

Operations Update: Encouraging oil shows at Alameda-1

Highlights

- Oil shows consisting of relatively light oil have been encountered from just below the casing point at 454 metres to the current depth of 1,047 metres - a thickness of 547 metres so far. Drilling mud weight increased in response.
- Moveable oil was unexpected at these shallow depths and now represents an additional zone of interest. The significance of these shows will be clarified once logging has been completed over that section of the hole.
- Drilling is continuing towards the first of the three mapped objectives (Amistad) - with the deepest (Alameda) being the primary objective.

SYDNEY, AUSTRALIA (27 SEPTEMBER 2021)

Melbana Energy Limited (ASX: MAY) (**Melbana**) is pleased to report the following update on the progress of the Alameda-1 exploration well being drilling in Block 9 PSC, onshore Cuba. Melbana has a 30% interest in Block 9 and is the operator of the current drilling program.

Encouraging hydrocarbon shows have been encountered from soon after the first casing point at 454 metres, when moveable oil was reported at surface within the mud and cuttings samples. The oil was accompanied by elevated gas readings. Drilling continued through the shallow limestones with similar shows persisting over a gross interval of about 578 metres with so far, with oil still on the shakers at the current depth of 1,047 metres.

The oil appears to be lighter than that normally seen at this depth, supporting Melbana's model of drilling in areas where higher source maturity may be expected.



Figure 1 – Oil in the cuttings box at Alameda-1

At this stage, the significance of these substantial shows is uncertain but they will be further evaluated when logs become available at the conclusion of the current hole section. Samples of the oil have been taken and submitted for further analysis. However, as the main targets are still below the current depth of the well, any further evaluation of deliverability and lateral extent of this new potential oil zone won't be considered until after the conclusion of drilling.

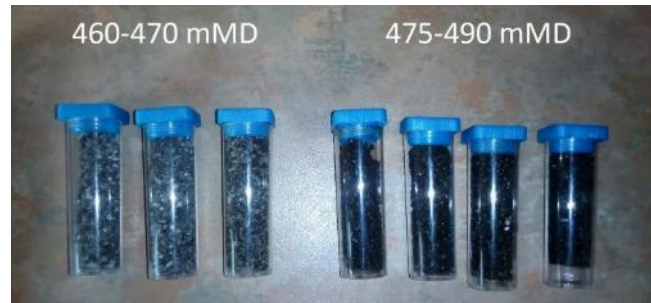


Figure 2 – Differences in cutting samples

Melbana Energy's Executive Chairman, Andrew Purcell, commented: *"The unexpected recovery of live oil at this shallow depth provides an additional potential oil zone in Alameda-1 and increases the prospectivity of other "Upper sheet" structures in the Block 9 PSC. We are encouraged for the chances of finding oil deeper in the well and are drilling on towards our primary objectives."*

Forward Plan

Drilling is continuing ahead to the intermediate casing point at about 2,200 metres, after which a wireline logging program will be undertaken to further evaluate the current hole section. After running casing, drilling will then recommence towards the deeper objectives of Alameda-1.

The primary objectives of the Alameda-1 well are the "N" and "Alameda" structures in the lower sheet.

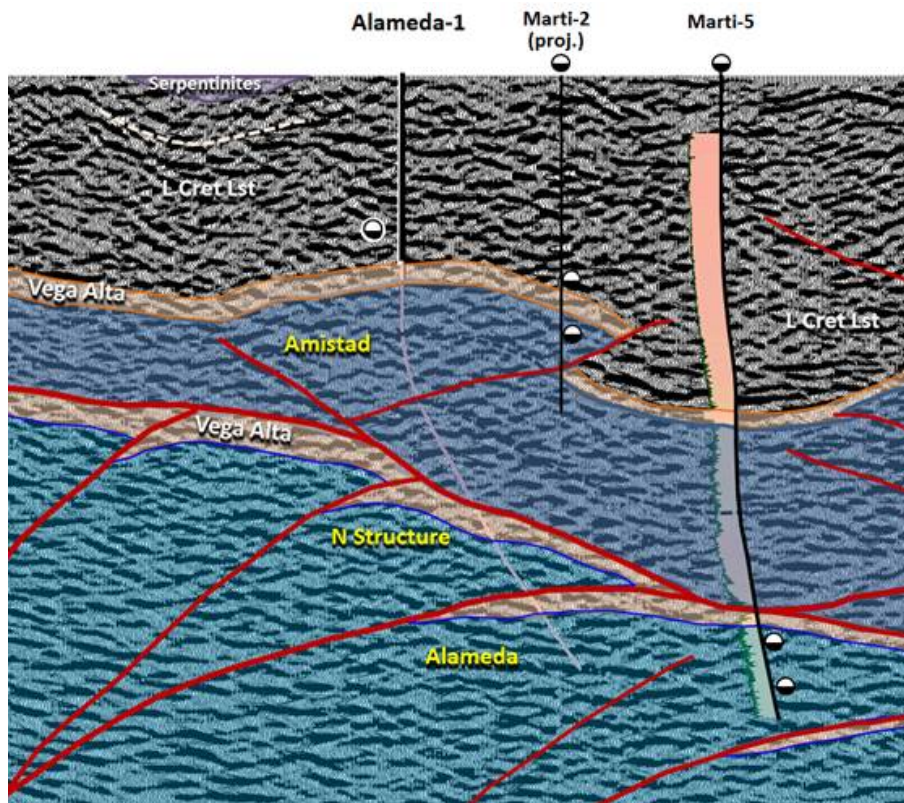


Figure 3 – Schematic cross section of the Alameda-1 well



For and on Behalf of the Board of Directors:

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