

Quarterly Activities Summary - Period Ended 31 December 2024

HIGHLIGHTS

Cuba

Block 9 PSC (Melbana 30% participating interest and Operator)

- Initial development of Unit 1B on track.
- All materials for Alameda-2 workover in country, workover on track for early February.
- Drilling rig to mobilise to Amistad-2 location immediately thereafter.
- Melbana subsidiary approved as Operator in Cuba.
- Oil offtake contract terms being finalised with an international oil trader.
- Pre-bid seismic scouting process completed.

Corporate

- \$9.7 million cash available at the end of the quarter.

SYDNEY, AUSTRALIA (23 January 2025)

Melbana Energy Limited (ASX: MAY) (**Melbana** or the **Company**) provides the following summary in relation to its activities during the quarter ended 31 December 2024.

CUBA: Block 9 PSC (Melbana 30%, Operator)

Field development

As announced at the AGM, the first phase of the field development plan will be a workover of the existing Alameda-2 completion within the Amistad Unit 1B reservoir (see Figure 2 below) followed by the drilling of a number of production wells into Unit 1B reservoir within the Amistad Structure, the first being the Amistad-2 well.

Using existing 2D seismic control, Amistad-2 will be drilled to the South from Pad #9 targeting the highest confidence (1C) resource of 16 million barrels¹, in a location up-dip of Alameda-2.

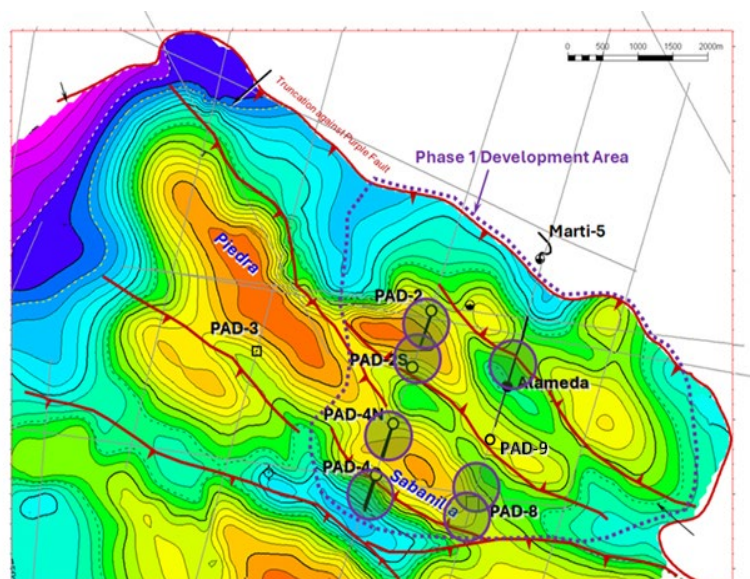


Figure 1 - Planned Unit 1B well pads in eastern part of field

¹ 100% share, best estimate – See ASX announcement dated 25 March 2024

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Future 3D seismic will allow development wells to be accurately positioned to more efficiently develop and potentially extend the recoverable 2C Contingent Resource of 46 million barrels¹.

A pre-bid seismic scouting process was completed with contractors during the December quarter, data from which will be incorporated into the survey design.

The near-term goal to export a first cargo remains a priority.

Alameda-2 Workover

The workover of Alameda-2 is planned to commence in early February 2025. The program is designed to remediate interpreted near-well formation damage identified in the Amistad Unit-1B oil reservoir. The nature of this damage was determined by our in-house team and external experts analysing results from the original Drill Stem Test (DST) and subsequent Extended Production Testing.²

Key steps in the workover program include using a service rig to pull the completion, add perforation intervals in the upper and lower Unit 1B and undertake an acid wash and squeeze before re-running the completion.

Drilling additional well into Unit 1B

Preparations for the drilling of Amistad-2 are well advanced and an outline drilling program was compiled during the quarter. The drilling program incorporates all lessons learned to date in order to maximise the well's flow potential. Amistad-2 is to be drilled from Pad #9 in a southerly direction, along the existing 2D seismic line, and is designed to intersect the entire Unit-1B pay interval and numerous interpreted fracture sets (Figure 2 below). The surface location is approximately 800m from and 200m updip to the successful Alameda-2 well.

