum products or with engineering procurement and construction contracts, community or industrial actions, changes in construction costs, design requirements and delays in construction or other circumstances which may result in the delay, suspension or termination of the development projects. In addition, the ability of counterparties of the relevant sales contracts to meet their commitments under such arrangements may impact on Melbana's investment in these projects. Development projects to which Melbana is or may become involved are subject to the abovementioned risks (and the other risks outlined in this document) and may adversely affect the commerciality and economics of project development.

Production risk

The business of petroleum exploration and development is subject to a variety of risks and hazards. Such occurrences may delay production, increase production costs or result in damage to and destruction of petroleum properties or production facilities, personal injury, environmental damage and legal liability.

Ongoing production and commissioning of staged expansions to production may not proceed to plan, with potential for delay in the timing of targeted production and/or a failure to achieve the level of targeted production. In certain circumstances, these potential delays or difficulties may necessitate additional funding requirements which could lead to additional equity and / or debt requirements for Melbana. In addition to potential delays, there is a risk that capital and/or operating costs will be higher than expected or there will be other unexpected changes in variables upon which expansion and commissioning decisions were made. These potential scope changes and/or cost overruns may also lead to additional funding requirements. Melbana's activities may be affected by numerous other factors beyond Melbana's control. Mechanical failure of Melbana's operating plant and equipment, and general unanticipated operational and technical difficulties, may adversely affect Melbana's operations.

Reserves and resources

Estimates of Reserves, and Contingent Resources and Prospective Resources are not precise and no assurance can be given that Reserves, Contingent Resources and Prospective Resource estimates will be recovered during production.

Production estimates are dependent on, among other things, the accuracy of Reserves, Contingent Resources and Prospective Resources estimates, the accuracy of assumptions regarding the resource calculations and recovery rates. Reserves, Contingent Resources and Prospective Resources estimates are based on limited sampling. The failure of Melbana to achieve its production estimates could have a material and adverse effect on any or all of its future cash flows, access to capital, profitability, results of operations, financial condition and prospects. Commodity price fluctuations, as well as increased production costs or reduced recovery rates, may render Reserves uneconomic and may ultimately result in a restatement of such Reserves.

Moreover, short-term operating factors relating to Reserves, such as the need for sequential development of resource bodies and the processing of new or different resource types may cause an operation to be unprofitable in any particular accounting period.

Commodity price risk

The current and future profitability of Melbana's operations is directly related to the market price of commodities, in particular oil. Commodity prices may substantially impact on the economics of projects and, hence, on exploration and development programs.

Commodities and other resource prices fluctuate widely and are affected by numerous factors beyond Melbana's control, including but not limited to global supply and demand, expectations with respect to the rate of inflation, the exchange rates of the US dollar to other currencies, interest rates, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, forward selling by producers, central bank sales and purchases, production and cost levels in major producing regions, global or regional. The aggregate effect of these factors on commodity prices is impossible to predict. Decreases in commodity prices could adversely affect Melbana, including its ability to finance the development of its projects.

Country risk

Melbana's principal operations are currently located in Cuba, which exposes the Company to a range of political, economic, environmental, and regulatory risks associated with operating in that jurisdiction. These risks include, but are not limited to:

- (i) shifts in political leadership or policy direction;
- (ii) changes to regulatory frameworks, taxation, and foreign investment laws;
- (iii) renegotiation, suspension, or cancellation of permits and contracts;
- (iv) currency exchange volatility and restrictions on foreign exchange;
- (v) inflationary pressures, labour unrest, and civil disturbances;
- (vi) diplomatic tensions and evolving international relations.

These risks are inherently unpredictable, largely beyond the Company's control, and may adversely impact the value of Melbana's assets or its future financial performance.

Cuba remains subject to economic sanctions imposed by the United States, which have been reinforced under the current Trump administration. These sanctions restrict access to equipment, technology, and personnel of U.S. origin, and continue to pose challenges to securing project financing, engaging with international banking and insurance markets, and facilitating the sale and export of any oil discovered in Cuba. The Company must navigate these constraints carefully, and they may materially affect operational flexibility and commercial outcomes.

Environmental risks in Cuba include exposure to hurricanes and tropical storms, which are common in the Caribbean region. While Melbana adheres to strict environmental, health, and safety protocols, the potential for severe weather-related damage and operational disruption cannot be eliminated.

