

Preparations underway for start of Zapato-1 exploration well

Highlights

- Preparations underway for relocation of drilling rig and camp to Zapato-1. Drilling operations forecast to commence last week of May 2022
- The Zapato prospect to be tested by Zapato-1 is estimated to have a Prospective Resource of 95 million barrels of oil (Best Estimate)¹
- The Alameda-1 well was safely contained once attempts to conduct early and short tests of the deeper oil intervals encountered could not be done effectively using the current well design and condition.
- Alameda-1 encountered 300 metres MD / 278 metres TVD of net hydrocarbon pay across three independent zones. Plans for the effective testing of these significant oil intervals are being reviewed in light of the high formation pressures encountered there
- Planning advanced for testing of Alameda-1 following completion of Zapato-1

Melbana Energy's Executive Chairman, Andrew Purcell, commented: *"Our Alameda-1 exploration well has delivered results considerably greater than our predrill expectations. Having found three significant and highly energised intervals of net hydrocarbon pay we were naturally keen to try and get some data on the oil's composition and the likely performance of the reservoirs as soon as possible, but this will now have to wait for the formal testing program given that management of the high formation pressures made it complicated to repurpose our exploration well into a testing environment. We'll all have to be a little more patient, therefore, but gladly accept that the reasons for the challenges we faced in drilling Alameda-1 give us good reason to be optimistic about our future in Cuba. We are now revising our plans for testing in Alameda-1 whilst also preparing for the start of drilling at Zapato-1."*

¹ **Prospective Resources Cautionary Statement** - The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) 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 Report, released to ASX on 7 August 2018, 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.

SYDNEY, AUSTRALIA (28 APRIL 2022)

Melbana Energy Limited (ASX: MAY) (**Melbana**) is pleased to provide this update on its drilling operations in its Block 9 contract area onshore Cuba.

The high mud weight environment that was required to be built up to safely contain the highly energised oil interval encountered in Alameda-1 in the deepest Marti structure led to ambitions to conduct short preliminary tests of the moveable hydrocarbons encountered there and in the higher, Alameda, structure being impractical. Rather than persevere with attempts to address these issues and repurpose an exploration well into a testing environment whilst incurring day rates for both the main drilling rig and the well testing equipment, it has been determined to be more economic to move the rig and commence drilling of Zapato-1.

Whilst drilling the Zapato-1 well, Melbana’s project management team will also complete its review of plans for the longer term testing of the oil intervals encountered at Alameda-1 to allow for the higher formation pressures encountered there. The Alameda-1 exploration well was designed with several layers of contingency, which ended up being needed given the pressures that were encountered were significantly greater than what was predicted from the data available from offset wells. A review of the rig and well design for the actual environment encountered will allow for necessary changes to the drilling rig and well design to be identified and implemented, thus allowing for efficient future testing operations.

During the transfer of the drilling rig and camp to the new site for the drilling of Zapato-1 some essential maintenance and recertification work will need to be done. As such, the current estimate for the commencement of drilling at Zapato-1 is currently the last week of May 2022.

Zapato Prospect

The objective of the Zapato-1 exploration well is to locate the source of the historic Motembo oil field – Cuba’s oldest oil field that reportedly contained a very light oil (50 – 64.5° API) present at surface.

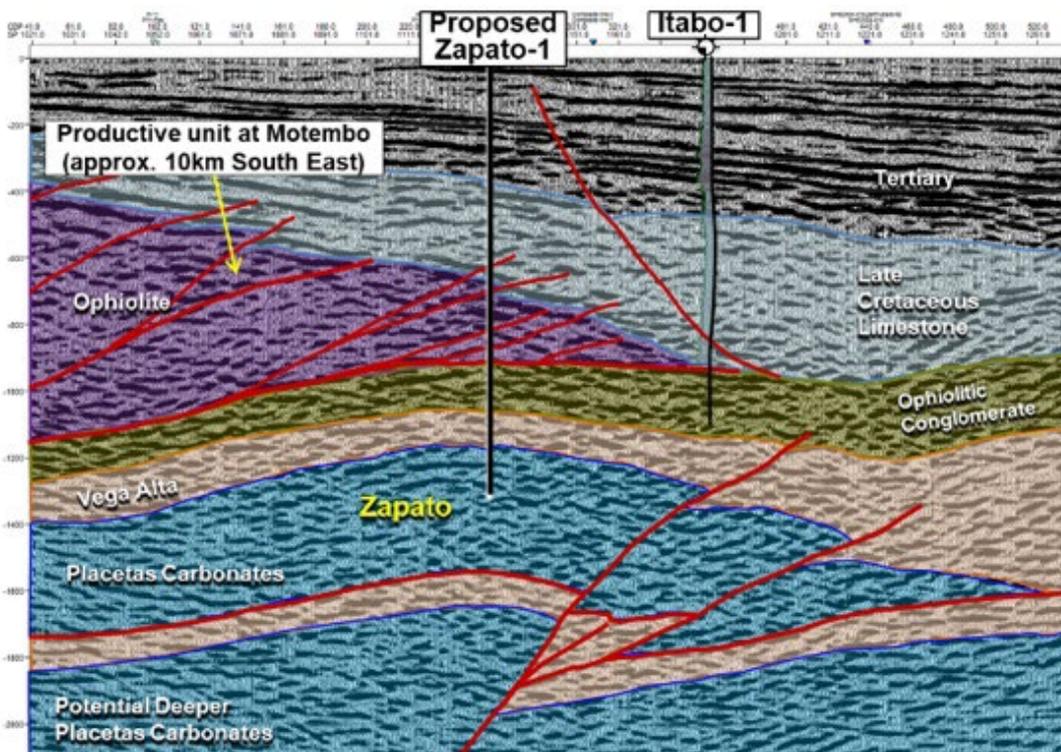


Figure 1 - Location of the Zapato prospect being targeted by Melbana's second exploration well

The structure Melbana is targeting with Zapato-1 was identified from an interpretation made by Melbana's technical team derived from seismic and surface data and then validated with the results of a gravity and magnetic study commissioned by Melbana which indicated a strong gravity and magnetic anomaly aligned with the other data sets.

Melbana's assessment is that the large Zapato anticline (with nearly 1,000 metres of vertical relief) may be the primary structure, and thus the source of oil, for the shallow Motembo oil field discovered in the late 19th century. There are no previous wells that have drilled deep enough to intercept the Zapato structure.

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

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

Mr Andrew Purcell
Executive Chairman

Mr Theo Renard
Company Secretary
+61 2 83 23 66 00

Ends -