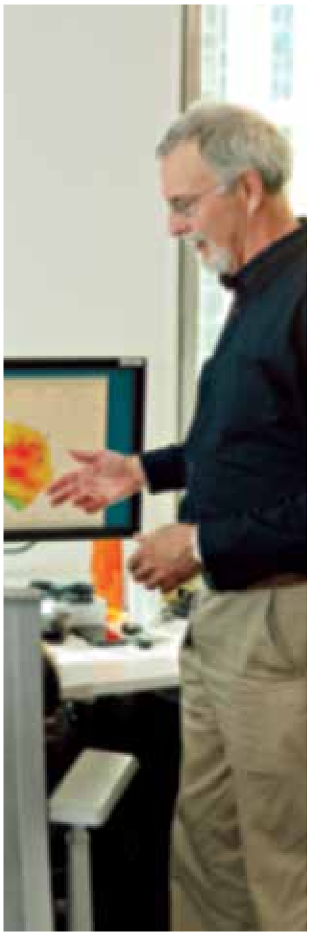
Melbana Energy

Annual Report 2023

Melbana Energy Limited
ABN 43 066 447 952

Contents



Melbana Energy is an Australian ASX listed, independent oil and gas company that has a portfolio of attractive exploration, appraisal and development stage opportunities in Cuba and Australia.

Our Compass

Who we are.

We are an Australian Energy Company that specialises in high impact oil and gas exploration.

We are an experienced team of incredible technical specialists who have a track record of finding and drilling large oil and gas prospects.

We are ethical, have high integrity and are recognised as a good partner by the many major oil companies who join our projects.

Where we are going.

We are fully funded and aim to develop our high-impact Cuban oil discovery to increase the company value.

We will continue to look for high impact exploration opportunities to grow our opportunity base for our shareholders.

We will continue to build our team by bringing in highly skilled specialists to make our ambitious plans a reality.

How we will get there.

We will deploy our capital wisely; we will work our extensive networks and bring in partners to fund our activities when we need to.

We will build on our technical and commercial capability; we will reward our stakeholders' support by creating value for our shareholders and the countries we operate in.

We will always be true to our values and continue to make our company a fantastic place to work.

Our Vision

Our Vision is to reward our shareholders by becoming a billion dollar company in the next three years.

How we will achieve our vision

We will explore, appraise develop, produce and/or acquire to become a successful oil and gas production company in Cuba; we will replicate this success in other non-OECD countries.

Our Mission

Our Mission is to discover and produce oil and gas in countries that need and support the hydrocarbon industry.

"Affordable, reliable energy is a fundamental human right. Without this most basic requirement many parts of the world will not actualise the potential of their people. We will bring energy to the regions of the world that need it most."

Chairman's Letter

Operations during the reporting period focussed on advancing our understanding of our Block 9 contract area in Cuba and our offshore permit areas in Australia. Highlights included completing our second exploration well in Cuba, Zapato-1, advancing our assessment of our offshore permit areas in Australia and commencing the Alameda-2 appraisal well in Cuba.

Zapato-1 successfully reached its planned total depth after a longer than planned drilling program, primarily due to some challenging down hole conditions. Although it was disappointing to not reach the target formation, we gained valuable operational experience and increased our knowledge of the subsurface. These data have allowed us to review our geological models and improve our work practices. Following completion of Zapato-1, efforts turned to preparing for the commencement of the Alameda-2 appraisal well, which started drilling late in the reporting period. The purpose of this year's appraisal program (Alameda-2 will be followed by Alameda-3) is to undertake detailed analysis of the three geologically independent oil-bearing Formations encountered by our Alameda-1 exploration well; designated Amistad, Alameda and Marti, respectively. All three of these Formations demonstrated a working hydrocarbon system with moveable oil often accompanied by high formation pressures that our independent resources certifier, McDaniel & Associates Consultants Ltd. of Canada, estimated may contain 5.0 billion barrels of oil in place. Their best estimate was that 267 million barrels of this may be recoverable, a number they arrived at by applying average Cuban recovery rates.

It's my pleasure to present the 2023 Annual Report for Melbana Energy Limited, which marked another exciting period of development for our world-class portfolio of oil & gas assets.

Typical Cuban production is from the upper sheet and is therefore typically heavy, leading to lower than average recovery rates. If our exploration thesis is correct that the oil gets lighter with depth, our actual recovery rates should be higher which could lead to an upward revision of the above recoverable resource estimate. The current two well appraisal program is designed to give us all the data we and our independent experts needs to better understand the production characteristics of these reservoirs in order to make this assessment. Following the end of the reporting period, the first result from the Alameda-2 appraisal well that gave support to this thesis was obtained when the oil freely recovered at surface from Unit 1B of the Amistad Formation was shown to be considerably lighter and of lower viscosity than what is typically encountered in Cuba. That it flowed at a rate much higher than previous vertical wells in Cuba at this depth gave us sufficient information to declare a discovery – something that received wide media attention in Cuba and generated renewed excitement among our management team, our technical leads and project development partners.

Your Company is now positioned with a broader range of short-term production options to complement the ongoing appraisal program at Block 9. As a result, we have commenced the new financial year with a sound framework for both commercial production pathways and longer-term exploration at Block 9. As clearly stated to the Melbana investor base, the Company's Board and management team continue to maintain high conviction in the project's long-term potential, and our efforts over the past 12 months have further enforced that view.

What was also pleasing throughout the reporting period was that in the course of our extensive work in planning and development, we further strengthened and developed our relationships with key stakeholders including Sonangol – the national oil company of Angola which maintains a 70% interest in the Block 9 PSC, as well as with the Cuban government. These partnerships have formed a core part of Melbana's value proposition. Since inception, the Company – alongside its project development partners – has been committed to developing their stated exploration and commercialisation strategy in alignment with the objectives of government representatives and industry regulators in Cuba. In turn, the ongoing potential of the project and the strength of the regulatory framework in which we operate is a testament to the consistent dialogue and strong relationships in Cuba which have been developed over a period of years now. We look forward to maintaining this strong working relationship with all stakeholders into the future as the long-term commercial potential of Block 9 PSC continues to emerge.

It was also my pleasure during the year to welcome a number of new colleagues to our team to help us realise our vision for the future. These included Mr. Uno Makotsvana as Chief Financial Officer, Ms. Cate Friedlander as General Counsel and Company Secretary, Dr. Duncan Lockhart, as Exploration Manager, Dr. Chris McKeown as our Chief Commercial Officer and, more recently, Mr. Chris Thompson as Chief Operating Officer. The experience and capability of these individuals have greatly contributed to our business, and we have the benefit now of leveraging their respective skills and experience in pursuit of the Company's stated development strategy in the months and years ahead.

Along with our highly-skilled team of geoscientists and engineers, I'd also like to take this opportunity to again thank my fellow Board members for their ongoing commitment to Melbana's strategic vision, and the work that will be required to get there. With the hard work carried out to-date and the operational milestones already achieved, Melbana heads into FY24 at a particularly exciting juncture. We have reached this point with the ongoing support of a broad, diverse and loyal shareholder base, and I'd like to sincerely thank our shareholders for their continued engagement with our development strategy and value proposition. In closing, I look forward to continuing to provide many updates in FY24 and beyond as we reach the numerous milestones ahead of us as we seek to capitalise on this unique exploration opportunity in Cuba.

Andrew Purcell
Chairman

At a Glance

Cuba

Australia

Highlights

Cuba

Advanced Exploration at Block 9

Strong execution on a detailed planning works program led to the successful commencement of the Alameda-2 well appraisal program. The program was designed to further assess the oil quality and reservoir characteristics of the three formations containing moveable hydrocarbons encountered by the Alameda-1 program (6.4 billion barrels of oil in place for a Prospective Resource of 362 million barrels of oil).

- The defined objectives of the Alameda-2 program were to recover oil to surface from each of the three units of the Amistad reservoir; evaluate the quality of the recovered oil to assess production characteristics of each reservoirs and increase the overall reported net oil and gas pay estimate.
- Flow testing operations for Unit 1A were successfully completed during the period; a total volume of 40 barrels of oil were recovered at surface and samples sent for laboratory analysis.
- Post balance-date, flow testing for Unit 1B was completed which confirmed the presence of moveable that was oil considerably lighter than that observed in Unit 1A. The fluid produced to surface was close to 100% oil with almost zero comingled water.
- As at the date of this report, further laboratory testing of the oil's properties is in progress to better understand its commercial and production characteristics. To-date, over 1,000 barrels of oil have flowed naturally to surface during the testing program.
- The Unit 1B section has now been completed for future production. The field development plan for Block 9 is now being reviewed, given the 1B results support the management team's decision to investigate accelerated production pathways earlier than previously planned.
- The next appraisal well, Alameda-3, will test the lower two geologically independent oil-bearing formations intercepted by Alameda-1 – designated Alameda and Marti, respectively.

Australia

Extensions at key exploration sites

- During the period, Melbana's application for a suspension and extension of its 100%-owned AC/P70 exploration permit was approved by the National Offshore Petroleum Titles Administrator.
- The agreement extends the primary term, during which the drilling of one exploration well must take place, by 2.5 years to August 2027. Located offshore northern Australia, the project remains an attractive opportunity for Melbana to leverage its expertise with modern exploration technologies to unlock potential value at AC/P70, where an appraisal well in 2007 identified a gas cap.
- Melbana also advanced its two fully-owned Petroleum Exploration Permits, NT/P87 and WA-544-P, (both located offshore northern Australia) where it carried out initial studies to reprocess and reinterpret legacy 2D seismic data.
- Post balance-date, Melbana announced it had identified a new conceptual target within these permit areas. The Company has now commenced a process to farmout some of its 100% interest in the permit areas to fund the acquisition of a 3D seismic survey which will further de-risk the project.

Operating Review

Cuba

We are fully funded and aim to appraise our high-impact Cuban oil discovery to increase the company value and will continue to look for high impact exploration opportunities and deals to grow our opportunity base for our shareholders.

We are often asked "Why Cuba?" to which we reply, why not Cuba? Given we have been active in Cuba for over a decade it is pertinent to review what brought us to explore for oil and gas here.

Cuba is a country that needs energy to fuel its 11 million population. Cuba is crying out for energy: it currently produces about 45,000 barrels oil per day of heavy (10° API), viscous (~3,000 cP) crude oil that is used almost entirely for generating electricity. As there is a shortage of domestic production, Cuba imports crude to maintain its electricity grid.

In Australia we often talk about the energy trilemma: Sustainability (low carbon), Affordability and Security of supply. We also routinely focus on Sustainability and there is a huge push away from fossil fuels to alternative sources of energy. Unfortunately for less affluent nations, the de-emphasis of affordability and security of supply comes at a huge cost to society.

It has been said that these two key limbs of the energy trilemma are essentially the lowest rungs on Maslow's hierarchy of needs. Without these, societies will labour to rise up the ladder: with self-actualisation a somewhat distant goal. It has also been said that we all want to breathe clear clean air, just not in the pitch black of a power cut.

Our technical people were drawn to Cuba as it was underexplored, underdeveloped and overlooked by the wider oil and gas industry.

We had the thesis that there were untapped billions of barrels of oil in the onshore geological formations, with a significant proportion of that potential in the deeper unexplored rocks.

Cuba - Block 9 (Melbana 30%)

Melbana were awarded the Block 9 PSC (100%) in 2015 for 25 years on internationally attractive terms. This is a large onshore block (2,344km^2), prolific hydrocarbon zone: close to a multibillion-barrel field, with well-developed oil field infrastructure, service providers and international airports.

Melbana then set about integrating all the gravity, magnetic seismic, well production data we could find to build a complete model of the genesis of the structures that the Cuban industry had been producing from before we got there. Our team identified nineteen leads and two drillable prospects and set about a farmout campaign to try and attract co-investment.

Melbana were successful in attracting Sonangol (National Oil Company of Angola – Africa's largest oil producer) in 2021 to fund 85% of the cost of drilling two exploration wells for a 70% working interest (completed 2022) but crucially Melbana retained Operatorship.

In 2021, Melbana spudded the Alameda-1 well to test 4 separate target zones. The well intersected oil starting at 454 metres and continued to intersect reservoirs through to total depth of 3,916 metres when drilling stopped due to a highly pressured influx of oil and gas into the well bore. The Company then elected to shut in the well and designed a 2 well appraisal program.

As a result of drilling Alameda-1, net pay areas totalling approximately 300 mMD were defined across gross reservoir intervals totalling circa 2,155mMD.

In August 2022, on the back of the Alameda discovery, the Company's Independent Experts, McDaniel and Associates, released updated estimates for Oil in Place and Prospective Resources for the three reservoirs intersected by the Alameda-1 well.

The Alameda-1 exploration well (2022) discovered three geologically separate and vertically stacked oil-bearing formations accompanied by high formation pressure that each flowed oil to surface. This resulted in independently certified oil in place and prospective resources, of over 5 billion barrels of oil in place and a gross unrisked best estimate prospective resource of 267 million barrels as per table below.

Table 1 – Independently estimated Prospective Resources following completion of Alameda-1

	Gross (100%) Unrisked Prospective Resources[1] (MMbbl)			
Zone	**Low (1U)**	**Best (2U)**	**Mean**	**High (3U)**
Amistad	30	88	119	240
Alameda	34	109	148	297
Marti	21	70	95	197
Total	**85**	**267**	**362**	**734**

1 This estimate should be read with reference to the footnote "Notes regarding Contingent and Prospective resource estimates" on page 34

Operating Review continued

The objective of the second exploration well of the two well program (designated Zapato-1) was to test whether the Zapato structure, identified by studying gravity and magnetic data sets, could be the source of the very light oil (50 – 64.5° API) present in the historic Motembo oil field. The well successfully reached planned total depth of 3,150 metres measured depth but did not reach the target formation given the greater than expected thickness of the ophiolitic sequence that existed above it.

