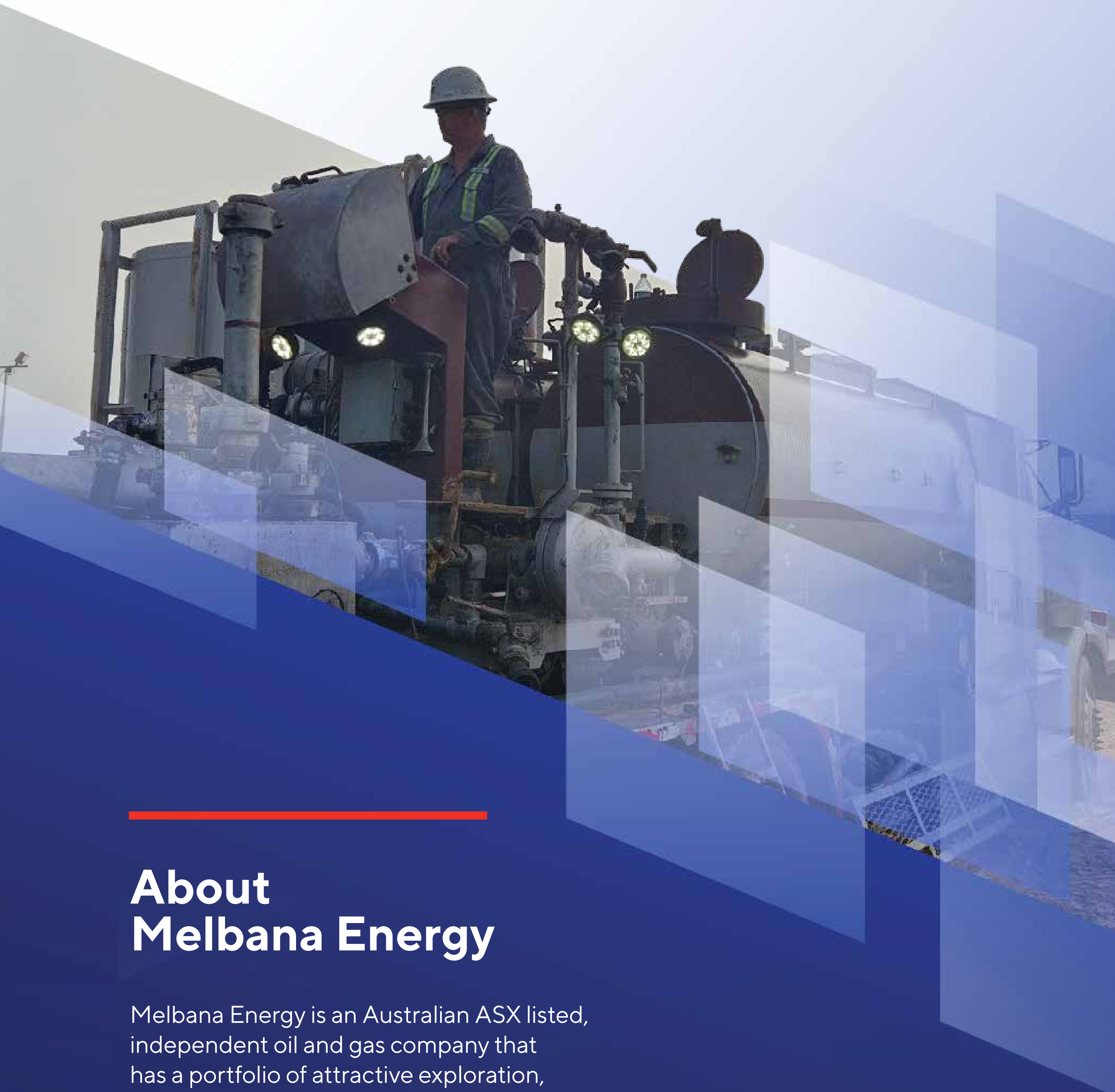
Melbana Energy

Melbana Energy Limited
ABN 43 066 447 952

Annual Report 2026



About Melbana Energy

Melbana Energy is an Australian ASX listed, independent oil and gas company that has a portfolio of attractive exploration, appraisal and development stage opportunities in Cuba and Australia.

Our mission is to create a world class E&P company by using the skills of our people to identify and successfully develop attractive oil and gas exploration and development opportunities.

Contents

Chairman's Letter

2026 was a challenging year for Melbana and its shareholders, but it was also a year in which our understanding of the Block 9 resource advanced significantly.

The principal achievement of the year was the advancement of our understanding of Block 9. Results from Amistad-2, together with new 2D seismic and LiDAR data, significantly improved our geological model and informed a revised view of where future drilling should be focused. While that technical progress was encouraging, the year was ultimately defined by two events outside the Company's control: the failure of our joint operation partner to meet its funding commitments and the subsequent U.S. designation of CUPET, our contractual counterparty in Cuba. Together, these events resulted in the Block 9 project being placed on care and maintenance.

Although Amistad-2 did not recover oil on flow test, the well substantially improved our understanding of the reservoir and the broader field. It intersected 169 metres of highly porous net reservoir and provided critical subsurface data that enabled us to develop a more refined geological model. Our revised interpretation suggests that the well encountered a breached forelimb structure from which hydrocarbons had migrated, explaining the absence of oil production despite excellent reservoir quality. Importantly, the low-cost seismic acquisition techniques developed by the Company proved highly effective and will play a central role in future well planning. Encouragingly, Amistad-1 again flowed oil naturally to surface when reopened, reinforcing the attractiveness of a future production well from Pad 1.

Our joint operation partner's failure to meet its funding obligations required us to demobilise personnel and equipment to preserve our remaining cash. When the partner did not cure the default within the permitted period they were deemed to have withdrawn from the joint operation, resulting in their 70% participating interest being scheduled for assignment to Melbana, subject to regulatory approval. After the reporting period ended, we received $14.5 million from our former partner. This amount was substantially less than the sum owed and was accounted for in accordance with the joint operating agreement. The balance remains an obligation of our former partner, and we intend to continue pursuing its recovery in full.

In June 2026, the U.S. designated CUPET pursuant to an earlier Executive Order of the U.S. President. Neither Melbana nor any of its subsidiaries was designated. This development created immediate operational and commercial challenges for the Company. We therefore suspended direct financial, technical and administrative support relating to our contractual obligations to CUPET. Our focus since that time has been to understand the implications of the designation and identify pathways that may allow development activities to resume while remaining fully compliant with applicable laws and regulations.

The Company recorded a loss for the year of $50.2 million, including an impairment charge of $35.7 million against the carrying value of Block 9 and a $10.7 million write-down of inventory. These accounting adjustments do not alter our technical assessment of the hydrocarbons discovered at Block 9 or the long-term potential of the project. Cash on hand at 30 June 2026 was $0.47 million, subsequently supplemented by the $14.5 million noted above.

Although Block 9 remained our primary focus, we continued to preserve value across our Australian portfolio through a disciplined capital management approach. Our strategy remains to progress these assets through partnerships and other structures that minimise capital demands on Melbana while retaining exposure to future upside.

Finally, I would like to recognise the professionalism and commitment of our employees during a year of considerable uncertainty. The circumstances we faced required difficult decisions, including a reduction in the size of our workforce. Those decisions were not taken lightly, and I remain grateful for the dedication shown by everyone who contributed to the Company during this period. I would also like to acknowledge our team in Cuba, who have navigated particularly challenging circumstances with resilience and professionalism.

To our shareholders, 2026 was unquestionably disappointing. However, while circumstances beyond our control interrupted the progress of Block 9, they did not diminish the technical significance of the oil discovery we have made or the value of the knowledge gained during the year. Our priority remains to preserve and ultimately realise that value. We thank you for your continued patience and support as we work towards that objective.

Andrew Purcell
Executive Chairman

Highlights

Cuba

Block 9 Production Sharing Contract (Melbana 30%; overall interest in the block is being restructured with potential to assign the remaining 70% fully to Melbana).

Block 9 activity centred on Amistad-2 and preparation for Amistad-11 before the joint operation partner's funding default and CUPET's designation led to care and maintenance.

AMISTAD-2 DEVELOPMENT WELL

- Amistad-2 was spudded on 18 September 2025 from Pad 9, targeting Unit 1B up-dip of Alameda-2.
- The primary target interval had been eroded; drilling continued to 2,000 metres and intersected 169 metres of highly porous net reservoir.
- Flow testing confirmed high permeability but recovered no oil; the results informed the subsequent structural reinterpretation.
- New 2D seismic and LiDAR supported a revised structural model and basis for future well targeting; the planned 3D survey was deferred when funding ceased.

AMISTAD-1

- Amistad-1 flowed oil unassisted after being reopened, indicating reservoir recharge and supporting the proposed new production well from Pad 1.

JOINT OPERATION DEFAULT AND PROPOSED ASSIGNMENT

- The joint operation partner ceased funding in November 2025; Amistad-11 was deferred and personnel and equipment were demobilised.
- The default cure period expired in April 2026 without remedy.
- The partner was notified that it was deemed to have withdrawn and that its 70% interest is to be assigned to Melbana, subject to Cuban regulatory approval. Amounts remain owed and Melbana is pursuing recovery.

UNITED STATES SANCTIONS AND CARE AND MAINTENANCE

- On 11 June 2026, under Executive Order 14404, the United States designated CUPET, Melbana's counterparty under the Block 9 PSC, as a Specially Designated National.
- Neither Melbana nor any of its subsidiaries has been designated; however, CUPET's designation materially constrained banking, procurement, insurance and counterparty willingness.
- Direct support of the PSC was suspended pending review, Block 9 was placed on care and maintenance.

Australia

The Australian portfolio was preserved at low cost: Melbana retains contingent interests in WA-488-P, continued farm-out marketing for WA-544-P, NT/P87 and AC/P70, and retained WA-552-P and the Tassie Shoal approvals.

Operating Review

Amistad-2 did not deliver a commercial result, but the data acquired materially improved our understanding of Block 9. The immediate constraint is regulatory certainty.

Cuba

Block 9 (Melbana 30%)

Block 9 lies on Cuba's northern coast, within a proven oil province and along trend from the Varadero field. The year's events materially constrained the Company's ability to fund the work program and deal with its contractual counterparty.

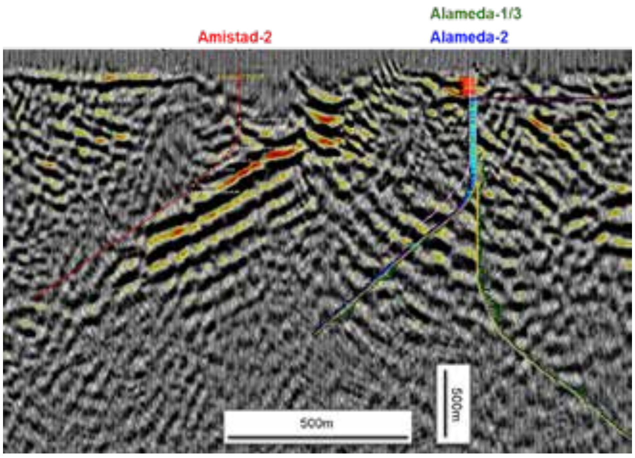


Figure 1 – Newly acquired seismic data showing the missed primary objective.

AMISTAD-2 DEVELOPMENT WELL

Amistad-2 was the first purpose designed development well on Block 9. It was spudded on 18 September 2025 from Pad 9, approximately 850 metres southwest of Alameda-2, to test Unit 1B about 200 metres up dip of the interval that averaged 1,235 barrels of oil per day on drill stem test in Alameda-2. The well used a simplified target trajectory, open hole completion and Melbana purpose formulated RDF reservoir drilling fluid.

The pre-drill structural shape was confirmed, but the primary hanging wall target interval had been eroded and replaced with sediment. Limestone was encountered in the footwall and approximately 600 metres below prognosis. With drilling conditions remaining good, the well was extended from 1,125 metres to 2,000 metres measured depth, intercepting 169 metres of highly porous net reservoir. (See Figure 1)

Well logs indicated good reservoir quality and reasonable oil saturation. Flow testing confirmed high permeability but recovered no oil. The well data informed the subsequent seismic and structural reinterpretation.

SEISMIC AND STRUCTURAL REINTERPRETATION

Melbana completed low cost 2D seismic and LiDAR surveys over the field. Preliminary processing indicated that the new seismic could materially improve on the legacy data used for well targeting.

Integrating those surveys with Amistad-2 drilling data produced a revised structural model of greater Alameda anticlinorium. The interpretation places Amistad-2 in a breached forelimb from which hydrocarbons had migrated, explaining the absence of recovered oil despite reservoir quality and permeability. This work improves the basis for selecting future well locations but does not remove the need for further appraisal, funding and regulatory certainty. (See Figure 2)

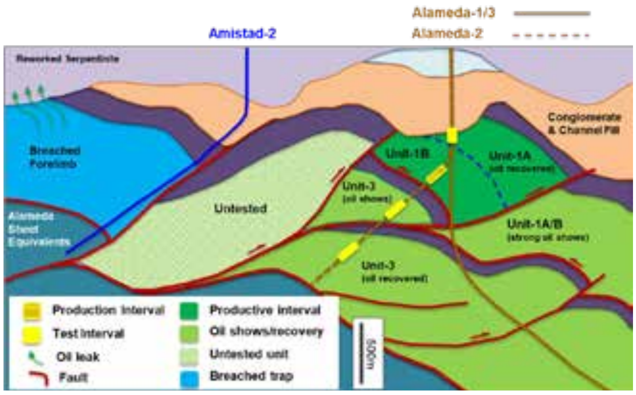


Figure 2 – New subsurface model for the upper (Amistad) sheet.

The planned 2026 3D seismic program was deferred when the joint operating partner was declared to be in default.

AMISTAD-1 RETURNED TO FLOW

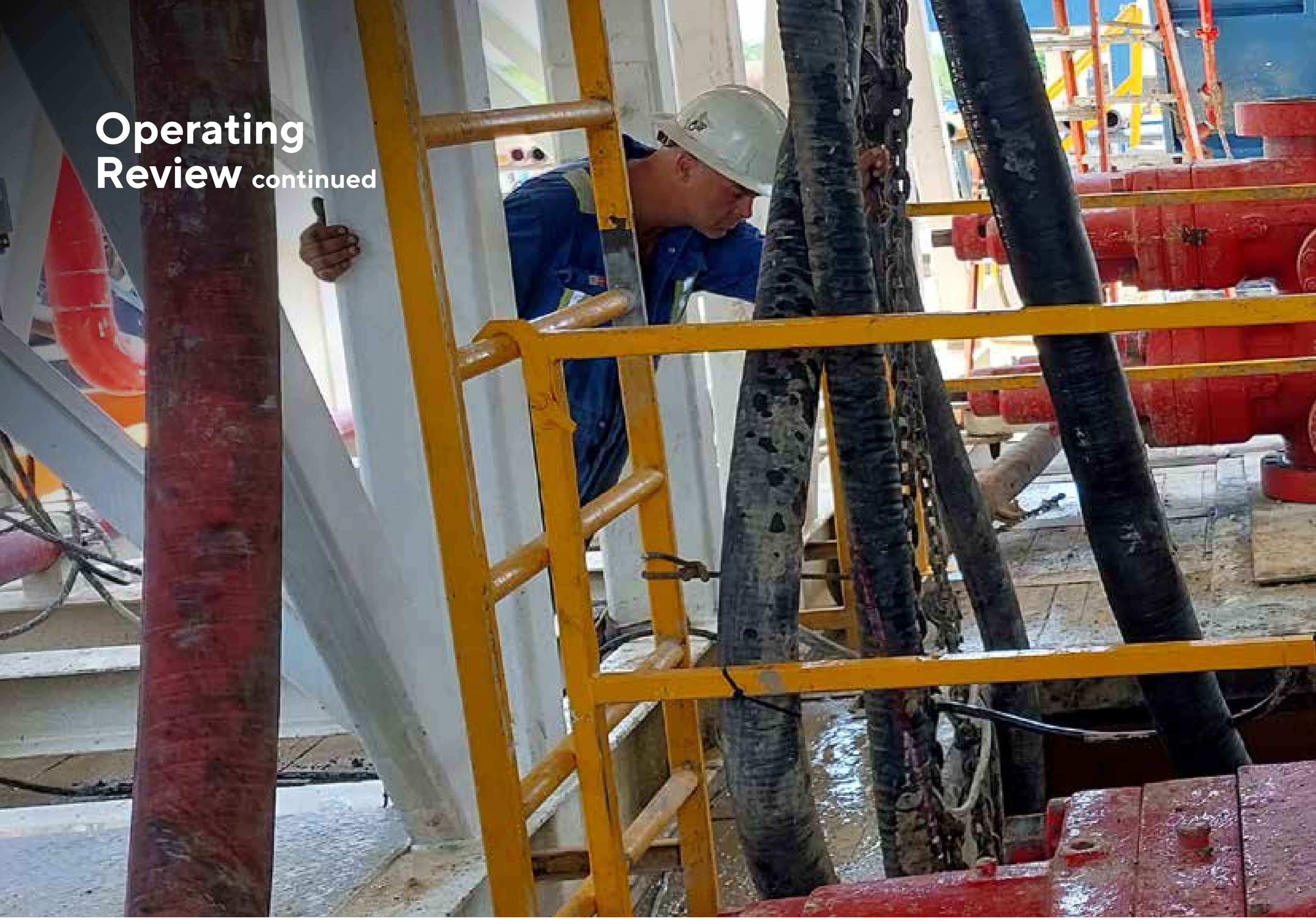
Production from Amistad-1 was paused ahead of the proposed Amistad-11 well. When reopened to relieve wellhead pressure, Amistad-1 flowed oil to surface unassisted, indicating recharge during the shut-in period and supporting the new proposed Amistad-11 production well.

JOINT OPERATION DEFAULT AND PROPOSED ASSIGNMENT

In November 2025, Sonangol Pesquisa e Produção S.A. (Sonangol) advised that it could not meet its Block 9 funding obligations and requested that Amistad-11 be deferred to its 2026 budget. Melbana demobilised personnel and released or stood down equipment and contractors, announcing the deferral on 5 December 2025.

The failure to meet cash call obligation under approved work programs in the required timeframes, constituted a default under the Joint Operating Agreement. When the default remained unremedied in April 2026, the partner

Operating Review continued



was notified that it was deemed to have withdrawn and that its 70% interest is to be assigned to Melbana, subject to regulatory approval.

Amounts owed remain an obligation of the former partner, and Melbana is pursuing recovery. A partial payment has since been received in September 2026 but falls significantly short of resolving the full outstanding amount.

UNITED STATES SANCTIONS

On 11 June 2026, following Executive Order 14404 signed on 1 May 2026, the United States designated CUPET as a Specially Designated National. CUPET is Melbana's counterparty under the Block 9 PSC

The designation generally prohibits United States persons from dealing with CUPET and creates potential secondary sanction risk for non-United States parties. Neither Melbana nor any of its subsidiaries has been designated. Australia does not maintain sanctions against Cuba, and Melbana is not a United States person. Nevertheless, the designation materially constrained the Company's ability to operate due to increased reluctance from other non-United States parties to continue supporting any Cuba related activities regardless of their sanctions status.

Given the designation, Melbana suspended direct financial, technical and administrative support of the PSC while it obtained advice and assessed its position. CUPET was informed. Trading in the company's securities was halted and then voluntarily suspended while the Board sought guidance and clearer direction in relation to the sanctions. The Company's securities resumed trading on 18 June 2026.

CARE AND MAINTENANCE

By year end, Block 9 was on care and maintenance. Alameda-2 was shut-in, Amistad-11 and the 3D seismic program were deferred, expatriate personnel were withdrawn, and contractor and equipment commitments were released. Site activity was limited to maintaining well integrity, securing the site crude inventory, and preserving the Company's position under the PSC.

These measures preserve the asset pending any resumption of operations. A restart would require funding, a regulatory position that permits operations, remobilisation of the team, and secure supplies of fuel and consumables.

RESOURCES

In 2024, McDaniel assessed a gross (100%) 2C Contingent Resource of 46 MMbbl with a Sub-Categorisation of Development Pending (80% Chance of Development) for Amistad Unit 1B in the Eastern part of the structure. McDaniel also assessed a gross (P50) best estimate Prospective Resource of 90MMbbl (with a Chance of Discovery of 70% if an appraisal well is drilled) for Amistad Unit 1B in the western part of the structure.

McDaniel also assessed a gross (100%) P50 – Best Estimate-prospective Resource of 32 MMbbl for Amistad Unit 1A (with a Chance of Discovery of 70%) that could be similarly derisked by drilling an additional appraisal well and testing on pump in that area.

The Company has retained the resource estimates for the Amistad structure as independently assessed by McDaniel in 2024. While regulatory uncertainty remains, management considers this to be a temporary factor affecting project timing rather than the resource base itself. Management continues to consider the underlying geological model sound. Trial seismic data acquired during the reporting period have informed a revised structural interpretation of Amistad. Additional seismic coverage of comparable quality is required to reassess the structure fully and determine the implication for the associated contingent and prospective resource estimates. Based on the currently available information, management considers the existing estimates to remain the Company's best estimates of recoverable volumes, subject to revision following that reassessment.

Australia

Melbana continued to advance and preserve the value of its Australian exploration portfolio while maintaining a disciplined expenditure approach. The Company retains contingent cash and royalty interests in the WA-488-P Beehive Prospect following its 2021 divestment, providing potential future upside without exposure to drilling costs. Across its wholly owned permits, Melbana focused on progressing the highly prospective WA-544-P and NT/P87 acreage, which contains the Hudson Prospect and existing discoveries with potential access to established gas infrastructure, while seeking farm-in partners to fund future appraisal and development activities. Farm-out efforts also continued for AC/P70, which hosts substantial prospective and contingent oil and gas resources associated with the Vesta and Swan discoveries. During the year, Melbana strengthened its Australian acreage position through the grant of WA-552-P, where early-stage technical work is assessing the potential of identified leads and discoveries. In addition, the Company maintained its strategic Tassie Shoal development option, retaining long-term environmental approvals for large-scale methanol and LNG projects, although progress remains dependent on securing a suitable gas supply on commercial terms.

Board of Directors

Andrew Purcell
Executive Chairman

Andrew Purcell founded the Lawndale Group (formerly Teknix Capital) in Hong Kong over 20 years ago, a company specialising in the development and management of projects in emerging markets across heavy engineering, petrochemical, resources and infrastructure sectors. Prior to this, Mr Purcell spent 12 years working in investment banking across the region for Macquarie Bank and then for Credit Suisse. Mr Purcell also has significant experience as a public company director, both in Australia and across Asia.

Peter Stickland
Non-Executive Director

Peter Stickland has over 30 years' global experience in oil and gas exploration. Mr Stickland was CEO and subsequently Managing Director of the Company from 2014 until January 2018 and then became a Non-Executive Director. Previously, Mr Stickland was CEO and subsequently Managing Director of Tap Oil Limited (ASX: TAP) from 2008 until late 2010 during which time he oversaw the evolution of the company into a Southeast Asia/Australia focused E&P company. Prior to joining Tap Oil, Mr Stickland had a successful career with BHP Petroleum (now part of Woodside) including a range of technical and management roles. Mr Stickland is also a life member of the Australian Energy Producers Limited (AEP).

