

Zapato-1 Drilling Update

Highlights

- Logging operations completed and 11-3/4" casing run to 1243 metres
- Drilled ahead to 1698 metres at which point the drill string became stuck
- Drill pipe recovered above 1507 metres; current operations on are initiating a side-track to drill to primary objective expected to commence at ~2,650 metres
- Encouragingly, free oil has been observed in mud system on shakers at surface while still within the ophiolite overburden section

SYDNEY, AUSTRALIA (18 JULY 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.

After reaching the previously announced depth of 1666 metres and logging the open hole, the 11-3/4" liner was successfully run and cemented over the 14" diameter hole section to a depth of 1243 metres. After cleaning out the hole, drilling continued within the ophiolite overburden section to a depth of 1698 metres at which point the drill string became stuck. While attempting to retrieve the drill string, free oil was observed on the shakers at surface which is most encouraging (see Figure 1 below of oil on the shakers).

The decision was made to sever the string above the stuck point at 1507 metres and recover the remaining drill pipe. Following this operation, a cement plug was set with the top at 1252.5 metres. Operations have now commenced to initiate a side-track and continue drilling to the main carbonate target below the ophiolite.

Melbana Energy's Executive Chairman, Andrew Purcell, commented: *"While the stuck pipe event and the need to side-track the well is a little frustrating, these are normal operations that sometimes occur in the course of some drilling programs and our operations team is well equipped to manage this and commence the side-track drill. Despite this, what is particularly encouraging is the observation of oil over the shakers while still within the ophiolite overburden section. This provides encouragement for the target interval yet to be encountered. We will continue to provide updates on operations as they advance."*



Figure 1 – Oil on shakers whilst drilling Zapato-1

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 -