Economic risks include fluctuations in both official and convertible currency exchange rates, as well as elevated inflation. Cuban government regulations may affect operations in various ways, including through controls on currency conversion, production approvals, pricing, import/export restrictions, taxation, environmental compliance, land and water use, and oil rig safety standards.

The Company cannot guarantee that the Cuban Government will maintain its current stance toward the oil and gas sector, foreign investment, or Melbana's ownership structure. Although Cuba's policy framework has remained relatively stable over the past two decades, there is no assurance that its support for foreign investment, profit repatriation, or international oil trade will continue.

- (c) Melbana operates under a production sharing contract with Unión Cuba-Petróleo, a state-owned entity incorporated under Cuban law. There is a risk that contractual obligations may not be fulfilled in a timely manner, or at all, which could materially affect the Company's operations and financial position.

Joint operations

Melbana is party to a joint operation arrangement and may enter into further joint operations. Although Melbana has sought, and will seek, to protect its interests, existing and future joint operations necessarily involve special risks. Whether or not Melbana holds majority interests or maintains operational control in its joint ventures, its partners may:

- (i) have economic or business interests or goals that are inconsistent with, or opposed to, those of Melbana;
- (ii) exercise veto rights to block actions that Melbana believes are in its or the joint operation's best interests;
- (iii) take action contrary to Melbana's policies or objectives with respect to its investments; or
- (iv) be unable or unwilling to fulfil their obligations under the joint venture or other agreements, such as contributing capital to exploration, expansion or maintenance projects.

Where projects and operations are controlled and managed by Melbana's partners, Melbana may provide expertise and advice but it has limited control with respect to compliance with its standards and objectives. Improper management or ineffective policies, procedures or controls could adversely affect the value of related non-

managed projects and operations and, by association, damage Melbana's reputation thereby harming Melbana's other operations and access to new assets. While Melbana may seek contractual indemnities from any such partner, no assurance can be given that such indemnities would provide sufficient coverage in the event that a particular project did not meet Melbana's expectations. Melbana does not have the power to control its joint operation's partners and counterparties with regard to their rights to exercise options, back in rights, work programs or farm-ins over Melbana's projects.

Schedule Risks

The timing of Melbana's planned business activities are subject to potential change due to events beyond the control of Melbana, such as weather, government actions or inaction, industrial action, the availability of key equipment, and the actions of Melbana's joint operation's partners. There may also be regulatory delays in Cuba associated with the drilling activities required to test Melbana's projects.

Competition and substitution

Significant and increasing competition exists for petroleum acquisition opportunities throughout the world. As a result of this competition, some of which is with large, established petroleum companies with substantial capabilities and greater financial and technical resources, Melbana may be unable to acquire rights to exploit additional attractive petroleum properties on terms it considers acceptable. Accordingly, there can be no assurance that Melbana will acquire any interest in additional operations that would yield Reserves or result in commercial petroleum operations.

Environmental Risk

Oil and gas exploration, development and production can be hazardous to the environment. If it is responsible for environmental damage, Melbana may incur substantial costs for environmental rehabilitation, damage control and losses by third parties resulting from its operations. Melbana is subject to relevant environmental laws and regulations in connection with its operations, and intends to conduct its activities in an environmentally responsible manner. However, Melbana could be subject to liability due to risks inherent in its activities, such as accidental spills, leakages or other unforeseen circumstances.

Health, safety and hazardous materials

Health and safety regulation affects Melbana's activities. Oil and gas exploration, development and production are potentially hazardous activities. If any injuries or accidents occur, this could have adverse financial implications for Melbana including legal claims and potential delays or stoppages.

Insurance

Insurance against all risks associated with oil and gas and exploration and development is not always available and if available the associated costs may be high. Although Melbana seeks to maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, insurance may not be available or adequate to cover all the potential risks associated with its business or its operations and their associated potential liabilities.

Uninsurable risks

Melbana may become subject to liability for accidents, pollution and other hazards against which it cannot insure, or which it may elect not to insure because of

premium costs or for other reasons, or in amounts which exceed policy limits. The occurrence of an event that is not fully covered, or covered at all, by insurance, could have a material adverse effect on its financial condition and results of operations.