Michael Sandy
Non-Executive Director

Michael Sandy is a geologist with over 40 years' experience in the resources industry – mostly focused on oil and gas. In the early 1990s he was Technical Manager of Oil Search Limited, based in PNG. He was involved in establishing Novus Petroleum Ltd and preparing that company for its $186 million IPO in April 1995 and over 10 years, he held various senior management roles with the Company. Subsequently Mr Sandy has been the principal of energy consultancy company Sandy Associates P/L, has set up and taken companies to IPO and has built extensive experience on the boards of listed and unlisted companies, including Tap Oil, Burleson Energy and Hot Rock.

See pages 24 to 25 for further information.

Financial Report

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Melbana Energy Limited (referred to hereafter as 'Melbana', the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2026.

Directors

The following persons were Directors of Melbana Energy Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Andrew Purcell
(Executive Chairman)

Michael Sandy
(Non-Executive Director)

Peter Stickland
(Non-Executive Director)

Principal activities

The principal activities of the Consolidated Entity during the year were oil and gas exploration in Cuba and Australia together with development concepts for the Tassie Shoal Methanol and LNG Project.

Dividends

There were no dividends paid or declared during the current or previous financial year.

Review of operations

International Operations

Cuba - Block 9 (Melbana 30%)

During the reporting period, the Company was focussed on delivering value for shareholders by advancing the appraisal and development of the Alameda discovery.

The well was spud on 18 September 2025. The well was originally planned to take about three weeks to drill to a programmed total depth (TD) of 1,125 metres measured depth (m.MD). Drilling results showed that the upper portion of the target structure had been eroded and replaced with sediment and that this has happened prior to the most recent phase of structuring.

The top of limestone was therefore encountered in the low-side (footwall) of the structure, approximately 600 m.MD deep to prognosis, so the decision was made to continue drilling past the original TD. Given the good hole conditions and whilst still in the reservoir formation, it was decided to stop drilling at 2,000 m.MD, incurring only about one week of additional drilling time.

The well was drilled at a lower mud weight than Amistad-1 and with the proprietary reservoir drilling fluid, designed using the learnings of the previous wells drilled in Block 9, which performed very well and allowed the removal of barite from the drilling fluid in the lower portion of the well. The lower mud weight also assisted with the well drilling at a higher rate of penetration than expected.

An extensive logging program was conducted and provided positive indications of extensive porosity and oil saturation within the 8-1/2" hole. Subsequent preliminary petrophysical analysis interpreted a total 169 m.MD, or 146 metres of true vertical depth (TVD), net reservoir based on a conventional cutoff of 9% porosity.

The reservoir in Amistad-2 is comprised of three primary sections: the upper-most section is highly porous and correlated to the Unit 1A observed in Alameda-2; the second unit is separated from shallower Unit 1A by a tight limestone interval and appears to be consistent with the Unit 1B Lower interval previously observed by Alameda-2; and, the third appears to be a repeat section of Unit 1B, but in a rotated and steeply dipping position.

An acid-soak was spotted across the entire reservoir interval before being circulated out without incident. Tubing and a pump were then run in hole and Amistad-2 was opened for testing. Initial flow confirmed a highly permeable reservoir averaging 550 bbl/d with minimal pressure drawdown in the first 24 hours. The pump rate continued to be increased, with a final average rate of 1,220 bbl/d of water with minimal pressure drawdown. Cumulative water produced during testing was approximately 1,840 bbl, around twice the total combined wellbore and volume of drilling, acid and completion brine/water lost during operations.

Pressure data from the well indicates that the reservoirs at the Amistad-2 location are not in communication with those at the Alameda-2 location.

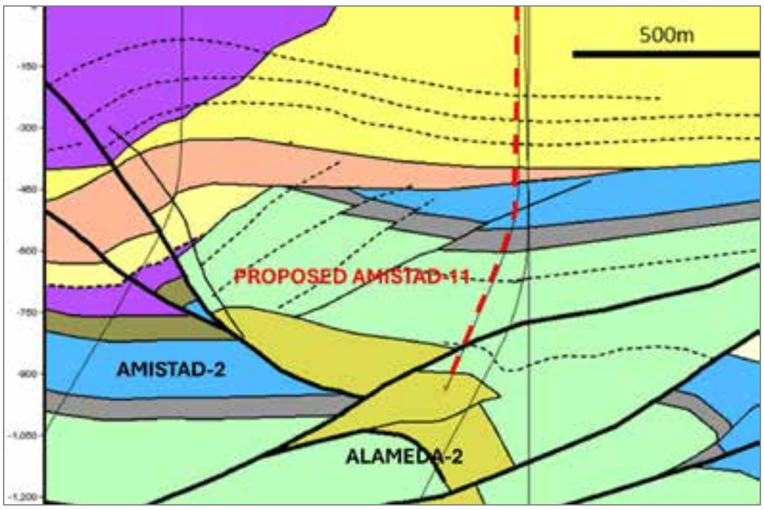


Figure 3 – Trajectory and target of Amistad-11.

Figure 4 – Completed 2025 2D seismic acquisition program.

Civil construction was completed for the contingent Amistad-3 well. However, following the result of Amistad-2, it was decided to drill Amistad-11 instead of Amistad-3. Amistad-11 is a planned twin well to Alameda-2, which had originally produced at a stabilised 1,235[1] BOPD prior to being damaged whilst shut-in post the original completion.

The Amistad-11 well plan is to drill up-dip of Alameda-2, kicking off at a shallower depth to achieve the desired separation at optimum reservoir depth then to drill on to a total depth of 1,000 m.MD in the lower section of Unit 1B (See Figure 3). The well is planned to have an open hole completion, but with the capability of running a slotted production liner, if required.

The reservoir drilling fluid Melbana has developed in response to its experience managing this formation previously will once again be used, given the good drilling rate of penetration and high productivity completion observed at Amistad-2. Drainage interference from the selected well position and trajectory is also estimated to be minimal, given the small volume produced to date relative to likely total recoverable volume estimated from prior testing and location outside the communication area of Alameda-2.

Partner approval and all permits to drill Amistad-11 were acquired and the rig mobilised to location completed on 22 November 2025. The Amistad-11 well spud was awaiting receipt of outstanding payment amounts due from Sonangol. Sonangol advised they would not be able to remit further monies in the 2025 calendar year and requested the drilling of Amistad-11 be deferred till 2026.

As such, the Company issued instructions to demobilise the contractor personnel and equipment and issued a Notice of Default to Sonangol, pursuant to the Joint Operating Agreement that governs the parties' relationship in Block 9 for non-payment of cash calls. Failure to cure the default in the sixty days provided may result in the defaulting party being required to assign its interest in Block 9 to the non-defaulting party. Sonangol did not cure the default within the sixty-day period and, accordingly, its entire participating interest in Block 9 was deemed to be transferred to Melbana.

During the period, Melbana acquired 18 km of low-cost 2D seismic data using a highly mobile hydraulic weight-drop system and associated geophone receivers. The Company conducted the acquisition of these data, primarily along existing roads to tie existing and proposed well locations and aid in the identification of potential shallow drilling hazards. Preliminary processing indicates good data quality and the potential for the acquired data to supplement, and potentially replace, the vintage seismic data which has been utilised to date for shallow well targeting (See Figure 4).

Given the success of the low-cost 2D survey, plans are being advanced to conduct a small-scale 3D seismic survey along the Alameda-2 anticline trend to tie the existing wells and support future shallow well development planning.

During the period, a total of 13,824 barrels of crude was produced from Alameda-2 and delivered to storage, bringing the closing inventory to 36,687 barrels. Alameda-2 was shut-in on 2 November, with the aim of drilling a twin (Amistad-11) immediately adjacent to avoid the formation damage issues, which had demonstrably impacted Alameda-2 production performance.

In 2024, McDaniel assessed a gross (100%) 2C Contingent Resource of 46 MMbbl with a Sub-Categorisation of Development Pending (80% Chance of Development) for Amistad Unit 1B in the Eastern part of the structure. McDaniel also assessed a gross (P50) best estimate Prospective Resource of 90MMbbl (with a Chance of Discovery of 70% if an appraisal well is drilled) for Amistad Unit 1B in the western part of the structure.

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Australian Operations

WA-488-P (Melbana contingent cash and royalty interest)

The Company sold its 100% interest in permit area WA-488-P to the Australian subsidiary of a US oil major in November 2021[2]. The purchaser became the Operator and made a country entry to drill the giant Beehive Prospect located within the WA-488-P exploration permit (See Figure 5).

1 See ASX announcement dated 28 August 2023.
2 See ASX announcement dated 23 April 2021.

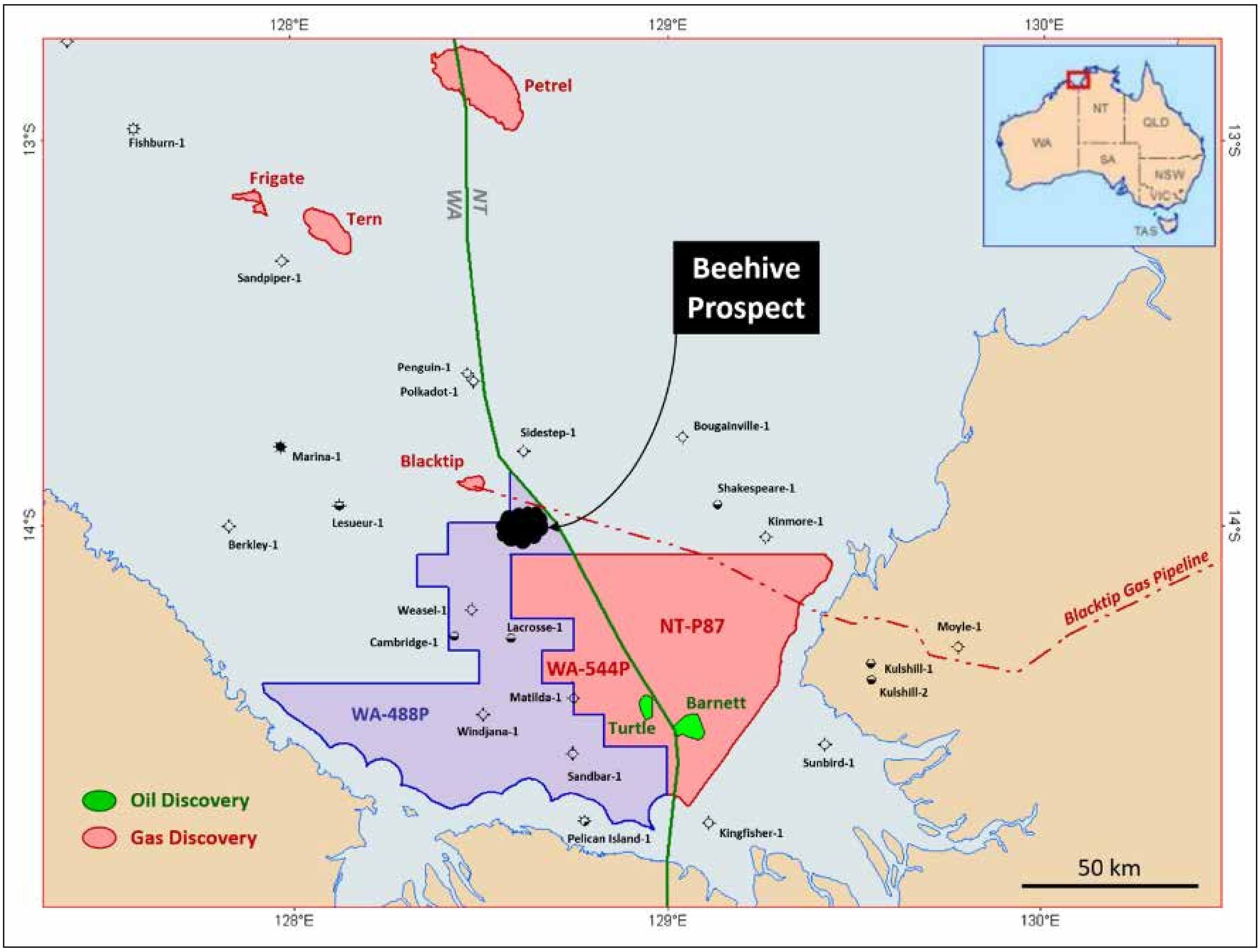


Figure 5 – The location of WA-488-P relative to the Company's other licence areas in the Joseph Bonaparte Gulf.

The Beehive Prospect was independently estimated to contain a Prospective Resource of 388 million barrels of oil equivalent (Best Estimate, 100% basis)[3] and a high estimate of 1.6 billion boe. Melbana revised these estimates[4] to a Prospective Resource of 416 million boe (Best Estimate, 100% basis) with a high estimate of 1.4 billion boe following its assessment of the 3D seismic data acquired across the prospect in 2018.

Under the terms of the sale and purchase agreement, the Company is entitled to receive contingent future payments of USD5 million (subject to the purchaser making certain future elections with regards to the permit) and USD10 million for each 25 million barrels of oil equivalent in the event oil is produced from the permit area should the exploration well be a commercial success.

The titleholder has received all the approvals it needs to drill up to three wells, exploration and/or appraisal, into the Beehive structure within a defined activity area approximately 45 square kilometres in size. The wells could be drilled at any time within a 5-year window under this EP, commencing no earlier than 1 January 2025 and to be completed no later than 31 December 2029[5].

The titleholder also applied for suspension and extension of the Permit Year 3 work program obligation to drill one well during the reporting period.

The Company has no exposure to any future costs associated with this permit, including to the cost of drilling the exploration well.

Beehive will test a large Carbonate Platform Prospect similar to that defined by the Company in the adjacent exploration permits NT/P87 and WA-544-P.

3 See ASX announcement dated 14 August 2018.
4 See ASX announcement dated 24 August 2020.
5 See NOPSEMA website for more information: https://info.nopsema.gov.au/environment_plans/678/show_public.

Directors’ Report
continued

WA-544-P and NT/P87 (Melbana 100%)

These permit areas, containing the undeveloped Turtle and Barnett oil discoveries, were granted to the Company in 2020 under the Australian Government’s 2019 Offshore Petroleum Exploration Acreage Release.

They are in shallow water (20 to 40 metres deep) and located about 300 kilometres southwest of Darwin, Australia. The Blacktip gas field lies to the northwest, and its pipeline transects the Northern boundary of NT/P87, allowing potential access to the Darwin LNG facility and/or the east coast gas market.

The exploration permits host Carbonate Platform opportunities with similar resource potential as the adjacent WA-488-P exploration permit, which contains the Beehive Drilling Prospect (See Figure 6).

During the period, the National Offshore Petroleum Titles Administrator approved a variation of the minimum work requirements for Permit Year 4 of petroleum exploration permits WA-544-P and NT/P87 (Permits). The approved variation removed the requirement to acquire 3D seismic in the permits and added geological and geophysical studies and well planning. The Permits are in the Joseph Bonaparte Gulf, offshore northern Australia.

Melbana now has until 23 May 2027 to complete geological and geotechnical studies, including well and operational planning, before deciding whether to progress to drill one exploration well by 23 May 2028.

Melbana is seeking parties interested in funding an exploration well to further derisk the prospect in return for receiving an interest in the Permits. A copy of the technical presentation Melbana is using during the farmout process is available on the Company’s website. The permits include a Prospective Resource of over 466 BCF of gas or 90 million barrels of oil (unrisked best estimate, 100%) called the Hudson Prospect.

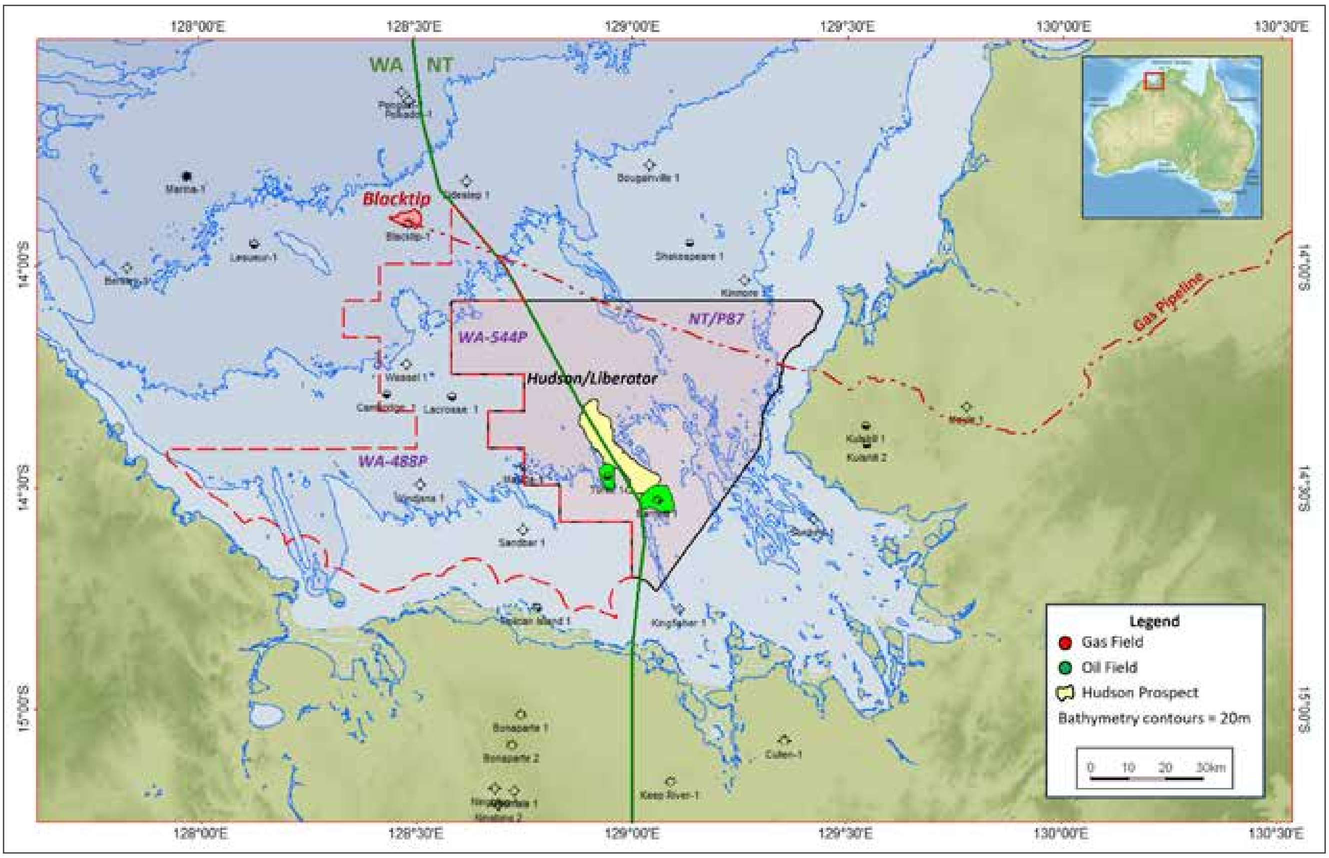


Figure 6 – The location of the Company’s Exploration Permits WA-544-P and NT/P87 relative to WA-488-P.

AC/P70 (Melbana 100%)

On 16 February 2022, the Company announced that it had been granted petroleum exploration permit AC/P70, located in the Territory of Ashmore and Cartier Islands, for an initial period of six years. Melbana made an application for this permit under the Australian Government’s 2020 Offshore Petroleum Exploration Acreage Release (See Figure 7).

Since being awarded the permit, the Company has licensed various datasets and undertaken considerable work to better understand what exploration opportunities might exist there. The undeveloped Vesta-1 oil discovery (drilled in 2005) lies within the permit area and an appraisal well drilled in 2007 identified a gas cap.

In 2025, the Company completed interpretation of the reprocessed 500km^2 legacy Pantheon 3D seismic survey. The reprocessing substantially enhanced the seismic data quality enabling the identification and mapping of significantly larger exploration targets within and adjacent to the working petroleum systems of the greater Swan and Vesta discoveries. Some of these areas are updip to the old discovery wells, further increasing the chance of success. The combined unrisked gross best estimate Prospective Resource for the permit is 2,754 Bcf and 43 MMbbl.

During the period, Melbana updated the Prospective Resource estimates relating to the undeveloped Vesta Deep (Plover) gas and Hadrosaurus (Jurassic) prospects located within AC/P70, offshore Northwestern Australia.

Advanced geophysical studies resulted in a 3.7% increase in Prospective Gas Resource[6] to 2,857 Bcf (unrisked gross best estimate) and an 81% increase in Prospective Oil Resource to 78 MMbbl (unrisked gross best estimate) and maturation of the Hadrosaurus lead to Prospect status. Estimates were made using probabilistic methods with arithmetic aggregation of totals.

AC/P70 contains the undeveloped Swan gas field, discovered by Arco in 1973 while exploring for oil and which was further appraised by an additional two wells by BHP in 1991. Wireline pressure data and recovered gas samples from several sands of the Cretaceous Puffin sandstone confirmed a common pressure regime and the presence of mobile gas.

The Vesta oil and gas field was discovered by ENI in 2005, also whilst exploring for oil, and was appraised by a second well. Three DST confirmed the presence of producible oil and gas from the Jurassic "Spec Di" reservoir but the field has not been developed. Significant and relatively high probability-of-geologic success (Pg) prospective resources are interpreted within untested compartments up-dip of the discovery wells.

In 2025, the Company assessed the combined best estimate (2C) Contingent Resource volume for the Swan and Vesta fields was 276 Bcf and 34 MMbbl.The permit is adjacent to existing production and facilities offering a clear pathway to commercialisation of any significant discovery.

Melbana is looking to farm out some of its 100% interest in the permit to a suitably qualified partner in return for an upfront cash contribution to back costs and funding the forward technical work programme, which includes one exploration well.

