

Cuba - Amendments to Block 9 Production Sharing Contract

Highlights:

- Approvals received for requested amendments to the Block 9 Production Sharing Contract (**PSC**)
- Principal amendments are a one year extension of the current exploration sub-period to 1 November 2020 and a one year extension to the full exploration period
- The work commitment for the current exploration sub-period remains the drilling of one exploration well
- CUPEL confirms that all of Melbana's other obligations under the Block 9 PSC are either waived for the current sub-period or are in full compliance

MELBOURNE, AUSTRALIA (3 October 2019)

CUPEL, the national oil company of Cuba, has informed Melbana that it has received all necessary approvals to confirm amendments to the Block 9 Production Sharing Contract (**PSC**) requested by Melbana.

Melbana believes these amendments, expected to be formally documented in October, will be of assistance to negotiations it is having with prospective partners for its proposed 2020 drilling programme in Block 9.

Melbana appreciates CUPEL's ongoing support for its endeavours in Cuba.

The approved amendments to the Block 9 PSC are:

1. Extension of the current exploration sub-period to 1 November 2020 with no change to the commitment to drill one exploration well during this sub-period;
2. Extension of the exploration period by one year; and

3. Voluntary relinquishment of 24.6 km² (about 1% of the total area), which reduces the total prospective resource (best estimate) for Block 9 from 718 million barrels of oil to 676 million barrels of oil.¹

¹ Prospective Resources Cautionary Statement - The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Future exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. All quoted volumes taken from Independent Expert McDowell & Associates Competent Persons Report 30 June 2018 (as amended by Melbana for areas voluntarily relinquished).

At Metgasco's request, Melbana advised Metgasco yesterday evening that it would be releasing an announcement regarding the status of its discussion with Cuban authorities regarding Block 9 PSC in Cuba. Melbana further advised Metgasco that it should not release any announcement in advance of Melbana releasing the advised update. Notwithstanding this, Melbana notes that Metgasco has today released an announcement regarding this matter. Melbana and Metgasco's shareholders are advised to ignore the Metgasco announcement and instead refer to this announcement.