Wars, terrorism, and natural disasters

Events occurring within or outside Australia may adversely impact the oil and gas market, as well as the operations of Melbana and those of its suppliers, service providers, and customers. Such events may include, but are not limited to:

- (i) geopolitical instability, including war, civil unrest, and acts of terrorism;
- (ii) governmental or regulatory intervention, including changes in policy, trade restrictions, or sanctions;
- (iii) natural disasters, such as earthquakes, floods, fires, hurricanes, and severe weather conditions.

Recent and ongoing conflicts, such as the war in Ukraine and the escalation of violence in Palestine, highlight the unpredictable nature of global geopolitical risk. These events have disrupted energy markets, strained international supply chains, and contributed to volatility in commodity pricing and investor sentiment. Such developments may also affect access to capital, insurance, and international trade routes.

While Melbana seeks to mitigate these risks through operational planning and strategic partnerships, these factors remain largely outside the Company's control and may materially affect its financial performance and long-term objectives.

3.3 Legal and regulatory risks.

(a) Permits and tenure

All licences, permits and production sharing contracts in which Melbana has interests are subject to renewal and completion of minimum work conditions which will be at the discretion of relevant ministries in each country. The maintenance of licences and permits, obtaining renewals, or getting licences and permits granted, often depends on Melbana being successful in obtaining required statutory approvals for proposed activities and/or Melbana satisfying the various financial obligations associated with the ongoing maintenance of such licences and permits, amongst other obligations. There is no assurance that such approvals will be granted as a matter of course and there is no assurance that new conditions will not be imposed in connection with such grant or renewal.

(b) Disputes and litigation

As at the Prospectus Date, the Company is not aware of any material ongoing disputes or litigation. However, the Company may become involved in disputes or litigation in the ordinary course of its future operations. Any material or costly dispute or litigation could adversely affect the Company's assets, financial position or future performance.

As announced to the market on 5 December 2025, the Company has been waiting to receive payment of outstanding amounts under an existing material agreement with a third party. The Company is actively addressing this matter and continues to engage with the counterparty to seek resolution. There is a risk that continued delays or failure to make payment under this agreement could:

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- (i) impact project timelines and scheduling, potentially causing deferrals in key operational milestones.
 - (ii) increase project costs, as delays may lead to additional financing requirements, contractor standby charges, or cost overruns.
 - (iii) trigger contractual or legal actions, which could result in disputes, arbitration, or litigation, incurring further expense and management time.

create funding uncertainty, which may require the Company to seek alternative sources of capital.

(c) Industrial action

Melbana is reliant on skilled and productive employees and contractors to maintain its development and exploration activities. The Company has taken deliberate steps to be thorough in selecting individuals with such characteristics to be its employees. However, any industrial action by Melbana's employees or its contractors' employees has the potential to disrupt development and exploration activities and may adversely affect the Company's financial performance or financial position.

(d) Compensation

Melbana may incur costs and liabilities resulting from claims for damages to property or injury to persons arising from Melbana's operations. Melbana must compensate employees for work-related injuries. If the Melbana does not make adequate provisions or is otherwise not adequately insured for its workers' compensation liabilities and is pursued for such sanctions, costs and liabilities, Melbana's business, financial condition and results of operations could be adversely affected.

(e) Contractual arrangements

Melbana has entered into various contracts and agreements which are important to the future of its business. Any failure by counterparties to perform under those contracts and agreements may have a material adverse effect on Melbana and there can be no assurance that it would be successful in enforcing any of its contractual rights through legal action.

(f) Tax risk

The Company will be subject to taxation and other imposts in Australia and other jurisdictions in which Melbana has activities and investment interests. Future changes in taxation laws in those countries, including changes in the interpretation or application of existing laws by the courts or applicable revenue authorities in those jurisdictions may affect the taxation treatment of Melbana's business activities, thereby potentially impacting on the Company's financial condition. In addition to the normal level of income tax imposed on companies in all industries, companies in the petroleum sector are usually required to pay government royalties and indirect taxes and other levies. The profitability of companies in this industry can be adversely affected by changes in government taxation and royalty policies or in the interpretation or application of such policies.