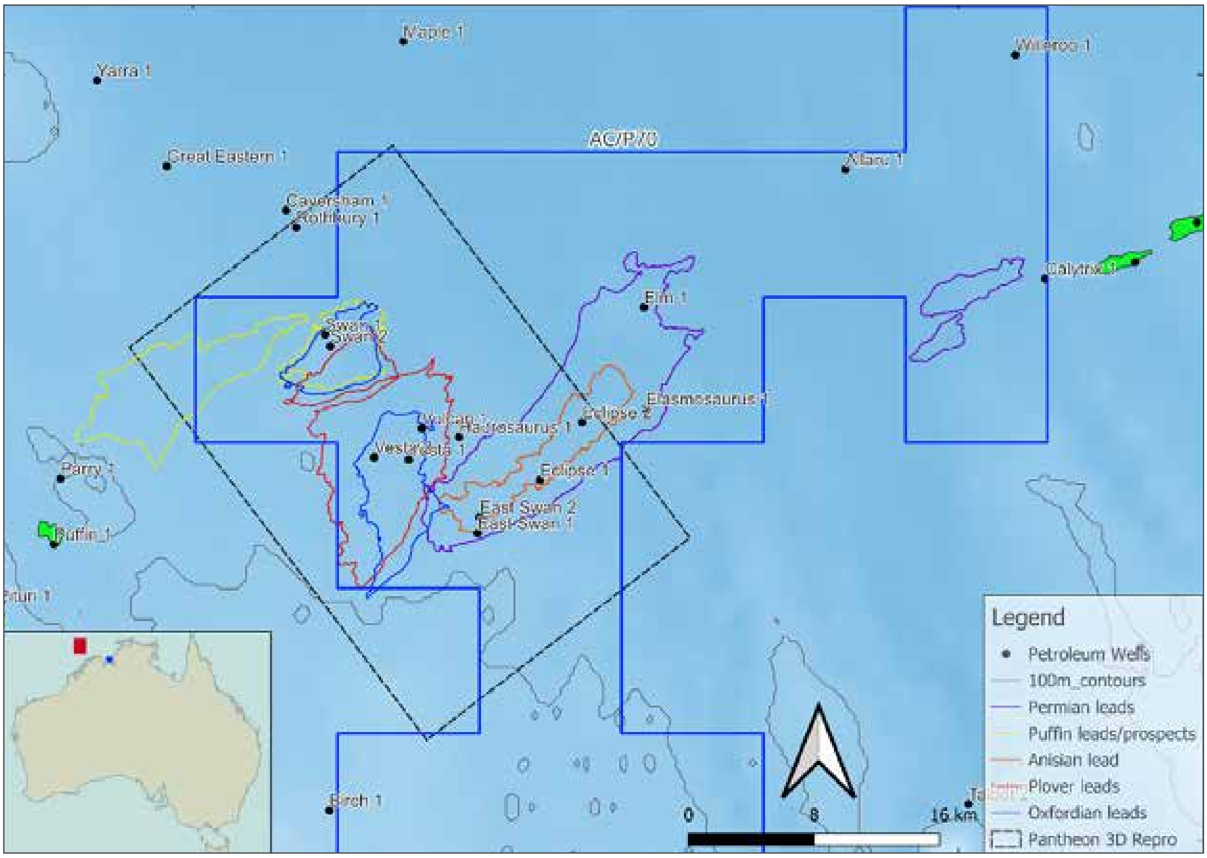


Figure 7 – Location of AC/P70 and reprocessed 3D seismic volume outline.

6 See ASX announcements dated 10 October 2025.

WA-552-P (Melbana 100%)

In 2024, the Company was granted petroleum permit WA-552-P[7], located offshore Western Australia in the Dampier Sub-basin of the northern Carnarvon basin (See Figure 8).

The permit was applied for under the Australian Government's 2022 Offshore Petroleum Exploration Acreage Release and Melbana was one of only five companies to be awarded a new permit, with the other four all being major oil and gas companies.

The permit was granted for an initial six-year period, with the primary term (first three years) work commitments comprising only desktop studies. Progressing beyond the primary term is at Melbana's election.

The permit area contains several small oil discoveries including Tusk, Okapi, Brocket, Oryx and Chamois and is immediately to the west of the Stag oil field, which has been producing oil since 1998.

Melbana's exploration thesis is that the Dampier Sub-basin may share a similar geological history to the Canning Basin, Petrel and Vulcan Sub-basins by way of salt seal deposition and carbonate reservoir architecture. The Company has been actively pursuing such plays in association with salt tectonics in its other exploration permits, WA-544-P and NT/P87. WA-552-P contains several small oil discoveries but Melbana's concept for the block is a new deeper, carbonate play.

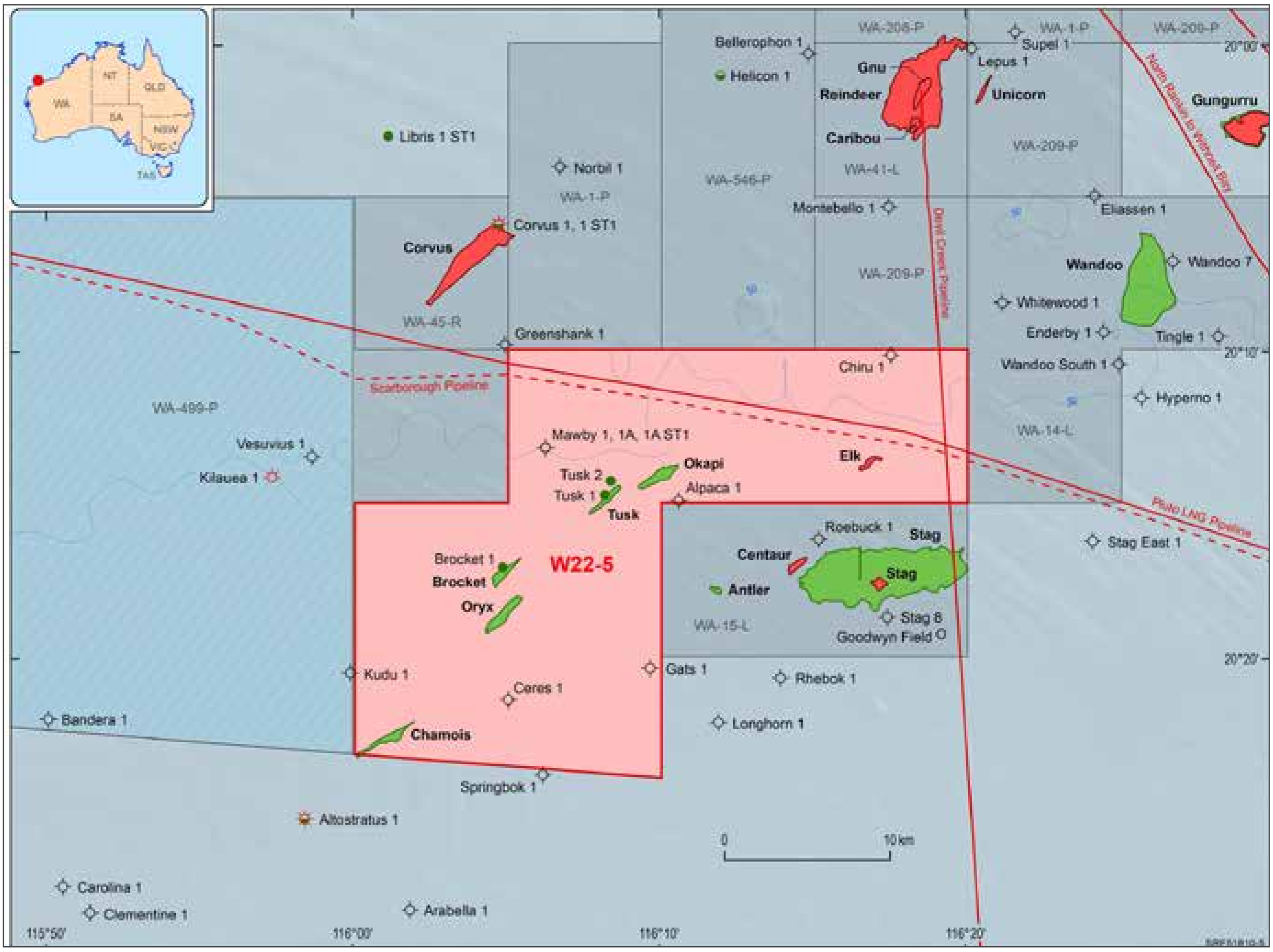


Figure 8 – Location of WA-552-P (formerly W22-5).

7 See ASX announcement dated 19 September 2024.

Tassie Shoal (Melbana 100%)

The Company has Australian Government environmental approvals to construct, install and operate two stand-alone world scale 1.75 Mtpa methanol plants - collectively referred to as the Tassie Shoal Methanol Project - and a single 3 Mtpa LNG plant - known as the Tassie Shoal LNG Project - on Tassie Shoal, an area of shallow water in the Australian waters of the Timor Sea approximately 275 km northwest of Darwin, Australia (See Figure 9). These environmental approvals are valid until 2052. These projects uniquely provide a development option for discovered but undeveloped gas resources in the region.

Progress for these projects is dependent on securing access to proximate gas supply on suitable commercial terms. No material progress was made in this regard during the reporting period.

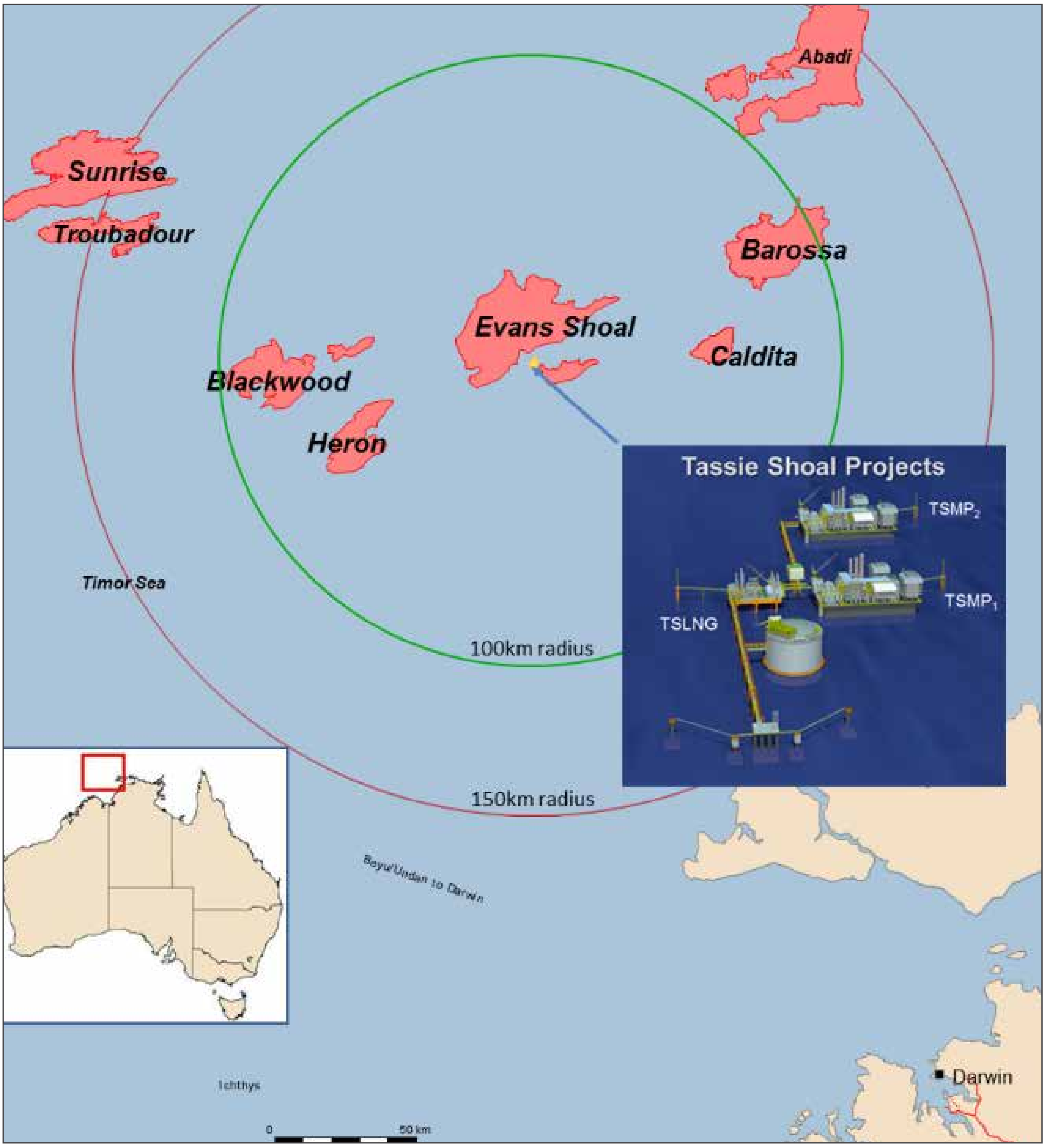


Figure 9 – Location of the Tassie Shoal Projects.

Results for the year

The Consolidated Entity recorded a net loss after tax of $50,220,823 for the financial year ended 30 June 2026 (2025: net loss after tax of $4,151,446). The result primarily reflects the costs associated with maintaining Melbana's corporate operations, together with significant non-cash charges recognised during the year.

The principal drivers of the loss were the write-down of Block 9 inventory of $10,765,842 and the impairment of the Block 9 exploration and evaluation asset of $35,739,556.

Excluding these items, the underlying net loss for the year was $3,715,425, which included approximately $210,000 of redundancy costs. The underlying result reflects the reduced cost base of the Group and is expected to result in a materially lower annual expenditure run rate going forward.

During the year, the Consolidated Entity recorded net operating cash outflows of $3,987,479 (2025: $3,623,620), with the increase from the prior year primarily attributable to lower recoveries of project costs following the suspension of Block 9 operations part way through the year. Net investing cash outflows were $6,765,015 (2025: $3,796,677), reflecting lower cash receipts from Sonangol due to delays in the recovery of amounts funded by the Company on behalf of its joint venture partner. Net financing cash inflows were $6,535,580 (2025: nil), reflecting the net proceeds of the August 2025 placement.

The successful exploration, appraisal and commercialisation of hydrocarbon resources within the Consolidated Entity's Cuban and Australian permits, together with the development, commercialisation or sale of its methanol and LNG projects, has the potential to generate significant value for shareholders through either the establishment of profitable operations or the realisation of value through asset divestments.

As the Consolidated Entity continues to advance its exploration and appraisal activities in its Cuban and Australian acreage, and progress development opportunities across its broader project portfolio, funding requirements are expected to be met through a combination of asset sales, equity capital raisings, farm-out transactions, joint development arrangements and other strategic partnering opportunities.

Review of financial position

The Consolidated Enitity's net assets decreased to $11,751,654 at 30 June 2026 (30 June 2025: 55,926,331). The decrease was primarily attributable to the net loss after tax of $50,220,823 for the year (2025: $4,151,446), which was driven by the impairment of Block 9 exploration and evaluation asset of $35,739,556 and the write -down of associated Block 9 inventories of $10,765,842, comprising drilling supplies, materials and crude oil inventory.

Excluding non-cash charges, the underlying result primarily reflects the corporate and administrative costs of maintaining the Group's operations. The impairment charges reduced both carrying value of the Group's asset base and its net asset position at year end.

The Consolidated Entity's net current assets position at 30 June 2026 was $7,824,820 (30 June 2025: $6,726,659), representing an excess of current assets over current liabilities. Cash balances at 30 June 2026 were $472,504 (2025: 5,115,674).

Corporate

The Consolidated Entity's strategy is to maximise shareholder value from its existing portfolio while continuing to assess quality exploration, development and producing opportunities, value accretive projects and potential corporate transactions. At balance date, the Consolidated Entity did not have sufficient cash reserves to fund its forecast corporate costs or any future exploration and development activities. As discussed in Note 2, this position, together with the Consolidated Entity's dependence on securing further funding, give rise to a material uncertainty that may cast significant doubt on its ability to continue as a going concern. Subsequent to the balance date, the Consolidated entity received $14.5 million in partial settlement of outstanding amounts due to it. This receipt strengthened it liquidity position and provided funding for its near-term corporate requirements; however, additional funding will be required before it can commit to future exploration or development expenditure.

Regulatory uncertainty also remains elevated due to the continuing breadth and evolving application of United States sanctions relating to Cuba, including the designation of CUPET, the Consolidated Entity's contractual counterparty under the Block 9 Production Sharing Contract, as a Specially Designated National. This designation may restrict or delay access to banking and payment channels and affect the willingness of financiers, suppliers, contractors and other counterparties to support the Consolidated Entity's activities. The Consolidated Entity continues to monitor developments and obtain appropriate legal advice; however, the ultimate effect on its ability and timing to resume operations and undertake further investment cannot presently be determined. The Consolidated Entity had discussions with the United States Department of the Treasury's Office of Foreign Assets Control for the Cuban project.

Discussions with potential external financiers remain ongoing, and the Consolidated entity continues to evaluate a range of funding and transaction structures. However, there can be no certainty that sufficient funding will be secured within the required timeframe or acceptable terms. If sufficient funding cannot be secured, the Consolidated Entity may need to defer or reduce its planned activities, pursue asset sales or other corporate transactions, or consider the surrender of permits.

Significant changes in the state of affairs

During the financial year ended 30 June 2026, a number of events occurred that changed the state of affairs of the Consolidated Entity:

On 21 August 2025, the Company announced that it had received binding firm commitments to raise approximately $7 million before costs via a placement. The placement involves issuance of 411,764,706 new Fully Paid Ordinary shares at $0.017 per share (Placement Shares), representing a 22.7% discount to the Company's last closing share price on 18 August 2025. Each Placement Share is accompanied by one Attaching Option exercisable at $0.02 and expiring one year from the date of issue. Additionally, for every two Attaching Options exercised, the Option holder will receive one Bonus Option exercisable at $0.03 and expiring three years from the date of issue. Proceeds from the Placement will be applied towards the Company's share of drilling costs for the Amistad-2 production well and for general corporate purposes.

On 26 September 2025, the Company announced that the Amistad-2 surface hole had been drilled to a measured depth of 327 metres. During drilling of this non-reservoir section, oil impregnation was observed in the recovered samples, and an oil sheen was detected on the shale shakers. The surface casing was subsequently run and cemented in place, and the initial wellhead section, including the BOP stack, was installed and successfully pressure tested.

On 10 October 2025, the Company announced the updated Prospective Resource estimates for the undeveloped Vesta Deep (Plover) gas prospect and the Hadrosaurus (Jurassic) prospect within Permit AC/P70 (Melbana Energy 100%), offshore Northwestern Australia. Advanced geophysical analyses resulted in 3.7% increase in estimated prospective resources, with unrisked gross best estimate prospective gas resources increasing from 2,754 Bcf to 2,857 Bcf and unrisked gross best estimate prospective oil resources increasing from 43 MMbbl to 78 MMbbl. The reassessment also resulted in the maturation of the Hadrosaurus lead to prospect status. Contingent Resources associated with the undeveloped Vesta and Swan oil and gas fields remained unchanged at an unrisked gross best estimate of 276 Bcf of gas and 34 MMbbl of oil.

On 5 November 2025, the Company announced that the flow testing results of Amistad-2 in Block 9 and confirmed the presence of a highly permeable reservoir; however, no oil was recovered. The well was drilled to a total depth of 2,000 metres and intersected a total of 169 metres of highly porous net reservoir. Following evaluation of the results, plug and abandonment operations commenced. The Company also advised that acquisition of a low-cost 2D seismic survey was nearing completion.

On 17 November 2025, the Company announced the commencement of mobilisation activities for the Amistad-11 well in Block 9 with drilling expected to commence and be completed following the formal receipt of all necessary permits and approvals. Amistad-11 was designed as an up-dip twin of the Alameda-2[8] discovery well and incorporated the latest well design and formation management techniques developed from learnings gained during previous drilling campaigns.

On 5 December 2025, the Company announced that drilling of the Amistad-11 well in Block 9 had been deferred pending receipt of outstanding payments due from Sonangol Pesquisa e Produção S.A. (Sonangol), the 70% operator of the Block 9 Production Sharing Contract (PSC). The outstanding amounts related to agreed activities undertaken during 2025, and the Company elected to defer commencement of drilling operations until these payments had been received.

On 3 January 2026, the United States intervened in Venezuela, removing President Nicolás Maduro. This has disrupted Venezuela-Cuba oil supply arrangements, potentially affecting the Company's operations. Management has reviewed its operations planning and continues to monitor the situation and its potential implications.

On 12 January 2026, the Company issued 436,764,704 listed options with the ASX stock code MAYOA (the "Options"). The Options were issued with an exercise price of $0.02 per share. The Options were issued in fulfilment of the attaching options to the fully paid ordinary shares issued by the Company on 27 August 2025.

On 22 January 2026, the Company announced an operational update regarding the Block 9 Production Sharing Contract (PSC) onshore Cuba for the drilling of Amistad-11. The update confirmed that all equipment and contractors remain available to commence drilling the next well. A rescheduled spud date is now dependent on the Company's joint-operation partner providing its share of the funds required for this activity. The Production from Amistad-1(which had ceased ahead of the planned commencement of Amistad-11 last year) was briefly resumed recently to alleviate wellhead pressure buildup.

On 20 April 2026, the Company provided an operational update highlighting that the integration of newly acquired seismic data and the results from the Amistad-2 well had significantly improved its understanding of the Block 9 oilfield, further derisking future production drilling. The Company further advised that Sonangol Pesquisa e Produção S.A. (Sonangol) had failed to remedy its contractual defaults under the Block 9 Production Sharing Contract (PSC). As a result, Melbana initiated the process to resume 100% ownership of the PSC, subject to regulatory approval. The Company also confirmed that it was evaluating options to recover the USD23.5 million owed by Sonangol in relation to Block 9 activities.

On 18 June 2026, the Company announced that the U.S. Department of State had designated Cuba's state-owned oil and gas company, Unión Cuba-Petróleo (CUPET), as a Specially Designated National (SDN)[9] pursuant to Executive Order 14404 issued by the President of the United States on 1 May 2026[10]. CUPET is the Company's contractual counterparty under the

8 also sometimes referred to as Amistad-1

9 https://www.state.gov/releases/office-of-the-spokesperson/2026/06/sanctioning-cubas-state-owned-oil-and gas-company-union-cuba-petroleo/

10 https://www.whitehouse.gov/presidential-actions/2026/05/imposing-sanctions-on-those-responsible-for repression-in-cuba-and-for-threats-to-united-states-national-security-and-foreign-policy/

Block 9 PSC. The Company advised that neither it nor any of its subsidiaries had been designated as an SDN under Executive Order 14404 or under any other applicable U.S. sanctions program administered by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC). The Company further advised that it had been, and continued to be, engaged in obtaining external legal and regulatory advice regarding the implications of the Executive Order for its Cuban operations.

As at 30 June 2026, the Company had not reached any conclusions or determined a definitive course of action in response to the designation.

There have been no other significant changes in the state of affairs of the Company during this financial year.

Resource upgrades

In 2025, the Company announced the Company's maiden Contingent and Prospective Resource assessment relating to AC/P70 (Melbana 100%) and completed interpretation of the reprocessed 500km2 legacy Pantheon 3D seismic survey. The reprocessing substantially enhanced the seismic data quality enabling the identification and mapping of significantly larger exploration targets within and adjacent to the working petroleum systems of the greater Swan and Vesta discoveries. Some of these areas are updip to the old discovery wells, further increasing the chance of success. The combined unrisked gross best estimate Prospective Resource for the permit is 2,754 Bcf and 43 MMbbl.

During the reporting period, Melbana updated the Prospective Resource estimates relating to the undeveloped Vesta Deep (Plover) gas and Hadrosaurus (Jurassic) prospects located within AC/P70, offshore Northwestern Australia. Advanced geophysical studies resulted in a 3.7% increase in Prospective Gas Resource6 to 2,857 Bcf (unrisked gross best estimate) and an 81% increase in Prospective Oil Resource to 78 MMbbl (unrisked gross best estimate) and maturation of the Hadrosaurus lead to Prospect status. Estimates were made using probabilistic methods with arithmetic aggregation of totals.

Matters subsequent to the end of the financial year

Subsequent to 30 June 2026, the Consolidated Entity received cash payments totalling $14.5 million in partial settlement of amounts outstanding from its former joint operation partner at the reporting date.

