

Block 9 Operations Update

Highlights

- Zapato-1 drilling ahead, now at 586 metres. Target estimated to begin at 2,650 metres
- Independent reserves certification of Alameda and Marti structures expected late June
- Appraisal of oil reservoirs encountered in the Amistad structure by Alameda-1 (119 million barrels, 100% unrisked Prospective Resource mean estimate¹) planned following completion of Zapato-1, subject to receipt of necessary approvals

SYDNEY, AUSTRALIA (1 June 2022)

Melbana Energy Limited (ASX: MAY) (**Melbana**) is pleased to provide this update on activities in its Block 9 contract area, onshore Cuba (Melbana's working interest 30%).

Zapato-1 exploration well

Surface casing has been set at 459 metres and the BOP subsequently pressure tested. Cement was drilled out a few metres and mud displaced for a leak off test, following the satisfactory completion of which mud volume was built up and drilling ahead resumed, reaching 586 metres a short time ago.

The Zapato-1 well shall test a target with a Prospective Resource (Best Estimate) of 95 million barrels of oil¹. Melbana's assessment is that the large Zapato structure (with nearly 1,000 metres of vertical relief estimated to begin at about 2,650 metres) may be the primary structure, and thus the source of oil, for the shallow Motembo oil field discovered in the late 19th century that reportedly contained a very light oil (50 – 64.5° API) present at surface.

Objective	Chance of Success	Prospective Resource ¹ (Best Estimate, million barrels)			
		Low	Best	High	Mean
Zapato	23%	38	95	214	114

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 is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. All quoted volumes have been taken from Independent Expert McDaniel & Associates Competent Persons Reports, released to ASX on 7 August 2018 and 14 March 2022, as adjusted by Melbana for area relinquishment. Melbana is not aware of any new information or data that materially affects the information included in that announcement and that all the material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

Alameda-1 Independent Resource Assessments

Melbana has completed its assessment of the volumetric characterisation of the Alameda structure (formerly the N sheet) and is in the process of delivering this work to the independent reserves certifier. A similar assessment of the Marti structure (formerly the I sheet) is advanced and expected to be completed shortly, following which these data will also be delivered to the reserves certifier.

An announcement of the results of this independent assessment of these two structures is expected to be available for release in about a month's time.

Block 9 Forward Work Program

Melbana held a week of meetings in Havana last month with its partner to discuss the forward plan for the appraisal of the oil-bearing intervals encountered whilst drilling Alameda-1 and the ambitions for Block 9 in general should these appraisals be positive. Technical and financial plans for these forward operations are now being developed in more detail following these meetings and discussed with regulators and contractors.

Melbana is currently seeking the necessary approvals to appraise the three oil bearing zones of the Amistad structure encountered whilst drilling Alameda-1, to take place immediately following the completion of Zapato-1. This could be done using in-country inventory and with minimal additional permitting.

These three oil reservoirs have been independently estimated to contain 119 million barrels of Prospective Resource (100% share, unrisked mean estimate)^{1,2}. Should the anticipated appraisal well encounter satisfactory production characteristics, this well would be left on production once testing is complete with the produced oil being trucked to the nearby tank farm at Varadero.



Figure 1 - Rig in position at Zapato-1

For and on Behalf of the Board of Directors: For further information please contact

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Ends -

² See ASX announcement dated 14 March 2022