Activity post reporting period

Alameda-2 was spudded in June 2023 and reached total depth of 1975m on 31 July 2023. This well was focused on logging, coring and flow testing the Amistad 1A, 1B, 2 & 3 units.

Unit 1A recovered 11.7° API oil with 3,783 cP viscosity at surface from a 63 metre MD interval starting from 445 metres MD. Flow rates at surface were not established but 40 barrels of oil flowed unassisted to surface (through a 32/64" choke), exceeding expectations.

Unit 3 was intercepted 200 metres up dip and 500 metres to the south of where Alameda-1 intercepted it. Moveable oil of a similar quality to Unit 1A was confirmed and testing indicated the potential to flow at about 750 bopd.

The DST run on the pre-drill prognosed Unit 2 did not demonstrate moveable hydrocarbons to surface at the location tested.

The Unit 1B recovered 18.7° API oil with 30 cP viscosity at surface from a 70 metre TVD perforated section – less than 20% of the total Net Pay for Unit 1B (when incorporating fractures). This is a higher API (thus lighter) and considerably lower viscosity than oil commonly produced in Cuba.

Such an improvement in oil quality is an important factor for the value of this oil, as is the lack of sulphur normally present in Cuban production but absent here.

Stabilised unassisted flow to surface was measured at 1,235 barrels of oil per day over 12 hours on a 36/64" choke, peaking at 1,903 barrels of oil per day.

Analyses of performance of hundreds of wells in the region indicate that the flow rates observed in Unit 1B are around the high case rates expected for a shallow vertical well and are closer to the average of a shallow horizontal well through this Formation.

These upper formations in Cuba are typically drilled close to horizontal with the goal of intersecting the dominant fracture systems at an optimal angle which can result in flow rates around three times that achieved by vertical wells.

Logged Net Pay for the entire Amistad Formation has been increased from 109 metres to 346 metres TVD – further increasing to 615 metres when the highly fractured limestones are incorporated (45% of the gross interval).

The Unit 1B section was completed for future production, whilst Units 1A and 3 (also productive) were suspended for potential future development and production.

After analysing all options for re-entering the Alameda-1 well and undertaking a risk / reward assessment, the decision was made to plug and abandon Alameda-1 as per the original plan.

Abandonment of Alameda-1 was underway during the preparation of the Annual Report, with casing removal and final cementing of the well bore completed during September 2023.

Once abandonment operations were completed the rig was put on standby on the Alameda pad to enable essential maintenance and equipment upgrades to be undertaken in preparation for drilling the deeper Alameda-3 well. During this standby period deliveries of all necessary inventory and equipment will be made to site to enable spud of Alameda-3 in November 2023.

Alameda-3 will test the lower two geologically independent oil-bearing Formations intercepted by Alameda-1 – designated Alameda and Marti, respectively. The goal of the well is to prove up the nearly 179 million barrels of best estimate prospective resource certified for these lower Formations.

Ahead of the commencement of drilling of Alameda-3, the Company is working on plans to take advantage of the opportunity to obtain early production from the Amistad Formation Unit 1B reservoir given the excellent results obtained in Alameda-2.

Obtaining early oil production data will also provide the Company with important information on reservoir management, transport, and sales processes for finalisation of next year's field development work plan and budget.

To date 1,500 barrels of initial test production has been trucked to a nearby oil storage facility which also acts as the custody transfer sales point.

Melbana is currently working through the work programme and budget process with the Joint Venture and the Cuban regulator.

Going forward Melbana aims to drill as many wells as possible and as quickly as possible to unlock the massive potential of this truly world class discovery.

Board of Directors

Andrew Purcell
Executive Chairman

Andrew Purcell founded the Lawndale Group (formerly Teknix Capital) in Hong Kong over 15 years ago, a company specialising in the development and management of projects in emerging markets across heavy engineering, petrochemical, resources and infrastructure sectors. Prior to this, Mr Purcell spent 12 years working in investment banking across the region for Macquarie Bank and then for Credit Suisse. Mr Purcell also has significant experience as a public company director, both in Australia and across Asia.

Peter Stickland
Non-Executive Director

Peter Stickland has over 30 years' global experience in oil and gas exploration. Mr Stickland was CEO and subsequently Managing Director of the Company from 2014 until January 2018 and then became a non-executive director. Previously, Mr Stickland was CEO and subsequently Managing Director of Tap Oil Limited (ASX: TAP) from 2008 until late 2010 during which time he oversaw the evolution of the company into a Southeast Asia/Australia focused E&P company. Prior to joining Tap Oil, Mr Stickland had a successful career with BHP Billiton including a range of technical and management roles. Mr Stickland is also a life member of the Australian Petroleum Production and Exploration Association Limited (APPEA).

Michael Sandy
Non-Executive Director

Michael Sandy is a geologist with over 40 years' experience in the resources industry – mostly focused on oil and gas. In the early 1990s he was Technical Manager of Oil Search Limited, based in, PNG. He was involved in establishing Novus Petroleum Ltd and preparing that company for its $186m IPO in April 1995 and over 10 years, he held various senior management roles with the Company. Subsequently Mr Sandy has been the principal of energy consultancy company Sandy Associates P/L, has set up and taken companies to IPO and has built extensive experience on the boards of listed and unlisted companies, including Tap Oil, Burleson Energy and Hot Rock.

See pages 19 to 20 for further information.

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Melbana Energy Limited (referred to hereafter as 'Melbana', the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

Directors

The following persons were Directors of Melbana Energy Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Andrew Purcell
(Executive Chairman)

Michael Sandy
(Non-Executive Director)

Peter Stickland
(Non-Executive Director)

Principal activities

The principal activities of the Consolidated Entity during the year were oil and gas exploration in Cuba and Australia together with development concepts for the Tassie Shoal Methanol and LNG Project.

Dividends

There were no dividends paid or declared during the current or previous financial year.

Review of operations

International Operations

Cuba - Block 9 (Melbana 30%)

The Alameda-1 exploration well, completed during the prior reporting period, encountered three geologically independent formations each containing moveable hydrocarbons (accompanied at times by significant formation pressures). These formations (designated Amistad, Alameda and Marti from shallowest to deepest - see Figure 2 on page 13) had a predrill combined Prospective Resource (Best Estimate, 100% basis)[1] of 141 million barrels of oil. During the reporting period and using the data gathered by Alameda-1, an independent expert estimated the volumes within these formations to be 5.0 billion barrels of oil in place with a Prospective Resource of 267 million barrels of oil (Best Estimate, 100% basis)[1] – a 90% increase to the Company's predrill estimate.

It is noteworthy that the latter estimate was informed by actual drilling of the formations which encountered oil and gas shows and flows confirmed by electric logging whereas the predrill estimate was based on desktop work only yet both estimates are characterised as prospective resources due to ASX and industry guidelines. The figures in Table 1 are therefore more derisked than the predrill estimates.

Following these results, planning commenced to drill an appraisal well to test the oil quality and reservoir characteristics of each of the three formations.

Table 1 – Independently estimated Prospective Resources following completion of Alameda-1

	Gross (100%) Unrisked Prospective Resources[1] (MMbbl)			
Zone	**Low (1U)**	**Best (2U)**	**Mean**	**High (3U)**
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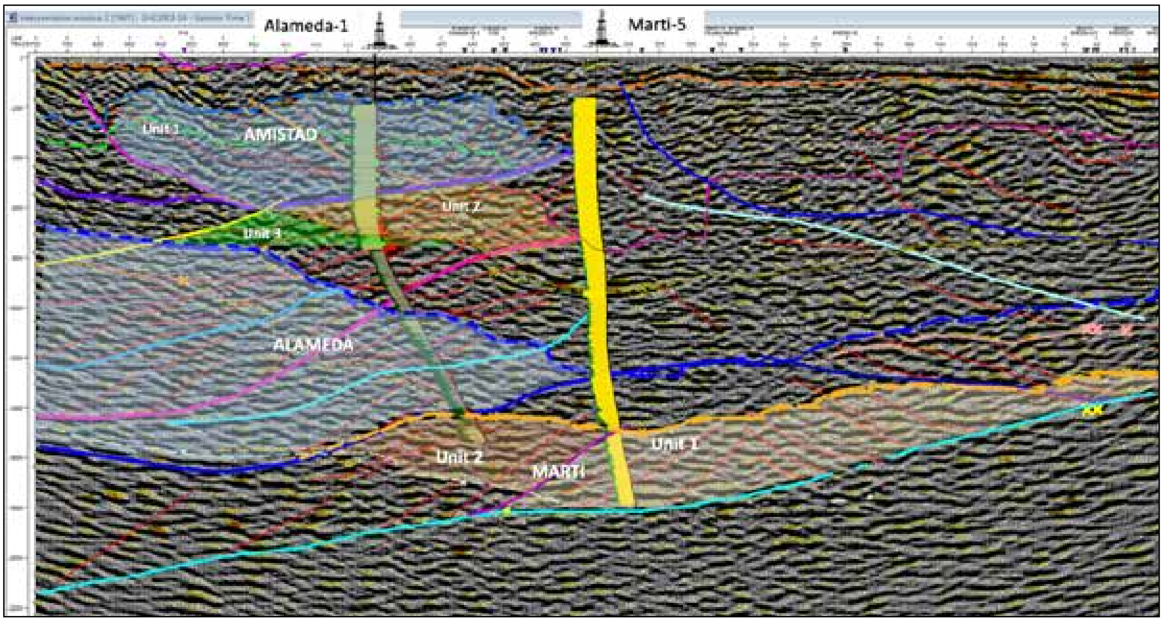


Figure 1 - Subsurface interpretation following completion of Alameda-1 exploration well

The objective of the second exploration well of the two well program (designated Zapato-1) was to test whether the Zapato structure, identified by studying gravity and magnetic data sets, could be the source of the very light oil (50 – 64.5° API) present in the historic Motembo oil field. The well successfully reached planned total depth of 3,150 metres measured depth but did not reach the target formation given the greater than expected thickness of the ophiolitic sequence that existed above it (see Figure 1). The Company is reviewing the results of this well in conjunction with further desktop studies to incorporate these learnings into its interpretation of the subsurface lithology of this area of Block 9.

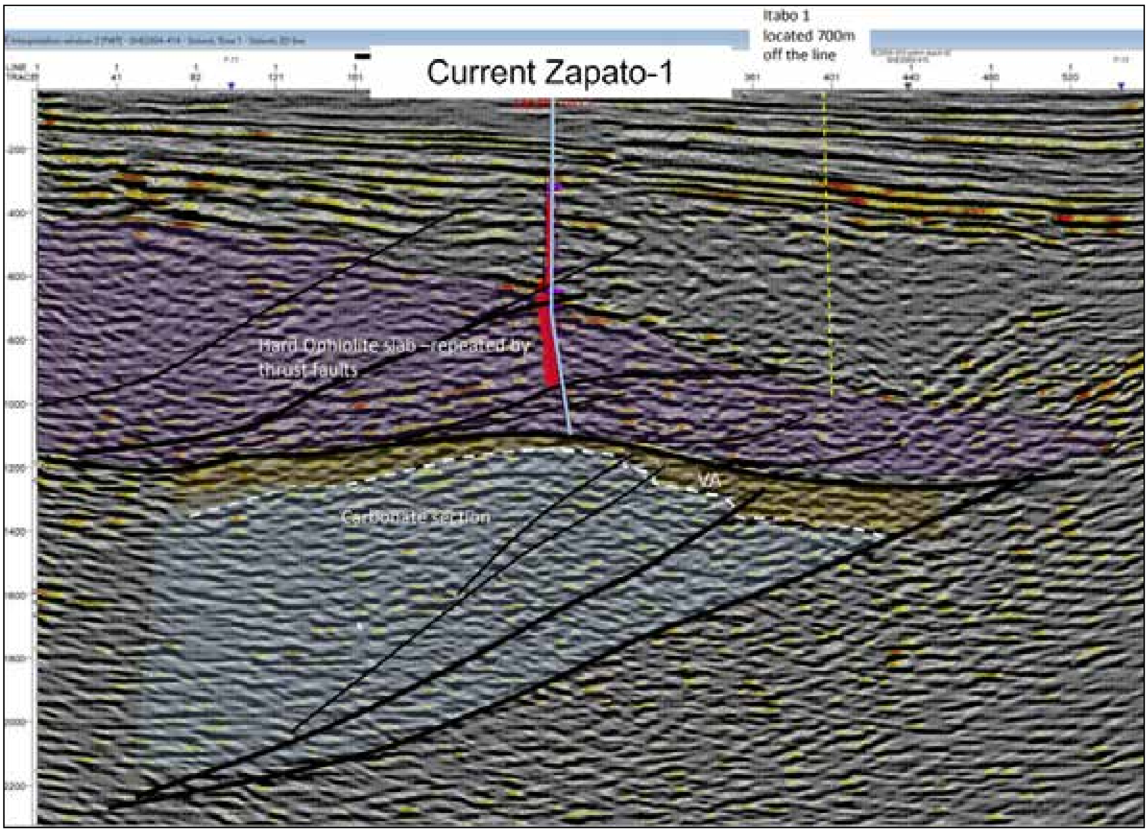


Figure 2 - Subsurface interpretation near total depth for Zapato-1

The first of two appraisal wells (designated Alameda-2), the objective of which was to test the shallowest (Amistad) of the three oil bearing formations encountered by Alameda-1, commenced drilling shortly before the end of the reporting period.

Cuba - Santa Cruz (Melbana 100%, subject to receiving final regulatory approvals)

No material progress was made during the reporting period towards the receipt of final regulatory approval for the binding contract Melbana has entered into for the Santa Cruz oil field given the activities occurring in Block 9.

The Santa Cruz oil field has produced at least 7.4 million barrels from 18 wells since its discovery in 2004.