Other than the matter disclosed above, no matter or circumstance has arisen sine 30 June 2026 that has significantly affected, or may significantly affect, the Consolidated Entity's operations, the results of those operations or its state of affairs in future financial years.

Likely developments and expected results of operations

The Consolidated Entity will continue to protect and where circumstances permit, advance its interests in:

- Block 9 PSC, in which the Consolidated Entity is the Operator. Following the designation of Unión Cuba-Petróleo (CUPET), its contractual counterparty under the PSC, as a Specially Designated National, the Consolidated Entity suspended its direct financial, technical and administrative participation in the PSC and is not currently in a position to undertake further operational or development activities. The Consolidated Entity continues to engage with the U.S Department of Treasury's Office of Foreign Assets Control (OFAC), together with its legal advisers, to identify a legally compliant pathway that would enable the continued development of Block 9 and preserve its contractual and economic interests. Until sufficient regulatory clarity or authorisation is obtained, activities will remain limited to those legally permissible and necessary to safeguard personnel, sites and assets. The timing and outcome of this process remain uncertain. Technical information obtained from the drilling and seismic programs completed to date will inform future well planning if and when operations are able to resume.
- The titleholder of WA-488-P has obtained accepted environmental plans covering the drilling of Beehive-1 and potential multi-well exploration and appraisal program. The accepted multi-well plan provides an activity window extending to 31 December 2029; however, the timing of any drilling remains subject to the titleholder's technical, commercial, regulatory and operational decisions, an no commencement date has been publicly confirmed. The Consolidated Entity has no participating interest in WA-488-P and no exposure to the costs of the drilling program,but remains entitled to contingent cash and production linked payments under the agreement pursuant to which it sold the permit, subject to future elections by the titleholder and commercial success.
- Permit areas NT/P87 and WA-544-P are seeking a farmout partner to fund forward work programme commitments as well as, ideally, undertaking a 3D seismic survey to further derisk the Hudson Prospect;
- Permit area AC/P70 is seeking a farmout partner to fund the future work programme leading to the planning and drilling of an exploration well acquisition; and,
- Its other permit areas and licences.

Health Safety and Environmental regulation

The Consolidated Entity holds participating interests in a number of oil and gas areas. The various authorities granting such tenements require the licence holder to comply with the terms of the grant of the licence and all directions given to it under those terms of the licence.

Your Board of Directors believe that all workplace injuries are avoidable. Policies and procedures are in place to ensure employees and contractors conduct all activities in a safe manner. Melbana has adopted an environmental, health and safety policy and conducts its operations in accordance with international best practice, where reasonably practicable.

There have been no known breaches of any tenement conditions, no lost time due to injury and no spills during the reporting period. There was a minor recordable, but not reportable spill during the reporting period.

Information on Directors

Name:	Andrew Purcell
Title:	Executive Chairman
Qualifications:	B Eng; MBA
Experience and expertise:	Andrew Purcell founded the Lawndale Group (formerly Teknix Capital) in Hong Kong over 20 years ago, a company specialising in the development and management of projects in emerging markets across heavy engineering, petrochemical, resources and infrastructure sectors. Prior to this, Mr Purcell spent 12 years working in investment banking across the region for Macquarie Bank and then for Credit Suisse. Mr Purcell also has significant experience as a public company director, both in Australia and across Asia.
Other current directorships:	AJ Lucas Group Limited (ASX: AJL) GB Energy Holdings Pty. Ltd
Former directorships (last three years):	None
Special responsibilities:	Member of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee
Interests in securities:	245,394,215 Fully Paid Ordinary Shares

Name:	Peter Stickland
Title:	Non-Executive Director
Qualifications:	BSc, Hons (Geology), GDipAppFin (Finsia), GAICD
Experience and expertise:	Peter Stickland has over 30 years' global experience in oil and gas exploration. Mr Stickland was CEO and subsequently Managing Director of the Company from 2014 until January 2018 and then became a non-executive director. Previously, Mr Stickland was CEO and subsequently Managing Director of Tap Oil Limited (ASX: TAP) from 2008 until late 2010 during which time he oversaw the evolution of the company into a Southeast Asia/Australia focused E&P company. Prior to joining Tap Oil, Mr Stickland had a successful career with BHP Petroleum (now part of Woodside) including a range of technical and management roles. Mr Stickland is also a life member of the Australian Energy Producers Limited (AEP).
Other current directorships:	Omega Oil and Gas Ltd. (ASX:OMA) Elixir Energy Limited (ASX: EXR)
Former directorships (last three years):	None
Special responsibilities:	Chairman of Reserves Committee, Chairman of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee
Interests in securities:	16,592,125 Fully Paid Ordinary shares

Name:	Michael Sandy
Title:	Non-Executive Director
Qualifications:	BSC Hons (Geology), MAICD
Experience and expertise:	Michael Sandy is a geologist with over 40 years' experience in the resources industry mostly focused on oil and gas. In the early 1990s he was Technical Manager of Oil Search Limited, based in PNG. He was involved in establishing Novus Petroleum Ltd and preparing that company for its $186 million IPO in April 1995 and over 10 years, he held various senior management roles with the Company. Subsequently Mr Sandy has been the principal of energy consultancy company Sandy Associates P/L, has set up and taken companies to IPO and has built extensive experience on the boards of listed and unlisted companies, including Tap Oil, Burleson Energy and Hot Rock.
Other current directorships:	None
Former directorships (last three years):	Omega Oil and Gas Ltd (ASX:OMA)
Special responsibilities:	Chairman of the Audit and Risk Committee, member of the Remuneration and Nomination Committee and a member of Reserves Committee
Interests in securities:	8,300,000 Fully Paid Ordinary shares

Other current directorships quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Former directorships (last three years) quoted above are directorships held in the last three years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company Secretary

Uno Makotsvana, BCompt, CA (ANZ), Grad Dip BA (Manchester)

Uno Makotsvana is an accomplished finance executive with more than 25 years' experience across the resources, infrastructure and government services sectors. His expertise spans corporate finance, funding, commercial strategy, financial transformation, governance and investor relations.

Uno began his career with Deloitte before moving into senior finance and commercial leadership roles with listed and privately owned organisations in Australia and internationally. He is currently Chief Financial Officer of ASX-listed oil and gas companies Melbana Energy Limited and Xstate Resources Limited. His previous roles include serving for three and a half years as Chief Financial Officer of Capital Limited, a UK-listed mining services company.

Uno holds a Bachelor of Accounting from the University of South Africa and a Graduate Diploma in Business Administration from Alliance Manchester Business School. He is a Chartered Accountant and a member of Chartered Accountants Australia and New Zealand.

Meetings of Directors

The number of meetings of the Company's Board of Directors (Board) and of each Board committee held during the year ended 30 June 2026, and the number of meetings attended by each Director were:

	Full Board		Reserves Committee		Audit and Risk Committee		Remuneration and Nomination Committee	
	Attended	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**
Andrew Purcell	8	8	–	–	1	1	–	–
Michael Sandy	8	8	–	–	1	1	–	–
Peter Stickland	8	8	–	–	1	1	–	–

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

No Remuneration and Nomination Committee meeting was held during the reporting period to review employee salaries, senior executive performance evaluations and the terms and participants of the Company's LTI plan. The non-conflicted members of the Committee met alone prior to the meeting to propose amended remuneration terms to be offered to the Executive Chairman with effect from 1 July 2026.

Remuneration Report (audited)

The Remuneration Report (as part of the Annual Report) complements, and should be read in conjunction with, the information contained in the corresponding Corporate Governance Statement, which is available at https://www.melbana.com/site/about-us/corporate-governance. Together these documents highlight our commitment to a high-performance culture aimed at strategic growth and value creation.

This report has been prepared in accordance with section 300A of the *Corporations Act 2001 (Cth)* and is audited as required by Section 308(3C) of the Act.

The named Key Management Personnel (KMP) in this report are those individuals with the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors. The KMP cohort for the financial year ended 30 June 2026 is shown below, and each of the identified KMP members in the cohort was a KMP member for the entire period unless otherwise stated.

Directors:

- Andrew Purcell - Executive Chairman
- Michael Sandy - Non-Executive Director
- Peter Stickland - Non-Executive Director

Key Management Personnel:

- Uno Makotsvana – Chief Financial Officer and Company Secretary
- Christopher Thompson – Chief Operating Officer[11]
- Duncan Lockhart – Exploration Manager[12]

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles Governing the Nature, Amount and Oversight of Remuneration

The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practices for the delivery of reward.

Board

The Board has an active role in governance, oversight and evaluation of the remuneration approach including the approval of:

- Consolidated entity's remuneration framework
- Director and specific Executive remuneration; and
- Incentive performance standards.

This approach is designed to align and keep in mind:

- The creation of value for the Consolidated Entity's shareholders;
- The Group's values, purpose, strategic objectives and risk appetite;
- The interests of Executives; and
- Transparency

Remuneration and Nomination Committee

The Remuneration and Nomination Committee (the Committee) was established by the Board and operates under a Charter. Its role is to assist and advise the Board on matters relating to the overall remuneration strategies and policies of the Consolidated Entity, including remuneration arrangements for the Executive Chairman, other Executives and Non-Executive Directors.

11 KMP until 29 April 2026
12 KMP until 29 April 2026

The Remuneration and Nomination Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Consolidated Entity.

The reward framework is designed to align executive outcomes with the creation of long-term shareholder value. The Board recognises that, in the current operating and regulatory environment, executive performances include both advancing opportunities where circumstances permit and protecting the value of the Company's existing assets and contractual rights. The Board has therefore determined that shareholders' interests are best served by:

- linking performance measures to the successful advancement of field development, early production milestones, and establishment of marketing arrangements, where legally and operationally permissible;
- preserving the value of the Block 9 PSC and protecting the Company's contractual, legal and economic interests during the current period of operational and regulatory uncertainty, including through appropriate regulatory engagement, stakeholder management and the safeguarding of project assets;
- maintaining a focus on long term growth in shareholder wealth through delivery of future revenues, reserves development, and position for sustained production;
- progressing early-stage licences in a manner that creates strategic optionality, including potential sale or farm-out arrangements;
- ensuring executives remain focused on key non-financial drivers of value, including safety, regulatory compliance, operational readiness, and stakeholder relationships; and
- attracting and retaining high calibre executives with the skills required to guide the Company through this critical stage of its transition.

The performance of the Consolidated Entity depends upon the quality of its directors and executives. To prosper, the Consolidated Entity must attract, motivate and retain highly skilled directors and executives.

To this end, the Consolidated Entity embodies the following principles in its remuneration framework:

- Offer competitive remuneration benchmarked against the external market to attract high calibre executives;
- Where appropriate, provide executive rewards linked to shareholder value; and
- Encourage Non-Executive Directors to hold shares in the Company.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-Executive Directors' remuneration

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee receives independent market data when undertaking this annual review process.

The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The Remuneration and Nomination Committee did not use the services of a remuneration consultant during the year.

The Chairman's fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market.

The Chairman is not present at any discussions relating to the determination of his own remuneration.

The 4^{th} edition of the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council (Council) specifies that it is generally acceptable for Non-Executive Directors to receive securities as part of their remuneration to align their interest with the interests of other security holders, however Non-Executive Directors should not receive performance-based remuneration as it may lead to bias in their decision making and compromise their objectivity. Generally Non-Executive directors do not receive performance-based bonuses and/or other incentives and prior shareholder approval is required to participate in any issue of equity.

The Constitution and the ASX listing rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. The most recent determination was at the Annual General Meeting held on 18 November 2010, where the shareholders approved a maximum annual aggregate remuneration of $500,000. The combined payment to all Non-Executive Directors does not exceed this aggregate amount.

Remuneration Report (audited)

continued

Executive remuneration structure

The FY 25 remuneration structure comprising of fixed and variable remuneration was carried forward into FY26. Variable remuneration comprised both short-term and long-term incentives. Short-term incentives are intended to be awarded in the form of a cash award based on performance measured against a STI scorecard, which, in turn, drives significant achievements and supports a high-performance culture.

The executive remuneration and reward framework has the following components:

- Total Fixed Remuneration (TFR);
- Short-Term Incentive (STI); and
- Long-Term Incentive (LTI).

When considering the remuneration package components, it was important that the right balance between "at risk" (STI and LTI) and fixed remuneration was achieved to balance the interests of Executives and Shareholders.

Each of the components is outlined in the table below.

	Fixed Component	"At Risk" Components	
	Fixed Remuneration	**Short-Term Incentive**	**Long-Term Incentive**
Purpose	Competitive base remuneration to attract and retain high quality talent appropriate to the business scale, complexity and maturity	Motivate and reward delivery of strong operational and financial performance against the annual plan.	Motivate and reward outcomes that grow long-term shareholder value.
Link to Strategy	Base remuneration aims to provide fair and competitive pay in recognition of day-to-day accountabilities and responsibilities in implementing business strategy.	Rewards achievement of key strategic, financial and operational objectives on an annual basis consistent with longer-term priorities and goals.	Rewards successful delivery of longer-term strategies and sustained shareholder value creation by aligning Executive outcomes to shareholder value.
Form	Cash Salary, superannuation and any salary-sacrificed items.	Cash Payment	Performance Rights are granted under the Company's Long-Term Incentive Plan and are tied to share price performance over a multi-year period, ensuring that executives are only rewarded where there is a demonstrable creation of shareholder value. Vesting occurs progressively in tiers, with portions of the award vesting only as higher share price hurdles are achieved. This tiered approach encourages executives to deliver sustained growth in shareholder value over time and aligns their rewards with the Company's successful transition into development and production.

Consolidated Entity performance and link to remuneration

Remuneration for certain executives granted options or performance rights is linked to the performance of the Consolidated Entity, as an improvement in the Company's share price will correspondingly increase the benefits to the executive. This will align the interests of the executive and the shareholders. Refer to the section "Additional information" below for details of the earnings and share price movements for the last five years.

Details of remuneration

2026 KMP Remuneration Focus Areas

The Approach to FY26 KMP Executive remuneration remains consistent with FY25 Executive Remuneration policy. It was designed to motivate executives to contribute to a high-performance culture while aligning their remuneration outcomes with the Group's strategic objectives This approach seeks to:

- attract, reward and motivate Executives having regard to their responsibilities and the scale and complexity of the business;
- provide competitive remuneration arrangements appropriate to the Group's needs; and
- encourage the effective execution of the Group's strategy, including the creation and preservation of shareholder value.

FY26 comprised two distinct operating phases. During the first half of the year, the Company's activities were directed towards progressing Block 9 from appraisal into field development and initial production. The executive remuneration framework was therefore calibrated to support the achievement of near-term development and production milestones, including drilling activities, operational readiness and the advancement of crude marketing and sales arrangements. This included a market-informed adjustment to fixed remuneration and a rebalancing of at-risk remuneration to reflect the increasing scale and complexity of the Company's activities.

Following the failure of the Company's joint operation partner to meet its funding obligations, the Company's immediate priorities changed materially. Executive focus shifted from progressing the planned development program to managing the consequences of the default, limiting further financial exposure, preserving liquidity, enforcing the Company's contractual rights and protecting the value of the Block 9 PSC and its underlying assets. This required active management of legal, operational, regulatory and stakeholder matters while preserving the Company's ability to resume development should circumstances permit.

The overall structure of executive remuneration, comprising fixed remuneration and short-term and long-term incentive components, remained unchanged during FY26. In assessing executive performance, the Board considered both progress achieved against the operational objectives established at the beginning of the year and management's response to the subsequent counterparty default. This approach recognises that, in the circumstances prevailing during the latter part of FY26, protecting the Company's contractual and economic position and preserving the future development potential of Block 9 were critical components of safeguarding long-term shareholder value.

Amounts of remuneration

	Short-term Benefits		Termination Benefits	Post Employment Benefits	Long-term Benefits		
30-Jun-26	**Salary and fees $**	**Cash Bonus $**	**Termination Payment $**	**Super-annuation $**	**Long Service Leave $**	**Equity Settled $**	**Total $**
Non-Executive Directors:							
Michael Sandy	75,000	–	–	–	–	–	**75,000**
Peter Stickland	75,000	–	–	–	–	–	**75,000**
Executive Director:							
Andrew Purcell	564,655	49,824	–	29,943	–	–	**644,422**
Key Management:							
Uno Makotsvana	425,528	76,097	–	29,894	–	–	**531,519**
Christopher Thompson[13]	358,224	11,877	70,778	26,164	–	–	**467,043**
Duncan Lockhart[14]	401,117	5,286	138,599	27,366	–	–	**572,368**
	1,899,524	**143,084**	**209,377**	**113,367**	**–**	**–**	**2,365,352**

The Executive Director's Cash Bonus was paid in the reporting period and related to an award of 16.7% of the maximum possible STI for the financial year ended 30 June 2026. The cash bonus was paid during the year ended 30 June 2026 in respect of the attainment of FY2025 performance objectives, which were assessed and approved by the Board in September 2025, following the end of the FY2025 performance period.

13 Mr. Christopher Thompson was employed until 29 April 2026.
14 Mr. Duncan Lockhart was employed until 29 April 2026.

Remuneration Report (audited)

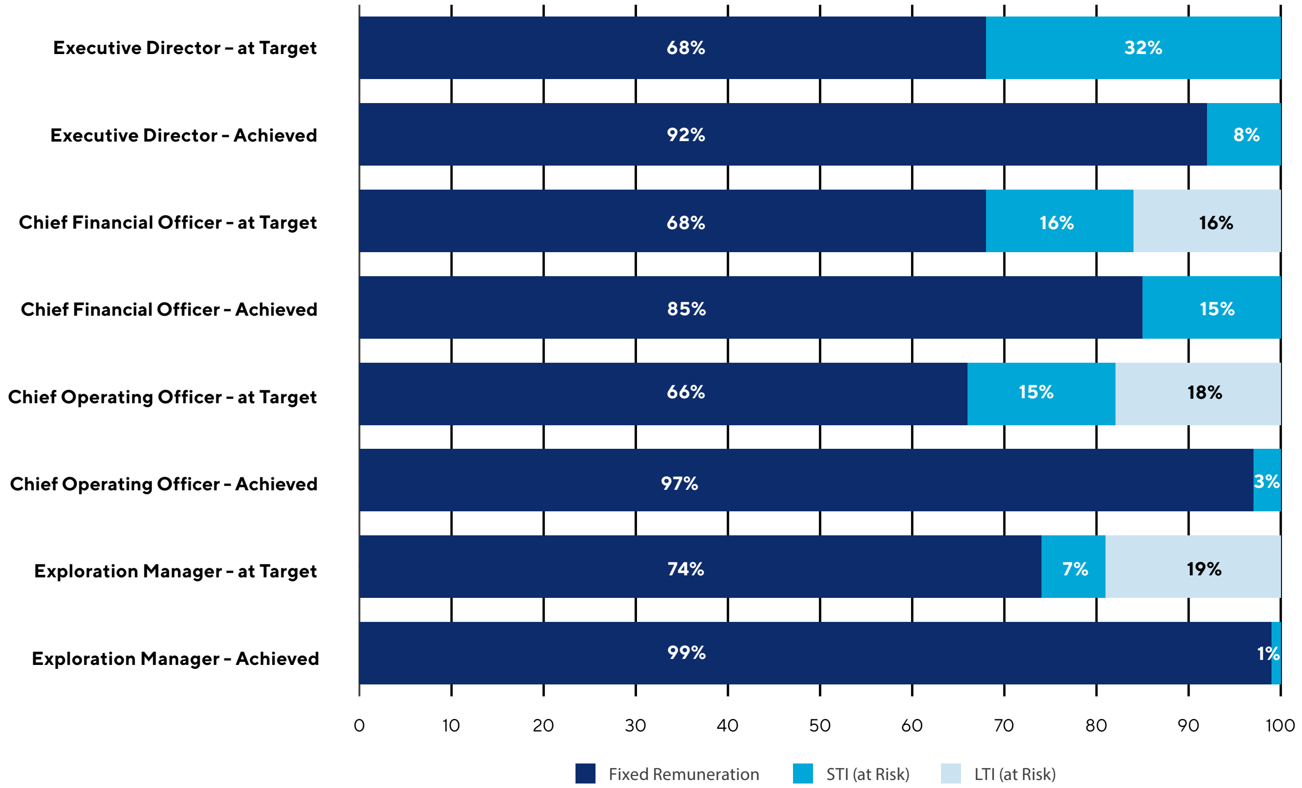
continued

	Short-term Benefits		Post Employment Benefits	Long-term Benefits		
30-Jun-25	**Salary and fees $**	**Cash Bonus $**	**Super-annuation $**	**Long Service Leave $**	**Equity Settled $**	**Total $**
Non-Executive Directors:						
Michael Sandy	100,000	–	–	–	–	**100,000**
Peter Stickland	100,000	–	–	–	–	**100,000**
Executive Director:						
Andrew Purcell	552,500	124,313	29,168	–	–	**705,981**
Key Management:						
Uno Makotsvana	413,780	117,166	29,320	–	–	**560,266**
Christopher Thompson[11]	400,000	–	29,320			**429,320**
Duncan Lockhart[12]	426,572	66,368	30,497	–	–	**523,437**
	1,992,852	**307,847**	**118,305**	**–**	**–**	**2,419,004**

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed Remuneration		At Risk (STI)		At Risk (LTI)	
	30-Jun-26	**30-Jun-25**	**30-Jun-26**	**30-Jun-25**	**30-Jun-26**	**30-Jun-25**
Non-Executive Directors:						
Michael Sandy	**100%**	100%	**–**	–	**–**	–
Peter Stickland	**100%**	100%	**–**	–	**–**	–
Executive Director:						
Andrew Purcell	**92.1%**	82.4%	**7.9%**	17.6%	**–**	–
Key Management:						
Uno Makotsvana	**85.4%**	79.1%	**14.6%**	20.9%	**–**	–
Christopher Thompson[11]	**97.3%**	100%	**2.7%**	–	**–**	–
Duncan Lockhart[12]	**98.9%**	87.3%	**1.1%**	12.7%	**–**	–

The Remuneration and Nomination Committee has considered remuneration mix both from a "Target" and "Maximum" opportunity perspective to ensure targets that are set are challenging to achieve, and any over-performance paid is a result of significant and measurable achievement. The remuneration mix for Key Management Personnel for FY26 at award is as follows:



There was no LTI component for the Executive Director in the reporting period.

Service agreements

Name:	Andrew Purcell
Title:	Executive Chairman
Agreement commenced:	1 April 2021
Term of agreement:	No fixed term
Details:	Mr Purcell's fixed remuneration was $ 595,760 per annum (inclusive of statutory superannuation), effective 1 July 2025. The STI will be up to 50% of the fixed remuneration and paid in cash or shares or both at the discretion of the non-conflicted members of the Remuneration and Nomination Committee in consultation with the executive. Shareholder approval for his next LTI award will be sought at the company's next general meeting. The executive can terminate the agreement with 3 months' notice. The Company can terminate the agreement with 3 months' notice, or payment in lieu thereof.

