

Block 9: Early Production Testing Update

Highlights

- Delivery of 20 tanker loads of oil to storage from early production testing of Unit 1B of Alameda-2.
- Production was run for a total of 10 days, yielding valuable data on the reservoir and logistics performance.
- The well has now been shut in to monitor pressure build up to complete data acquisition for reservoir modelling and field development planning.
- Casing and other inventory for the Alameda-3 Appraisal Well (to test the deeper two geologically independent reservoirs, designated Alameda and Marti) continues to arrive in country ahead of the commencement of drilling operations.

Melbana Energy's Executive Chairman, Andrew Purcell, commented: "The first phase of the early production operation from the Unit 1B reservoir in Alameda-2 is complete and it has delivered a lot of good data. The second phase is now underway, monitoring the pressure build up after shutting in the well. Together, this will give us more information on this reservoir's extent and production characteristics to help us refine our field development plan.

I am heading back to Cuba in a few weeks to review procedures and operational status ahead of the commencement of drilling of our next appraisal well, the results of which we are all greatly looking forward to following the excellent outcome of the first appraisal well".

SYDNEY, AUSTRALIA (2 NOVEMBER 2023)

Melbana Energy Limited (ASX: MAY) (Melbana or Company), a 30% interest holder in and Operator of Block 9 PSC onshore Cuba, is pleased to provide this operational update.

Early production from Unit 1B at Alameda-2 is now complete. It was run for 10 days, twice the total duration of the Drill Stem Test conducted in this unit previously, resulting in 20 tanker loads of oil being produced and delivered to offsite storage. The flow peaked at 1,183 barrels of oil per day (BOPD) and was intentionally choked back to ensure a constant rate for the test period to optimise the collection of reservoir data. The extended period of production also provided important performance data on logistical arrangements for the transport and storage of the oil produced.

The produced oil was sampled for Pressure Volume and Temperature (PVT) analysis and other data obtained were of good quality and are now being analysed by the Company's geoscience team and consultants. The well has now been shut in and will remain so for two times the period of this early production to gain further valuable data on the reservoir's characteristics by monitoring the build-up of pressure in the well. The conclusions drawn from this analysis will be an important factor in the refinement of the development plan, including well design and spacing, for this upper sheet reservoir.

Preparations for the commencement of drilling of the Alameda-3 Appraisal Well (the primary objectives of which are the appraisal of the two lower geologically independent oil-bearing reservoirs intercepted by Alameda-1 - designated Alameda and Marti, respectively) are also nearing completion, with remaining equipment (casing, well head, other inventory etc.) continuing to arrive in country (see following figures).



Figure 1 – Arrival of Alameda-3 well head



Figure 2 – Alameda-3 well head set-up



Figure 3– BOP for Alameda-3



Figure 4 – Site induction for oil tanker driver

ENDS.

**For and on Behalf of the Board of
Directors:**

Andrew Purcell
Executive Chairman

For further information please contact

Cate Friedlander
Company Secretary
+61 2 83 23 66 00

APPENDIX A
DISCLOSURES UNDER ASX LISTING RULE 5

ALAMEDA-2: UNIT 1B	
LR 5.30 (a)	Alameda-2 appraisal well, conventional oil.
LR 5.30 (b)	Block 9 PSC, onshore Cuba about 140 km east of the capital, Havana.
LR 5.30 (c)	Melbana Energy holds a 30% interest and operatorship.
LR 5.30 (d)	N/A
LR 5.30 (e)	Fractured limestone.
LR 5.30 (f)	A total of 75 metres of perforations were open between 700 metres MD and 942 metres MD.
LR 5.30 (g)	Extended production testing was undertaken with a 24-hour initial flow period followed by an 8-hour shut-in. The well was then re-opened and flowed for a further 9 days. The well was then shut-in on 29 October for a planned 20-day pressure build-up survey.
LR 5.30 (h)	Additional lab results confirm a 19-degree API oil with a relatively low viscosity was recovered at surface. Further PVT analysis is underway to determine oil properties.
LR 5.30 (i)	No formation water was recovered.
LR 5.30 (j)	A total of 2,715 barrels of oil have been recovered over the duration of the test and trucked to a battery. The choke size for the majority of the test period was 12/64" with a corresponding average oil rate of 293 BOPD and ranged up to 30/64" and a peak of 1,183 BOPD during the PVT sampling process.
LR 5.30 (k)	N/A
LR 5.30 (l)	No non-hydrocarbon gasses were recorded during testing.
LR 5.30 (m)	N/A