The Company notes that Cuba is subject to various sanctions imposed on it unilaterally by the United States of America (US). Although these sanctions are intended to only apply to US citizens and corporations, their indirect scope is effectively larger thereby requiring the Company to allow for their impact on operations in Cuba.

Australian Operations

WA-488-P (Melbana contingent cash and royalty interest)

The Company sold its 100% interest in permit area WA-488-P to the Australian subsidiary of US oil major EOG Resources, Inc. in November 2021. The purchaser is making a country entry to drill the giant Beehive Prospect located within the permit area. The Company has no exposure to the cost of this exploration well.

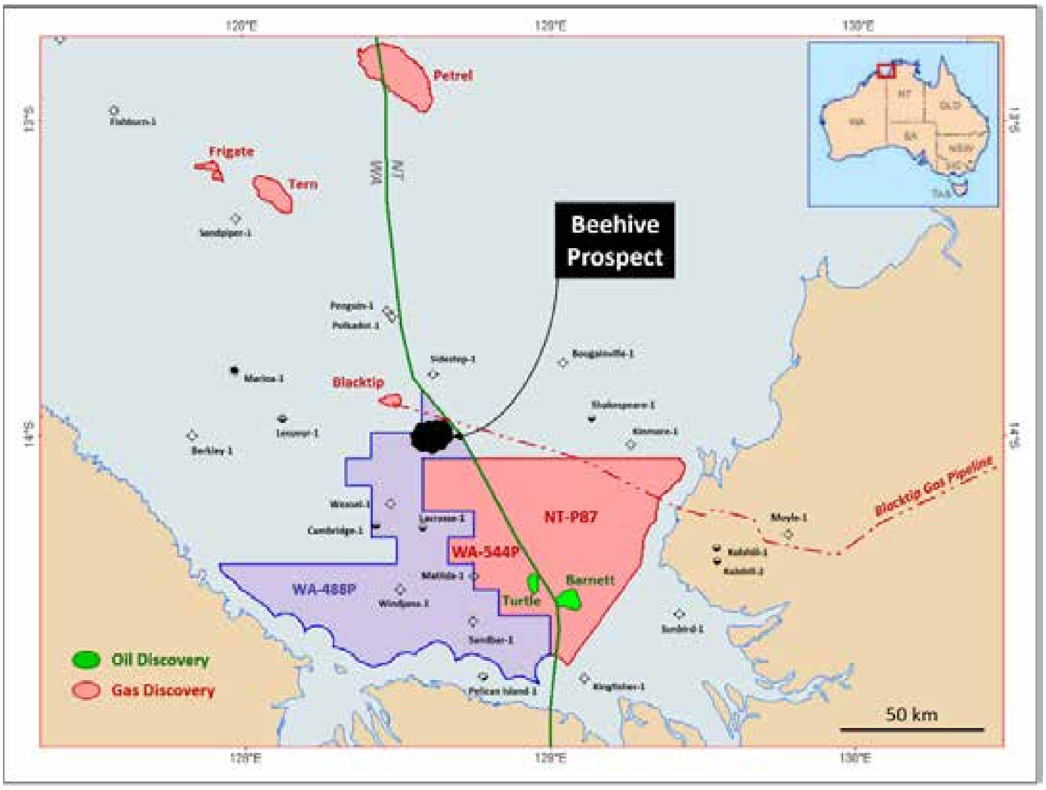


Figure 3 – The location of WA-488-P relative to the Company's other licence areas in the Joseph Bonaparte Gulf

The Beehive Prospect was independently estimated to contain a Prospective Resource[1] of 388 million barrels of oil equivalent (Best Estimate, 100% basis)[2] and a high estimate of 1.6 billion boe. Melbana revised these estimates[3] to a Prospective Resource[1] of 416 million boe (Best Estimate, 100% basis) with a high estimate of 1.4 billion boe following its assessment of the 3D seismic data acquired across the prospect in 2018[4].

The timing of the exploration well into the Beehive Prospect is subject to receipt of the necessary permits. The purchaser has indicated that it expects the drilling program to be undertaken between January 2024 and December 2025.

Under the terms of the sale and purchase agreement, the Company is entitled to receive contingent future payments of USD5.0 million (subject to the purchaser making certain future elections with regards to the permit) and USD10.0 million for each 25 million barrels of oil equivalent in the event oil is produced from the permit area should the exploration well be a commercial success.

2 See ASX announcement dated 7 August 2018
3 See ASX announcement dated 24 August 2020
4 See ASX announcement dated 14 August 2018

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

These permit areas, containing the undeveloped Turtle and Barnett oil discoveries, were granted to the Company in 2020 under the Australian Government's 2019 Offshore Petroleum Exploration Acreage Release. They are in shallow water (20 to 40 metres deep) and located about 300 kilometres southwest of Darwin, Australia. The Blacktip gas field lies to the northwest and its pipeline transects the northern boundary of NT/P87, allowing potential access to the Darwin LNG facility and/or the east coast gas market. The permit areas are also adjacent to WA-488-P, which the Company sold in 2021 to a US oil major that is planning a drilling campaign to test the Beehive Prospect therein.

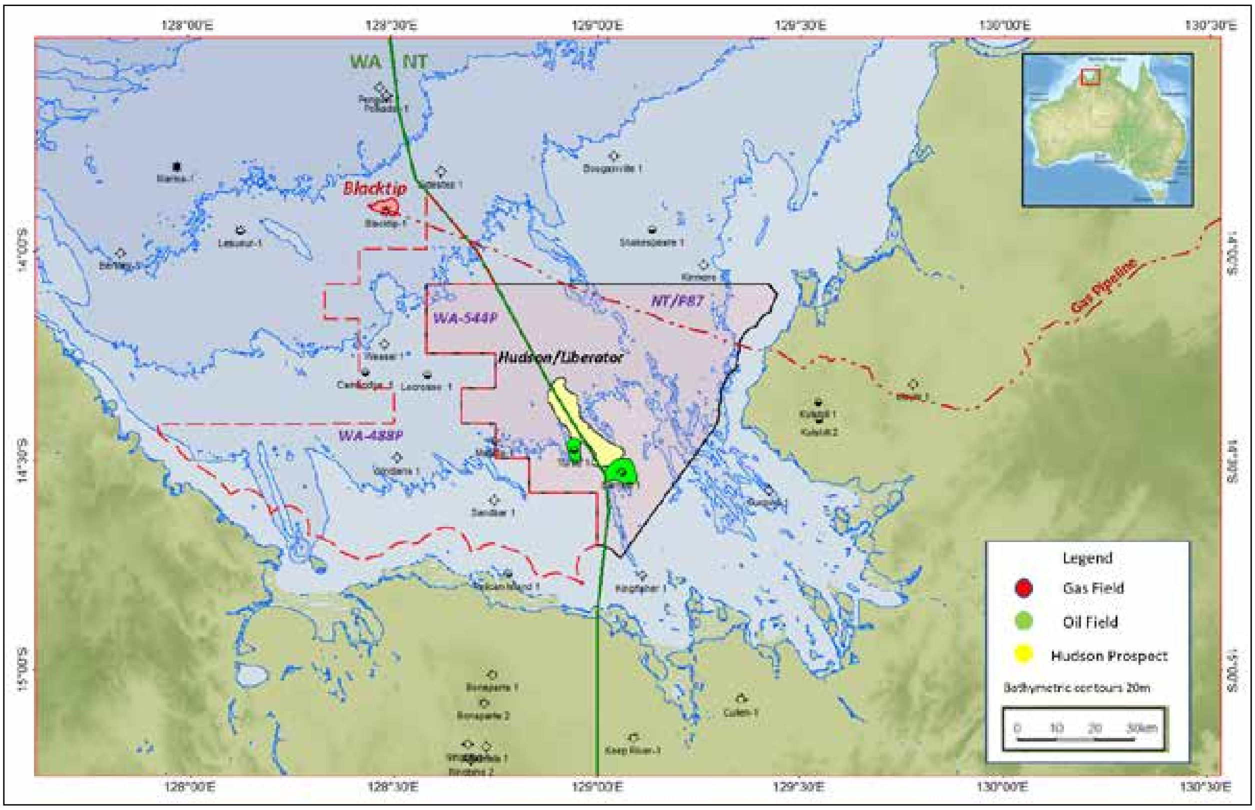


Figure 4 – Location of the Hudson Prospect within WA-544-P and NT/P87

During the reporting period the Company continued to study these permit areas, leveraging the experience it gained in studying the adjacent WA-488-P, with the goal of identifying suitable exploration prospects.

AC/P70 (Melbana 100%)

On 16 February 2022, the Company announced that it had been granted petroleum exploration permit AC/P70, located in the Territory of Ashmore and Cartier Islands, for an initial period of six years. Melbana made an application for this permit under the Australian Government's 2020 Offshore Petroleum Exploration Acreage Release.

Since being awarded the permit, the Company has licensed various datasets and undertaken considerable work to better understand what exploration opportunities might exist there. The undeveloped Vesta-1 oil discovery (drilled in 2005) lies within the permit area and an appraisal well drilled in 2007 identified a gas cap.

During the reporting period the relevant regulator approved the Company's application for a 24-month suspension and extension to the permit's primary term.

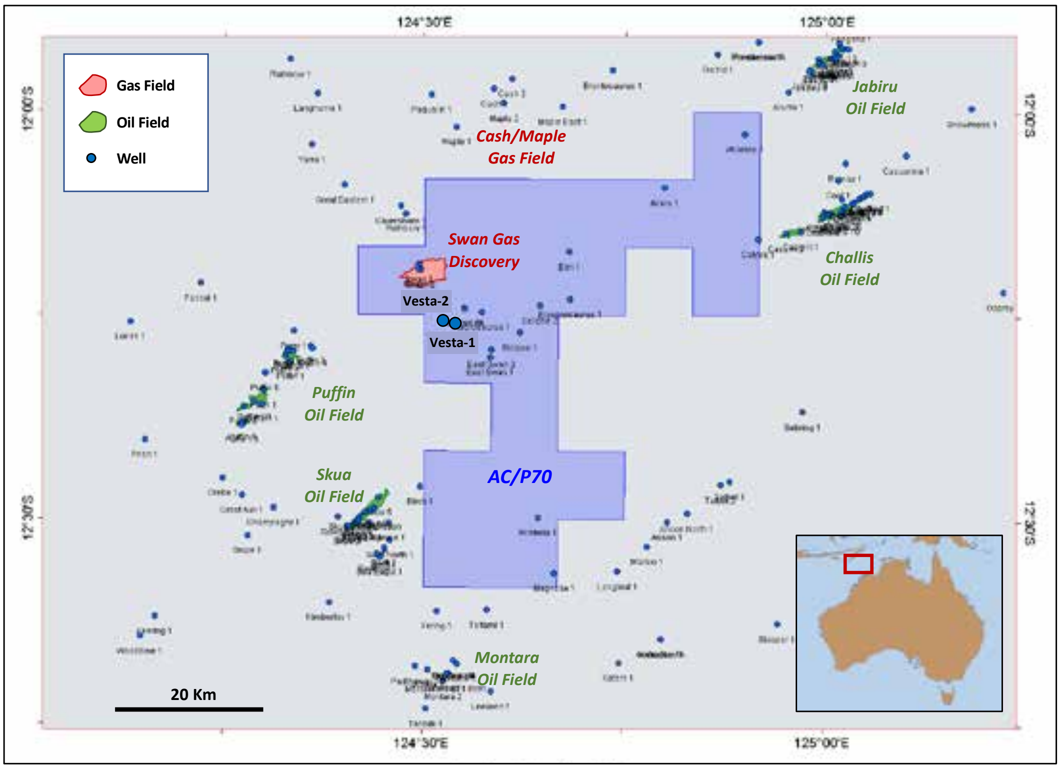


Figure 5 – Location of AC/P70 and existing well control in and around the permit area

AC/P50, AC/P51 (Melbana contingent cash and royalty interest)

Exploration permits AC/P50 and AC/P51 are in the Vulcan sub-basin, offshore northwestern Australia.

The Company sold its 55% interest in these permits to joint venture partner Rouge Rock Pty Ltd (Rouge Rock) in 2018 in consideration for an interest in any future farmout or sale of these permits. The Company later received its share of the consideration Rouge Rock received when it on sold AC/P50. During the reporting period this permit was surrendered so no further entitlement is possible. The purchasers of AC/P50 also acquired an option to acquire AC/P51. Should this right be exercised, the Company would be entitled to receive similar cash consideration and contingent royalties.

Tassie Shoals (Melbana 100%)

The Company has Australian Government environmental approvals to construct, install and operate two stand-alone world scale 1.75 Mtpa methanol plants – collectively referred to as the Tassie Shoal Methanol Project – and a single 3 Mtpa LNG plant – known as the Tassie Shoal LNG Project – on Tassie Shoal, an area of shallow water in the Australian waters of the Timor Sea approximately 275 km northwest of Darwin, Australia. These environmental approvals are valid until 2052. These projects uniquely provide a development option for discovered but undeveloped gas resources in the region.

Progress for these projects is dependent on securing access to proximate gas supply on suitable commercial terms. No material progress was made in this regard during the reporting period.

Results for the year

The net loss after tax of the Consolidated Entity for the financial year was $1,001,999 (2022: net profit after tax of $6,332,812). The loss for the year was mainly due to the administration costs of running the various exploration programs of $4,151,532 offset by a partial recovery of these administration costs on Block-9 in Cuba.

During the year, the Consolidated Entity incurred net operating cash outflows of $3,126,076 (2022: outflows of $2,119,543), net investing cash outflows of $13,363,748 (2022: inflows of $3,264,709) and net financing cash inflows of $15,766,348 (2022: inflows of $23,830,840).