Following the observation of formation damage during extended production testing of Alameda-2, and subsequent likely formation damage in Alameda-3, the Company decided to investigate alternate drilling fluid systems. Preliminary investigations led Melbana to develop a Reservoir Drilling Fluid (RDF) for the Alameda field.

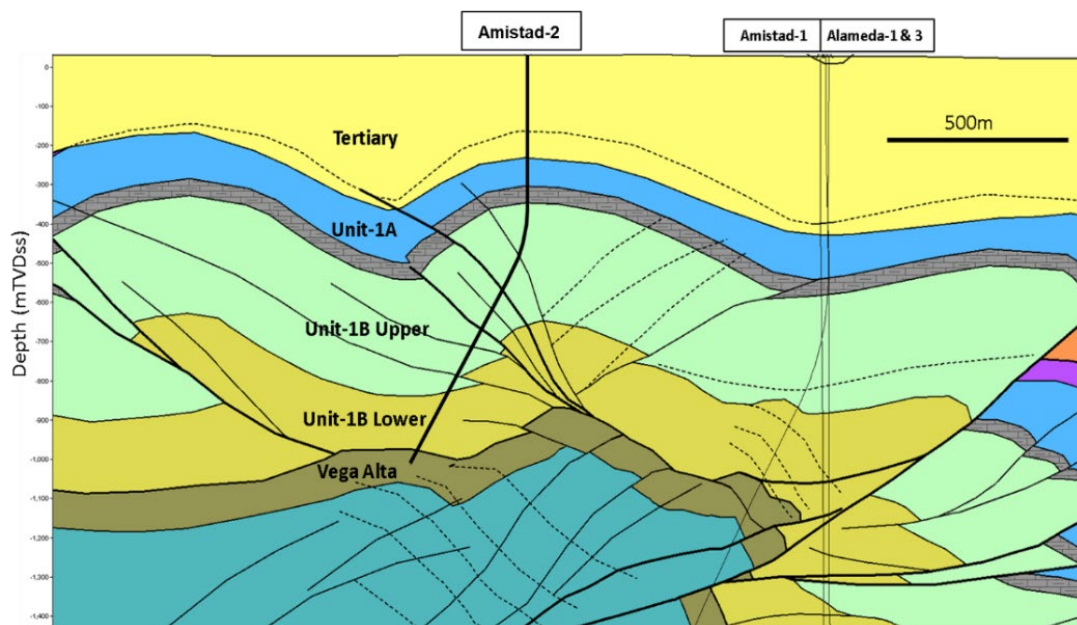


Figure 2 – Amistad-2 directional well plan is updip from Amistad-1 to intersect a maximum interval of the pay zone at an optimal angle to the identified fracture orientation.

²

See 2024 AGM Chairman Address and Company Presentation, ASX 19 Nov 2024

The use of RDF is relatively common for formations susceptible to drilling induced damage. Melbana's RDF is a water-based drilling fluid that is designed to minimise the risk of formation damage, whilst maintaining the ability to safely and effectively drill the well.

During the quarter, scanning electron microscope images of Alameda-3 core samples were received, providing direct indications of formation damage including barite embedment and crystalline precipitates within pores and fractures of core plugs. This information was incorporated into the extensive chemical analysis and final design of the RDF and associated fluid and rock compatibility testing, which confirms its suitability for the Unit-1B reservoir.

Given the dedicated Unit-1B target for Amistad-2, it has been possible to significantly simplify the well design. As such, it is expected that the well will be completed open-hole, with 7" slotted liner available as a contingency, an application which works well with the proposed RDF. The completion tubing will then be run before a pre-production acid-wash being circulated and the well then brought immediately into production without the need to kill the well.

Drilling is planned to commence immediately after the workover of Alameda-2.

Commercialisation

A significant component of Melbana's commercialisation plans were realised when Melbana's subsidiary was approved as an operator in Cuba.

Melbana's engineering and commercial teams continue to progress plans for the export of oil produced from Block 9. The preferred plan is to truck crude to receiving pits connected to oil storage tanks at the nearby oil storage terminal before export from the port. Crude exports are expected to continue to be pursued to underpin the Company's long-term ambitions for the project.

The Company continued its discussions with several potential new partners and credit providers who have demonstrated interest in participating in the development of Block 9.