(g) Climate change

The potential impact from climate change, both physical and as a result of new related legislation and regulation, may have an adverse impact on Melbana's operations or financial performance. Increased regulation of greenhouse gas emissions could adversely affect Melbana's costs of operations. Regulatory

change by governments in response to greenhouse gas emissions may represent increased costs to Melbana impacting profitability. Increasing regulation of greenhouse gas emissions, including the progressive introduction of a carbon tax in any jurisdiction in which Melbana operates is likely to raise energy costs and costs of production over the next decade. Regulation of greenhouse gas emissions in the jurisdictions of Melbana's customers could also have an adverse effect on the cost of Melbana's production as may increasing lack of support from the investment community for exploration, development and production of hydrocarbons.

3.4 General risks

(a) Reliance on key personnel

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace.

In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business. While each of these executives is party to an employment contract, the executives may resign at any time and under the terms of the employment contracts each executive is permitted to terminate the contract in certain circumstances.

(b) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(c) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) currency fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(d) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(e) Force majeure

The Company, now or in the future, may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(f) Transfer of Attaching Options

Attaching Options issued under the Placement may be transferred, sold, or otherwise disposed of prior to exercise. As Bonus Options are only issued upon the valid exercise of Attaching Options, there is a risk that Bonus Options will be issued to parties other than the original holders of the Attaching Options. This may result in changes to the anticipated ownership structure and could affect the interests of existing Shareholders.

(g) Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(h) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

3.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

4. Rights and liabilities attaching to securities

4.1 Terms of the Attaching Options

(a) General

- (i) Each Placement Share will be accompanied by one (1) quoted Attaching Option, exercisable at A\$0.02 (**Exercise Price**).
- (ii) Upon exercise, each Attaching Option entitles the holder to one (1) fully paid Share.
- (iii) The issue of a total of 411,764,706 Attaching Options was approved by Shareholders at the Annual General Meeting.
- (iv) The issue of this Prospectus is a regulatory requirement to enable the Company to proceed with the issue of Attaching Options under the Placement.

(b) Expiry Date

- (i) Each Attaching Option will expire at 5:00 pm (AEDT) on the date which one year after the date of issue of the Attaching Options (**Expiry Date**).
- (ii) An Attaching Option not exercised on or before the Expiry Date will automatically lapse on the Expiry Date.

(c) Exercise Period

The Attaching Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(d) Quoted

The Company will seek to have the Attaching Options admitted to the official list of ASX and the Attaching Options will be listed if approved. Once listed, the Attaching Options will be freely traded by any market participant. This means that Placement Participants may not retain these Options at the time of exercise as the Attaching Options may be transferred or sold prior to that time.

(e) Notice of Exercise

The Attaching Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Attaching Option holding statement (**Notice of Exercise**) and payment of the Exercise Price for each Attaching Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Attaching Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Securities on exercise

Within 5 Business Days after the Exercise Date, the Company will:

- For personal use only
- (i) issue the number of Securities required under these terms and conditions in respect of the number of Attaching Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Attaching Options.

If a notice delivered under 4.1(e) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Attaching Options rank equally with the then issued shares of the Company.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of a holder of an Attaching Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Attaching Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Attaching Options without exercising the Attaching Options.

(k) Change in exercise price

An Attaching Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Attaching Option can be exercised.

(l) Transferability

As the Attaching Options are intended to be listed on ASX, they are freely tradeable and transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

4.2 Terms of the Bonus Options

(a) Entitlement

- (i) In addition to the Attaching Options, the Company proposes to issue one (1) unquoted Bonus Option for every two (2) Attaching Options exercised, resulting in the possible issue of approximately 205,882,353 Bonus Options.

- For personal use only
- (ii) A total of 205,882,353 Bonus Options may be issued under the Placement, as approved by Shareholders at the Annual General Meeting.
 - (iii) Bonus Options are contingent upon the exercise of Attaching Options; therefore, if Attaching Options are not exercised, no Bonus Options will be issued.
 - (iv) Regardless of when an Attaching Option is exercised, the corresponding Bonus Option will only be issued following the expiry of the Attaching Options.
 - (v) Bonus Options will not be quoted on the ASX and the Bonus Options do not require a separate prospectus under the Corporations Act. However, because Bonus Options are directly linked to the Attaching Options and form part of the overall offer structure, this Prospectus includes relevant information about the Bonus Options to ensure transparency and provide investors with a complete understanding of the potential impact on the Company's capital structure.