The successful drilling and commercialisation of any oil and gas discoveries in Cuban and Australian exploration permits and/or the development/sale of the Consolidated Entity's methanol and LNG Projects could ultimately lead to the establishment of a profitable business or result in a profit to the Company if an asset sale occurs. While the Consolidated Entity is in the exploration/appraisal stage of drilling for hydrocarbons in its offshore Australian exploration permit and overseas acreage and in the project development phase for its other offshore Australian interests, funding will be provided by asset sales, equity capital raised from the issue of new shares and/or farm out or joint development arrangements with other companies.

Review of financial position

The net assets increased by $15,820,332 to $52,992,594 at 30 June 2023 (30 June 2022: $37,172,262). During the year, the Consolidated Entity capitalised $8,140,867 (2022: $9,532,768) on exploration, mainly in relation to Block 9 in Cuba. The main determinants of the Consolidated Entity's financial condition were:

- Loss after tax of $1,001,999 (2022: profit of $6,332,812);
- Increase in share capital amounting to $17,295,207 (2022: $22,875,044).

The working capital position as at 30 June 2023 of the Consolidated Entity results in an excess of current assets over current liabilities of $33,859,932 (30 June 2022: $26,450,132). The cash balances, including term deposits, as at 30 June 2023 were $34,976,625 (2022: $35,570,347).

Corporate

The Consolidated Entity's future prospects are centred on its ability to secure quality exploration, development and producing opportunities and seeking to maximise the value to shareholders of its current portfolio, identifying and securing additional value-accretive projects, and/or undertaking a corporate transaction.

Funding for the coming Financial Year is sufficient to meet the Company's forecast exploration and field development commitments however the Consolidated Entity may raise additional funding either through farm-in/sale and/or capital injection to advance its projects. In the event that the Consolidated Entity cannot meet its share of work program commitments, permits may need to be surrendered.

Significant changes in the state of affairs

On 8 July 2022 the Company reported that independent reserves and resources expert McDaniel & Associates estimated the Alameda formation within Block 9, Cuba (encountered by the Alameda-1 exploration well) contained 1.9 billion barrels of oil in place and a Prospective Resource[1] of 109 million barrels of oil (Best Estimate, 100% basis).

On 1 August 2022 the Company reported that independent reserves and resources expert McDaniel & Associates estimated the Marti formation within Block 9, Cuba (encountered by the Alameda-1 exploration well) contained 1.2 billion barrels of oil in place and a Prospective Resource[1] of 70 million barrels of oil (Best Estimate, 100% basis).

On 10 September 2022, the Company's listed call options (ASX: MAYO) with a strike of $0.035 expired. Of the 459,758,321 options outstanding at the start of the reporting period, 453,202,268 were exercised on or prior to the expiry date resulting in payments to the Company of $17,295,207.

On 27 October 2022 the Company reported that its exploration well Zapato-1 being drilled in Block 9, Cuba, had reached planned total depth of 3,150 metres measured depth but had not reached the target formation.

On 15 November 2022 the Company announced its plans to drill two appraisal wells in Block 9, Cuba, to better understand the oil qualities and reservoir characteristics of the three geologically independent formations containing moveable hydrocarbons encountered whilst drilling Alameda-1.

On 7 December 2022 the Company announced it had appointed an Exploration Manager, a General Counsel and a new Chief Financial Officer.

On 20 February 2023 the Company announced a small holding share facility to about 2,100 eligible holders with small parcels of shares the opportunity to sell their shareholding without incurring brokerage or handling costs.

On 3 March 2023 it was announced that the Company's ordinary shares listed on the ASX were to be included in the All Ordinaries index, effective 10 March 2023.

On 19 April 2023 the Company received the approval of the National Offshore Petroleum Titles Administrator for a 24-month suspension of the permit conditions in respect of the Permit Year 1 - 3 work program (with a corresponding 24-month extension of the permit term) for its exploration permit AC/P70.

On 6 June 2023 the Company announced it had appointed a Chief Commercial Officer.

On 20 June 2023 the Company announced the start of drilling of its Alameda-2 appraisal well, the first of two appraisal wells planned to better understand the multiple significant hydrocarbon bearing zones intercepted during the drilling of Alameda-1 in its Block 9 PSC onshore Cuba.

As at 30 June 2023, the Company had no outstanding granted options.

Resource upgrades

During the reporting period the Company made significant announcements pertaining to the three oil-bearing formations encountered by the Alameda-1 exploration well in its Block 9 PSC onshore Cuba.

The combined resource estimate for these three formations was independently assessed[5] to contain 5.0 billion barrels of oil in place for a Prospective Resource[1] of 267 million barrels of oil (Best Estimate, 100% basis).

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

Matters subsequent to the end of the financial year

On 4 July 2023 the Company announced it had identified a carbonate buildup, named the Hudson Prospect, within its permit areas NT/P87 and WA-544-P. The Company's maiden prospective resource estimates for this prospect are shown in Table 2. A farmout process was also commenced to seek a partner to fund the acquisition of a 3D seismic survey to further derisk the exploration opportunity.

Table 2 – Maiden Resource Estimates for the Hudson Prospect

		GROSS PROSPECTIVE RESOURCES[1]			
	COS	**P90**	**P50**	**Mean**	**P10**
Oil Only (mmbbl)					
STOOIP		9	371	1,573	4,845
Recoverable	12%	2	90	395	1,184
Gas Only (BCF)					
GIIF		16	700	3,070	10,097
Recoverable	12%	11	466	2,034	6,741

On 5 July 2023 the Company announced the first results from its Alameda-2 appraisal well in its Block 9 PSC onshore Cuba. Unit 1A of the Amistad interval demonstrated recovery at surface of about 40 barrels of moveable hydrocarbons from a productive interval of 63 metres measured depth. API was 11.7° and viscosity was 3,783 cP.

On 14 July 2023 the Company announced that the Alameda-2 appraisal well had reached total depth for Unit 1B, with strong oil and gas shows between 700 and 1,110 metres measured depth with a core taken and preparations underway to wireline log the unit.

On 4 August 2023, the Company announced that the Alameda-2 appraisal well had reached total depth ahead of schedule and that logged Net Pay for Units 1A, 1B and 2 had been increased from 84 metres previously to 243 metres (using conservative cutoffs and without allowing for the highly fractured limestones identified there.

On 15 August 2023, the Company announced that the Alameda-2 appraisal well had confirmed moveable oil in Unit 3 of the Amistad interval, about 500 metres to the south and 200 metres updip from where Alameda-1 penetrated the same unit. The quality of the oil was like that which had been recovered from Unit 1A and it demonstrated the potential to flow at about 750 barrels per day. No formation water was observed. Incorporating the logged Net Pay for Unit 3 increased the total Net Pay for the Amistad interval to 346 metres total vertical depth (increasing to 615 metres total vertical depth if natural fracturing is incorporated).

On 28 August 2023, the Company announced significantly lighter (19° API) and lower viscosity (30 cP) oil had flowed to surface from Unit 1B of the Amistad interval at a stabilised rate of 1,235 barrels of oil per day (peaking at 1,903 barrels of oil per day. No formation water was observed, either during the flow test or from logs, and 1,000 barrels of oil had been trucked away to storage.

On 20 September 2023, the Company announced that the Alameda-3 appraisal well is to commence in November 2023, prior to which it was planned to commence early production from Unit 1B in Alameda-2.

No other matter or circumstance have arisen since 30 June 2023 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

5 Independent certifier McDaniel and Associates, see ASX announcement dated 1 August 2022

Likely developments and expected results of operations

The Consolidated Entity will continue to pursue its interests in:

- Block 9 PSC in Cuba in partnership with Sonangol. Appraisal drilling results from Alameda-2 have demonstrated the presence of significant intervals of moveable hydrocarbons in the shallowest Amistad formation and these are being studied to inform a field development proposal for the exploitation of the resource therein. The next appraisal well, Alameda-3, will test the two deeper formations (called Alameda and Marti). Successful appraisal results from either or both deeper formations should be able to be exploited independently of Amistad and of each other given they are geologically independent;
- EOG Australia is making preparations for the drilling of its Beehive-1 exploration well in WA-488-P in the Joseph Bonaparte Gulf in northern Australia which may begin in the following reporting period. The Consolidated Entity has no exposure to the cost of the drilling of this well or to the permit but is entitled to receive cash and royalty interests contingent on future elections made by EOG Australia in WA-488-P and commercial success from the drilling of the exploration well;
- Permit areas NT/P87 and WA-544-P by seeking a farmout partner to fund the acquisition of a 3D seismic survey to further derisk the Hudson Prospect; and
- Its other permit areas and licences.

Health Safety and Environmental regulation

The Consolidated Entity holds participating interests in a number of oil and gas areas. The various authorities granting such tenements require the licence holder to comply with the terms of the grant of the licence and all directions given to it under those terms of the licence.

Your Board of Directors believe that all workplace injuries are avoidable. Policies and procedures are in place to ensure employees and contractors conduct all activities in a safe manner. Melbana has adopted an environmental, health and safety policy and conducts its operations in accordance with international best practice, where reasonably practicable.

There have been no known breaches of any tenement conditions, no lost time due to injury and no spills during the reporting period. Subsequent to the reporting period there was one recordable, but not reportable, minor spill.

Information on Directors

Name:	Andrew Purcell
Title:	Executive Chairman
Qualifications:	B Eng; MBA
Experience and expertise:	Andrew Purcell founded the Lawndale Group (formerly Teknix Capital) in Hong Kong over 15 years ago, a company specialising in the development and management of projects in emerging markets across heavy engineering, petrochemical, resources and infrastructure sectors. Prior to this, Mr Purcell spent 12 years working in investment banking across the region for Macquarie Bank and then for Credit Suisse. Mr Purcell also has significant experience as a public company director, both in Australia and across Asia.
Other current directorships:	AJ Lucas Group Limited (ASX: AJL)
Former directorships (last three years):	None
Special responsibilities:	Member of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee
Interests in securities:	234,626,097 Fully Paid Ordinary Shares

Name:	Peter Stickland
Title:	Non-Executive Director
Qualifications:	BSc, Hons (Geology), GDipAppFin (Finsia), GAICD
Experience and expertise:	Peter Stickland has over 30 years' global experience in oil and gas exploration. Mr Stickland was CEO and subsequently Managing Director of the Company from 2014 until January 2018 and then became a non-executive director. Previously, Mr Stickland was CEO and subsequently Managing Director of Tap Oil Limited (ASX: TAP) from 2008 until late 2010 during which time he oversaw the evolution of the company into a Southeast Asia/Australia focused E&P company. Prior to joining Tap Oil, Mr Stickland had a successful career with BHP Billiton including a range of technical and management roles. Mr Stickland is also a life member of the Australian Petroleum Production and Exploration Association Limited (APPEA).
Other current directorships:	None
Former directorships (last three years):	Talon Limited (ASX: TPD) (until October 2020) XCD Energy Limited (ASX: XCD) (until June 2020)
Special responsibilities:	Chairman of Reserves Committee, Chairman of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee
Interests in securities:	13,827,419 fully paid ordinary shares

Name:	Michael Sandy
Title:	Non-Executive Director
Qualifications:	BSC Hons (Geology), MAICD
Experience and expertise:	Michael Sandy is a geologist with over 40 years' experience in the resources industry – mostly focused on oil and gas. In the early 1990s he was Technical Manager of Oil Search Limited, based in, PNG. He was involved in establishing Novus Petroleum Ltd and preparing that company for its $186m IPO in April 1995 and over 10 years, he held various senior management roles with the Company. Subsequently Mr Sandy has been the principal of energy consultancy company Sandy Associates P/L, has set up and taken companies to IPO and has built extensive experience on the boards of listed and unlisted companies, including Tap Oil, Burleson Energy and Hot Rock.
Other current directorships:	Omega Oil and Gas Ltd (ASX:OMA)
Former directorships (last three years):	None
Special responsibilities:	Chairman of the Audit and Risk Committee, member of the Remuneration and Nomination Committee and a member of Reserves Committee
Interests in securities:	6,300,000 fully paid ordinary shares

Other current directorships quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Former directorships (last three years) quoted above are directorships held in the last three years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company Secretary

Cate Friedlander, B.A/LLB GradDipACG AGIA – appointed 6 December 2022

Cate Friedlander is a well-known member of the Australian corporate legal community, with extensive experience in the upstream resources and energy sectors across Australasia, South-East Asia, Middle East and the US. This includes a number of years living and working in Asia.

Cate has worked for significant listed and unlisted entities in the sector – Novus Petroleum (General Counsel and Company Secretary), Anzon Australia, Esso Australia and BP and more recently has consulted to Pilot Energy, Bridgeport Energy, Beach Energy.

Cate's experience extends to both asset/industry and corporate related work (M&A, IPO's, contractual, corporate governance and risk and advisory). Her asset and industry related experience is extensive – covering oil, gas and LNG sale agreements, FEED and construction of production infrastructure, exploration and development joint venture related dealings, drilling and governmental negotiations.

In addition to her corporate experience, Cate has previously worked in private practice with top tier firms, across a variety of commercial and resource matters.

Cate also holds a Graduate Diploma in Applied Corporate Governance from, and is an Associate Member of, the Governance Institute of Australia.

Meetings of Directors

The number of meetings of the Company's Board of Directors (Board) and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each Director were:

	Full Board		Reserves Committee		Audit and Risk Committee	
	Attended	**Held**	**Attended**	**Held**	**Attended**	**Held**
Andrew Purcell	9	9	–	2	2	2
Michael Sandy	9	9	2	2	2	2
Peter Stickland	9	9	2	2	2	2

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

The Remuneration and Nomination Committee held one meeting during the reporting period to review employee salaries, senior executive performance evaluations and the terms and participants of the Company's LTI plan. The non-conflicted members of the Committee met alone prior to the meeting to propose amended remuneration terms to be offered to the Executive Chairman with effect from 1 July 2023.