AUSTRALIA

Hudson Prospect in NT/P87 and WA-544-P (Melbana 100%)

Melbana holds 100% of WA-544-P & NT-P87 exploration permits containing Carbonate Platform opportunities (see Figure 3). Melbana continued the process of identifying a farminee(s) to fund a forward work programme (3D seismic survey and contingent drilling option) in the permits. WA-544-P and NT/P87 hold similar resource potential as the adjacent WA-488-P exploration permit, that contains the Beehive drilling prospect, and which is likely to be drilled by the Operator of that exploration permit in 2025.

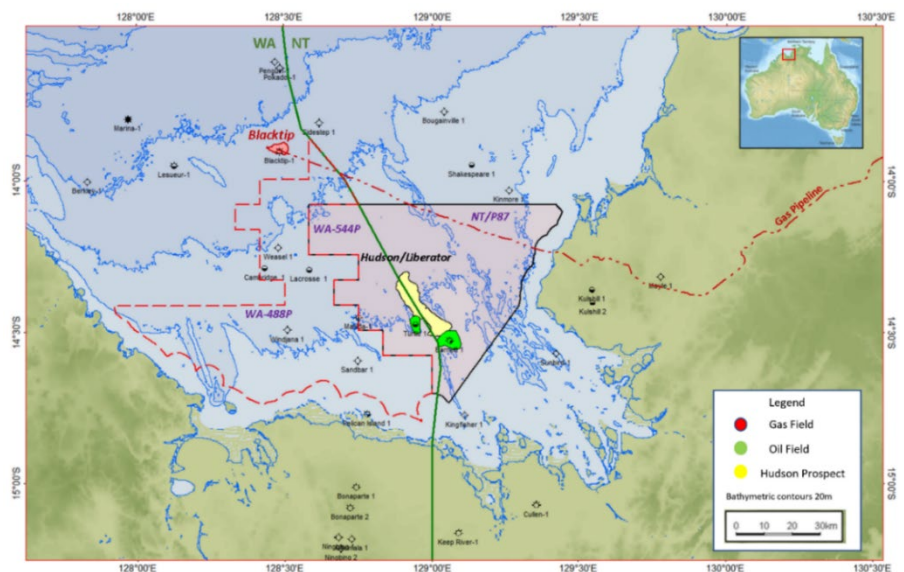


Figure 3 - Location of the Hudson Prospect in northern Australia

AC/P70 Timor Sea (Melbana 100%)

Melbana holds 100% of the AC/P70 exploration permit (see Figure 4). Interpretation and mapping of the reprocessed 500 km² Pantheon 3D survey progressed during the quarter. Once complete the Company will commence a farmout process.

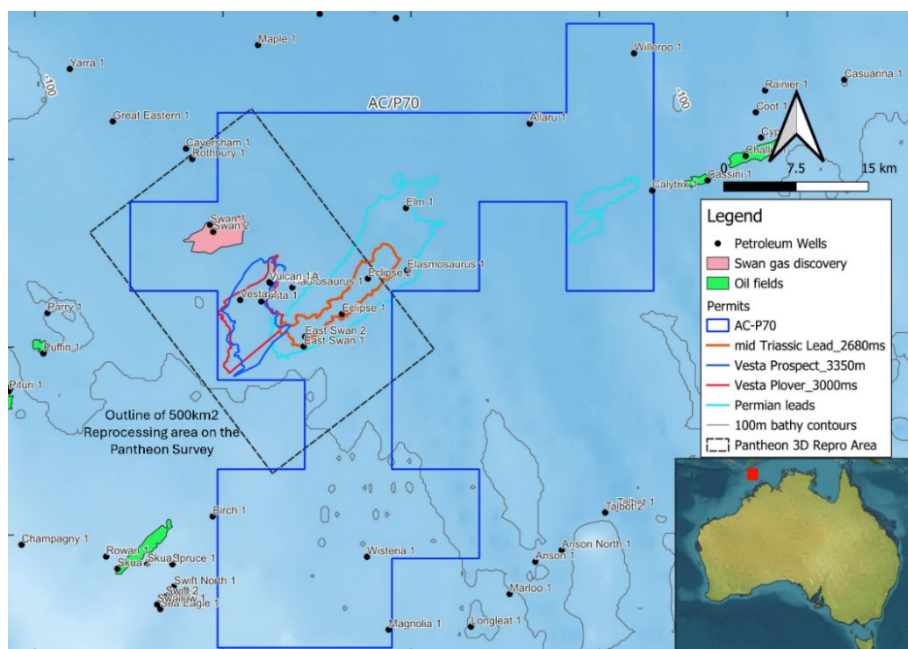


Figure 4 - Location of AC/P70 and reprocessed volume outline

HEALTH AND SAFETY

No lost time incidents occurred during the reporting period.