Remuneration Report (audited)

continued

Name:	Uno Makotsvana
Title:	Chief Financial Officer
Agreement commenced:	2 December 2022
Term of agreement:	No fixed term
Details:	Mr Makotsvana's fixed remuneration is $425,984 per annum (exclusive of statutory superannuation). The STI will be up to 25% of the fixed remuneration and paid in cash or shares or both at the discretion of the Board in consultation with the executive. The LTI will issue once every three years equating to a total value of $315,000. The executive can terminate the agreement with 3 months' notice. The Company can terminate the agreement with 3 months' notice, or payment in lieu thereof.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2026 (2025: Nil).

Options

There were no options over ordinary shares issued to Directors and other key management personnel as part of compensation that were outstanding as at 30 June 2026.

Performance rights

The terms and conditions of each grant of performance rights affecting remuneration of key management personnel in this financial year or future reporting years are as follows:

30 Jun 2026	Type of Performance Right granted	Vesting Close Date	Number of Performance Rights	Lapsed/ Vested	Balance as on 30 June 2026	Value per Right at Grant Date $	Target Price $
Andrew Purcell	LTI - Tranche 1	30 June 2027	14,017,882	–	14,017,882	0.006	**0.100**
	LTI - Tranche 2	31 December 2028	14,017,882	–	14,017,882	0.010	**0.150**
Uno Makotsvana	LTI - Tranche 2	1 December 2025	5,129,624	(5,129,624)	–	0.031	**0.192**
	LTI - Tranche 1	30 June 2027	6,666,432	–	6,666,432	0.006	**0.100**
	LTI – Tranche 2	31 December 2028	6,666,433	–	6,666,433	0.010	**0.150**
Christopher Thompson[11]	LTI – Tranche 2	1 December 2026	6,642,066	–	6,642,066	0.027	**0.260**

Conditions for vesting of the performance rights include a) the Company's share price closing at or greater than the Target Price for 20 consecutive trading days by Vesting Close Date and, b) continued employment at time of vesting.

Additional information

The earnings of the Consolidated Entity for the five years to 30 June 2026 are summarised below:

	2026 $	2025 $	2024 $	2023 $	2022 $
Profit/(loss) after income tax	**(50,220,823)**	(4,151,446)	3,259,760	(1,001,999)	6,332,812

The factors that are considered to affect total shareholder return are summarised below:

	2026 $	2025 $	2024 $	2023 $	2022 $
Share price at financial year end	**0.003**	0.02	0.03	0.07	0.08
Basic earnings (cents per share)	**(1.35)**	(0.12)	0.10	(0.03)	0.24

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out on the next page:

30 Jun 2026	Balance at the start of the year	Additions	Disposals/ Other	Balance at the end of the year
Ordinary shares				
Andrew Purcell	241,100,097	4,294,118	–	**245,394,215**
Michael Sandy	7,300,000	1000,000	–	**8,300,000**
Peter Stickland	14,827,419	1,764,706	–	**16,592,125**
Uno Makotsvana	1,300,000	1,306,471	–	**2,606,471**
Christopher Thompson[11]	100,000	588,235	–	**688,235**
	264,627,516	**8,953,530**	**–**	**273,581,046**

Options holding

30 Jun 2026	Balance at the start of the year	Granted	Exercised	Lapsed/ Disposed	Balance at the end of the year	Vested and exercisable	Unvested
Options over ordinary shares							
A. Purcell	–	4,294,118	–	–	4,294,118	–	4,294,118
M. Sandy	–	1,000,000	–	–	1,000,000	–	1,000,000
P. Stickland	–	1,764,706	–	–	1,764,706	–	1,764,706
U. Makotsvana	–	1,176,471		–	1,176,471	–	1,176,471
C. Thompson[11]	–	588,235	–	(588,235)	–	–	–
	–	**8,823,530**	**–**	**(588,235)**	**8,235,295**	**–**	**8,235,295**

Performance Rights Holding

30 Jun 2026	Balance at the start of the year	Granted	Exercised	Lapsed	Balance at the end of the year	Vested and exercisable	Unvested
Performance rights over ordinary shares							
A. Purcell	–	28,035,764	–	–	28,035,764	–	28,035,764
U. Makotsvana	5,129,624	13,332,865	–	(5,129,624)	13,332,865	–	13,332,865
D. Lockhart[12]	5,789,147	–	–	(5,789,147)	–	–	–
C. Thompson[11]	6,642,066	–	–	–	6,642,066	–	6,642,066
	17,560,837	**41,368,629**	**–**	**(10,918,771)**	**48,010,695**	**–**	**48,010,695**

This concludes the remuneration report, which has been audited.

Indemnity and insurance of officers or Auditors

The Group has in place a contract insuring the directors, the company secretary and all executive officers of the Group and any related body corporate against a liability incurred by a director, company secretary or executive officers to the extent permitted by the *Corporations Act 2001*.

The Group has indemnified the directors, the company secretary and all executive officers of the Group for costs incurred, in their capacity as officers of the Group, for which they may be held personally liable, except where there is a lack of good faith.

Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to the auditors of the Group or any related entities against a liability incurred by the auditors.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 22 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are of the opinion that the services as disclosed in Note 22 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former directors of MNSA

There are no officers of the Company who are former directors of MNSA.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report.

Auditor

MNSA continues in office in accordance with section 327 of the *Corporations Act 2001 (Cth)*.

Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework and practices in place to ensure they meet the interests of shareholders.

The Company complies with the Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations – 4th edition. A copy of the company's Corporate Governance Statement is available at the company's website at the following address: https://www.melbana.com/site/About-Us/Corporate-governance.

ESG Report

The Company's approach to environmental, social and governance matters is proportionate to the scale, stage and geographic footprint of its operations. It focuses on the areas in which the Company can have the greatest practical impact, including workplace health and safety, environmental protection, responsible operational practices, local participation and constructive stakeholder engagement.

The Company is committed to conducting its activities safely and responsibly and to contributing positively to the communities in which it operates. Field activities are undertaken in accordance with applicable laws and recognised international industry standards, including where those standards exceed local requirements.

Where practicable, the Company prioritises the employment and development of suitably qualified local personnel and the use of local suppliers. This supports the transfer of skills and knowledge, provides economic benefits to host communities and reinforces the Company's commitment to safe, healthy, inclusive and environmentally responsible workplaces.

Through these measures, the Company seeks to protect the environment, support its people and host communities, maintain the confidence of its stakeholders and build sustainable operations capable of creating long-term shareholder value.

Governance and Risk

Risk Identification and Management

The Company recognises that the management of risk is a critical component in achieving its purpose of delivering growth in shareholder value. The Company has a framework to identify, understand, manage and report risks. As specified in its Board Charter, the Board has responsibility for overseeing The Company's risk management framework and monitoring its material business risks. The Board continues to be committed to embedding risk management practices to support the achievement of business objectives. As such the Board has established the Audit and Risk Committee which is responsible for reviewing and overseeing the risk management strategy of the Group and for ensuring it has an appropriate corporate governance structure. The Board discusses with management and the external auditors at least bi-annually:

- Internal controls systems;
- Policies and procedures to assess, monitor, and manage business, economic, environmental and social sustainability risks;
- Insurance program having regard to the insurable risks and the cost of this cover; and
- Legal and regulatory compliance programs.

As part of the Company's risk management structure, risk registers are maintained and reported to the Audit and Risk Committee periodically and at least annually, detailing likelihood and severity of risks occurring. Management undertakes a review of its insurable risks each year in order to fully consider potential impacts and how they are financed in terms of limits and scope under the Company's insurance program.

The Board through the Audit and Risk Committee, reviewed the Company's risk management framework during the financial year and satisfied itself that the framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.

The Company does not have a separate internal audit function, Having regard to the size and scale of the Company's operations and the size of its finance team, the Board does not consider a standalone internal audit function to be warranted. The Board evaluates and continually seeks to improve the effectiveness of the Company's risk management and internal control processes through direct oversight by the Audit and Risk Committee, review of the risk register, management representation, the annual review of the insurance program, and matters raised by the external auditor in the course of the half-year review and the annual audit.

The Company has material exposure to environmental and social sustainability risks. Those exposures, and the manner in which the Company manages them, are described in the Environmental Risk, Climate Change Risk and Health, Safety and Social Sustainability Risk entries in the table below.

The Company's material exposures to risk, and how the Company responds to and manages these risks, are detailed below. The risks described are not exhaustive, are not listed in order of significance, and should be read together with the Directors' Report and the financial statements, including the going concern disclosures at Note 2. Additional risks not currently known to the Company, or which the Company presently considers immaterial, may also adversely affect its operations, financial position and prospects.

Material Risks	Risk Management Approach
Going Concern and Liquidity Risk The Company is pre-revenue and depends on external funding to meet its corporate overheads, permit commitments and its share of joint operation costs. The Company's cash resources at the date of this report are not sufficient to fund its planned activities for the twelve months from the date of this report without additional funding, the recovery of amounts owing from its joint operation partner, or the completion of one or more asset-level transactions. There is no assurance that funding will be available when required or on acceptable terms. If sufficient funding is not obtained, the Company may be required to further curtail or suspend activities, dispose of assets on unfavourable terms, relinquish permits, or may be unable to pay its debts as and when they fall due. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.	The Board receives and reviews rolling cash flow forecasts monthly, modelled across a range of funding scenarios and measured against a minimum liquidity buffer set by the Board. The Company has materially reduced its cost base, placed field operations on care and maintenance and deferred discretionary expenditure. It is pursuing several funding pathways in parallel, with the primary focus being an asset-level farm-down and the introduction of a new participant The Directors' assessment of the going concern basis of preparation, and the matters taken into account in reaching it, is set out in Note 2 to the financial statements, as well as the subsequent events disclosure in Note 28 to the financial statements.

Material Risks	Risk Management Approach
Cuba Country Risks The Company's main operations currently are in Cuba. As a result, Melbana is exposed to the political, economic, environmental and other risks and uncertainties associated with operating there. Cuba remains subject to sanctions imposed by the United States which have been reinforced under the current Trump administration, and while they remain in place, access to equipment and personnel of United States origin in support of operations in Cuba is restricted. These sanctions also restrict access to the project financing, banking and insurance markets of the United States and may also impact the Company's ability to sell and transport abroad to the United States any oil discovered there. The Company cannot guarantee that the Cuban Government will maintain its current policies toward the oil and gas sector, foreign investment, profit repatriation or international oil trade, and changes could adversely affect the Company's operations or ownership interests.	The United States is the only country that maintains sanctions against Cuba, and these only apply to people and corporations subject to the laws of the United States. The Company is domiciled in Australia and is therefore not subject these sanctions. Australia does not have sanctions against Cuba. To ensure it does not fall within the scope of the United States' sanctions against Cuba, the Company has structured its international banking, operations and insurance relationships in countries other than the United States. These countries also afford the Company an avenue to sell and transport any oil that will be produced in the future. In relation to its Cuban operations, the Company also does not transact with United States persons, source or use prohibited goods originating or manufactured in the United States or conduct any transaction in United States Dollars. The Company monitors the country risk of operating in Cuba and keeps appraised of the status of the United States' Cuba sanctions.
Sanctions and Counterparty Designation Risk Counterparties relevant to the Company's Cuban operations including state-owned entities with which the Company must deal in order to conduct those operations, have been designated by the United States as Specially Designated Nationals. Although the Company is not a United States person, dealings with designated entities may expose the Company and its officers to the risk of designation, to restrictions to access international banking, insurance, equipment and technical services, and to reluctance on the part of counterparties, financiers and service providers to transact with the Company. Any transaction involving a United States person, United States-origin goods or services, or the United States financial system requires authorisation from the United States Office of Foreign Assets Control. There is no assurance that an application for a licence or other authorisation will be granted, granted within a timeframe that supports the Company's plans, or granted on the scope sought. Changes to the sanctions program are outside the Company's control and may occur without notice.	The Company has completed and documented sanctions screening across the counterparties relevant to its operations and repeats that screening periodically and before entering into new agreements. It engages appropriately qualified advisers, structures its banking, insurance and procurement outside the United States financial system and does not deal in United States Dollars in connection with its Cuban operations. Where a proposed transaction requires authorisation by the United States, the Company has applied and will continue to pursue the necessary licence and does not proceed with relevant activity until authorisation is obtained. The Board is briefed on material developments in the sanctions program and their implications for the Company's plans, funding and asset carrying values.

Governance and Risk

continued

Material Risks	Risk Management Approach
Counterparty Credit and Recovery Risk The Company is exposed to the failure of counterparties to meet their obligations, including the failure of a joint operation partner to fund cash calls under a joint operating agreement in a timely manner that will not result in a disruption to operations. The Company's joint operating partner has not met cash calls when due and substantial amounts remain outstanding. Recovery of those amounts depends on continued negotiation, the financial capacity of the counterparty and the practical enforceability of contractual remedies in the relevant jurisdictions. The amounts ultimately recovered may be materially less than the amounts owing, may be received later than assumed, or may not be recovered at all. Delays or shortfalls in recovery increase the Company's funding requirement.	The Company monitors cash calls and outstanding balances continuously and maintains detailed supporting records, including interest accruals and payment allocation records, to support recovery. It has pursued the default remedies available under the joint operating agreement and continues to negotiate settlement while preserving its contractual rights, with legal advice obtained in the relevant jurisdictions. Recoveries are not assumed in the Company's cash flow forecasts until receipt is reasonably certain, and the going concern and impairment assessments are prepared on scenarios that do not depend on full recovery.
Permits and Tenure Risks All licences, permits and production sharing contracts in which the Company has interests are subject to renewal and completion of minimum work conditions which will be at the discretion of relevant organs of government in the countries in which it operates. The maintenance of licences and permits, obtaining renewals or getting licences and permits granted often depends on the Company being successful in obtaining required statutory approvals for proposed activities and/or satisfying the various financial obligations associated with the ongoing maintenance of such licences and permits, amongst other obligations. Where the Company is unable to fund minimum work commitments, licences and permits may be forfeited or renewals refused, resulting in the loss of the associated asset and its carrying value.	The Company actively monitors the obligations in all its licenses, permits and production sharing contracts. There is in place an established process to determine whether licenses and permits are retained, extended, or surrendered after considering the overall value of the license or permit to the Company's portfolio as a whole and therefore decide whether capital should be allocated to those permits. Where funding or operational constraints affect the Company's ability to meet a work commitment, the Company engages with the relevant regulator early and, and where available, applies for suspension, extension or variation of the commitment rather than allowing a default to occur.
Disputes and Litigation Risk The company is in negotiation with its operating partner in relation to amounts owing under the joint operating agreement. The Company may become involved in further legal proceedings. Any significant or costly dispute or litigation, including proceedings in jurisdictions where enforcement of a judgement or award is uncertain, could adversely impact the value of its assets, financial performance or reputation, and could absorb management time and financial resources.	The Company maintains robust contractual and governance frameworks, obtains legal advice on key agreements, and implements compliance and risk-management practices designed to prevent and promptly address disputes. The Company manages contractual risk through arbitration clauses in established centres such as London, although enforcement and recovery risks remain. Material disputes are reported to the Board and, where the recognition criteria are met, provisions or contingent liability disclosures are made in accordance with AASB 137 Provision, Contingent Liabilities and Contingent Assets.
Tax Risk The Company is subject to taxation, royalties and other imposts in Australia and other jurisdictions where it operates. It currently benefits from concessionary tax arrangements in Cuba; however, there is no assurance these concessions will remain in place or extend beyond their current agreed periods. Any changes in tax laws, government royalty policies, or their interpretation or enforcement whether in Australia, Cuba or elsewhere could increase the Company's effective tax rate, reduce cash flows and profitability, or adversely affect project economics.	The Company actively monitors taxation and royalty regimes in all jurisdictions of operation and investment, engages specialist tax and legal advisers, and structures its operations to comply with applicable laws while optimising available incentives. Financial forecasts incorporate tax and royalty sensitivity analyses, and the Company maintains constructive engagement with relevant tax authorities to help anticipate and manage potential changes. These measures aim to limit the financial impact of any adverse changes, though some residual risk remains.

Material Risks	Risk Management Approach
Schedule Risk The timing of the Company's planned activities may be affected by factors beyond its control, including adverse weather, government actions or delays, industrial action, availability of key equipment, and the actions or funding delays of joint venture partners. Regulatory approvals and permitting in Cuba may also result in drilling or project delays, potentially impacting schedules and costs.	The Company incorporates schedule contingencies and flexible project planning into its programs, engages early and regularly with regulators, and maintains strong relationships with contractors, suppliers and joint venture partners to minimise potential delays. Critical equipment procurement and logistics are closely managed, and alternative suppliers and schedules are assessed to reduce the impact of unforeseen disruptions.
Joint Operations Risk The Company is party to a joint operation arrangement and may enter into further joint operations. Although The Company has sought, and will seek, to protect its interests, existing and future joint operations necessarily involve special risks., including but not limited to inconsistent goals with joint operations partners and potential reputational risk by association to a partner. Partners may also be unable or unwilling to fulfill their obligations under the joint venture or other agreements, such as contributing capital to exploration, expansion or maintenance projects. This risk has crystallised in the Company's existing joint operation, where the partner has not met cash calls when due. As operator, the Company may be required to fund a defaulting partner's share in order to preserve the underlying contract, or to suspend activity, either of which may have a material adverse effect on the Company's liquidity and on the value of the asset.	The Company has a clearly structured process of contracting with third parties. In addition, The Company will only participate in joint operations where it has a real influence in the operation and is not a dormant partner. The existing Joint Operation the company is the operator and therefore drives execution and oversight of the joint operation. Where a partner defaults, the Company enforces the default provisions available to it under the joint operating agreement, re-phases the work program and expenditure to what the joint operation can fund, and keeps the relevant regulator and contract counterparty informed. All future Joint operations will continue to be structured in a manner that ensures an appropriate level of control and direction.
Funding Risks 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 all The Company's future business activities will in fact be met without future borrowings or further capital raisings, and whether such funding will be available and on terms acceptable to the company.	The Company actively manages its capital structure and funding requirements and maintains a rolling forecast of its funding needs against committed and contingent obligations. It has and continues to pursue multiple funding pathways, including asset-level farm-downs, debt and convertible instruments, and the issue of additional equity securities so that it is not dependent on any single source. Discretionary expenditure is carefully controlled and programs re-phased where funding is not secured The Company's liquidity position and the Directors' going concern assessment are set out in the Directors' Report and in Note 2 to the financial statements.
Drilling Risks 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 Company's operations, and its financial results should any of these hazards be encountered.	The Company manages drilling hazards through rigorous well design and planning, independent technical reviews, engagement of experienced contractors, continuous real-time well monitoring, and strict adherence to recognised HSE standards. It maintains insurance cover considered appropriate for its operations and regularly reviews emergency response plans and critical equipment to minimise downtime. These measures materially reduce the likelihood and potential impact of incidents, though a residual risk of operational or financial disruption remains.

Governance and Risk

continued

Material Risks	Risk Management Approach
Exploration Risks Development of the Company's petroleum exploration permits is contingent upon securing funding and obtaining satisfactory exploration results. Petroleum exploration and development is expensive and risky, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate.	The Company's corporate strategy has defined limits for how much risk it will assume from any one single exploration activity on a sole risk basis, beyond which it will bring in partners to participate in the exploration. This capital allocation discipline combined with best-in-class technical expertise and resources is the most practical mitigant to this risk.
Development Risk The Company's development projects may be delayed, suspended or fail for a range of reasons, including unanticipated financial, operational or political events; failure to obtain required government approvals or reach a final investment decision; cost overruns or increases in construction and operating costs; sustained declines in petroleum prices or demand; equipment or labour shortages; technical or reserves-related concerns affecting deliverability; contractual issues in securing sales contracts for petroleum products or engineering, procurement and construction services; and community or industrial actions. Counterparty defaults under sales or construction contracts could also adversely affect project economics. Any of these factors may materially impact the timing, cost and commercial viability of the Company's development projects.	The Company undertakes comprehensive planning and feasibility studies and seeks early and ongoing engagement with regulators to secure necessary approvals. Staged investment decisions and rigorous project management, including independent technical and financial reviews, are applied to control cost and schedule risk. Experienced contractors are engaged under clearly defined contracts, with contingency allowances and risk-sharing provisions where appropriate. The Company monitors market conditions to adjust development timing, diversifies sales and offtake arrangements to limit counterparty exposure, and maintains strong stakeholder and community relationships to reduce potential disruption. These measures are designed to reduce the likelihood and impact of delays or cost escalation, though a residual risk remains.
Production Risk The Company's petroleum exploration, development and production activities are subject to a range of operational and technical risks. These include damage to or failure of petroleum properties, production facilities or critical equipment; personal injury; environmental incidents and associated legal liability; and unanticipated operational or technical difficulties. Ongoing production or staged expansion projects may not proceed as planned, leading to delays in targeted production or failure to achieve expected production levels. Such delays, or cost overruns in capital or operating budgets, may create additional funding requirements and result in unplanned equity or debt raisings. Mechanical breakdowns, supply-chain interruptions and other external factors beyond the Company's control may further impact operations and project economics. The Company's field operations are currently suspended. Extended suspension may result in deterioration of wells and facilities, loss of skilled personnel and contractor availability, and additional cost and lead time to restart. The Company may not be able to resume operations at the time, or on the terms, it currently expects.	The Company applies rigorous engineering and maintenance programs, independent technical reviews and real-time operational monitoring to reduce the likelihood and impact of equipment failures or unplanned downtime. Comprehensive HSE standards, emergency response plans and appropriate insurance coverage provide further protection against environmental and legal exposures. Expansion projects undergo detailed feasibility, cost and schedule reviews with contingencies built into budgets, and are managed by experienced contractors under well-defined contracts to minimise overruns. Funding requirements are regularly stress-tested, with multiple financing options maintained to support continued operations if unforeseen delays or cost increases occur. While these measures materially reduce operational and financial risk, some residual risk remains. While operations are suspended, the Company maintains preservation and integrity monitoring over wells and facilities, retains key technical personnel and contractor relationships, and periodically reassesses the cost and lead time to restart. While these measures materially reduce operational and financial risk, some residual risk remains.