Remuneration Report (audited)

The directors are pleased to present the 2023 remuneration report which sets out remuneration information for the Company's Non-Executive Directors, Executive Director and key management personnel.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practices for the delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Consolidated Entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

The Remuneration and Nomination Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Consolidated Entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

The performance of the Consolidated Entity depends upon the quality of its directors and executives. To prosper, the Consolidated Entity must attract, motivate and retain highly skilled directors and executives.

To this end, the Consolidated Entity embodies the following principles in its remuneration framework:

- Offer competitive remuneration benchmarked against the external market to attract high calibre executives;
- Where appropriate, provide executive rewards linked to shareholder value; and
- Encourage Non-Executive Directors to hold shares in the Company.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-Executive Directors' remuneration

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee receives independent market data when undertaking this annual review process.

The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The Remuneration and Nomination Committee did not use the services of a remuneration consultant during the year.

The Chairman's fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market.

The Chairman is not present at any discussions relating to the determination of his own remuneration.

The 4th edition of the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council (Council) specifies that it is generally acceptable for Non-Executive Directors to receive securities as part of their remuneration to align their interest with the interests of other security holders, however Non-Executive Directors should not receive performance-based remuneration as it may lead to bias in their decision making and compromise their objectivity. Generally Non-Executive directors do not receive performance-based bonuses and/or other incentives and prior shareholder approval is required to participate in any issue of equity.

The Board has determined that Non-Executive Directors will be entitled to charge the Consolidated Entity at a rate of $1,200 per day unless that non-executive director is serving in the capacity of Technical Director in which case the rate would be $2,000 per day. These rates apply for any work performed in excess of five days per calendar month and subject to receiving the prior approval of the Executive Chairman.

The Constitution and the ASX listing rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. The most recent determination was at the Annual General Meeting held on 18 November 2010, where the shareholders approved a maximum annual aggregate remuneration of $500,000. The combined payment to all Non-Executive Directors does not exceed this aggregate amount.

Executive remuneration

The Consolidated Entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has the following components:

- Fixed remuneration
- Variable remuneration consisting of Short-Term Incentive (STI) and Long-Term Incentive (LTI).

The combination of these comprises the executive's total remuneration. The mix between fixed and variable remuneration is established for the executive by the Remuneration and Nomination Committee.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Remuneration and Nomination Committee based on individual and business unit performance, the overall performance of the Consolidated Entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Consolidated Entity and provides additional value to the executive. Fixed remuneration is reviewed annually by the Remuneration and Nomination Committee and, where appropriate, external advice on policies and practices. As noted above, the Remuneration and Nomination Committee has access to external advice independent of management.

The STI program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators (KPI) being achieved. KPIs include share price performance, safe execution of the Company's projects, business development and organisational management.

The LTI comprised of options and/or performance rights awarded to executives and vest conditional upon the recipient meeting service objectives and share price hurdles.

Consolidated Entity performance and link to remuneration

Remuneration for certain executives granted options or performance rights is linked to the performance of the Consolidated Entity, as an improvement in the Company's share price will correspondingly increase the benefits to the executive. This will align the interests of the executive and the shareholders. Refer to the section "Additional information" below for details of the earnings and share price movements for the last five years.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Consolidated Entity are set out in the following tables.

Directors:

- Andrew Purcell - Executive Chairman
- Michael Sandy - Non-Executive Director
- Peter Stickland - Non-Executive Technical Director

Key Management Personnel:

- Uno Makotsvana – Chief Financial Officer
- Duncan Lockhart – Exploration Manager
- Errol Johnstone – Chief Geoscientist
- Dean Johnstone – Senior Geoscientist

	Short-term benefits		Post Employment Benefits	Long-term Benefits		
30-Jun-23	**Salary and fees $**	**Cash Bonus $**	**Super-annuation $**	**Long Service Leave $**	**Equity Settled $**	**Total $**
Non-Executive Directors:						
Michael Sandy	100,448	–	–	–	–	100,448
Peter Stickland	103,557	–	–	–	–	103,557
Executive Director:						
Andrew Purcell	440,000	191,250	46,200	–	–	677,450
Key Management:						
Uno Makotsvana[6]	204,166	–	21,438	–	–	225,604
Duncan Lockhart[6]	296,250	–	31,106	–	–	327,356
Errol Johnstone	330,507	100,000	26,839	–	–	457,346
Dean Johnstone	330,507	100,000	26,839	–	–	457,346
	1,805,435	391,250	152,422	–	–	2,349,107

The Executive Director's Cash Bonus was paid in the reporting period and related to an award of 85% of the maximum possible STI for the 15-month period commencing the date of his employment to 30 June 2022.

One-off cash bonuses of $100,000 each were paid to the Chief Geoscientist and the Senior Geoscientist during the year.

6 Uno Makotsvana and Duncan Lockhart commenced employment with the Company during FY2023

30-Jun-22	Short-term benefits Salary and fees $	 Cash Bonus $	Post Employment Benefits Super-annuation $	Long-term Benefits Long Service Leave $	 Equity Settled $	 Total $
Non-Executive Directors:						
Michael Sandy	75,409	–	–	–	–	75,409
Peter Stickland	126,125	–	–	–	–	126,125
Executive Director:						
Andrew Purcell	357,100	–	–	–	636,241[7]	993,341
Key Management:						
Errol Johnstone	133,787	–	12,710	–	–	146,497
Dean Johnstone	133,787	–	12,710	–	–	146,497
	826,208	**–**	**25,420**	**–**	**636,241**	**1,487,869**

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed Remuneration		At Risk (STI)		At Risk (LTI)	
	30-Jun-23	**30-Jun-22**	**30-Jun-23**	**30-Jun-22**	**30-Jun-23**	**30-Jun-22**
Non-Executive Directors:						
Michael Sandy	100%	100%	–	–	–	–
Peter Stickland	100%	100%	–	–	–	–
Executive Director:						
Andrew Purcell	71.7%	35.9%	28.3%	–	–	64.1%
Key Management						
Uno Makotsvana[6,8]	100%	–	–	–	–	–
Duncan Lockhart[6,8]	100%	–	–	–	–	–
Errol Johnstone	100%	100%	–	–	–	–
Dean Johnstone	100%	100%	–	–	–	–

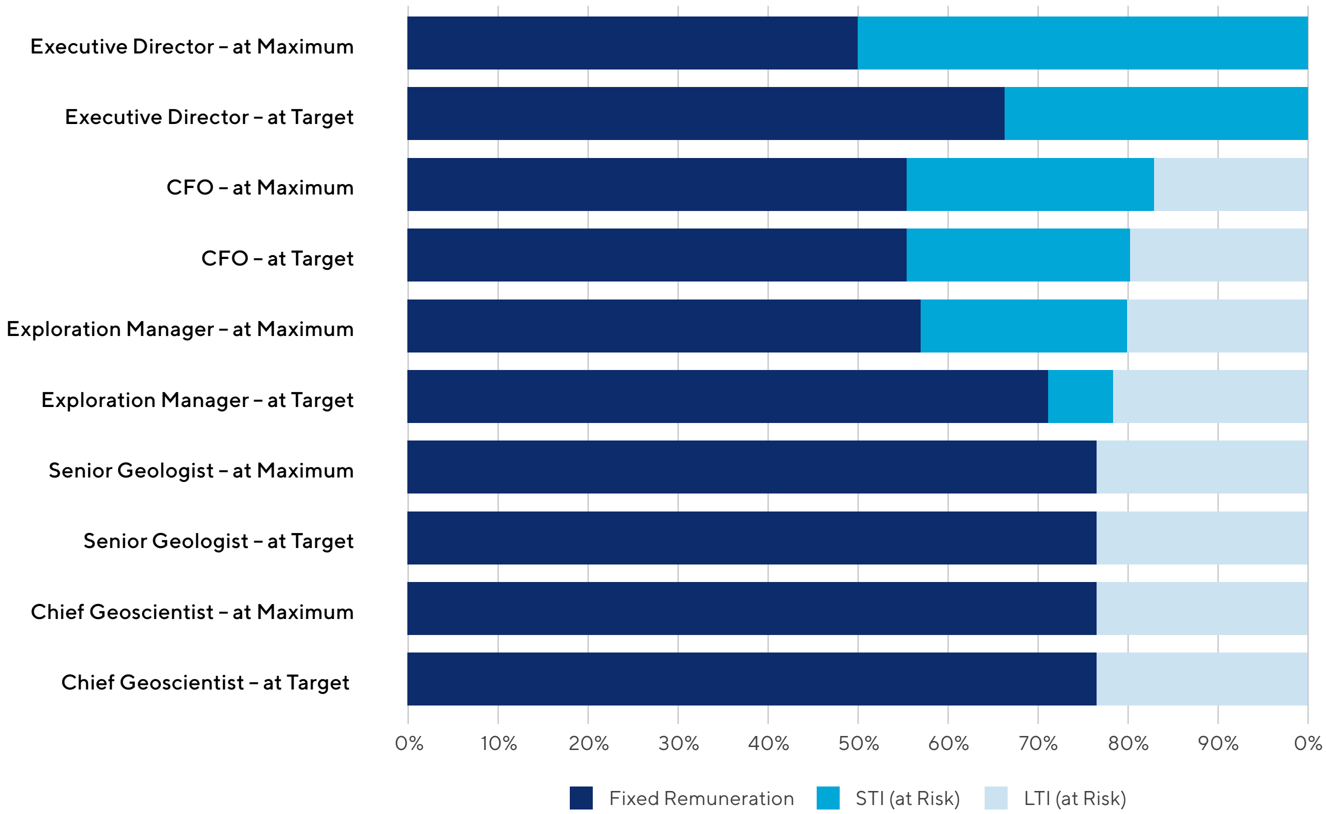
7 Andrew Purcell was issued 31,812,050 performance rights, as approved by the Company's shareholders at the 2021 AGM. As indicated in the 2021 AGM notice of meeting, the total number of performance rights proposed by the Company was calculated based on 3 years of director's fees at $150,000 p.a. divided by the 120-day VWAP up to and including 1 April 2021). However, the fair value of Andrew Purcell's performance rights for the purposes of this financial report reflects the prevailing share price as at the date of shareholder approval.

8 Key Management Personnel that commenced employment in the reporting period will have their entitlement to an STI payment assessed following the end of the FY2024 financial year.

Remuneration Report (audited)

continued

The Remuneration and Nomination Committee has considered remuneration mix both from a “Target” and “Maximum” opportunity perspective to ensure targets that are set are challenging to achieve, and any over-performance paid is a result of significant and measurable achievement. The remuneration mix for Key Management Personnel for FY23 at award is as follows:



There was no LTI component for the Executive Director in the reporting period.

Service agreements

Name:	Andrew Purcell
Title:	Executive Chairman
Agreement commenced:	1 April 2021
Term of agreement:	No fixed term
Details:	Mr Purcell’s fixed remuneration was $480,000 per annum (inclusive of statutory superannuation), effective 1 July 2022. The STI will be up to 50% of the fixed remuneration and paid in cash or shares or both at the discretion of the non-conflicted members of the Remuneration and Nomination Committee in consultation with the executive. The Executive Chairman’ LTI vested into shares of the Company in March 2022 following satisfaction of all conditions. Shareholder approval for his next LTI award will be sought at the company’s next general meeting. The executive can terminate the agreement with 3 months’ notice. The Company can terminate the agreement with 3 months’ notice, or payment in lieu thereof.

Name:	Uno Makotsvana
Title:	Chief Financial Officer
Agreement commenced:	2 December 2022
Term of agreement:	No fixed term
Details:	Mr Makotsvana's fixed remuneration is $350,000 per annum (exclusive of statutory superannuation). The STI will be up to 25% of the fixed remuneration and paid in cash or shares or both at the discretion of the Board in consultation with the executive. The LTI will issue once every three years equating to a total value of $315,000. The executive can terminate the agreement with 3 months' notice. The Company can terminate the agreement with 3 months' notice, or payment in lieu thereof.

Name:	Duncan Lockhart
Title:	Exploration Manager
Agreement commenced:	5 September 2022
Term of agreement:	No fixed term
Details:	Mr Lockhart's fixed remuneration is $395,000 per annum (exclusive of statutory superannuation). The STI will be up to 10% of the fixed remuneration and paid in cash or shares or both at the discretion of the Board in consultation with the executive. The LTI will issue once every three years equating to a total value of $355,500. The executive can terminate the agreement with 3 months' notice. The Company can terminate the agreement with 3 months' notice, or payment in lieu thereof.

Name:	Errol Johnstone
Title:	Chief Geoscientist
Agreement commenced:	4 October 2010
Term of agreement:	No fixed term
Details:	Mr Johnstone's fixed remuneration is $325,000 per annum (exclusive of statutory superannuation). The LTI will issue once every three years equating to a total value of $292,500. The executive can terminate the agreement with 1 months' notice. The Company can terminate the agreement with 1 months' notice, or payment in lieu thereof.

Name:	Dean Johnstone
Title:	Senior Geoscientist
Agreement commenced:	3 October 2011
Term of agreement:	No fixed term
Details:	Mr Johnstone's fixed remuneration is $325,000 per annum (exclusive of statutory superannuation). The LTI will issue once every three years equating to a total value of $292,500. The executive can terminate the agreement with 1 months' notice. The Company can terminate the agreement with 1 months' notice, or payment in lieu thereof.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2023 (2022: Nil, other than 31,812,050 performance rights that vested and then converted into ordinary shares by the Executive Chairman).

Options

There were no options over ordinary shares issued to Directors and other key management personnel as part of compensation that were outstanding as at 30 June 2023.