CORPORATE

Payments to related parties and their associates, totalling \$230,000 as outlined in Section 6 of the accompanying Appendix 5B, related to payment of directors' fees.

The Company had total cash on hand of \$9.7 million as of 31 December 2024.

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

Mr Andrew Purcell
Executive Chairman

Mr Uno Makotsvana
CFO and Company Secretary
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Ends -

APPENDIX B – TENEMENTS



INTERESTS HELD AT THE END OF THE QUARTER

TYPE	LOCATION	TITLEHOLDERS	INTEREST
PSC Block 9	Cuba	Melbana Energy Limited	30%
PSC Santa Cruz	Cuba	Melbana Energy Limited	100% ³
PEL WA-544-P	Australia	MEO International Pty Limited	100%
PEL NT/P87	Australia	MEO International Pty Limited	100%
PEL WA-488-P	Australia	EOG Resources Australia Block WA-488 Pty Limited	Cash, contingent on certain elections being made with respect to the PEL, and payments, contingent on exploration success. ⁴
PEL AC/P70	Australia	Melbana Energy AC/P70 Pty Limited	100%
PEL WA-552-P	Australia	Melbana Exploration Pty Ltd	100%

INTERESTS DISPOSED OF DURING THE QUARTER

TYPE	LOCATION	TITLEHOLDERS	INTEREST
N/A			

INTERESTS ACQUIRED DURING THE QUARTER

TYPE	LOCATION	TITLEHOLDERS	INTEREST
N/A			

³ Award subject to receiving all regulatory approvals, some of which are outstanding

⁴ See ASX announcement dated 24 November 2021

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

MELBANA ENERGY LIMITED

ABN

43 066 447 952

Quarter ended
("current quarter")

31 December 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
1.2 (c) production	-	-
(d) staff costs*	(480)	(936)
(e) administration and corporate costs	(585)	(1,242)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	65	159
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from/(used in) operating activities	(1,000)	(2,019)
<i>*Some staff costs are reallocated in exploration & evaluation</i>		
2. Cash flow from investing activities		
Payment to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
2.1 (c) property, plant and equipment	-	-
(d) exploration & evaluation	(12,890)	(24,966)
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (Contributions from JV Partner)	13,150	23,882
2.6 Net cash from/(used in) investing activities	260	(1,084)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from/(used in) financing activities	-	-
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	9,610	12,387
4.2 Net cash from/(used in) operating activities (item 1.9 above)	(1,000)	(2,019)
4.3 Net cash from/(used in) investing activities (item 2.6 above)	260	(1,084)
4.4 Net cash from/(used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	821	407
4.6 Cash and cash equivalents at end of period	9,691	9,691
5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	9,691	9,610
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,691	9,610
6. Payments to related parties of the entity and their associates	Current quarter \$A'000	
6.1 Aggregate amount of payments to related parties and their associates included in item 1	230	
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments</i>		
<i>Payments were made to related parties of MAY during the quarter which comprised of Non-Executive Director fees and Executive Director Salaries</i>		
7. Financing facilities <i>Note: the item 'facility' includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other - Outstanding Cash Calls from JV Partner	19,498	-
7.4 Total financing facilities	19,498	-
7.5 Unused financing facilities available at quarter end		19,498
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from/(used in) operating activities (Item 1.9)	(1,000)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1 (d))	(12,890)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(13,890)
8.4 Cash and cash equivalents at quarter end (item 4.6)	9,691
8.5 Unused finance facilities available at quarter end (item 7.5)	19,498
8.6 Total available funding (item 8.4 + item 8.5)	29,189
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	2.10
<i>Note: if the entity has reported positive relevant outgoings (i.e. a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7</i>	
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered</i>	

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement does give a true and fair view of the matters disclosed.

Date:

23 January 2025

Authorised by:

The Board of Melbana Energy Limited**Notes**

- The quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee - e.g. Audit and Risk Committee]". If it has been autopsied for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- If this report has been authorised for release to the market by your board of directors, you can wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.