Material Risks	Risk Management Approach
Reserves and Resources Risk Estimates of Reserves, Contingent Resources and Prospective Resources are based on limited sampling, are not precise and no assurance can be given that these reserves or resources will be recovered during production. Production estimates, in addition to being dependent on the above reserve and resource estimates and the risks associated therewith, are further reliant on, among other things, recovery rates. These uncertainties could result in lower production, restatement of Reserves, increased funding needs and adverse impacts on cash flow, profitability and overall project economics.	The Company has a Reserves Committee that is responsible for establishing and reviewing reserve and resource estimates for the Company's portfolio of prospects. The members of this Committee, and the Company's geoscientists that prepare estimates for this Committee, are experienced professionals with suitable formal qualifications and decades of relevant experience in the oil and gas sector preparing such estimates in accordance with relevant international norms and standards. The recommendations of this Committee are overseen at Board level by competent persons and, where appropriate, independent external certifiers are used to review internal estimates.
Asset Carrying Value and Impairment Risk The Company's exploration and evaluation assets are carried at cost and are assessed for impairment indicators under AASB 6 Exploration for and Evaluation of Mineral Resources and, where relevant, AASB 136 Impairment of Assets. Carrying values depend on assumptions about future funding, the continued right to explore in the relevant area, expected commodity prices, discount rates, the timing and cost of development, and the ability to obtain the regulatory approvals necessary to commercialise a discovery. A change in any of those assumptions including a failure to secure funding, a loss of tenure, or a change in the sanctions position affecting the Company's ability to commercialise its Cuban interests may result in an impairment charge that is material to the Company's reported result and net asset position and may in turn affect the Company's borrowing capacity and market perception.	The Company assesses impairment indicators at each reporting date and prepares supporting assessments documenting the basis for the carrying value of each asset, including sensitivity to the key assumptions. Those assessments are reviewed by the Audit and Risk Committee and are subject to external audit. Where impairment indicators are identified, the recoverable amount is estimated, and any write-down is recognised in the period in which it is identified.
Commodity Price Risk The profitability of the Company's operations is directly linked to commodity prices, particularly oil. These prices fluctuate widely and are influenced by global supply and demand, currency exchange rates, interest rates, inflation expectations, weather conditions, availability of alternative fuels, government and cartel actions, and production levels in key regions–factors largely beyond the Company's control. Sustained price declines could adversely affect project economics, cash flows and the Company's ability to finance exploration, development and production activities.	The Company incorporates conservative price assumptions and sensitivity analyses into project planning and financial forecasts and maintains flexibility to adjust capital expenditure and development schedules in response to market conditions. Where appropriate, the Company may use commodity price hedging and diversified offtake and sales arrangements to help stabilise cash flows. Prudent cost management and disciplined capital allocation further strengthen the Company's ability to withstand commodity price volatility, though some residual exposure remains.
Foreign Exchange Risk The Company reports in Australian dollars but incurs costs and receives amounts in other currencies, principally Canadian dollars and euros. Movements in exchange rates affect the Australian dollar value of the Company's cash, receivables and payables, the cost of its work programs, and the amounts ultimately realised from asset transactions and from the recovery of amounts owing to it. The Company's inability to transact in United States dollars in connection with its Cuban operations limits its choice of settlement currency and may result in additional conversion costs and exposure.	The Company monitors its currency exposures and, where practicable, holds cash in the currencies in which it expects to incur costs so as to provide a natural hedge. Currency sensitivity is incorporated into cash flow forecasts and project economics. The Company does not enter into speculative currency derivatives. Where a material committed exposure arises, the Board considers whether hedging that exposure is appropriate. The Company's exposure at the reporting date is set out in the financial instruments note to the financial statements.

Governance and Risk

continued

Material Risks	Risk Management Approach
Environmental Risk The Company's oil and gas exploration, development and production activities carry inherent environmental risks, including accidental spills, leaks or other incidents that could cause environmental harm. Such events may result in substantial rehabilitation and remediation costs, third-party claims and regulatory penalties, even when operations are conducted in compliance with environmental laws and regulations.	The Company operates under strict environmental management systems and complies with all applicable environmental laws and permit conditions. Regular monitoring, maintenance and emergency response planning are in place to prevent and contain spills or leaks, and staff and contractors receive training in environmental protection and incident response. Insurance and ongoing engagement with regulators and local stakeholders further reduce potential financial and reputational impacts, though some residual risk remains.
Climate Change Risk The Company's operations and financial performance may be affected by both the physical impacts of climate change and by evolving legislation and regulation addressing greenhouse gas emissions. Potential measures include carbon pricing, emission limits, stricter permitting requirements and mandatory reporting, which could raise energy and production costs, reduce profitability and constrain future development opportunities. Regulation of greenhouse gas emissions in jurisdictions where the Company or its customers operate, combined with shifting market sentiment and reduced investment appetite for hydrocarbon projects, may also limit access to capital or offtake opportunities and negatively affect project economics.	The Company incorporates climate-related physical and regulatory risks into strategic and operational planning. Site selection, facility design and maintenance programs factor in resilience to extreme weather, flooding and temperature variations, while business continuity and emergency response plans are regularly tested. Carbon and energy cost scenarios are embedded in long-term financial models, and operational practices aim to improve energy efficiency and reduce emissions. The Company monitors the phase-in of mandatory climate-related financial disclosure under AASB S2 Climate-related Disclosures and is assessing the reporting group and commencement date applicable to it. The Company also engages with regulators, industry groups and investors to stay ahead of evolving policy and market expectations. These actions help reduce exposure to both physical and regulatory climate-related risks, though some residual risk remains.
Health, Safety and Social Sustainability Risk The Company's activities expose its personnel, contractors and the communities near its operations to health and safety hazards. A serious incident could result in injury or loss of life, regulatory action, liability, suspension of operations and reputational damage. The Company also operates in a jurisdiction where labour, community and human rights expectations differ from those in Australia, and where it relies on local contractors and a state counterparty over whose practices it has limited control. Failure to maintain the support of host governments, regulators and local communities, or an adverse finding in relation to labour or human rights practices in the Company's supply chain, could disrupt operations, restrict access to capital and damage the Company's reputation.	The Company applies health, safety and environment standards to its own operations and requires contractors to comply with them, supported by induction, training, incident reporting and investigation, and emergency response planning. Health and safety performance is reported to the Board. The Company engages directly and regularly with host governments, regulators and local communities, applies its Code of Conduct and its anti-bribery and corruption policy to all personnel and contractors, and conducts due diligence on contractors and counterparties before engagement.
Key Personnel Risk The Company operates with a small executive and technical team and depends on a limited number of individuals for its technical, commercial, financial and governance functions. The loss of one or more of those individuals, or an inability to attract or retain suitably qualified people which may be exacerbated by the Company's funding position, by measures taken to reduce or defer remuneration, and by the specialised nature of operating in Cuba could delay the Company's programs, weaken its internal control environment and adversely affect its performance.	The Board monitors the Company's resourcing and succession requirements and the concentration of knowledge within the team. Key processes, records and technical data are documented so that they are not dependent on any single individual, and specialist external advisers are engaged to supplement in-house capability where required. Remuneration arrangements are structured, within the Company's means, to retain critical personnel.

Material Risks	Risk Management Approach
Cyber Security and Information Risk The Company depends on information technology systems and third-party service providers to operate its business and to hold commercially sensitive technical, financial and personal information. A cyber incident, system failure or data breach could result in loss or corruption of data, disclosure of confidential information, disruption to operations, regulatory action under privacy legislation, financial loss including through payment redirection fraud, and reputational damage. The risk of targeted attack and of payment fraud is heightened where the Company transacts internationally.	The Company maintains access controls, multi-factor authentication, managed email and endpoint protection, and backup arrangements through established service providers. Payment authorisations require dual approval, and changes to counterparty banking details are verified independently of the request that initiated them. Personnel receive periodic awareness training. The Board is informed of material incidents and of changes to the Company's control environment.
Securities and Continued Listing Risk The Company's securities are quoted on ASX and their market price is affected by factors beyond the Company's control, including general market conditions, commodity prices, investor sentiment towards small capitalisation exploration companies, and the level of trading liquidity in the Company's securities. The Company's securities may be suspended from quotation, or its listing removed, where it is unable to satisfy the ASX Listing Rules, including the requirements for continued quotation. A suspension may restrict the ability of shareholders to trade their securities and may limit the Company's ability to raise capital.	The Company maintains a continuous disclosure policy and supporting procedures, with disclosure decisions made by the Board and the Company Secretary and advice obtained where the disclosure position is uncertain. The Company engages with ASX proactively where a matter may affect the quotation of its securities and requests a trading halt or voluntary suspension where that is necessary to preserve an informed market. Compliance with the ASX Listing Rules is a standing item for the Board.
War, Terrorism, and Natural Disaster Risks Geopolitical instability, acts of terrorism, government intervention, trade restrictions, sanctions, and natural disasters such as earthquakes, floods or severe weather can disrupt energy markets, supply chains and trade routes. These events may increase commodity price volatility, restrict access to capital or insurance, and materially impact the Company's operations, financial performance and long-term objectives.	The Company monitors global geopolitical and climate developments, diversifies key suppliers and logistics where possible, and maintains contingency and business continuity plans to limit operational disruption. Insurance cover is reviewed to address political and natural disaster risks, and financial models incorporate sensitivity analyses for commodity price and supply interruptions. While these measures reduce exposure, such external events remain largely outside the Company's control.

Governance and Risk

continued

Notes regarding Contingent and Prospective resource estimates

1. **Prospective Resources Cautionary Statement** – The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Future exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially moveable hydrocarbons. All Prospective Resource volumes presented have been calculated in accordance with Guidelines issued by the Society of Petroleum Engineers in the Petroleum Resource Management System (2018) using probabilistic methods, except totals which are arithmetic.
2. The information that relates to Prospective Resources for Melbana is based on, and fairly represents, information and supporting documentation compiled by Peter Stickland, a director of Melbana. Mr Stickland B.Sc. (Hons) has over 30 years of relevant experience, is a member of the European Association of Geoscientists & Engineers and the Petroleum and Exploration Society of Australia, and consents to the publication of the resource assessments contained herein. The Prospective Resource estimates are consistent with the definitions of hydrocarbon resources that appear in the Listing Rules.
3. Total Liquids = oil + condensate
4. 6 Bcf gas equals 1 MMboe; 1 MMbbl condensate equals 1 MMboe
5. Melbana's share can be derived by pro-rating the resource ranges by its percentage equity

This report is made in accordance with a resolution of the Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001 (Cth).*

On behalf of the Directors

Andrew Purcell
Executive Chairman

29 September 2026

Auditors' Independence Declaration

Sydney | Melbourne | Canberra

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF MELBANA ENERGY LIMITED AND CONTROLLED ENTITIES
ABN 43 066 447 952

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Melbana Energy Limited and controlled entities.

As the auditor for the audit of the financial report of Melbana Energy Limited and controlled entities for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

i. the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

MNSA Pty Ltd

MNSA Pty Ltd

Allan Facey
Director

Sydney
Dated this 29th of September 2026

MNSA Pty Ltd
ABN 59 133 605 400

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Sydney NSW 2000
GPO Box 2943 Sydney 2001

Tel (02) 9299 0901
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Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2026

	Note	30-June-26 $	30-June-25 $
Other income	5	**17,731**	63,597
Interest income		**45,397**	171,871
Expenses			
Consultants fees and expenses		**(934,523)**	(1,043,345)
Employee benefits expenses		**(1,369,194)**	(1,126,248)
Administration and other expenses		**(422,733)**	(663,410)
Audit, tax and other compliance related costs		**(109,285)**	(126,526)
Securities exchange, share registry and reporting costs		**(288,687)**	(194,619)
Operating lease and outgoing expenses		**(236,114)**	(265,190)
Investor relations and corporate promotions costs		**(38,070)**	(41,588)
Travel costs		**(24,710)**	(166,217)
Depreciation expense		**(196,554)**	(5,892)
Share based payment expense		**(92,744)**	(281,218)
Inventory write down Block 9	11	**(10,765,842)**	–
Impairment loss Block 9	6	**(35,739,556)**	–
Foreign exchange loss		**(5,832)**	(329,559)
Finance costs	7	**(60,107)**	(143,102)
Profit/(loss) before income tax expense		**(50,220,823)**	(4,151,446)
Income tax expense	8	**–**	–
Profit/(loss) after income tax expense for the year attributable to the owners of Melbana Energy Limited		**(50,220,823)**	(4,151,446)
Other comprehensive incomes			
Items that will not be reclassified subsequently to profit or loss			
Profit/(loss) on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		**–**	–
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		**(624,399)**	3,783,082
Other comprehensive income/(loss) for the year, net of tax		**(624,399)**	3,783,082
Total comprehensive income/(loss) for the year attributable to the owners of Melbana Energy Limited		**(50,845,222)**	(368,364)

		Cents	Cents
Basic earnings per share	30	**(1.35)**	(0.12)
Diluted earnings per share[15]	30	**(1.35)**	(0.12)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

15 As the Group incurred a loss for the period, potential ordinary shares are considered anti-dilutive and therefore diluted loss per share is equal to basic loss per share. Accordingly, 436,764,704 options and 48,010,695 performance rights with unsatisfied conditions at the reporting date were excluded from the calculation of diluted loss per share.

Consolidated Statement of Financial Position

as at 30 June 2026

	Note	30-June-26 $	30-June-25 $
Assets			
Current assets			
Cash and cash equivalents	9	**472,504**	5,115,674
Trade and other receivables	10	**217,922**	260,996
Inventories	11	**–**	12,694,187
Receivables from former joint operating partner	16	**22,654,175**	12,897,075
Total current assets		**23,344,601**	30,967,932
Non-current assets			
Property, plant and equipment	12	**–**	1,358,524
Deposits		**128,027**	150,593
Exploration and evaluation	13	**3,798,807**	47,690,555
Total non-current assets		**3,926,834**	49,199,672
Total assets		**27,271,435**	80,167,604
Liabilities			
Current liabilities			
Trade and other payables	14	**14,858,074**	5,729,318
Provisions	15	**661,707**	1,101,605
Contract liabilities	16	**–**	17,410,350
Total current liabilities		**15,519,781**	24,241,273
Total liabilities		**15,519,781**	24,241,273
Net assets		**11,751,654**	55,926,331
Equity			
Issued capital	17	**326,921,080**	320,473,026
Reserves	18	**2,709,000**	3,486,746
Accumulated losses		**(317,878,426)**	(268,033,441)
Total equity		**11,751,654**	55,926,331

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated Statement of Changes in Equity

for the year ended 30 June 2026

	Issued Capital $ Note 17	Share based payment reserve $ Note 18	Other reserves $ Note 18	Accumulated losses $	Total equity $
Balance at 1 July 2024	**320,473,026**	**687,702**	**(1,132,945)**	**(264,096,615)**	**55,931,168**
Profit after income tax expense for the year		–	–	(4,151,446)	(4,151,446)
Total comprehensive income for the year, net of tax	–	–	–	(4,151,446)	(4,151,446)
Issue of performance rights	–	545,838	–	–	545,838
Performance rights lapsed	–	(396,930)	–	214,620	(182,310)
Foreign currency translation reserve	–	–	3,783,082	–	3,783,082
Balance at 30 June 2025	**320,473,026**	**836,610**	**2,650,137**	**(268,033,441)**	**55,926,331**

	Issued Capital $ Note 17	Share based payment reserve $ Note 18	Other reserves $ Note 18	Accumulated losses $	Total equity $
Balance at 1 July 2025	**320,473,026**	**836,610**	**2,650,137**	**(268,033,441)**	**55,926,331**
Profit after income tax expense for the year		–	–	(50,220,823)	(50,220,823)
Total comprehensive income for the year, net of tax	–	–	–	(50,220,823)	(50,220,823)
Issue of fully paid ordinary shares	7,000,000	–	–	–	7,000,000
Share issue costs	(422,200)	–	–	–	(422,200)
Broker's options issued as placement consideration	(129,746)	129,746	–	–	–
Issue of performance rights	–	249,343	–	–	249,343
Performance rights lapsed	–	(532,437)	–	375,838	(156,599)
Foreign currency translation reserve	–	–	(624,399)	–	(624,399)
Balance at 30 June 2026	**326,921,080**	**683,262**	**2,025,738**	**(317,878,426)**	**11,751,654**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows

for the year ended 30 June 2026

	Note	30-June-26 $	30-June-25 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST) excluding capitalised exploration and evaluation costs		**(3,987,479)**	(3,623,620)
Net cash used in operating activities	29	**(3,987,479)**	(3,623,620)
Cash flows from investing activities			
Payments for exploration and evaluation inventory		**–**	(12,060,045)
Payments for property, plant and equipment		**–**	(1,364,534)
Payments for capitalised exploration and evaluation expenditure		**(15,984,724)**	(33,281,466)
Interest received		**45,397**	213,547
Receipts from former joint operating partner		**9,174,312**	42,695,821
Net cash used in investing activities		**(6,765,015)**	(3,796,677)
Cash flows from financing activities			
Issue of fully paid ordinary shares in placement		**7,000,000**	–
Capital raising costs		**(464,420)**	–
Net cash provided by financing activities		**6,535,580**	–
(Decrease) in cash and cash equivalents		**(4,216,914)**	(7,420,297)
Cash and cash equivalents at the beginning of the financial year		**5,115,674**	12,322,890
Effects of exchange rate changes on cash and cash equivalents		**(426,256)**	213,081
Cash and cash equivalents at the end of the financial year	9	**472,504**	5,115,674

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Notes to the Consolidated Financial Statements

for the year ended 30 June 2026

Note 1. General information

The financial statements cover Melbana Energy Limited as a Consolidated Entity consisting of Melbana Energy Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Melbana Energy Limited's functional and presentation currency.

Melbana Energy Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are disclosed on the Corporate Summary accompanying these financial statements.

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 29 September 2026. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

The financial report has been prepared on the going concern basis, which assumes the continuation of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

At 30 June 2026, the Consolidated Entity:

- incurred a net loss after tax of $50,220,823 (2025: $4,151,446);
- had, net cash outflows from operating, investing and financing activities of $4,216,914 (2025: $7,420,297);
- had cash and cash equivalents of $472,504 (2025: $ 5,115,674); and
- had a net current assets of $7,824,820 (2025: 6,726,659)

The loss was significantly affected by non-cash impairment charges associated with Block 9. The net current asset position also included material amounts receivable from the Consolidated Entity's joint operation partner and therefore did not wholly represent immediately available cash.

Subsequent to year-end, the Consolidated Entity received an aggregate of $14,458,712 from its former joint operation partner in partial settlement of outstanding amounts. These receipts have strengthened the Consolidated Entity's liquidity and have been incorporated in the Directors' going concern assessment.

The Directors have prepared cash flow forecasts covering at least 12 months from the date of this report. These forecasts incorporate the post-year-end receipts and forecast corporate and asset-preservation expenditure. All current work commitments for Block 9 have been satisfied and there is no current commitment to undertake further appraisal or development activities. While operations remain suspended, expenditure will be limited to that necessary to preserve the value of the asset.

Further appraisal and development will, however, be required to advance Block 9 towards commercial development and realise its potential value. Any further work program will proceed only when the necessary funding and approvals have been secured.

Potential funding sources include:

- recovery of further amounts from the joint operation partner;
- participation by new project partners, including through a farm-out or partial disposal of the Consolidated Entity's interest;
- debt, project or strategic investor funding;
- additional equity through a placement, entitlement offer or other issue of securities;
- asset-level or broader corporate transactions; and
- monetisation of the Consolidated Entity's share of future oil production, subject to the required regulatory approvals.

The timing and outcome of these funding initiatives are not wholly within the Consolidated Entity's control. Together with the loss and cash outflows incurred during the year, the low cash balance at 30 June 2026 and the need for additional funding to progress Block 9, these conditions give rise to a material uncertainty that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern and, therefore, to realise its assets and discharge its liabilities in the ordinary course of business.

Notwithstanding this material uncertainty, the Directors consider the going concern basis appropriate, having regard to the post-year-end receipts, net current asset position, satisfaction of all current work commitments, ability to defer discretionary expenditure and range of funding options available. The Directors therefore have a reasonable expectation that the Consolidated Entity will be able to meet its obligations as and when they fall due for at least 12 months from the date of this report.

Note 2. Significant accounting policies (continued)

The financial report does not include any adjustments to the recoverability or classification of assets, or the amounts or classification of liabilities, that may be necessary if the Consolidated Entity is unable to continue as a going concern.

Basis of preparation

These general purpose consolidated financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policy information adopted in the preparation of these financial statements is presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Melbana Energy Limited ('Company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. Melbana Energy Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 26.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Note 2. Significant accounting policies (continued)

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred at fair value;
(ii) any non-controlling interest (determined under either the fair value or proportionate interest method); and
(iii) the acquisition-date fair value of any previously held equity interest over the acquisition-date fair value of any identifiable assets acquired and liabilities assumed.

The acquisition-date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (ie reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9: Financial Instruments, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination. Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the Parent Entity's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except exchange differences that arise from net investment hedges.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Note 2. Significant accounting policies (continued)

Group Companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at exchange rates on the date of transaction; and
- all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position and allocated to non-controlling interest where relevant. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

Revenue recognition

The Consolidated Entity recognises revenue as follows:

Other income

Other income is recognised when it is received or when the right to receive payment is established.

Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government Grants

Government grants are recognised in the financial statements at expected values or actual cash received when there is a reasonable assurance that the Consolidated Entity will comply with the requirements and that the grant will be received.

Income tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Note 2. Significant accounting policies (continued)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised, unless the deferred tax asset relating to temporary differences arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

To the extent that uncertainty exists as it relates to the acceptability by a taxing authority of the company's tax treatments, the company estimates the probability of acceptance by the taxing authority and, where acceptance is not probable, recognises the expected value of the uncertainty in either income tax expense or other comprehensive income, as appropriate.

Tax consolidation

The company and its wholly-owned Australian resident entities have formed a tax-consolidated Group and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated Group is Melbana Energy Limited. The members of the tax-consolidated Group are identified in Note 26. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated Group are recognised in the separate financial statements of the members of the tax-consolidated Group using the "separate taxpayer within group" approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated Group are recognised by the Company (as head entity in the tax-consolidated Group). Due to the existence of a tax funding arrangement between the entities in the tax-consolidated Group, amounts are recognised as payable to or receivable by the Company and each member of the Group in relation to the tax contribution amounts paid or payable between the Parent Entity and the other members of the tax-consolidated Group in accordance with the arrangement.

Financial Instruments

(i) Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

The Consolidated Entity holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in (ii) below.

(ii) Allowance for expected credit loss

The Consolidated Entity applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

(iii) Trade and other payables

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Note 2. Significant accounting policies (continued)

(iv) Loans and borrowings

Loans and borrowings are recognised initially at fair value, being the consideration received, less directly attributable transaction costs, with subsequent measurement at amortised cost using the effective interest rate method. Any gains or losses arising from non-substantial modifications are recognised immediately in the statement of profit and loss and the financial liability continues to amortise using the original effective interest rate. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash at bank and on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to assets, and obligations for the liabilities of the joint arrangement. Joint control is the contractual agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Consolidated Entity accounts for its share of the joint operation assets, and liabilities it has incurred, its share of any liabilities jointly incurred with other ventures, income from the sale or use of its share of the joint operation's output, together with its share of the expenses incurred by the joint operation, and any expenses it incurs in relation to its interest in the joint operation.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Consolidated Entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Subsequent measurement of financial assets at fair value through other comprehensive income

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Consolidated Entity benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income (OCI). Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Consolidated Entity elected to classify irrevocably its listed equity investment under this category.

Impairment of financial assets

The Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income (only debt instruments, not equity instruments). The measurement of the loss allowance depends upon the Consolidated Entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Note 2. Significant accounting policies (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income (only debt instruments, not equity instruments), the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of materials is the purchase cost, determined on a weighted average cost basis.

The cost of crude oil is the cost of extraction, including the appropriate proportion of depreciation, depletion and amortisation and overheads based on normal operating capacity, determined on a weighted average basis.

The net realisable value of crude oil is based on the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised. A formal assessment of recoverable amount is made when impairment indicators are present

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Consolidated Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all plant and equipment including capitalised leased assets, is depreciated on a straight-line basis over the asset's useful life to the Consolidated Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired term of the lease or the estimated useful lives of the improvements. The expected useful lives of the Consolidated Group's plant and equipment range from 3 to 15 years.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. Gains shall not be classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Exploration and evaluation assets

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the period in which the decision to abandon the area is made.