Performance rights

The terms and conditions of each grant of performance rights affecting remuneration of key management personnel in this financial year or future reporting years are as follows:

	Type of performance right granted	Vesting Close Date	Number of performance rights	Value per right at grant date $	Target Price $
Uno Makotsvana	LTI - Tranche 1	2 May 2024	7,103,554	0.022	**0.120**
	LTI - Tranche 2	2 Dec 2025	5,129,624	0.031	**0.192**
Duncan Lockhart	LTI - Tranche 1	28 May 2024	8,016,868	0.022	**0.120**
	LTI - Tranche 2	28 Nov 2025	5,789,147	0.031	**0.192**
Errol Johnstone	LTI - Tranche 1	28 May 2024	6,596,157	0.022	**0.120**
	LTI - Tranche 2	27 Nov 2025	4,763,223	0.031	**0.192**
Dean Johnstone	LTI - Tranche 1	28 May 2024	6,596,157	0.022	**0.120**
	LTI - Tranche 2	27 Nov 2025	4,763,223	0.031	**0.192**

Conditions for vesting of the performance rights include a) the Company's share price closing at or greater than the Target Price for 20 consecutive trading days by Vesting Close Date and, b) continued employment at time of vesting.

Additional information

The earnings of the Consolidated Entity for the five years to 30 June 2023 are summarised below:

	2023 $	2022 $	2021 $	2020 $	2019 $
Profit/(loss) after income tax	**(1,001,999)**	6,332,812	(1,398,123)	(2,157,906)	(3,357,696)

The factors that are considered to affect total shareholder return are summarised below:

	2023 $	2022 $	2021 $	2020 $	2019 $
Share price at financial year end	**0.07**	0.08	0.02	0.01	0.01
Basic earnings (cents per share)	**(0.03)**	0.24	(0.06)	(0.11)	(0.18)

Remuneration Report (audited)

continued

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out on the next page:

	Balance at the start of the year	Exercise of performance rights/options	Additions	Disposals/ Other	Balance at the end of the year
Ordinary shares					
Andrew Purcell	243,436,931	–	1,189,166	(10,000,000)	234,626,097
Michael Sandy	5,300,000	–	1,000,000	–	6,300,000
Peter Stickland	15,427,419	–	600,000	(2,200,000)	13,827,419
Uno Makotsvana	–	–	200,000	–	200,000
Duncan Lockhart	–	–	–	–	–
Errol Johnstone	9,200,625	–	–	–	9,200,625
Dean Johnstone	7,971,252	–	–	–	7,971,252
	281,336,227	**–**	**2,989,166**	**(12,200,000)**	**272,125,393**

Option holding

There were no options holdings held and no movements during the financial year ended 30 June 2023.

Performance Rights Holding

2023	Balance at the start of the year	Granted	Exercised	Other Changes	Balance at the end of the year	Vested and exercisable	Unvested
Performance rights over ordinary shares							
U. Makotsvana	–	12,233,178	–	–	12,233,178	–	12,233,178
D. Lockhart	–	13,806,015	–	–	13,806,015	–	13,806,015
E. Johnstone	–	11,359,380	–	–	11,359,380	–	11,359,380
D. Johnstone	–	11,359,380	–	–	11,359,380	–	11,359,380
	–	**48,757,953**	**–**	**–**	**48,757,953**	**–**	**48,757,953**

This concludes the remuneration report, which has been audited.

Shares issued on the exercise of options

There were 453,202,268 ordinary shares of Melbana Energy Limited issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

Indemnity and insurance of officers or Auditors

The Group has in place a contract insuring the directors, the company secretary and all executive officers of the Group and any related body corporate against a liability incurred by a director, company secretary or executive officers to the extent permitted by the *Corporations Act 2001 (Cth)*.

The Group has indemnified the directors, the company secretary and all executive officers of the Group for costs incurred, in their capacity as officers of the Group, for which they may be held personally liable, except where there is a lack of good faith.

Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to the auditors of the Group or any related entities against a liability incurred by the auditors.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001 (Cth)* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 22 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001 (Cth)*.

The Directors are of the opinion that the services as disclosed in Note 22 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001 (Cth)* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former directors of MNSA

There are no officers of the Company who are former directors of MNSA.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001 (Cth)* is set out immediately after this Directors' report.

Auditor

MNSA continues in office in accordance with section 327 of the *Corporations Act 2001 (Cth)*.

Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework and practices in place to ensure they meet the interests of shareholders.

The Company complies with the Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations – 4th edition. A copy of the company's Corporate Governance Statement is available at the company's website at the following address: https://www.melbana.com/site/About-Us/Corporate-governance.

ESG Report

The Company is committed to improving the lives of our employees and the communities in which we operate, as well as striving to have our operations benefit all of our stakeholders. Our field operations are conducted in accordance with international best practice, regardless of whether this is of a higher standard than what local regulations or practice require in the countries where we operate. We also prioritise the hiring of suitably qualified people from the countries in which we operate so as to transfer financial and educational benefits to local communities and to show, by example, the emphasis we place on healthy, safe and diverse workplaces and protection of the environment. Our goal is to build sustainable operations that enhance the lives of our stakeholders, including staff, customers, communities and shareholders.

Governance and Risk

Risk Identification and Management

The Company recognises that the management of risk is a critical component in achieving its purpose of delivering growth in shareholder value. The Company has a framework to identify, understand, manage and report risks. As specified in its Board Charter, the Board has responsibility for overseeing The Company's risk management framework and monitoring its material business risks. The Board continues to be committed to embedding risk management practices to support the achievement of business objectives. As such the Board has established the Audit and Risk Committee which is responsibility for reviewing and overseeing the risk management strategy of the Group and for ensuring it has an appropriate corporate governance structure. The Board discusses with management and the external auditors at least bi-annually:

- Internal controls systems;
- Policies and procedures to assess, monitor, and manage business, economic, environmental and social sustainability risks;
- Insurance program having regard to the insurable risks and the cost of this cover; and
- Legal and regulatory compliance programs.

As part of the Company's risk management structure, risk registers are maintained and reported to the Audit and Risk Committee periodically and at least annually, detailing likelihood and severity of risks occurring. Management undertakes a review of its insurable risks each year in order to fully consider potential impacts and how they are financed in terms of limits and scope under the Company's insurance program.

The Company's material exposures to risk, and how the Company responds and manages these risks, is detailed below.

Material Risks	Risk Management Approach
Cuba Country Risks The Company's main operations currently are in Cuba. As a result, Melbana is exposed to the political, economic, environmental and other risks and uncertainties associated with operating there. Cuba is currently subject to sanctions imposed by the United States and while they remain in place, access to equipment and personnel of United States origin in support of operations in Cuba is restricted. These sanctions also restrict access to the project financing, banking and insurance markets of the United States and may also impact the Company's ability to sell and transport abroad to the United States any oil discovered there.	The United States is the only country that maintains sanctions against Cuba, and these only apply to people and corporations subject to the laws of the United States. The Company is domiciled in Australia and is therefore not subject these sanctions. Australia does not have sanctions against Cuba. To ensure it does not fall within the scope of the United States' sanctions against Cuba, the Company has structured its international banking, operations and insurance relationships in countries other than the United States. These countries also afford the Company an avenue to sell and transport any oil that will be produced in the future. In relation to its Cuban operations, the Company also does not transact with United States individuals or corporations, source or use prohibited goods originating or manufactured in the United States or conduct any transaction in United States Dollars. The Company monitors the country risk of operating in Cuba and keeps appraised of the status of the United States' Cuba sanctions.
Permits and Tenure Risks All licences, permits and production sharing contracts in which the Company has interests are subject to renewal and completion of minimum work conditions which will be at the discretion of relevant organs of government in the countries in which it operates. The maintenance of licences and permits, obtaining renewals or getting licences and permits granted often depends on the Company being successful in obtaining required statutory approvals for proposed activities and/or satisfying the various financial obligations associated with the ongoing maintenance of such licences and permits, amongst other obligations.	The Company actively monitors the obligations in all its licenses, permits and production sharing contracts. There is in place an established process to determine whether licenses and permits are retained, extended, or surrendered after considering the overall value of the license or permit to the Company's portfolio as a whole and therefore decide whether capital should be allocated to those permits.

Material Risks	Risk Management Approach
Joint Operations Risk The Company is party to a joint operation arrangement and may enter into further joint operations. Although The Company has sought, and will seek, to protect its interests, existing and future joint operations necessarily involve special risks., including but not limited to inconsistent goals with joint operations partners and potential reputational risk by association to a partner.	The Company has a clearly structured process of contracting with third parties. In addition, The Company will only participate in joint operations where it has a real influence in the operation and is not a dormant partner. The existing Joint Operation the company is the operator and therefore drives execution and oversight of the joint operation. All future Joint operations will continue to be structured in a manner that ensures an appropriate level of control and direction.
Funding Risks The oil and gas industry is a capital-intensive industry with regulator mandated minimum work program obligations and financial support for those. There can be no assurances that all The Company's future business activities will in fact be met without future borrowings or further capital raisings, and whether such funding will be available and on terms favourable to The Company.	The Company is adequately funded for its approved future work plans. The Company manages its capital structure and requirements actively and may issue additional equity securities, raise debt or other financing solutions to fund future work program obligations, at the best possible terms.
Exploration Risks Development of the Company's petroleum exploration permits is contingent upon securing funding and obtaining satisfactory exploration results. Petroleum exploration and development is expensive and risky, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate.	The Company's corporate strategy has defined limits for how much risk it will assume from any one single exploration activity on a sole risk basis, beyond which it will bring in partners to participate in the exploration. This capital allocation discipline combined with best-in-class technical expertise and resources is the most practical mitigant to this risk.
Reserves and Resources Risks Estimates of Reserves, Contingent Resources and Prospective Resources are based on limited sampling, are not precise and no assurance can be given that these reserves or resources will be recovered during production. Production estimates, in addition to being dependent on the above reserve and resource estimates and the risks associated therewith, are further reliant on, among other things, recovery rates.	The Company has a Reserves Committee that is responsible for establishing and reviewing reserve and resource estimates for the Company's portfolio of prospects. The members of this Committee, and the Company's geoscientists that prepare estimates for this Committee, are experienced professionals with suitable formal qualifications and decades of relevant experience in the oil and gas sector preparing such estimates in accordance with relevant international norms and standards. The recommendations of this Committee are overseen at Board level by competent persons and, where appropriate, independent external certifiers are used to review internal estimates.
Pandemic Risks Large scale pandemic outbreaks of a communicable disease such as COVID-19 have the potential to affect personnel, production and delivery of projects.	The Company employs its crisis and emergency management plans, health emergency plans and business continuity plans to manage this risk including ongoing monitoring and response to government directions and advice. This enables the Company to take active steps to manage risks to the Company's staff and stakeholders and to mitigate risks to production and progress of growth projects. For its field operations, it also maintains strict protocols with regards to testing of visitors by suitably qualified medical personnel before permitting entry to the site, isolation of incoming crews for a period of time before rotation to identify emergence of any symptoms and maintaining isolation accommodation on site where people suspected of development symptoms may be monitored in isolation.
Climate Change Risks Increasing regulations and costs associated with the identification, management and reduction of the Company's environmental footprint, along with potential disruption to field operations, are the principal risks associated with public concerns regarding the potential for significant climate change.	The objective of the Company's environmental policy is to minimise the environmental impact of its operations. The Company actively pursues initiatives to minimise waste, spills and emissions to optimise environmental and economic benefits. The Company also carefully monitors emerging weather conditions that have the potential to impact its field operations and has formal protocols for the securing of site equipment and the safety of its personnel.

Notes regarding Contingent and Prospective resource estimates

1. 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. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.
2. The information that relates to Prospective Resources for Melbana is based on, and fairly represents, information and supporting documentation compiled by Peter Stickland, a director of Melbana. Mr Stickland B.Sc. (Hons) has over 30 years of relevant experience, is a member of the European Association of Geoscientists & Engineers and the Petroleum and Exploration Society of Australia, and consents to the publication of the resource assessments contained herein. The Prospective Resource estimates are consistent with the definitions of hydrocarbon resources that appear in the Listing Rules.
3. Total Liquids = oil + condensate
4. 6 Bcf gas equals 1 MMboe; 1 MMbbl condensate equals 1 MMboe
5. Melbana's share can be derived by pro-rating the resource ranges by its percentage equity

This report is made in accordance with a resolution of the Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001 (Cth).*

On behalf of the Directors

Andrew Purcell
Executive Chairman

26 September 2023

Auditor's Independence Declaration

Sydney | Melbourne | Canberra

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF
THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF MELBANA ENERGY LIMITED AND CONTROLLED ENTITIES
ABN 43 066 447 952

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Melbana Energy Limited.