(b) Exercise Price

The amount payable upon exercise of each Bonus Option will be \$0.03 (**Bonus Options Exercise Price**).

(c) Expiry Date

Each Bonus Option will expire at 5:00 pm (AEDT) on the Bonus Option Expiry Date being the date that is three years from the date of issue of the Bonus Option. A Bonus Option not exercised on or before the Bonus Option Expiry Date will automatically lapse on the Bonus Option Expiry Date.

(d) Exercise Period

The Bonus Options are exercisable at any time on or prior to the Bonus Option Expiry Date (**Bonus Options Exercise Period**).

(e) Notice of Exercise

Bonus Options may be exercised during the Bonus Options Exercise Period by notice in writing to the Company in the manner specified on the Bonus Option holding statement (**Bonus Options Notice of Exercise**) and payment of the Bonus Options Exercise Price for each Bonus Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Bonus Options Notice of Exercise is only effective on and from the later of:

- (i) the date of receipt of the Bonus Options Notice of Exercise; and
- (ii) the date of receipt of the payment of the Bonus Options Exercise Price for each Bonus Option being exercised in cleared funds,

(**Bonus Options Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 5 Business Days after the Bonus Options Exercise Date, the Company will:

- For personal use only
- (i) issue the number of Shares required under these terms and conditions in respect of the number of Bonus Options specified in the Bonus Options Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Bonus Options.

If a notice delivered under 4.2(e) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Bonus Options rank equally with the then issued shares of the Company.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of a Bonus Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Bonus Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Bonus Options without exercising the Bonus Options.

(k) Change in exercise price

A Bonus Option does not confer the right to a change in Bonus Options Exercise Price or a change in the number of underlying securities over which the Bonus Option can be exercised.

(l) Transferability

The Bonus Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

4.3 Terms of the Director Options

The Company's directors have agreed to participate in the Placement by subscribing for Shares with a total aggregate investment of A\$120,000. This will result in the issue of 7,058,824 Shares at an issue price of A\$0.017 per Share, together with Attaching Options and Bonus Options on the same terms as outlined in Sections 4.1 and 4.2. Director participation in the Placement was subsequently approved by Shareholders at the Annual General Meeting.

4.4 Terms of Lead Manager Options

The Company will issue to the Lead Managers 37,500,000 Lead Manager Options (in equal proportions) on the same terms as the Attaching Options as those terms are described above in Sections 4.1. The Lead Manager Options were subsequently approved by Shareholders at the Annual General Meeting.

4.5 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share held, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited). Amounts paid in advance of a call are ignored when calculating the proportion.

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amounts paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they believe to be justified subject to the requirements of the Corporations Act. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as

reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, grant Shareholders or a class of shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for Shares on the terms determined by the Board.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders.

(e) Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) Variation of rights

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5. Additional information

5.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company. However, as disclosed in section 3.3(b), the Directors are aware of an issue relating to non-payment by a counterparty under an existing material agreement. While this matter has not escalated to formal legal proceedings, the Company is actively addressing the issue.

5.2 Continuous disclosure obligations

As outlined out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that has previously been disclosed to the market and is already in the public domain has not been repeated in this Prospectus, except where it is considered necessary to ensure this document is complete and not misleading.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of announcement
8 December 2025	Change of Director's Interest Notice – A Purcell
8 December 2025	Change of Director's Interest Notice – P Stickland
8 December 2025	Change of Director's Interest Notice – M Sandy

Date	Description of announcement
5 December 2025	Amistad – 11 Well Deferred
3 December 2025	Response to ASX Query
3 December 2025	Trading Halt
1 December 2025	Notification of cessation of securities - MAY
21 November 2025	2025 Annual General Meeting Results
20 November 2025	2025 AGM Chairman Address and Company Presentation
17 November 2025	Mobilisation commenced for next well
14 November 2025	Amendment to AGM Notice of Meeting
5 November 2025	MAY Amistad-2 Well Completed
3 November 2025	Trading Halt
27 October 2025	Quarterly Activities Report and Appendix 5B 30 Sept 2025
20 October 2025	AGM Access Letter
20 October 2025	Notice of Annual General Meeting/Proxy Form
15 October 2025	MAY-2025 EGM Results Announcement
14 October 2025	Explanatory Note to Withdrawal of EGM Resolutions
13 October 2025	Partial Withdrawal or Resolutions for EGM
10 October 2025	AC/P70 Resource Upgrade
8 October 2025	Corporate Presentation August 2025 (Amended)
10 September 2025	2025 AGM Date and Director Nominations
26 September 2025	Block 9 Operations Update
26 September 2025	Appendix 4G and Corporate Governance Statement
26 September 2025	Annual Report to shareholders
19 September 2025	Addendum to Notice of Extraordinary General Meeting
19 September 2025	Drilling Amistad 2 Production Well Commenced
16 September 2025	2025 EGM Access Letter
16 September 2025	Notice of Extraordinary General Meeting/Proxy Form
10 September 2025	2025 AGM Date and Director Nominations
3 September 2025	Becoming a substantial holder