Note 2. Significant accounting policies (continued)

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

Farm-outs

- The Consolidated Entity will not record any expenditure made by the farm-in partner on its behalf;
- The Consolidated Entity will not recognise a gain or loss on the farm-out arrangement but rather will redesignate any costs previously capitalised in relation to the whole interest as relating to the partial interest retained; and
- Any cash consideration to be received will be credited against costs previously capitalised in relation to the whole interest with any excess to be accounted for by the Consolidated Entity as gain on disposal.

Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Note 2. Significant accounting policies (continued)

Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Interest in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

Employee benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Note 2. Significant accounting policies (continued)

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The costs of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The costs of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Issued capital

Ordinary shares are classified as equity and paid-up capital is recognised at the fair value of the consideration received by the Consolidated Entity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 2. Significant accounting policies (continued)

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Melbana Energy Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements and key sources of estimation uncertainty

In applying the Consolidated Entity's accounting policies, which are described in Note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Consolidated Entity's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Exploration and evaluation costs

Exploration and evaluation costs are accumulated separately for each area of interest and carried forward provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development or sale; or
- exploration activities have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Significant judgement is required in determining whether it is likely that future economic benefits will be derived from the capitalised exploration and evaluation expenditure.

Impairment of exploration and evaluation assets – Cuba Block 9

Significant judgement was applied in assessing the recoverability of the exploration and evaluation asset relating to Cuba Block 9.

At 30 June 2026, the Directors identified impairment indicators arising from the suspension of operations, the joint operation partner's funding default, operational and regulatory constraints and uncertainty over the timing and funding of further appraisal and development activities. Although the Consolidated Entity retains its interest in Block 9 and all current work commitments have been satisfied, no funded work program was in place at the reporting date to support recovery of the asset's carrying amount.

Note 3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Having considered the available geological, technical, operational and commercial information, the Directors assessed the recoverable amount of the Block 9 exploration and evaluation asset as nil for financial reporting purposes. Accordingly, the asset was fully impaired at 30 June 2026.

The impairment reflects the uncertainty surrounding recoverability at the reporting date. It does not represent a conclusion that Block 9 has no geological potential or a decision to relinquish the Consolidated Entity's interest. The carrying amount will be reassessed if circumstances change, with any reversal of the impairment recognised only where supported by an increase in recoverable amount in accordance with AASB 136.

Determining useful lives of assets

The Consolidated Entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Share-based payment transactions

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Fair value measurement hierarchy

The Consolidated Entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Consolidated Entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Note 4. Operating segments

The Consolidated Entity operates in the petroleum exploration industry within Australia and Cuba.

The Board of Directors currently receive regular consolidated cash flow information as well as Consolidated Statement of Financial Position and Statement of Comprehensive Income information that is prepared in accordance with Australian Accounting Standards.

The Board does not currently receive segmented Statement of Financial Position and Statement of Comprehensive Income information. The Board manages exploration activities of each permit area through review and approval of budgets, joint venture cash calls and other operational information. Information regarding exploration expenditure capitalised for each area is contained in Note 13.

Note 5. Other income

	30-June-26 $	30-June-25 $
Accounting and company secretarial services	**17,731**	–
Disposal of out of specification material	**–**	63,597
Other income	**17,731**	63,597

Other income is recognised when it is received or when the right to receive payment is established.

Note 6. Impairment loss Block 9

	30-June-26 $	30-June-25 $
Impairment loss on surface equipment and facilities	**(1,462,484)**	–
Impairment loss on motor vehicles and trucks	**(188,657)**	–
Impairment loss on prepayment	**(59,206)**	–
Write-back of contract liability on account of project closure	**15,835,242**	–
Impairment loss on exploration and development asset Block 9	**(49,864,451)**	–
Impairment loss Block 9	**(35,739,556)**	–

Note 7. Finance costs

	30-June-26 $	30-June-25 $
Bank's fees	**60,107**	143,102
Finance Costs	**60,107**	143,102

Note 8. Income tax expense

	30-June-26 $	30-June-25 $
Numerical reconciliation of income tax expense and tax at statutory rate		
Loss before income tax expense	**(50,220,823)**	(4,151,446)
Tax at the statutory tax rate of 25%	**(12,555,206)**	(1,037,861)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-assessable non-exempt income	**–**	–
Other non-deductible expenditure	**–**	–
	(12,555,206)	(1,037,861)
Tax losses not brought to account	**–**	–
Utilisation of prior year tax losses not brought to account	**12,555,206**	1,037,861
Interest tax expense	**–**	–
Tax losses not recognised	**–**	–
Unused tax losses for which no deferred tax asset has been recognised	**197,553,614**	184,998,408
Potential tax benefit @ 25%	**49,388,404**	46,249,602

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 9. Cash and cash equivalents

	30-June-26 $	30-June-25 $
Current assets		
Cash and cash equivalents[16]	**472,504**	5,115,674

Note 10. Trade and Other receivables

	30-June-26 $	30-June-25 $
Current assets		
Other receivable	**26,152**	–
Prepayments	**89,921**	208,792
GST receivable	**101,849**	52,204
Trade and other receivables	**217,922**	260,996

Note 11. Inventories

	30-June-26 $	30-June-25 $
Current assets		
Drilling supplies and materials	**9,845,384**	12,060,045
Less: Allowance for drilling supplies and materials	**(9,845,384)**	–
	–	12,060,045
Crude inventory	**923,041**	634,142
Less: Allowance for crude inventory	**(923,041)**	–
	–	634,142
Inventories	**–**	12,694,187

Note 12. Property, plant and equipment

	30-June-26 $	30-June-25 $
Non-current assets		
Surface equipment and facilities	**1,613,349**	1,274,383
Less: Accum dep on surface equipment and facilities	**(150,514)**	–
Less: Accum impairment on surface equipment and facilities	**(1,462,835)**	–
	–	1,274,383
Motor vehicles and trucks	**234,225**	90,151
Less: Accum dep on motor vehicles and trucks	**(44,936)**	(6,010)
Less: Accum impairment on motor vehicles and trucks	**(189,289)**	–
	–	84,141
Property, plant and equipment	**–**	1,358,524

16 Includes restricted cash of $44,510 which is held in a Cuban bank impacted by US sanctions designation.

Note 12. Property, plant and equipment (continued)

Reconciliations

At Cost	Surface Equipment and Facilities $	Motor Vehicles and Trucks $	Total $
Balance at 1 July 2024	**–**	**–**	**–**
Additions	1,274,383	90,151	1,364,534
Disposals	–	–	–
Balance at 30 June 2025	**1,274,383**	**90,151**	**1,364,534**
Additions	338,966	144,074	483,040
Disposals	–	–	–
Balance at 30 June 2026	**1,613,349**	**234,225**	**1,847,574**

Accumulated Depreciation and Impairment			
Balance at 1 July 2024	**–**	**–**	**–**
Charge for the year	–	(6,010)	(6,010)
Balance at 30 June 2025	**–**	**(6,010)**	**(6,010)**
Charge for the year	(150,514)	(38,926)	(189,440)
Impairment loss for the year	(1,462,835)	(189,289)	(1,652,124)
Balance at 30 June 2026	**(1,613,349)**	**(234,225)**	**(1,847,574)**
Carrying Amount at 30 June 2026	**–**	**–**	**–**
Carrying Amount at 30 June 2025	**1,274,383**	**84,141**	**1,358,524**

Note 13. Exploration and evaluation

	Consolidated	
	30-June-26 $	30-June-25 $
Non-current assets		
Exploration and evaluation – at cost	53,675,222	47,690,555
Less: Accum impairment on exploration and evaluation Block 9	(49,876,415)	–
Exploration and evaluation	**3,798,807**	47,690,555

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Block 9 $	NT/P87 $	WA-544-P $	AC/P70 $	WA-552-P $	Total $
Balance at 1 July 2024	**41,808,305**	**519,887**	**398,514**	**2,168,123**	**–**	**44,894,829**
Additions	2,292,152	53,075	37,918	396,665	15,916	2,795,726
Disposals	–	–	–	–	–	–
Balance at 30 June 2025	**44,100,457**	**572,962**	**436,432**	**2,564,788**	**15,916**	**47,690,555**
Additions	5,775,958	14,766	15,256	96,967	81,720	5,984,667
Impairment loss Block 9	(49,876,415)	–	–	–	–	(49,876,415)
Balance at 30 June 2026	**–**	**587,728**	**451,688**	**2,661,755**	**97,636**	**3,798,807**

Note 13. Exploration and evaluation (continued)

Significant judgement is required in assessing whether future economic benefits are likely to be derived from capitalised exploration and evaluation expenditure and whether any indicators of impairment exist.

At 30 June 2026, the Directors assessed each area of interest separately, having regard to tenure, exploration results, planned and budgeted activities, funding and other commercial considerations. For each area of interest other than Cuba Block 9 where costs continue to be carried forward, the Directors concluded that the relevant capitalisation criteria remained satisfied and no impairment indicators were identified.

Cuba Block 9 was assessed separately. Impairment indicators were identified arising from the suspension of operations, the joint operation partner's funding default, operational and regulatory constraints and uncertainty over the timing and funding of further appraisal and development activities. Although the Consolidated Entity retains its interest in Block 9 and all current work commitments have been satisfied, there was no funded work program or current commitment to undertake further appraisal or development at the reporting date. The Directors assessed the recoverable amount of the Block 9 exploration and evaluation asset as nil and fully impaired its carrying amount at 30 June 2026.

Note 14. Trade and other payables

Refer to Note 20 for further information.

	30-June-26 $	30-June-25 $
Current liabilities		
Accounts payables	**11,481,048**	2,340,179
Other payables	**3,377,026**	3,389,139
Trade and other payables	**14,858,074**	5,729,318

Note 15. Provisions

	30-June-26 $	30-June-25 $
Current liabilities		
Bonus	–	200,000
Annual leave	**180,888**	384,638
Personal leave	**173,115**	191,680
Long service leave	**307,704**	325,287
Provisions	**661,707**	1,101,605

Note 16. Receivables from former joint operating partner

	30-June-26 $	30-June-25 $
Current assets		
Receivables from former joint operating partner	**34,788,608**	12,897,075
Less: Allowance for cash calls receivables Block 9	**(12,134,433)**	–
Receivables from former joint operating partner[17]	**22,654,175**	**12,897,075**
Current liabilities		
Contract liabilities	–	**17,410,351**

17 The receivables from former joint operations are assessed in accordance with AASB 9 for measuring the expected credit losses.

Note 16. Receivables from former joint operating partner (continued)

Receivables from joint operating partner represent cash calls issued to Sonangol by the Company as operator, when Sonangol was a joint operating partner under the Joint Operating Agreement executed on 25 May 2020.

At 30 June 2026, Sonangol's entire Block 9 participating interest was deemed assigned to Melbana following its uncured funding default. Sonangol is therefore no longer a joint operating partner under the Joint Operating Agreement. The transfer remains subject to final regulatory approval. The Consolidated Entity recognised a loss allowance against amounts relating to the 2026 work programme that may not be recoverable. In determining the allowance, the Directors considered Sonangol's funding default, the status of operations, the absence of an approved forward work programme and receipts received after year-end. Recognition of the allowance does not waive or otherwise affect the Consolidated Entity's contractual rights to recover the full amounts outstanding. Refer to Note 26 and the Directors' Report for further information.

Contract liabilities represented amounts called from the former joint operating partner for approved work programme activities that had not yet been performed by the Company as operator.

At 30 June 2026, all current work commitments had been satisfied and there was no approved forward work programme requiring further activities to be performed. Accordingly, there were no remaining undelivered work obligations and the contract liability was derecognised during the year.

Note 17. Issued capital

Movements in ordinary share capital

	30-June-26 No.	30-June-25 No.	30-June-26 $	30-June-25 $
Ordinary shares – fully paid	**3,781,968,808**	3,370,204,104	**326,921,080**	320,473,026

	Date	Shares	Issue Price	$
Opening balance	1 Jul 2025	3,370,204,104		320,473,026
Issue of fully paid ordinary shares	25 Aug 2025	7,411,766	$0.017	126,000
Issue of fully paid ordinary shares	26 Aug 2025	382,294,114	$0.017	6,499,000
Issue of fully paid ordinary shares	3 Oct 2025	15,000,000	$0.017	255,000
Issue of fully paid ordinary shares	24 Nov 2025	2,764,706	$0.017	47,000
Issue of fully paid ordinary shares	18 Dec 2025	2,352,941	$0.017	40,000
Issue of fully paid ordinary shares	19 Dec 2025	1,941,177	$0.017	33,000
		3,781,968,808		**327,473,026**
Less: Share issue costs				(422,200)
Less: Broker's options issued as placement consideration				(129,746)

			Weighted Average Issue Price	
Closing balance	**30 Jun 2026**	**3,781,968,808**	**$0.088**	**326,921,080**

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share issue costs

Incremental costs directly attributable to the issue of new shares or options, including cash fees and the fair value of equity instruments issued to service providers, are deducted from equity, net of any related tax benefit.

Note 17. Issued capital (continued)

Share buy-back

There is no current on-market share buy-back.

Shares under options

During the reporting period nil shares were issued due to exercise of listed options. At 30 June 2026, 436,764,704 options were outstanding (2025: nil). These options expire on 12 January 2027.

Capital risk management

The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Consolidated Entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Consolidated Entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the Company's share price at the time of the investment. The Consolidated Entity is not actively pursuing additional investments in the short term as it continues to grow its existing businesses.

The Consolidated Entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2025 Annual Report.

Note 18. Reserves

	30-June-26 $	30-June-25 $
Share-based payments reserve	**683,262**	836,610
Foreign currency translation	**2,025,738**	2,650,136
Reserves	**2,709,000**	3,486,746

Financial assets at fair value through other comprehensive income reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Information relating to the Consolidated Entity's details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in the Consolidated statement of changes in equity on page 48.

Note 18. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Share based payment reserve $	Foreign currency reserve $	Total $
Balance at 1 July 2024	**687,702**	**(1,132,945)**	**(445,243)**
Performance rights issued	545,838	–	545,838
Performance rights lapsed	(396,930)	–	(396,930)
Foreign currency translation reserve	–	3,783,082	3,783,082
Balance at 30 June 2025	**836,610**	**2,650,137**	**3,486,747**
Option issue cost	129,746	–	129,746
Performance rights issued	249,343	–	249,343
Performance rights lapsed	(532,437)	–	(532,437)
Foreign currency translation reserve	–	(624,399)	(624,399)
Balance at 30 June 2026	**683,262**	**2,025,738**	**2,709,000**

Note 19. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 20. Financial instruments

Financial risk management objectives

The Consolidated Entity's principal financial instruments comprise cash and short-term deposits, the main purpose of which is to finance the Consolidated Entity's operations. The Consolidated Entity has various other financial assets and liabilities such as trade receivables and trade payables which arise directly from its operations and, as at 30 June 2025. The main risks arising from the Consolidated Entity's financial instruments are credit risk, interest rate risk, exchange rate risk and liquidity risk. The Board of Directors has reviewed each of those risks and has determined that, overall, they are not significant in terms of the Consolidated Entity's current activities. The Consolidated Entity may also enter into derivative financial instruments, principally forward currency contracts. The purpose is to manage the currency risks arising from the Consolidated Entity's operations. Speculative trading in derivatives is not permitted. There are no derivatives outstanding at 30 June 2026 (2025: $nil).

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the consolidated financial statements.

Market risk

Foreign currency risk

Generally, the Consolidated Entity's main exposure to exchange rate risk relates primarily to trade payables and cash denominated in EUR, arising in relation to its activities in Cuba. Where a payable is significant, EUR may be purchased on incurring the liability or commitment.

Note 20. Financial instruments (continued)

The Consolidated Entity's exposure to unhedged financial assets and liabilities at balance date is as follows:

	30-June-26 $	30-June-25 $
USD Financial assets		
Cash on hand at bank[16]	**275,299**	3,469,669
USD Financial liabilities		
Payables	**394,409**	97,027
EUR Financial assets		
Cash on hand at bank[16]	**20,126**	1,338,450
EUR Financial liabilities		
Payables	**4,785,320**	516,693
CAD Financial liabilities		
Payables	**2,494,196**	491,555
CUP Financial Liabilities		
Payables[18]	**4,687,585**	6,070,846

The Consolidated Entity had net liabilities denominated in foreign currencies as at 30 June 2026 of $10,623,669 (2025: net liabilities of $6,091,952). Based on this exposure, had the Australian dollar strengthened by 10% / weakened by 10% (2025: strengthened by 10% and weakened by 10%) against these foreign currencies with all other variables held constant, the Consolidated Entity's loss before tax for the year would have been $965,788 lower and $1,180,407 higher (2025: $553,813 higher / $676,883 lower) and equity would have been $965,788 lower/ $1,180407 higher (2025: $553,813 higher / $676,883 lower). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months and the spot rate at each reporting date.

An analysis of the exchange rate sensitivity by foreign currency is as follows:

	AUD strengthened			AUD weakened		
	Change	**Effect on profit before tax**	**Effect on equity**	**Change**	**Effect on profit before tax**	**Effect on equity**
30-Jun-26						
USD net financial assets/liabilities	10%	15,715	(15,715)	10%	(19,207)	19,207
EUR net financial assets/liabilities	10%	718,349	(718,349)	10%	(877,982)	877,982
CAD net financial assets/liabilities	10%	231,724	(231,724)	10%	(283,218)	283,218
Cash on hand at bank		**965,788**	**(965,788)**		**(1,180,407)**	**1,180,407**

	AUD strengthened			AUD weakened		
	Change	**Effect on profit before tax**	**Effect on equity**	**Change**	**Effect on profit before tax**	**Effect on equity**
30-Jun-25						
USD net financial assets/liabilities	10%	(469,603)	469,603	10%	573,959	(573,959)
EUR net financial assets/liabilities	10%	(134,180)	134,180	10%	163,998	(163,998)
CAD net financial assets/liabilities	10%	49,970	(49,970)	10%	(61,074)	61,074
Cash on hand at bank		**(553,813)**	**553,813**		**676,883**	**(676,883)**

18 CUP payables include CUP 4,687,585 which cannot be settled as the counterparty owed is a US designated entity,as per the ASX announcement on 18 June 2026.

Note 20. Financial instruments (continued)

Interest rate risk

The Consolidated Entity's exposure to the risk of changes in market interest rates relates primarily to the Consolidated Entity's cash and cash equivalents with a floating interest rate. Short term deposits are made for varying periods depending on the immediate cash requirements of the Consolidated Entity and earn interest at the respective short term deposit rates.

Taking into account the current cash balance and prevailing interest rates, a +/- 1.0% movement from the year-end Australian interest rates will not have a material impact on the profit or loss and cash balances of the Consolidated Entity.

Credit risk

The Consolidated Entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Consolidated Entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

The Consolidated Entity trades only with recognised, creditworthy third parties. Receivable balances are monitored on an ongoing basis with the results being that the Consolidated Entity's exposure to bad debts is not significant.

Credit risk arises from the financial assets of the Consolidated Entity, which comprise cash and cash equivalents and trade and other receivables. The Consolidated Entity's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. No collateral is held as security. Exposure at balance date is the carrying value as disclosed in each applicable note.

Liquidity risk

Vigilant liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Consolidated Entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

NON-DERIVATIVE FINANCIAL LIABILITIES

	Average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
30-Jun-26						
Trade/other payables	–	14,858,074	–	–	–	14,858,074
Total	**–**	**14,858,074**	**–**	**–**	**–**	**14,858,074**

	Average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
30-Jun-25						
Trade/other payables	–	5,729,318	–	–	–	5,729,318
Total	**–**	**5,729,318**	**–**	**–**	**–**	**5,729,318**

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 20. Financial instruments (continued)

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. Where appropriate, the fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Note 21. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of Key Management Personnel of the Consolidated Entity is set out below:

	30-June-26 $	30-June-25 $
Short-term employee benefits	2,042,608	2,300,699
Post-employment benefits	113,368	118,305
Termination benefits	209,377	–
KMP compensation	2,365,353	2,419,004

A percentage of the fixed remuneration of the Key Management Personnel is allocated to the exploration assets based on the percentage of time written to each exploration project by each individual.

Note 22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by MNSA, the auditor of the Company:

	30-June-26 $	30-June-25 $
Audit services		
Audit or review of the financial statements	62,885	50,284
Remuneration of auditors	62,885	50,284

Note 23. Commitments

Guarantee

The Consolidated Entity has provided no guarantees (2025: nil) at 30 June 2026.

Exploration Commitments

At 30 June 2026, the Consolidated Entity had no commitments for exploration expenditure. All minimum work commitments applicable to Cuba Block 9 and the Consolidated Entity's Australian exploration permits had been satisfied. There was no approved forward work program or binding obligation to undertake further exploration activities at Block 9, and no exploration expenditure was committed for the Australian permits for the next financial year.

Further appraisal and development activities may be undertaken to advance Block 9, but no related expenditure was committed at the reporting date. Any future work program will proceed only when the necessary funding and approvals have been secured.

Future commitments may arise if the Consolidated Entity elects to enter a subsequent permit period or approves a new work program. Failure to meet any such future commitments could affect the relevant rights of tenure and require the carrying amounts of the associated assets to be reassessed.

Note 23. Commitments (continued)

WA-544-P and NT/P87 (Melbana 100%)

The permits are currently in the fifth year, the work commitments for which have been completed. The Company may withdraw from the permits prior to entering the sixth and final year, which contain more material expenditure commitments.

These permits lie adjacent to WA-488-P and allow the Company to build on the knowledge it has gained in that permit area to pursue other leads in this expanded area. They contain the undeveloped oil discoveries Turtle and Barnett. Melbana has recently completed the initial phase of geoscientific studies on this property and there is no obligation to perform any additional studies in the coming financial year.

AC/P70 (Melbana 100%)

On 16 February 2022, the Company announced that it had been granted petroleum exploration permit AC/P70, located in the Territory of Ashmore and Cartier Islands, for an initial period of six years, but subsequently suspended and extended to nine years. Melbana made this application for this permit under the Australian Government's 2020 Offshore Petroleum Exploration Acreage Release.

The Company has recently completed the reprocessing and interpretation of available seismic data on this title. There is a primary term commitment to drill one exploration well by February 2029. A farm-in exercise is currently underway to identify a third party interested in acquiring a position in the permit in consideration for funding the drilling of this well.

Cuba Block 9 (Melbana 30%)

In September 2015, Melbana entered into the Block 9 Production Sharing Contract (PSC) with Cuba's National Oil Company, *Unión Cuba Petróleo* (CUPET). The exploration period is divided into four sub-periods, with withdrawal rights available at the end of each sub-period.

At 30 June 2026, all work commitments applicable to the current exploration sub-period had been satisfied.

Any future appraisal or development activities will be subject to a future decision by the Consolidated Entity, the necessary regulatory approvals and the availability of funding. Accordingly, the Consolidated Entity had no material Block 9 work program commitments at 30 June 2026.

Note 24. Related party transactions

Parent entity
Melbana Energy Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in Note 26.

Key management personnel
Disclosures relating to key management personnel are set out in Note 21 and the remuneration report included in the Directors' report.