As the auditor for the audit of the financial report of Melbana Energy Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

i. the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

MNSA PTY LTD

MNSA Pty Ltd

Mark Schiliro
Director

Sydney
Dated this 26th of September 2023

MNSA Pty Ltd
ABN 59 133 605 400

Level 1, 283 George St
Sydney NSW 2000
GPO Box 2943 Sydney 2001

Tel (02) 9299 0901
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Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2023

	Note	30-June-23 $	30-June-22 $
Other income	5	**2,595,344**	10,391,168
Interest income		**626,777**	874
Expenses			
Consultants fees and expenses		**(723,342)**	(687,275)
Employee benefits expenses		**(1,846,556)**	(1,166,845)
Administration and other expenses		**(298,960)**	(166,267)
Audit, tax and other compliance related costs		**(214,568)**	(138,838)
Securities exchange, share registry and reporting costs		**(194,707)**	(184,038)
Operating lease and outgoing expenses		**(104,105)**	(44,191)
Investor relations and corporate promotions costs		**(54,981)**	(85,166)
Travel costs		**(95,640)**	(24,696)
Depreciation expense		**(125,642)**	(121,641)
Share Based Payment Expense		**(404,684)**	(636,241)
Tenement application and other related expenses		**(88,348)**	-
Foreign exchange loss		**241,120**	(747,260)
Finance costs	6	**(313,707)**	(56,772)
Profit/(loss) before income tax expense		**(1,001,999)**	(6,332,812)
Income tax expense	7	**-**	-
Profit/(loss) after income tax expense for the year attributable to the owners of Melbana Energy Limited		**(1,001,999)**	6,332,812
Other comprehensive incomes			
Items that will not be reclassified subsequently to profit or loss			
Profit/(loss) on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		**-**	(579,033)
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		**555,567**	-
Other comprehensive income/(loss) for the year, net of tax		**555,567**	(579,033)
Total comprehensive income/(loss) for the year attributable to the owners of Melbana Energy Limited		**(446,432)**	(5,753,779)

		Cents	Cents
Basic earnings per share	30	**(0.03)**	0.24
Diluted earnings per share	30	**(0.03)**	0.21

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position

as at 30 June 2023

	Note	30-June-23 $	30-June-22 $
Assets			
Current assets			
Cash and cash equivalents	8	**34,976,625**	35,570,347
Other receivables	9	**3,946,949**	155,982
Other financial assets	10	**150,000**	150,000
Receivable from farm-out arrangement	16	**-**	3,648,597
Total current assets		**39,073,574**	39,524,926
Non-current assets			
Right-of-Use Asset	11	**128,326**	-
Deposits		**153,707**	12,590
Exploration and evaluation	12	**18,850,629**	10,709,762
Total non-current assets		**19,132,662**	10,722,352
Total assets		**58,206,236**	50,247,278
Liabilities			
Current liabilities			
Trade and other payables	13	**4,499,717**	12,903,444
Lease liabilities	14	**130,824**	-
Provisions	15	**380,971**	171,350
Advances from farm-out arrangement	16	**202,130**	-
Total current liabilities		**5,213,642**	13,074,794
Non-current liabilities			
Provisions	15	**-**	222
Total non-current liabilities		**-**	222
Total liabilities		**5,213,642**	13,075,016
Net assets		**52,992,594**	37,172,262
Equity			
Issued capital	17	**320,473,026**	303,177,819
Reserves	18	**145,732**	639,340
Accumulated losses		**(267,626,164)**	(266,644,897)
Total equity		**52,992,594**	37,172,262

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated Statement of Changes in Equity

for the year ended 30 June 2023

	Issued Capital $	Share based payment reserve $	Other reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2021	**280,302,775**	**–**	**(1,353,836)**	**(271,859,359)**	**7,089,580**
Profit after income tax expense for the year	–	–	–	6,332,812	6,332,812
Other comprehensive loss for the year, net of tax	–	–	(579,033)	–	(579,033)
Total comprehensive income for the year, net of tax	–	–	(579,033)	6,332,812	5,753,779
Shares Issued	22,128,774	–	–	–	22,128,774
Issue of Performance Rights	–	636,241	–	–	636,241
Conversion of Performance Rights	636,241	(636,241)	–	–	–
Issue of Options	–	1,728,655	–	–	1,728,655
Exercise of Options	3,316,285	(274,796)	–	–	3,041,489
Cost of capital raising	(3,206,256)	–	–	–	(3,206,256)
Transfer of reserves to accumulated losses	–	–	1,118,350	(1,118,350)	–
Balance at 30 June 2022	**303,177,819**	**1,453,859**	**(814,519)**	**(266,644,897)**	**37,172,262**
Balance at 1 July 2022	**303,177,819**	**1,453,859**	**(814,519)**	**(266,644,897)**	**37,172,262**
Loss after income tax expense for the year	–	–	–	(1,001,999)	(1,001,999)
Total comprehensive income for the year, net of tax	–	–	–	(1,001,999)	(1,001,999)
Exercise of Options	17,295,207	(1,433,127)	–	–	15,862,080
Expiry of Options	–	(20,732)	–	20,732	–
Issue of performance rights	–	404,684	–	–	404,684
Foreign Currency Translation Reserve	–	–	555,567	–	555,567
Balance at 30 June 2023	**320,473,026**	**404,684**	**(258,952)**	**(267,626,164)**	**52,992,594**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows

for the year ended 30 June 2023

	Note	30-June-23 $	30-June-22 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(3,036,669)	(2,062,397)
Exploration and evaluation		(88,348)	(57,087)
Interest paid		(1,059)	(59)
Net cash used in operating activities	29	(3,126,076)	(2,119,543)
Cash flows from investing activities			
Payments for property, plant and equipment		(21,998)	(86,568)
Payments for exploration and evaluation		(45,858,329)	(39,134,910)
Interest Received		504,260	–
Proceeds from sale of exploration interest		–	10,391,856
Proceeds from farm-out arrangement		32,012,319	28,615,542
Proceeds from disposal of investments		–	3,478,789
Net cash used in investing activities		(13,363,748)	3,264,709
Cash flows from financing activities			
Proceeds from issue of shares		–	24,893,706
Share issue transaction costs		–	(1,062,866)
Proceeds from exercise of options		15,766,348	–
Net cash provided by financing activities		15,766,348	23,830,840
Net increase/(decrease) in cash and cash equivalents		(723,476)	24,976,006
Cash and cash equivalents at the beginning of the financial year		35,570,347	10,683,656
Effects of exchange rate changes on cash and cash equivalents		129,754	(89,315)
Cash and cash equivalents at the end of the financial year	8	34,976,625	35,570,347

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

Note 1. General information

The financial statements cover Melbana Energy Limited as a Consolidated Entity consisting of Melbana Energy Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Melbana Energy Limited's functional and presentation currency.

Melbana Energy Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are disclosed on the Corporate Summary accompanying these financial statements.

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 26 September 2023. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

The financial report has been prepared on the going concern basis, which assumes that the Consolidated Entity will be able to discharge its liabilities.

At 30 June 2023, the Consolidated Entity:

- had, for the financial year ending on that date, incurred a net loss after tax of $1,001,999 (2022: profit of $6,332,812);
- had, for the financial year ending on that date, net cash outflows from operating, and investing and financing activities of $723,476 (2022: inflows of $24,976,006);
- had cash and cash equivalents of $34,976,625 (2022: $35,570,347); and
- had a net working capital position of $33,859,932 (2022: $26,450,132)

The Consolidated Entity is involved in the exploration and evaluation of oil and gas tenements. Further expenditure will be required on these tenements to ascertain whether they contain economically recoverable reserves. The consolidated entity is currently adequately funded to meet its exploration commitments.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB and the *Corporations Act 2001 (Cth)*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Melbana Energy Limited ('Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Melbana Energy Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Note 2. Significant accounting policies (continued)

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Specifically, the Consolidated Entity controls an investee if and only if the Consolidated Entity has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Consolidated Entity has less than a majority of the voting or similar rights of an investee, the Consolidated Entity considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Consolidated Entity's voting rights and potential voting rights.

Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

The Consolidated Entity's consolidated financial statements are presented in Australian dollars, which is also the parent company's functional currency. Each entity in the Consolidated Entity determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date. All exchange differences in the consolidated report are taken to profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The Consolidated Entity recognises revenue as follows:

Other income

Other income is recognised when it is received or when the right to receive payment is established.

Note 2. Significant accounting policies (continued)

Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government Grants

Government grants are recognised in the financial statements at expected values or actual cash received when there is a reasonable assurance that the Consolidated Entity will comply with the requirements and that the grant will be received.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the consolidated statement of comprehensive income.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Note 2. Significant accounting policies (continued)

Financial Instruments

(i) Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

The Consolidated Entity holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in (ii) below.

(ii) Allowance for expected credit loss

The Consolidated Entity applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

(iii) Trade and other payables

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

(iv) Loans and borrowings

Loans and borrowings are recognised initially at fair value, being the consideration received, less directly attributable transaction costs, with subsequent measurement at amortised cost using the effective interest rate method. Any gains or losses arising from non-substantial modifications are recognised immediately in the statement of profit and loss and the financial liability continues to amortise using the original effective interest rate. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash at bank and on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to assets, and obligations for the liabilities of the joint arrangement. Joint control is the contractual agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Consolidated Entity accounts for its share of the joint operation assets, and liabilities it has incurred, its share of any liabilities jointly incurred with other ventures, income from the sale or use of its share of the joint operation's output, together with its share of the expenses incurred by the joint operation, and any expenses it incurs in relation to its interest in the joint operation.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Note 2. Significant accounting policies (continued)

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Consolidated Entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Subsequent measurement of financial assets at fair value through other comprehensive income

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Consolidated Entity benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income (OCI). Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Consolidated Entity elected to classify irrevocably its listed equity investment under this category.

Impairment of financial assets

The Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income (only debt instruments, not equity instruments). The measurement of the loss allowance depends upon the Consolidated Entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income (only debt instruments, not equity instruments), the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives which range from 3 to 15 years.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the consolidated statement of comprehensive income in the period the item is derecognised.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is written down to its recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Note 2. Significant accounting policies (continued)

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Exploration and evaluation assets

Exploration and evaluation expenditure is carried at cost. If indication of impairment arises, the recoverable amount is estimated, and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

Exploration and evaluation costs are accumulated separately for each current area of interest and carried forward provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development or sale; or
- exploration activities have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Impairment of exploration and evaluation costs

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits/(losses) and net assets will be varied in the period in which this determination is made.

Farm-outs

- The Consolidated Entity will not record any expenditure made by the farm-in partner on its behalf;
- The Consolidated Entity will not recognise a gain or loss on the farm-out arrangement but rather will redesignate any costs previously capitalised in relation to the whole interest as relating to the partial interest retained; and
- Any cash consideration to be received will be credited against costs previously capitalised in relation to the whole interest with any excess to be accounted for by the Consolidated Entity as gain on disposal.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated Entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are recognised in provisions in respect of employees' service up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 2. Significant accounting policies (continued)

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The costs of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The costs of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity and paid up capital is recognised at the fair value of the consideration received by the Consolidated Entity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Melbana Energy Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 2. Significant accounting policies (continued)

Goods and Services Tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management basis its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Exploration and evaluation costs

Exploration and evaluation costs are accumulated separately for each area of interest and carried forward provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development or sale; or
- exploration activities have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Significant judgement is required in determining whether it is likely that future economic benefits will be derived from the capitalised exploration and evaluation expenditure.

In the judgement of the Directors, at 30 June 2023 exploration activities in Cuba Block 9 has not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. Active and significant operations in relation to Cuba Block 9 is continuing and nothing has come to the attention of the Directors to indicate future economic benefits will not be achieved. The Directors are continually monitoring the areas of interest and are exploring alternatives for funding the development of areas of interest when economically recoverable reserves are confirmed. If new information becomes available that suggests the recovery of expenditure is unlikely, the amounts capitalised will need to be reassessed at that time.

Share-based payment transactions

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Fair value measurement hierarchy

The Consolidated Entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets

The Consolidated Entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Consolidated Entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Consolidated Entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Note 4. Operating segments

The Consolidated Entity operates in the petroleum exploration industry within Australia and Cuba.

The Board of Directors currently receive regular consolidated cash flow information as well as Consolidated Statement of Financial Position and Statement of Comprehensive Income information that is prepared in accordance with Australian Accounting Standards.

The Board does not currently receive segmented Statement of Financial Position and Statement of Comprehensive Income information. The Board manages exploration activities of each permit area through review and approval of budgets, joint venture cash calls and other operational information. Information regarding exploration expenditure capitalised for each area is contained in Note 13.

Note 5. Other income

	30-June-23 $	30-June-22 $
Grant (overpayment)/income	–	(688)
Operator's indirect expenses charge	2,595,344	–
Receipt of sale proceeds from sale of permit	–	10,391,856
Other income	**2,595,344**	10,391,168

Other income is recognised when it is received or when the right to receive payment is established.

Note 6. Finance costs

	30-June-23 $	30-June-22 $
Bank's fees	312,648	56,753
Interest expense	1,059	19
Finance costs	313,707	56,772

Note 7. Income tax expense

	30-June-23 $	30-June-22 $
Numerical reconciliation of income tax expense and tax at statutory rate Loss before income tax expense	(1,001,999)	6,332,812
Tax at the statutory tax rate of 25%	(250,500)	1,583,203
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-assessable non-exempt income	–	–
Other non-deductible expenditure	–	–
	(250,500)	1,583,203
Current year tax profits/(losses) not recognised	250,500	(1,583,203)
Interest tax expense	–	–
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	187,220,307	186,218,308
Potential tax benefit @ 25%	46,805,077	46,554,577

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 8. Cash and cash equivalents

	30-June-23 $	30-June-22 $
Current assets		
Cash and cash equivalents	34,976,625	35,570,347

Note 9. Other receivables

	30-June-23 $	30-June-22 $
Current assets		
Trade debtors	2,631,741	116,360
Other receivables	176,869	2,000
Prepayments	1,056,542	26,556
GST receivable	81,797	11,066
Receivables	3,946,949	155,982

Note 10. Other financial assets

	30-June-23 $	30-June-22 $
Current assets		
Term deposits	150,000	150,000

Term deposits represent a term deposit of $150,000 in place as security against a corporate credit card facility.

Note 11. Right-of-use asset

	30-June-23 $	30-June-22 $
Non-current assets		
Office space – right-of-use	323,027	–
Less: accumulated depreciation	(194,701)	–
	128,326	–

Note 12. Exploration and evaluation

	Consolidated	
	30-June-23 $	30-June-22 $
Exploration and evaluation Block 9 Cuba – at cost	18,850,629	10,709,762

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Block 9 $	NT/P87 $	WA-544-P $	AC/P70 $	Total $
Balance at 1 July 2021	1,141,294	18,698	17,002	–	1,176,994
Additions	8,105,369	319,584	136,483	971,332	9,532,768
Disposals	–	–	–	–	–
Balance at 30 June 2022	9,246,663	338,282	153,485	971,332	10,709,762
Additions	7,783,306	91,810	133,188	132,563	8,140,867
Disposals	–	–	–	–	–
Balance at 30 June 2023	17,029,969	430,092	286,673	1,103,895	18,850,629

Significant judgement is required in determining whether it is likely that future economic benefits will be derived from capitalised exploration and evaluation expenditure. In the judgement of the Directors, at 30 June 2023 exploration activities in each area of interest, where costs are carried forward, have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. Active and significant operations in relation to each area of interest are continuing and nothing has come to the attention of the Directors to indicate future economic benefits will not be achieved. The Directors are continually monitoring the areas of interest and are exploring alternatives for funding the development of areas of interest when economically recoverable reserves are confirmed.