Date	Description of announcement
1 September 2025	Cleansing Notice
27 August 2025	Application for quotation of securities - MAY
19 September 2025	Addendum to Notice of Extraordinary General Meeting
19 September 2025	Drilling of Amistad 2 Production Well Commenced
16 September 2025	2025 EGM Access Letter
16 September 2025	Notice of Extraordinary General Meeting/Proxy Form
10 September 2025	2025 AGM Date and Director Nominations
3 September 2025	Becoming a substantial holder
1 September 2025	Cleansing Notice
27 August 2025	Application for quotation of securities - MAY
26 August 2025	Variation of Permits Hudson Prospect
21 August 2025	MAY Corporate Presentation August 2025
21 August 2025	Drill Rig Mobilised for Amistad-2
21 August 2025	Proposed issue of securities - MAY
21 August 2025	Completion of \$7 Million Placement

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.melbana.com.

5.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.019	26 September 2025
Lowest	\$0.007	5 November 2025
Last	\$0.009	17 December 2025

5.4 Lead Manager Mandate

The Company and the Lead Managers entered into an agreement on 8 August 2025 (**Mandate**) for the Lead Managers engagement in relation to the Placement.

The material terms of the Mandate relevant to the Placement are as follows:

Subject	Provision
Engagement	The Lead Managers agree to provide lead manager services to the Company in respect of the Placement.
Fees	<p>In consideration of the services provided by the Lead Managers, the Company has agreed to pay:</p> <p>(a) a management fee of 2%; and</p> <p>(b) a selling fee of 4%,</p> <p>of the Placement proceeds raised.</p> <p>The management and selling fees will be shared equally between the Lead Managers, with each receiving 50%.</p> <p>In addition to the Placement fees, the Company will issue to the Lead Manager the Lead Manager Options being 37,500,000 options on the same terms as the Attaching Options.</p>
Termination	<p>The Mandate commenced on 8 August 2025 and will remain in place until the earlier of:</p> <p>(a) completion of the Placement; and</p> <p>(b) 24 months from the date of the Mandate,</p> <p>unless terminated earlier in accordance with the Mandate.</p> <p>The Company and Lead Manager may terminate the Mandate at any time by 14 days' prior written notice to the other party.</p>
Right of First Refusal	The Company agrees to offer the Joint Lead Managers the first right of refusal to act as joint lead managers in any equity capital raising undertaken by the Company within 12 months following completion of the Placement.

The Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

5.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offers; or

(c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

(i) the formation or promotion of the Company; or

(ii) the Offers.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 2.6.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration paid to both executive and non-executive Directors (inclusive of superannuation) for the financial year ending 30 June 2025:

Director	Position	Cash salary and fees	Equity-settled and other
Andrew Purcell	Executive Director	\$581,668	\$124,313
Michael Sandy	Non-Executive Director	\$100,000	nil
Peter Stickland	Non-Executive Director	\$100,000	nil

5.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Dentons Australia has acted as the legal advisor to the Company in connection with the Offers described in this Prospectus. The Company estimates that it will pay Dentons Australia approximately \$30,000 (excluding GST and disbursements) for legal services rendered in relation to the Offers.

During the 24 months preceding the lodgement of this Prospectus with ASIC, Dentons Australia has been paid an aggregate of \$84,416.12 (excluding GST and disbursements) for legal services provided to the Company.

5.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;

- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Dentons Australia has given its written consent to being named as the solicitors to the Company in this Prospectus.