Transactions with related parties
None.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans from or loans to related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 25. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	30-June-26 $	30-June-25 $
Loss after income tax	**(2,641,641)**	(2,513,281)
Total comprehensive income	**(2,641,641)**	(2,513,281)

Statement of financial position

	30-June-26 $	30-June-25 $
Total current assets	**8,473,574**	5,787,735
Total assets	**51,015,742**	47,705,851
Total current liabilities	**1,509,033**	1,690,375
Total liabilities	**1,509,033**	1,690,375
Equity		
Issued capital	**326,921,080**	320,473,026
Share-based payment reserve	**683,262**	836,610
Accumulated losses	**(278,097,633)**	(275,294,160)
Total equity	**49,506,709**	46,015,476

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2026 and 30 June 2025.

Contingent liabilities

As at 30 June 2026, the parent entity has a contingent liability of USD225,000 to a third party related to the sale of permit WA-488-P should EOG Australia complete the drilling of an exploration well (currently advised to be drilled in 2027) in that permit area. Future additional payments would be owed to this third party related to any future contingent cash and royalty payments the Consolidated Entity may receive.

Capital commitments

Refer Note 23 to the financial statements for the details of the exploration commitments. The parent entity had no other capital commitments for property, plant and equipment as at 30 June 2026 and 30 June 2025.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in Note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2026

Note 26. Interest in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2:

		Ownership interest	
	Principal place of business / Country of incorporation	30-June-26 %	30-June-25 %
Methanol Australia Pty Ltd	Australia	**100**	100
LNG Australia Pty Ltd	Australia	**100**	100
MEO International Pty Ltd	Australia	**100**	100
Finniss Offshore Exploration Pty Ltd	Australia	**100**	100
Melbana Operations Pty Ltd	Australia	**100**	100
Melbana Energy AC/P70 Pty Ltd	Australia	**100**	100
Melbana Exploration Pty Ltd	Australia	**100**	100
Melbana Energy Block 9 Pty Ltd	Australia	**100**	100
MAY Energia España SL	Spain	**100**	100
MAY Operaciones España SL	Spain	**100**	100

Note 27. Interest in farm-out arrangements

Name	Principal place of business / Country of incorporation
Block 9 PSC	Cuba

On 25 May 2020, the Consolidated Entity entered into a Farm-in Agreement (FIA) with Sonangol Pesquisa E Produção S.A (Sonangol). Under the terms of the FIA, Sonangol agreed to fund 85% of the cost of two exploration wells in Block 9 in return for receiving a 70% interest (Promote). The FIA provides Sonangol with a priority in recovery of the initial consideration it paid the Company (approximately equal to the Company's historic costs related to Block 9 at that point) and the Promote it agreed to pay for the initial two exploration wells. On 17 August 2020, the Company announced that formal Cuban regulatory approvals had been received for Sonangol to acquire this 70% interest.

At 30 June 2026, following Sonangol's uncured funding default, its entire 70% participating interest was deemed assigned to Melbana under the Joint Operating Agreement. Sonangol is therefore no longer a participant in the joint operation. Final regulatory approval of the transfer remains outstanding.

Group Commitments and contingent liabilities

At 30 June 2026, the Consolidated Entity had no outstanding exploration or work program commitments for Block 9 or any of its Australian exploration permits. All commitments applicable at the reporting date had been satisfied. Any future commitments would arise only if the Consolidated Entity elects to enter a subsequent permit period or approves a new work program.

Note 28. Events after the reporting period

Subsequent to 30 June 2026, the Consolidated Entity received cash payments totalling $14,458,712 from Sonangol in partial settlement of amounts outstanding under the Block 9 joint operating arrangements. The payments reduced the outstanding receivable but did not settle the full amount due.

At the date of this report, the Consolidated Entity continues to pursue recovery of all outstanding amounts.

Other than the matters disclosed above, no matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect, the Consolidated Entity's operations, results or state of affairs in future financial years.

Note 29. Reconciliation of loss after income tax to net cash used in operating activities

	30-June-26 $	30-June-25 $
Profit/(Loss) after income tax expense for the year	**(50,220,823)**	(4,151,446)
Adjustments for:		
Interest income	**(45,397)**	(235,468)
Depreciation and amortisation	**196,554**	5,892
Impairment loss	**35,739,556**	–
Share-based payments	**92,744**	281,218
Foreign exchange differences	**5,832**	329,559
Inventory write down Block 9	**10,765,842**	–
Change in operating assets and liabilities:		
(Increase)/decrease in other receivables	**(75,796)**	100,232
Decrease in prepayments	**59,666**	5,676
(Decrease) in trade and other payables	**(65,759)**	(302,468)
Increase/(decrease) in provisions	**(439,898)**	343,185
Net cash used in operating activities	**(3,987,479)**	(3,623,620)

Note 30. Earnings per share

	30-June-26 $	30-June-25 $
Profit/(loss) after income tax attributable to the owners of Melbana Energy Limited	**(50,220,823)**	(4,151,446)
Weighted average number of ordinary shares used in calculating basic earnings per share	**3,714,096,286**	3,370,204,104
Weighted average number of ordinary shares used in calculating diluted earnings per share	**3,714,096,286**	3,416,218,473
	Cents	**Cents**
Basic earnings per share	**(1.35)**	(0.12)
Diluted earnings per share[15]	**(1.35)**	(0.12)

Note 31. New and Amended Accounting Policies Adopted by the Group

AASB 2023-5: *Amendments to Australian Accounting Standards- Lack of Exchangeability*

AASB 2023-5: *Amendments to Australian Accounting Standards- Lack of Exchangeability*

The Company adopted AASB 2023-5 which amends AASB 121: *The Effects of Changes in Foreign Exchange Rates* and AASB 1: *First-time Adoption of Australian Accounting Standards* to require entities to apply a consistent approach to determining whether a currency is exchangeable into another currency and the spot exchange rate to use when it is not exchangeable.

AASB 2020-1: *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*

The adoption of the amendment did not have a material impact on the financial statements. The Group adopted AASB 2020-1 which amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It also clarifies the meaning of "settlement of a liability".

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2022-5: *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*

The Group adopted AASB 2022-5 which amends AASB 16 to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15: *Revenue from Contracts with Customers to be accounted for as a sale.*

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2022-6: *Amendments to Australian Accounting Standards – Non-Current Liabilities with Covenants*

The Group adopted AASB 2022-6 which amends AASB 101 to improve the information an entity provides in its financial statements about liabilities from loan arrangements for which the entity's right to defer settlement of those liabilities for at least 12 months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.

The adoption of the amendment did not have a material impact on the financial statements.

Note 32. New and Amended Accounting Policies Not Yet Adopted by the Entity

AASB 2021-7c: *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*; and AASB 2025-4: *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*

AASB 2021-7c *defers the application of AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2026 instead of 1 January 2018. However, once AASB 2021-7c expires for periods beginning on or after 1 January 2026, AASB 2025-4 defers the mandatory effective date (of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10) so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2028 instead of 1 January 2025.

The Group plans on adopting the amendments to AASB 10 and AASB 128 within AASB 2021-7c for the reporting period ending 30 June 2026 and in line with AASB 2024-4 for the reporting period ending 30 June 2029. The impact of initial application is not yet expected to be material.

AASB 18: *Presentation and Disclosure in Financial Statements*

AASB 18 will replace AASB 101 to amend the presentation and disclosure requirements in financial statements which includes:

- the presentation of the statement of profit or loss into five categories, namely the operating, investing, financing, discontinued operations and income tax categories, as well as newly-defined operating profit subtotals;
- disclosure of management-defined performance measures (MPMs) in a single note; and
- enhanced requirements for grouping (aggregation and disaggregation) of information.

In addition, the Group will be required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group plans on adopting the amendment for the reporting period ending 30 June 2028. The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

Note 32. New and Amended Accounting Policies Not Yet Adopted by the Entity (continued)

AASB 2025-2: *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*

AASB 2025-2 amends AASB 7 and AASB 9 in relation to:

- settling financial liabilities using an electronic payment system;
- assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features; and
- disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income, and adds disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs.

The Group plans on adopting the amendment for the reporting period ending 30 June 2027. The amendment is not expected to have a material impact on the financial statements once adopted.

AASB 2025-3: *Amendments to Australian Accounting Standards – Annual Improvements Volume 11*

AASB 2025-3 amends the following:

- AASB 1 to improve consistency between AASB 1 and the requirements for hedge accounting in AASB 9, as well as to improve the understandability of AASB 1;
- AASB 7 to replace a cross-reference and improve the consistency in the language used in AASB 7 with the language used in AASB 13;
- AASB 9 to clarify how a lessee accounts for the derecognition of a lease liability when it is extinguished and address inconsistencies between AASB 9 and the requirements in AASB 15 in relation to the term "transaction price";
- AASB 10 in relation to determining de facto agents of an entity; and
- AASB 107 to replace the term "cost method" with "at cost", as the term is no longer defined in Australian Accounting Standards.

The Group plans on adopting the amendment for the reporting period 30 June 2028. The amendment is not expected to have a material impact on the financial statements once adopted.

AASB 2024-2: *Amendments to the Classification and Measurement of Financial Instruments*

AASB 108.31(a)AASB 108.31(b)-(e)–AASB 2024-2 amends AASB 9: Financial Instruments and AASB 7: Financial Instruments: Disclosures to clarify how the contractual cash flows from financial assets should be assessed when determining their classification. The amendment also clarifies the derecognition requirements of financial liabilities that are settled through electronic payment systems.

The Group plans on adopting the amendment for the reporting period ending 30 June 2027. The amendment is not expected to have a material impact on the financial statements once adopted.

AASB 2022-9: *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*

AASB 2024-3: *Amendments to Australian Accounting Standards – Annual Improvements Volume 11*

AASB 2024-3 amends:

- AASB 1: *First-time Adoption of Australian Accounting Standards* to improve consistency between exceptions for retrospective application of hedging hedge accounting and the requirements for hedge accounting in AASB 9;
- AASB 7: *Financial Instruments: Disclosures* to replace a deleted cross-reference with a reference to AASB 13: Fair Value Measurement; and improve consistency in the language used in AASB 7 with the language used in AASB 13;
- AASB 9: *Financial Instruments* to clarify how a lessee accounts for the derecognition of a lease liability when it is extinguished; and addresses an inconsistency between AASB 9 and the requirements in AASB 15: Revenue from Contracts with Customers in relation to the term "transaction price";
- AASB 10: Consolidated Financial Statements in relation to determining de facto agents of an entity; and
- AASB 107: Statement of Cash Flows to replace the term "cost method" with "at cost" as the term is no longer defined in Australian Accounting Standards.

AASB 2024-3 applies to annual periods beginning on or after 1 January 2026. Earlier application is permitted.

The Group plans on adopting the amendment for the reporting period ending 30 June 2027. The amendment is not expected to have a material impact on the financial statements

No other new and amended accounting standards not yet adopted are expected to have a material effect on the entity and will be adopted as required

The Group plans on adopting the amendment for the reporting period 30 June 2027. The amendment is not expected to have a material impact on the financial statements once adopted.

Consolidated Entity Disclosure Statement

30 June 2026

Set out below is a list of entities that are consolidated in this set of Consolidated financial statements at the end of the financial year.

Entity Name	Body Corporate, partnership or trust	Place of Incorporation	% of share capital held directly or indirectly by the Company in the body corporate		Australian or Foreign tax resident (for tax purposes)	Jurisdiction for Foreign tax resident
			2026	2025		
Melbana Energy Limited	Body corporate	Australia	–	–	Australian	N/A
Methanol Australia Pty Ltd	Body corporate	Australia	100%	100%	Australian	N/A
MEO International Pty Ltd	Body corporate	Australia	100%	100%	Australian	N/A
Melbana Exploration Pty Ltd	Body corporate	Australia	100%	100%	Australian	N/A
Melbana Operations Pty Ltd	Body corporate	Australia	100%	100%	Australian	N/A
LNG Australia Pty Ltd	Body corporate	Australia	100%	100%	Australian	N/A
Finniss Offshore Exploration Pty Ltd	Body corporate	Australia	100%	100%	Australian	N/A
Melbana Energy AC/P70 Pty Ltd	Body corporate	Australia	100%	100%	Australian	N/A
Melbana Energy Block 9 Pty Ltd	Body corporate	Australia	100%	100%	Australian	N/A
MAY Energía España SL	Body corporate	Spain	100%	100%	Foreign	Spain
MAY Operaciones España SL	Body corporate	Spain	100%	100%	Foreign	Spain

Key assumptions and judgements

Determination of Tax Residency

Section 295 (3A) of the *Corporation Acts 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency
  The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.
- Foreign tax residency
  The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes, and the Remuneration report contained in the accompanying Directors' report, comply with the *Corporations Act 2001*, Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- In the Directors' opinion, the attached Consolidated Entity Disclosure Statement required by section 295(3A) of the *Corporation Act 2001* is true and correct.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001 (Cth)*.

On behalf of the Directors

Andrew Purcell
Executive Chairman

29 September 2026

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MNSA

INDEPENDENT AUDITOR'S REPORT TO THE OWNERS OF MELBANA ENERGY LIMITED AND CONTROLLED ENTITIES
ABN 43 066 447 952

Report on the Financial Report

Opinion

We have audited the financial report of Melbana Energy Limited (the Entity) and controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

The financial report also complies with the International Financial Reporting Standards as disclosed in Note 2.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Group incurred a net loss after tax of $50,220,823 (2025: $4,151,446), and had net cash outflows from operating, investing and financing activities of $4,216,914 (2025: $7,420,297), and as of that date, the Group had cash and cash equivalents of $472,504 (2025: $ 5,115,674) and had a net current assets of $7,824,820 (2025: 6,726,659). As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2026. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Review of going concern	
The Key Audit Matter	**How the matter was addressed in the audit**
During the year ended 30 June 2026, the Group incurred a net loss after tax of $50,220,823 (2025: $4,151,446), and had net cash outflows from operating, investing and financing activities of $4,216,914 (2025: $7,420,297), and as of that date, the Group had cash and cash equivalents of $472,504 (2025: $ 5,115,674) and had a net current assets of $7,824,820 (2025: 6,726,659) In assessing going concern of the Group, we note that current assets include $22,654,175 receivable from Sonangol. In our review we see this as significant in relation to the going concern assumption. Accordingly, we considered the appropriateness of the going concern assumptions.	Our audit procedures included the following: • Obtained and reviewed management's cash flow forecasts for the next 12 months to evaluate whether projected liquidity levels are sufficient to support the Group's operations. • Challenged management's assumptions and obtained explanations for significant variances in the cash flow forecasts. • Tested the mechanical accuracy of the forecasting model used. • Evaluated the critical dependency on the recovery of the Sonangol receivable in supporting forecast cash requirements and verified subsequent receipt of payments. • Ensured appropriate disclosures related to going concern were included in the financial report.

Farm-out arrangement - Cuba Block 9	
The Key Audit Matter	**How the matter was addressed in the audit**
As at 30 June 2026 the Group recognised a receivable of $22,654,175 in relation to the Farm-out arrangement from Sonangol. In addition, the Group received $9,174,312 in cash payments as proceeds of the Farm-out arrangement. This area is a key audit matter due to the significant judgement involved in determining the recoverability of these balances and its impact to going concern assumptions.	During our audit, we analysed agreements in respect to the transactions, assessed internal reporting and substantiated transactions on a sample basis. We questioned management on treatment and challenged their assessment. Our audit included performing the following: • Assessed accounting treatment of significant transactions; • Reviewed disclosures within the financial report; • Reviewed mathematical accuracy of calculations. • Reviewed farm-out reporting and communication between Melbana and Sonongol; • Completed substantive tests of detail on expenditure incurred during the period; and • Reviewed subsequent receipts of receivables.

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Exploration and Evaluation Assets	
The Key Audit Matter	**How the matter was addressed in the audit**
As at 30 June 2026, the carrying value of exploration and evaluation assets was $ 3,798,807. In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value. The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement. This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.	During our audit, we assessed management assumptions when capitalising exploration assets and reviewing for indicators of impairment. Our procedures included: • Reviewing managements reconciliation of capitalised exploration and evaluation expenditure and ensuring it agrees to the general ledger; • Assessing the impact of farm-out agreements including recovery of prior exploration expenditure in relation to Cuba Block 9; • Evaluating costs capitalised during the period and testing on a sample basis; • Enquiring of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration areas; • Determining whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; • Assessing management judgement in impairment assessment; and • Reviewing the appropriateness of the related disclosures within the financial statements.

There were no restrictions on our reporting of Key Audit Matters.

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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001;* and

(b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and for such internal control as the directors determine is necessary to enable the preparation of:

  (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

  (j) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

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Independent Auditor's Report

continued

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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Melbana Energy Limited and controlled entities for the year ended 30 June 2026 complies with s 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

MNSA PTY LTD

MNSA Pty Ltd

Allan Facey
Director

Sydney
Dated this 29th of September 2026

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Shareholder Information

as at 14 September 2026

The shareholder information set out below was applicable as at 14 September 2026.

Distribution of equity securities

Analysis of number of equity security holders by size of holding as at 14 September 2026.

Securities

FULLY PAID ORDINARY SHARES

Holdings Ranges	Holders	Total Units	%
1-1,000	98	10,485	0.00
1,001-5,000	56	208,075	0.00
5,001-10,000	171	1,384,050	0.04
10,001-100,000	2,890	131,647,932	3.48
100,001-9,999,999,999	2,504	3,648,718,266	96.48
Totals	**5,719**	**3,781,968,808**	**100.00**

Securities

PERFORMANCE RIGHTS

Holdings Ranges	Holders	Total Units	%
1-1,000	–	–	0.00
1,001-5,000	–	–	0.00
5,001-10,000	–	–	0.00
10,001-100,000	–	–	0.00
100,001-9,999,999,999	3	48,010,695	100.00
Totals	**3**	**48,010,695**	**100.00**

Shareholder Information

continued

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted fully paid ordinary shares are listed below:

Name/Address 1	Balance as at 9 September 2026	%
M&A ADVISORY PTY LTD <PURCELL FAMILY A/C>	245,394,215	6.49%
RIDDHI GROUP OF HOTELS PTY LTD	222,691,354	5.89%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	117,061,832	3.10%
MF MEDICAL PTY LTD	87,431,027	2.31%
CROWN ENERGY INVESTMENTS PTY LTD <J O INVESTMENTS SF A/C>	54,200,111	1.43%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	40,239,456	1.06%
MR JASON MEINHARDT	37,248,888	0.98%
ACE CHINA INVESTMENTS PTY LTD	36,190,617	0.96%
FIVE ELEMENTS DESIGN PTY LTD <FIVE ELEMENTS DESIGN A/C>	35,000,000	0.93%
MR JONATHAN GORDON & MRS DANIELLE GORDON <ENERGY INVESTMENTS S/F A/C>	34,255,000	0.91%
AXSIM FUNDS MANAGEMENT PTY LTD <MAMAS SUPER FUND A/C>	31,499,999	0.83%
MR MICHAEL CULLING	30,287,750	0.80%
CITICORP NOMINEES PTY LIMITED	30,142,158	0.80%
MR MATTHEW DEAN MARSHALL	29,475,676	0.78%
MS HONG NHUNG NGUYEN	27,946,133	0.74%
PSI CONSULTING PL <COGHILL FAMILY A/C>	25,518,548	0.67%
MISS ANITA TSANG & MR BRADLEY GARTH WRIGHT <ATBW INVESTMENTS SF A/C>	22,928,947	0.61%
FINCLEAR SERVICES PTY LTD <SUPERHERO SECURITIES A/C>	22,850,299	0.60%
DR KONG JUNG AU YONG	22,624,688	0.60%
MR TIMOTHY PETER JOHN BARLOW & MRS EMMA KATE BARLOW <TEA BARLOW SF A/C>	17,280,000	0.46%
Total Securities of Top 20 Holdings	**1,170,266,698**	**30.95%**
Total of Securities	**3,781,968,808**	

Less than marketable parcels of ordinary shares (UMP Shares)

The number of holders of less than a marketable parcel of ordinary shares based on the closing share price at 14 September 2026 ($0.004) is as follows:

Total Shares	UMP Shares	UMP Holders	% of Issued shares held by UMP Holders
3,781,968,808	133,250,542	3,215	3.53%

Substantial holders

Below are substantial holders of the Company, as disclosed in substantial holding notices given to the Company:

	Ordinary shares	
	Number held	**% of total shares issued**
M&A Advisory Pty Limited*	245,394,215	6.49%
Riddhi Group of Hotels Pty Ltd*	222,691,354	5.89%

* Holder has notified the Company that it manages the relevant shares and therefore has a relevant interest in those shares under section 608(1)(b) or (c) of the *Corporations Act 2001 (Cth).*

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options and performance rights

Options and performance rights do not carry voting rights.

There are no other classes of equity securities.

Current on-market buy-back

There is no current on-market buy-back.

Glossary of Key Terms

Term	Meaning
Barrel	One barrel of oil; 1 barrel = 35 imperial gallons (approx.) or 159 litres (approx.); 7.5 barrels = 1 tonne (approximately, depending on the oil density); 6.29 barrels = 1 cubic metre.
BBL	Barrels
BCF	Billion cubic feet
BOE	Barrels of oil equivalent
BOP	Blow out preventer
BOPD	Barrels of oil per day
BSW	Basic sediment and water
Carbonate	Class of sedimentary rocks which mainly contains calcite, aragonite and dolomite.
COS	Geological chance of success
CUPET	Cuba Petróleo Union, the State owned oil company of Cuba
cP	Centipoise
DST	Drill Stem Test – a procedure for testing the pressure and productive capacity of a geological formation.
M	Thousands
MM	Millions
Metres MD	Metres, Measured Depth
Metres TVD	Metres, Total Vertical Depth
Prospect	A project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target.
Prospective Resources	Those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.
PSC	Production Sharing Contract
Sonangol	Sonangol Pesquisa E Produção S.A, the Angolan national oil company
TCF	Trillion cubic feet
Unrisked	Prior to taking into account the chance of discovery.
Contingent Resource	These are quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from known accumulations, but which are not currently considered commercial.

Corporate Directory

Directors

Andrew Purcell (Executive Chairman)
Michael Sandy (Non-Executive Director)
Peter Stickland (Non-Executive Director)

Company Secretary

Uno Makotsvana

Notice of Annual General Meeting

The Company will hold its Annual General Meeting of shareholders on 19 November 2026

Registered Office & Principal Place of Business

Suite 11.01, Level 11
109 Pitt Street
Sydney, NSW 2000
Australia

Telephone +61 (0)2 8323 6600

Share Register

Boardroom Pty Limited
Level 8, 210 George Street
Sydney South NSW 2000

Telephone +61 1300 737 760

Auditor

MNSA Pty Ltd
Level 1, 283 George Street
Sydney, NSW 2000 Australia

Stock Exchange Listing

The securities of Melbana Energy Limited are listed on the Australian Securities Exchange, ASX code: MAY

Website Address

www.melbana.com

Corporate Governance Statement

Corporate governance statements are available at the Company's website. Please refer to
https://www.melbana.com/site/About-Us/corporate-governance

Melbana Energy

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