

Update on Appraisal Well Drilling Program Timetable

SYDNEY, AUSTRALIA (23 March 2023)

Melbana Energy Limited (ASX: MAY) (**Melbana**) provides this update on the planned spud date for the first of its two appraisal wells in its Block 9 PSC area onshore Cuba (Melbana 30%) and the timeframe for the overall program.

Melbana was previously advised by its drilling contractor that mobilisation of the drilling rig for Alameda-2 would occur in late March, following their completion of a gas well to provide additional fuel to a power plant generating electricity for the country. The drilling contractor operates the power plant in joint venture with Cuba's national oil company *Unión Cuba-Petróleo*) and the national electricity operator *Unión Eléctrica de Cuba*. Melbana has been advised that this gas well has been successful and should complete in the next week. The additional electricity that can now be generated by this previously underutilised plant will help alleviate the acute power shortage the country is currently experiencing due to some recent failures at other power plants in the country and the loss of fuel at the country's principal oil terminal last year.

Given these shortages and the fact that the power plant still has additional generation capacity, Melbana's drilling contractor has advised it that the Cuban Government has now requested it to drill a second gas well to further increase the electricity output of the power plant. The contractor has therefore estimated a five-week delay to the start of Melbana's two-well appraisal program and confirms there can be no further such delays as its power plant will be running at near to full capacity after the completion of this second well.

This is a temporary delay only, and otherwise has no impact on Melbana's ability to deliver on its two-well appraisal drill program nor on the potential results of these two appraisal wells.

Positively, Melbana now has an extended window to ensure the full cohort of equipment needed for the entire program arrives at site well in advance of drilling commencing and, also advantageously, the Company may now be able to maintain continuous operations, meaning drilling the second appraisal well after the first, resulting in a possible saving to the appraisal program in excess of \$1 million.

Melbana Energy's Executive Chairman, Andrew Purcell, commented: *"Whilst this delay to the start of our first appraisal well is frustrating for all of us, we have to be respectful of the wishes of the Cuban government to prioritise the delivery of essential infrastructure to its people – regardless of how important increasing domestic oil production is to them too. That being said, the size of the prize has not changed and the extended timeframe has potentially material financial advantages for us. Furthermore, our planning for this program could not have been more meticulous. We have added to our talent pool, included production and logistics expertise, undertaken extensive risk management and we could not be in better shape for what I'm sure will be a successful campaign having just spend several weeks with the team in Cuba. All of us at Melbana are fully invested in this program and are fully aligned with shareholders in our desire to get drilling. This is not too far away now and we will communicate progress as we draw near to mobilisation."*

For and on Behalf of the Board of Directors:

Mr Andrew Purcell
Executive Chairman

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