5.8 Expenses of the offer

The total expenses of the Offers are estimated to be approximately \$65,516 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	\$3,206
ASX fees for the Official Quotation of the Attaching Options	\$28,310
Legal fees	\$30,000
Printing and distribution	\$2,000
Miscellaneous	\$2,000
Total	\$65,516

The expenses of the Offers will be met from the Company's existing cash reserves.

5.9 Taxation implications

The taxation obligations and consequences of participating in the Offers may vary depending on the individual circumstances of each investor. Prospective investors (i.e. the Placement Participants) who are uncertain about their taxation position should seek independent professional advice.

It is the sole responsibility of each investor to inform themselves of the taxation implications arising from participation in the Offers. The Board does not consider it appropriate to provide taxation advice to potential investors, as it is not possible to offer a comprehensive summary of the various taxation outcomes that may apply.

To the maximum extent permitted by law, the Company, its Directors, officers, and advisers do not accept any liability or responsibility in respect of the taxation consequences of subscribing for Options under this Prospectus, regardless of the method by which such subscription is made.

6. Directors' authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

18 December 2025

A handwritten signature in dark ink, appearing to read 'A. Purcell', with a stylized flourish at the end.

Signed for and on behalf of Melbana Energy Limited by Andrew Purcell

7. Glossary

\$ means the lawful currency of the Commonwealth of Australia.

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

Annual General Meeting means the annual general meeting of the Company held on 20 November 2025.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS, administered by ASX Settlement Pty Limited.

Attaching Option means an Option issued on the terms set out in Section 4.1.

Board means the board of Directors unless the context indicates otherwise.

Bonus Option means an Option issued on the terms set out in Section 4.2.

Bonus Option Expiry Date has the meaning given in Section 1.4.

Bonus Options Offer means the offer of Bonus Options under this Prospectus referred to in Section 1.4.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at Section 1.10 (unless extended).

Company or **Melbana** means Melbana Energy Limited (ACN 066 447 952).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

CRN means Customer Reference Number in relation to BPAY®.

Directors means the directors of the Company as at the date of this Prospectus.

Director Option Offer means the offer of Director Options made pursuant to this Prospectus as set out in Section 1.7.

Director Options means 7,058,824 Attaching and 3,529,412 Bonus Options.

Director Participants has the meaning given in Section 1.1.

Director Shares has the meaning given in Section 1.1.

Expiry Date has the meaning given in Section 4.1(b).

Holding Statement means a holding statement for securities under CHESS or SecurityHolder Reference Number.

Lead Manager means the Lead Managers to the Placement, being Bell Potter Securities Limited (ACN 006 390 772) and PAC Partners Securities Pty Limited (ACN 623 653 912).

Lead Manager Option means an option to acquire a Share offered under this Prospectus to the Lead Managers on the terms and conditions set out in Section 1.7.

Lead Manager Option Offer means the offer of Lead Manager Options made pursuant to this Prospectus as set out in Section 1.7.

Mandate means the agreement between the Company and the Lead Managers under which the Company has engaged the Lead Managers to manage the Placement.

Meeting means the general meeting of Shareholders of the Company to be held on 15 October 2025.

Offer Period means the period that the Offers are open, being the period between the Opening Date and the Closing Date.

Offers means collectively, the Placement Options Offer, the Director Option Offer and the Lead Manager Option Offer and **Offer** means any one of them.

Opening Date means the opening date of the Offers as set out in the Timetable.

Official Quotation means official quotation on ASX.

Options means collectively the Attaching Options and the Bonus Options and **Option** means any one of them.

Performance Rights means a performance right convertible into one Share upon the satisfaction of the relevant performance criteria.

Placement has the meaning given in Section 1.1.

Placement Options Offer means the issue of Attaching Options referred to in Section 1.1.

Placement Participant means existing Shareholders and new sophisticated and professional investors who participated in the Placement.

Placement Shares has the meaning given in Section 1.1, being the Shares issued to Placement Participants under the Placement.

Prospectus means this prospectus, including any supplementary or replacement prospectus issued in relation to it.

Prospectus Date means the date of this Prospectus, being the date that this Prospectus is lodged with ASIC, being 18 December 2025.

Section means a section of this Prospectus.

Securities has the same meaning given to that term in section 92(4) of the Corporations Act.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Timetable means the indicative timetable for the Offers is set out in the Key Information on page 9.