

## Cuba: Block 9 farmout update

### Highlights:

- Melbana has elected to terminate the current farmout agreement for Block 9 due to lack of progress by the farminee towards satisfying the Conditions Precedent
- Melbana will pursue an alternative farmout transaction with a number of other potential counterparties who have continued to express an interest in the world class potential of Block 9
- A suitable rig for the drilling of Block 9 is expected to be available in country in 2H 2019

### MELBOURNE, AUSTRALIA (26 April 2019)

Melbana Energy Limited (ASX: MAY) (“**Melbana**”) advises that the Cuba Block 9 Production Sharing Contract (“**Block 9 PSC**”) farminee Anhui Modestinner Energy Co., Ltd. (“**AMEC**”), a wholly owned and guaranteed subsidiary of Anhui Guangda Mining Investment Co. Ltd. (“**AGMI**”), has not satisfied the Conditions Precedent in the Farmout Agreement (see ASX Release 2 January 2019) within the time allowed. The Conditions Precedent included Cuban and Chinese regulatory approvals and a milestone related term with respect to any required guarantees.

As a result of AMEC’s failure to satisfy the Conditions Precedent within the required timelines Melbana has terminated the Farmout Agreement to enable it to progress discussions with other potential farminees interested in gaining exposure to Melbana’s portfolio of exploration and development opportunities in Cuba. Melbana have indicated to AGMI that they would welcome the opportunity to re-examine a partnership with them in Cuba in the future if the circumstances that precluded them from satisfying the Conditions Precedent change, given their experience drilling and operating oilfields.

With respect to the Block 9 guarantee obligation, CubaPetroleo has previously provided a waiver of the obligation until 30 April 2019. A further extension of the waiver has been sought from CubaPetroleo.

**Melbana Energy's CEO, Robert Zammit, said:**

*“Melbana elected to terminate the Farmin Agreement as there was insufficient progress in the required timeframe and we wished to progress discussions with other parties that were previously interested in partnering with us as well as some new parties. We remain open to working with AGMI again in the future should their circumstances change. We are maintaining an ongoing dialogue with CubaPetroleo to seek to find a mutually acceptable way forward for Block 9 that will allow us to test the significant potential of this block.”*