

Cuba Update

Highlights:

- Amendments to Block 9 Production Sharing Contract formally documented
- Planning for a two well drilling campaign recommenced

MELBOURNE, AUSTRALIA (22 October 2019)

Melbana Energy Limited (ASX: MAY) (**Melbana**) provides the following updates regarding its Block 9 Production Sharing Contract (**Block 9 PSC**) in Cuba:

1. As advised in its announcement of 3 October 2019, Melbana had been informed that all the amendments it had requested to its Block 9 PSC with CUPET, the national oil company of Cuba, had received the necessary approvals.

These amendments have now been formally documented between Melbana and CUPET.

Melbana has also received confirmation from CUPET that it is in good standing with respect to all of its obligations under the Block 9 PSC.

Melbana is required to drill one exploration well in the current exploration sub-period, expiring November 2020.

2. In parallel with its discussions with prospective farmin partners, Melbana has commenced the process of seeking to extend the various drilling, environmental and other permits and access agreements it currently holds to allow for a two well drilling programme commencing 2H 2020.

Melbana has also resumed discussions with drilling and other service providers that had previously tendered or expressed interest in this programme so as to refresh costings and availabilities.

Melbana has already identified at least one new rig in country, complete with crew and related services, that may be suitable and available in country about the time Melbana may require it.

Melbana's proposed two well drilling programme would test four separate targets totalling 236 million barrels (best estimate) of prospective resource, the best of which is estimated to have a 32% chance of success¹.

The prospective resources at each objective have been prepared using the probabilistic method and the summation of the total prospective resource has been prepared using the arithmetic method.

¹ Prospective Resources Cautionary Statement - The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate 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 taken from Independent Expert McDaniel & Associates Competent Persons Report 30 June 2018, and Melbana confirms there has been no new information since that date and all technical parameters and assumptions have not changed since that date.