

7 January 2025

Small Holding Share Sale Facility

Melbana Energy Limited (ASX:MAY) (**Melbana** or **the Company**) is pleased to announce that it is providing eligible holders of small parcels of Melbana ordinary shares the opportunity to sell their shareholding without incurring brokerage or handling costs.

To facilitate this, the Company has established a Small Holding Share Sale Facility (**Sale Facility** or **Facility**) for holders whose shareholdings have a market value of less than \$500. At the closing market price of \$0.027 on the Record Date, that equates to shareholding of 18,518 shares or less (**Small Holdings**). The Record Date for the purposes of determining holders of Small Holdings has been set at close of trade on 3 January 2025.

Shareholders with Small Holdings are not obliged to sell their shares however such shareholders will need to **opt out** of the Sale Facility by returning the Share Retention Form no later than 5.00pm 3March 2025 (AEDT) or their Shares will be automatically sold for them.

Any tax consequence arising from the participation in the Sale Facility will be the responsibility of Sale Shareholders.

The Company has chosen to offer this Sale Facility because as at 3 January 2025, over 2,375 of the Company's approximately 8,270 shareholders own Small Holdings. This Sale Facility will enable Melbana to substantially reduce the administrative cost of managing Small Holdings. In addition, it will enable investors with Small Holdings, who may find it difficult or expensive to dispose of their shares through normal means, to dispose of their Small Holdings in a cost-effective manner.

A letter being dispatched to all relevant shareholders explains the Terms of the Sale Facility and the benefits to the Company. This letter will be accompanied by a Q&A Information Sheet and a personalised Share Retention Form. A copy of these are attached to this announcement.

KEY DATES¹

Record Date	3 January 2025 at 5.00pm (Sydney time)
ASX Announcement re Small Holdings Sale Facility	7 January 2025
Letters and Retention Form sent to shareholders holding Small Holdings	7 January 2025
Closing Date for receipt of Share Retention Forms	3 March 2025 at 5.00pm (AEDT)

Should you have any questions, please call your broker, accountant or professional adviser. If you require information on how to complete the Retention Form please contact the Company Secretary on 02 8323 6600.

Attached to this announcement is the letter sent to eligible shareholders.

This announcement is authorised for lodgement by the Executive Chairman, Mr Andrew Purcell.

For further information, please contact:

Mr Andrew Purcell
Executive Chairman

Uno Makotsvana
Company Secretary & CFO
T: 02 8323 6600

¹ The Company may modify these dates or suspend or terminate the UMP Facility (in accordance with its Constitution and the ASX Listing Rules). Any modification, suspension or termination will be notified to shareholders through an announcement to the ASX.

7 January 2025

Dear Shareholder,

IMPORTANT NOTICE
Small Holding Share Sale Facility

We are pleased to advise you that Melbana Energy Limited (ASX: MAY) (**Melbana, or the Company**) has established both a Small Holding Share Sale Facility (**Sale Facility or Facility**) for MAY shareholders who own MAY shares with a market value of less than A\$500 (**Small Holding**) as at close of trade on 3 January 2025 (**Record Date**).

You are receiving this letter because our records show that as at the Record Date you held a Small Holding of Melbana shares (18,518 or less) and hence you are eligible to participate in the program.

The Facility will enable the aggregation, and on-sale, of all Small Holdings. Furthermore, the Facility will allow all Small Holding shareholders to sell their Shares without incurring any brokerage or handling costs. Instead, Melbana will pay all costs associated with the sale and transfer of Shares through the Facility (excluding any tax consequences of the sale, which will be your responsibility). The proceeds of the sale will be sent to you by cheque.

As a result of this sale of Small Holdings, the Company expects to significantly reduce its administration costs, specifically those associated with maintaining a large number of small shareholdings.

The price that you will receive for your shares under the Sale Facility will be determined when and by how the shares are sold. The Company may sell your shares on market or in any other way they consider fair and reasonable in the circumstances. If the shares are sold on market the price will depend on a number of factors, including market conditions at the time of sale.

YOUR SHARES WILL BE SOLD

MAY's share register records indicate that your shareholding was a Small Holding based on the Company's share price of \$0.027 as at close of trade on 3 January 2025.

