

## Cuba - Melbana commits to second sub-period exploration program for Block 9

### Highlights:

- Melbana completes work program for first exploration sub-period
- Melbana provides official notice to Cuban regulatory authority of commitment to Block 9 second exploration sub-period

MELBOURNE, AUSTRALIA (11 October 2017)

Melbana Energy Limited (ASX: **MAY**) (“**Melbana**” or “**the Company**”) is pleased to advise that it has provided official notification to Cuban regulatory authorities of its commitment to the second exploration sub-period for Block 9.

The Block 9 Exploration Period is split into four sub-periods, each with its own work program. Provided Melbana has completed the relevant sub-period work program, Melbana has the option at the end of each sub-period to continue to the next sub-period.

Melbana has completed the work program for the first sub-period for Block 9, which concludes on 2 November 2017 and included the reprocessing of 200km of 2D seismic survey data and a number of geological studies. The minimum work program for the second sub-period, which commences on 3 November 2017 and continues for two years, includes the drilling of one exploration well in Block 9.

Melbana is aiming to drill up to two wells in Block 9 and is currently progressing through the detailed planning phase for a drilling campaign presently targeted to commence in mid-2018. Preparatory work has commenced, with local contractors engaged to undertake field survey work, engineering design for the surface facilities and to progress environmental approvals associated with the exploration drilling program.

### **Melbana Energy’s MD and CEO Peter Stickland said:**

*“Melbana is pleased to provide formal notification to the Cuban regulator of our ongoing commitment to Block 9 based on its world-class exploration potential and we are well placed having already commenced preparatory engineering, permitting, and procurement activities to support the work program and our ambition to drill up to two exploration wells in Block 9 commencing mid 2018.”*



Peter Stickland  
**Managing Director and Chief Executive Officer**

## Overview of Block 9 PSC, Onshore Cuba

Block 9 PSC (Block 9) covers 2,380km<sup>2</sup> onshore of the north coast of Cuba. It is in a proven hydrocarbon system with multiple producing fields within close proximity, including the Majaguillar and San Anton fields immediately adjacent to it and the multi-billion barrel Varadero oil field further west (see figure 1). Block 9 contains the Motembo field, the first oil field discovered in Cuba. Melbana is prequalified as an onshore and shallow water operator in Cuba and was awarded Block 9 on 3 September, 2015. Melbana's established position in Cuba provides it with a strong early mover advantage.

Melbana's ambition to drill up to two wells in Block 9 in Cuba is consistent with the Cuban national oil company's announced strategy to accelerate oil exploration. Cuba's reported current production is around 45,000 barrels per day of oil and 3 million cubic metres (approximately 100 million standard cubic feet) per day of gas with international operators reporting globally competitive operating costs in Cuba of ~US\$7/barrel. Most of the oil and gas produced is currently used for electricity generation, the demand for which is expected to rise.

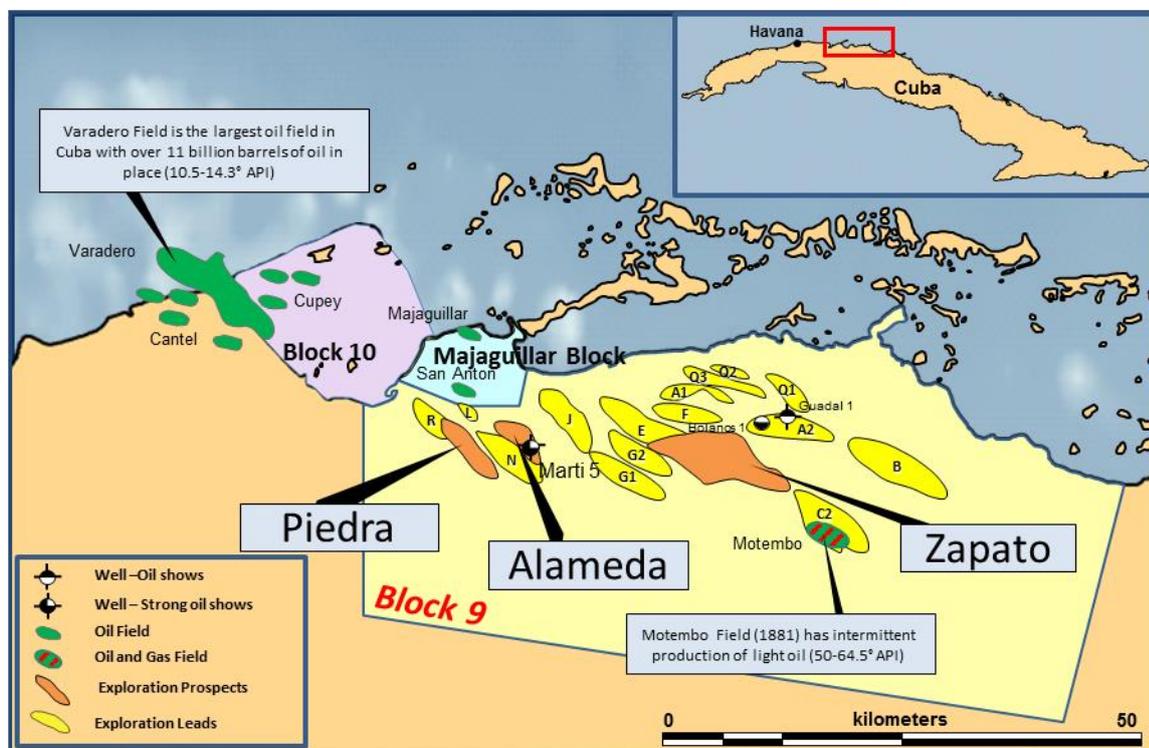


Figure 1. Block 9 PSC with high graded drilling targets