If you do nothing, your shares will be sold unless you advise the Company that you **DO NOT WISH** to sell your shares by 5:00pm (AEDT) on 3 March 2025. The Company intends to sell your shares through the Sale Facility in accordance with Clause 5.4 of the Company's Constitution and the ASX Listing Rules. A cheque will be sent to you as soon as is practicable following the completion of the sale.

Melbana has appointed Panthea Capital to sell the Shares under the Facility and the proceeds from the sale of the Shares will be remitted to participating shareholders as soon as practicable following settlement of all Shares sold through the Facility.

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TO KEEP YOUR SHARES

If you **DO NOT WISH to sell your shares** through the Sale Facility, you must complete and return the attached form (**Share Retention Form**) to the address on the form so that it is received by 5:00pm (AEDT) on 3 March 2025.

Please read the instructions on your personalised Share Retention Form carefully before completing it.

If you **want to sell your shares** through the Sale Facility, you do not need to take any action. By refraining from taking any action, after the expiration of the time prescribed in the ASX Listing Rules and the Company's Constitution, you will be deemed to have irrevocably appointed the Company as your agent:

- a) to sell all of your shares at a price to be determined, by when and how the shares are sold and without any cost being incurred by you; and
- b) to deal with the proceeds of the sale as set out in the attached Q&A Information Sheet.

IMPORTANT INFORMATION

The Company has determined that you hold a Small Holding, based on the Company's closing share price on the Record Date.

If you have a Small Holding as at the Record Date, then unless you complete and return the Share Retention Form, the Company will be entitled to sell your Shares under the Sale Facility.

The Company does not make any recommendations or provide any advice to you regarding whether to buy, sell or hold your Shares, nor that this Sale Facility is the best way to sell your Shares.

The attached Q&A Information Sheet sets out further details of the Sale Facility, which you should read before making any decision.

If you need help deciding what to do, or if you require information regarding the financial, legal or tax consequences of participating in the Facility you should consult your legal, financial or taxation adviser.

If you require information on how to complete the Share Retention Form please contact the Company Secretary on +61 02 8323 6600.

Yours faithfully,

On behalf of the Board

Uno Makotsvana

CFO & Company Secretary

7 January 2025

Small Holdings Share Sale Facility Q&A Information Sheet

WHAT IS SMALL HOLDING OF SHARES?

A Small Holding of shares is a holding of Melbana Energy Limited (**Melbana or the Company**) shares valued at less than \$500 as at close of trade on 3rd January 2025 (**Record Date**). Based on the closing price of Melbana's shares at the Record Date, this equates to a holding of 18,518 shares or less.

WHY IS MELBANA DOING THIS?

Melbana has decided to establish an Small Holdings Sale Facility (**Facility**) to enable you to sell your Small Holding without incurring brokerage or handling costs that could otherwise make a sale of your Small Holding uneconomic or difficult.

Based on the register of ASX shareholders of Melbana as at 5.00pm (AEDT) on the Record Date:

- a) Small Holdings of shares is any shareholding of 18,518 ordinary shares or less;
- b) 2,375 out of 8,267 shareholders hold Small Holdings; and
- c) based on the closing price of \$0.027 on the Record Date (**Closing Price**) this represents a total of approximately 23.751m ordinary shares.

The sale of Small Holdings through the Facility will also enable Melbana to reduce administrative costs associated with maintaining a large number of relatively small holdings of Shares. If most Small Holding holders do sell their shares, there will be up to a 20% reduction in the number of Melbana shareholders. This will result in significant cost savings to the Company.

WHAT IF I OWN MORE THAN 18,518 SHARES?

Melbana shareholders who own more than 18,518 shares will not be eligible to participate.

WHAT PRICE WILL I RECEIVE FOR SHARES SOLD THROUGH THE SALE FACILITY?

The price that you receive for your shares under the Sale Facility will be determined by when and how the shares are sold. Melbana has appointed a Broker to sell your shares on market or in any other way they consider fair and reasonable in the circumstances. If the shares are sold on market, the price will depend on a number of factors, including market conditions at the time of sale.

You will not have control over the time at which your shares are sold, the price you receive may be different from the price appearing in the newspaper or quoted by ASX on any day, may not be the best price on the day that your shares are sold and may be an average price per share based on the price obtained for all the shares sold under the Facility. If the Broker sell your shares other than on market, the price will be the price that the Broker has been able to negotiate with the acquirer(s).

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WHAT IS THE AMOUNT I WILL RECEIVE FROM THE SALES OF MY SHARES?

You will receive an amount per share equal to the total proceeds from all shares sold under the Sale Facility divided by total number of shares sold under the Sale Facility, without any deduction for brokerage or handling costs.

Accordingly, the price you will receive for each Share will be the average price of every share sold under the Sale Facility. All holders of Small Holdings who are participating in the Sale Facility will receive the same price per Share and payment for your holding will be the average sale price multiplied by the number of your Melbana Shares sold.

WHAT IF MELBANA'S SHARE PRICE CHANGES BETWEEN THE RECORD DATE AND CLOSING DATE?

If Melbana's share price on the ASX increases between the Record Date and Closing Date such that at the Closing Date the value of your Shares is equal to or greater than A\$500, your Shares will not be sold under the Sale Facility and you will continue to retain your Shares.

WHAT ARE THE KEY DATES?

A summary of the key dates in relation to the Facility are as follows:

Record Date	3 January 2025 at 5.00pm (Sydney time)
ASX Announcement re Small Holdings Sale Facility	7 January 2025
Letters and Retention Form sent to shareholders holding Small Holdings	10 January 2025
Closing Date for receipt of Share Retention Forms	3 March 2025 at 5.00pm (AEDT)

WHAT IS THE PRICE OF MELBANA'S SHARES?

The last sale price of Melbana's shares on the Record Date was \$0.027. The share price changes frequently and more recent prices are available in newspapers and from the ASX website (www.asx.com.au) under the ASX code 'MAY'.

WHEN WILL THE PROCEEDS FROM THE SALE OF SHARES BE SENT TO ME?

Payment will be sent to you following settlement of the sale or otherwise as soon as is practical. Payment will be made in Australian dollars by cheque. You will be notified by way of a transaction confirmation statement of the number of your shares sold, and the price and total sale proceeds.

Payment will be made via a direct credit to your bank account at an Australian financial institution (where we have your details or upon nomination by you of a relevant bank account), or otherwise by cheque in Australian dollars to your postal address as shown in the share register, or if you are a joint holder to the address shown in the share register as the address of the member whose name first appears in the register

IF I BUY MORE SHARES, CAN I RETAIN MY HOLDING?

Yes, the Company will treat any purchase of additional shares to increase the value of a Melbana's shareholding to more than \$500 as an indication that you do not want your shares to be sold through the Sale Facility.

For a purchase to be an effective notification that you wish to retain your shares, any additional shares must be registered by 5:00 pm (ADST) on 3 March 2025 (**Closing Date**) under the same name and address and with the same holder number (SRN or HIN) as set out in this letter.

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WHAT IF MY SHARES ARE HELD IN A CHESS HOLDING?

If your shares remain in a CHESS holding at 5:00pm (AEDT) on the Closing Date, the Company may move those shares to an issuer sponsored holding and the shares will be sold through the Sale Facility.

WHERE CAN I GET FURTHER INFORMATION?

Should you have any questions concerning your shareholding or how the Facility will work, please contact Melbana's Company Secretary on +61 02 8323 6600.

I HAVE MORE THAN ONE HOLDING AND WANT TO CONSOLIDATE

If you currently have more than one holding on the Company's share register, you may wish to consider amalgamating them. This may result in your amalgamated holding no longer being Small Holdings.

Under these circumstances your shares will not be sold as part of this Sale Facility. Please contact the Share Registry via the contact details below:

1300 737 760 (within Australia), +61 (2) 9290 9600 (outside Australia) between the hours of 9:00am and 5:00pm (Sydney time) Monday to Friday.

IMPORTANT NOTES

The Company reserves the right to change any of the dates referred to in this letter by notice to the ASX. This letter does not constitute advice nor a recommendation to buy, sell or hold shares nor that the Sale Facility is the best way to sell Melbana's shares. If you are in any doubt about what to do, you should consult your legal, financial or taxation adviser.

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