A review of the consolidated entity's exploration licenses was undertaken during the financial year and based on the review management identified no impairment indicators on Block 9. Further information on operating activities and development are included in the Directors' report.

Note 13. Trade and other payables

Refer to Note 20 for further information.

	30-June-23 $	30-June-22 $
Accounts payable	4,149,766	12,883,161
Other payables	349,951	20,283
	4,499,717	12,903,444

Note 14. Lease Liabilities

	30-June-23 $	30-June-22 $
Current liabilities		
Lease Liability	130,824	–

Reconciliations	
Balance as at 1 July 2022	–
Additions (New Lease for Sydney Office)	231,970
Interest	11,467
Repayments	(112,613)
Balance as at 30 June 2023	**130,824**

Non-cancellable lease term Commitments

	Less than 1 Year	1-3 Years	More than 3 Years
Lease Liability	130,824	–	–

Note 15. Provisions

	30-June-23 $	30-June-22 $
Current liabilities		
Annual leave	219,649	112,255
Long service leave	161,322	59,095
	380,971	171,350
Non-current liabilities		
Long service leave	–	222

Note 16. Advances from farm-out arrangement

	30-June-23 $	30-June-22 $
Current assets		
Receivables from Farm-out arrangement	-	3,648,597
Current liabilities		
Advances to Farm-out arrangement	202,130	-
	202,130	3,648,597

Project funding from joint operations partner are funds called from Sonangol by the Company as the operator for the Block 9 drilling program as per the FIA which was executed on 25 May 2020. Refer to Note 27 to the financial statements and Directors' report for further information on the arrangement.

Note 17. Issued capital

Movements in ordinary share capital

	30-June-23 No.	30-June-22 No.	30-June-23 $	30-June-22 $
Ordinary shares – fully paid	3,370,204,104	2,917,001,836	320,473,026	303,177,819

	Date	Shares	Issue Price	$
Opening balance	1 Jul 22	2,917,001,836		303,177,819
Shares issued – options exercised		453,202,268	0.035	17,295,207
Closing balance	**30 Jun 23**	**3,370,204,104**		**320,473,026**

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share issue costs

Incremental costs directly attributable to the issue of new shares or options, including transactional costs and fees payable to relevant service providers, are shown in equity as a deduction, net of tax, from the proceeds.

Share buy-back

There is no current on-market share buy-back.

Shares under options

During the reporting period 453,202,268 shares were issued due to exercise of listed options, 6,556,053 options expired. There were no outstanding at 30 June 2023: (2022: 459,758,321 listed options remained outstanding at an exercise price of $0.035 with an expiry of 10 Sept 2022).

Note 17. Issued capital (continued)

Capital risk management

The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Consolidated Entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Consolidated Entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the Company's share price at the time of the investment. The Consolidated Entity is not actively pursuing additional investments in the short term as it continues to grow its existing businesses.

The Consolidated Entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2022 Annual Report.

Note 18. Reserves

	30-June-23 $	30-June-22 $
Share-based payments reserve	404,684	1,453,859
Foreign Currency Translation	(258,952)	(814,519)
Financial assets at fair value through other comprehensive income reserve	–	–
	145,732	639,340

Financial assets at fair value through other comprehensive income reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Information relating to the Consolidated Entity's details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in the Consolidated statement of changes in equity on page 38.

Note 18. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Financial assets at fair value through other comprehensive income reserve $	Share based payment reserve $	Foreign currency reserve $	Total $
Balance at 1 July 2021	**(1,118,350)**	**-**	**(235,486)**	**(1,353,836)**
Issue of Performance Rights	–	636,241	–	636,241
Conversion of performance rights	–	(636,241)	–	(636,241)
Issue of Options	–	1,728,655	–	1,728,655
Conversion of Options	–	(274,796)	–	(274,796)
Disposal of assets	1,118,350	–	–	1,118,350
Foreign Currency Translation Reserve	–	–	(579,033)	(579,033)
Balance at 30 June 2022	**-**	**1,453,859**	**(814,519)**	**639,340**
Share Options Exercised	–	(1,433,127)	–	(1,433,127)
Share Options Expired	–	(20,732)	–	(20,732)
Performance Rights Issued	–	404,684	–	404,684
Foreign Currency Translation Reserve	–	–	555,567	555,567
Balance at 30 June 2023	**-**	**404,684**	**(258,952)**	**145,732**

Note 19. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 20. Financial instruments

Financial risk management objectives

The Consolidated Entity's principal financial instruments comprise cash and short-term deposits, the main purpose of which is to finance the Consolidated Entity's operations. The Consolidated Entity has various other financial assets and liabilities such as trade receivables and trade payables which arise directly from its operations and, as at 30 June 2023. The main risks arising from the Consolidated Entity's financial instruments are credit risk, interest rate risk, exchange rate risk and liquidity risk. The Board of Directors has reviewed each of those risks and has determined that, overall, they are not significant in terms of the Consolidated Entity's current activities. The Consolidated Entity may also enter into derivative financial instruments, principally forward currency contracts. The purpose is to manage the currency risks arising from the Consolidated Entity's operations. Speculative trading in derivatives is not permitted. There are no derivatives outstanding at 30 June 2023 (2022: $nil).

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the consolidated financial statements.

Market risk

Foreign currency risk

Generally, the Consolidated Entity's main exposure to exchange rate risk relates primarily to trade payables and cash denominated in EUR, arising in relation to its activities in Cuba. Where a payable is significant, EUR may be purchased on incurring the liability or commitment.

Note 20. Financial instruments (continued)

The Consolidated Entity's exposure to unhedged financial assets and liabilities at balance date is as follows:

	30-June-23 $	30-June-22 $
USD Financial assets		
Cash on hand at bank	**6,610,978**	6,430,067
USD Financial liabilities		
Payables	**-**	55,512
EUR Financial assets		
Cash on hand at bank	**9,841,314**	4,617,185
EUR Financial liabilities		
Payables	**1,383,479**	6,103,635
CAD Financial liabilities		
Payables	**1,431,031**	3,222,218

The Consolidated Entity had net assets denominated in foreign currencies as at 30 June 2023 of $22,212,898 (2022: $3,382,096). Based on this exposure, had the Australian dollar strengthened by 10% / weakened by 10% (2022: strengthened by 10% and weakened by 10%) against these foreign currencies with all other variables held constant, the Consolidated Entity's loss before tax for the year would have been $2,019,355 higher and $2,468,099 lower (2022: $307,463 higher / $375,788 lower) and equity would have been $2,019,355 lower / $2,468,099, higher 2022: ($307,463 lower / $375,788 higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months and the spot rate at each reporting date.

An analysis of the exchange rate sensitivity by foreign currency is as follows:

	AUD strengthened			AUD weakened		
	Change	**Effect on profit before tax**	**Effect on equity**	**Change**	**Effect on profit before tax**	**Effect on equity**
30-Jun-23						
USD net financial assets/liabilities	10%	(906,483)	906,483	10%	1,107,923	(1,107,923)
EUR net financial assets/liabilities	10%	(1,261,204)	1,261,204	10%	1,541,471	(1,541,471)
CAD net financial assets/liabilities	10%	148,332	(148,332)	10%	(181,295)	181,295
Cash on hand at bank		**(2,019,355)**	**2,019,355**		**2,468,099**	**(2,468,099)**

	AUD strengthened			AUD weakened		
	Change	**Effect on profit before tax**	**Effect on equity**	**Change**	**Effect on profit before tax**	**Effect on equity**
30-Jun-22						
USD net financial assets/liabilities	10%	(840,503)	840,503	10%	1,027,282	(1,027,282)
EUR net financial assets/liabilities	10%	203,843	(203,843)	10%	(249,141)	249,141
CAD net financial assets/liabilities	10%	329,197	(329,197)	10%	(402,352)	402,352
Cash on hand at bank		**(307,463)**	**307,463**		**375,789**	**(375,789)**

Note 20. Financial instruments (continued)

Interest rate risk

The Consolidated Entity's exposure to the risk of changes in market interest rates relates primarily to the Consolidated Entity's cash and cash equivalents with a floating interest rate. Short term deposits are made for varying periods depending on the immediate cash requirements of the Consolidated Entity and earn interest at the respective short term deposit rates.

Taking into account the current cash balance and prevailing interest rates, a +/- 1.0% movement from the year-end Australian interest rates will not have a material impact on the profit or loss and cash balances of the Consolidated Entity.

Credit risk

The Consolidated Entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Consolidated Entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

The Consolidated Entity trades only with recognised, creditworthy third parties. Receivable balances are monitored on an ongoing basis with the results being that the Consolidated Entity's exposure to bad debts is not significant.

Credit risk arises from the financial assets of the Consolidated Entity, which comprise cash and cash equivalents and trade and other receivables. The Consolidated Entity's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. No collateral is held as security. Exposure at balance date is the carrying value as disclosed in each applicable note.

Liquidity risk

Vigilant liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Consolidated Entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

NON-DERIVATIVE FINANCIAL LIABILITIES

	Average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
30-Jun-23						
Lease Liabilities		130,824	–	–	–	130,824
Trade/other payables		4,499,717	–	–	–	4,499,717
Total		**4,630,541**	–	–	–	**4,630,541**

Note 20. Financial instruments (continued)

	Average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
30-Jun-22						
Trade/other payables		12,903,444	–	–	–	12,903,444
Total		**12,903,444**	**–**	**–**	**–**	**12,903,444**

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. Where appropriate, the fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Note 21. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Consolidated Entity is set out below:

	30-June-23 $	30-June-22 $
Short-term employee benefits	2,196,685	1,194,875
Post-employment benefits	152,422	-
Long-term benefits	-	-
Termination benefits	-	-
	2,349,107	1,194,875

The fixed remuneration earned by the Exploration Manager, Chief Geoscientist and Senior Geoscientist has a percentage allocated to the exploration assets based on the percentage of time written to each exploration project by each individual.

Note 22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by MNSA, the auditor of the Company:

	30-June-23 $	30-June-22 $
Audit services		
Audit or review of the financial statements	41,750	35,000
	41,750	35,000

Note 23. Commitments

Guarantee

The Consolidated Entity has provided no guarantees (2022: $23,467) at 30 June 2023.

Exploration Commitments

In order to maintain rights of tenure to petroleum exploration tenements, the Consolidated Entity has minimum exploration requirements to fulfil. These requirements are not provided for in the financial statements. If the Consolidated Entity decides to relinquish certain tenements and/or does not meet these obligations, assets recognised in the Statement of financial position may require review in order to determine the appropriateness of carrying values. The commitments for exploration expenditure in Australia of approximately $1,000,000 include the minimum expenditure requirements that the Consolidated Entity is required to meet in order to retain its present permit interests over the next fiscal year. These obligations may be subject to renegotiation, may be farmed out or may be relinquished.

The Company has met all of its exploration commitments for the current exploration subperiod in Block 9 PSC. The next exploration subperiod, should the Company choose to enter it, has a commitment of two exploration wells which are expected to be met by the drilling of appraisal wells Alameda-2 and Alameda-3.

For Australian exploration permits in the jurisdiction of the Commonwealth of Australia, the first three-years of a work program are referred to as the primary term. The work program is guaranteed and cannot be reduced. Later years (4, 5 and 6) are referred to as the secondary term and the work program for each year becomes guaranteed upon entry to that year. Whilst failure to complete a guaranteed work program does not result in a financial penalty, it is grounds for cancellation of the permit. Further, the default may be considered by the Regulator in relation to future interactions with the defaulting party for a period of 5 years.

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

In November 2020 the Company was awarded petroleum exploration permits as a result of applications it had made under the Australian Government's 2019 Offshore Petroleum Exploration Acreage Release. These permits, designated as WA-544-P and NT/P87, were awarded for an initial period of six years each with work commitments consisting of reprocessing and various studies in their primary terms (years 1 to 3). The Company may withdraw from the permits prior to entering their secondary terms, which contain more material expenditure commitments.

These permits lie adjacent to WA-488-P and allow the Company to build on the knowledge it has gained in that permit area to pursue other leads in this expanded area. Melbana retains a 100% interest in the adjacent permit areas WA-544-P and NT-P87, which contain the undeveloped oil discoveries Turtle and Barnett. Melbana is currently conducting geoscientific studies over these permit areas.

During the reporting period the Company applied for an 18-month suspension and extension to the primary term of these permits.

AC/P70 (Melbana 100%)

On 16 February 2022, the Company announced that it had been granted petroleum exploration permit AC/P70, located in the Territory of Ashmore and Cartier Islands, for an initial period of six years. Melbana made this application for this permit under the Australian Government's 2020 Offshore Petroleum Exploration Acreage Release.

During the first three years of the licence period, the Company must undertake the following activities:

- Licence, reprocess and interpret available seismic survey data
- Drill an exploration well

During the reporting period the relevant regulator approved the Company's application for a 24-month suspension and extension to the permit's primary term.

Cuba Block 9 (Melbana 30%)

In September 2015, Melbana executed the Block 9 Production Sharing Contract (PSC) with the national oil company of Cuba, *Cuba Petróleo Union* (CUPET). The exploration period of the Block 9 PSC is split into four sub-periods with withdrawal options at the end of each sub-period. The Company is currently in the third exploration subperiod, for which all work commitments have been met.

There are no material commitments or contingencies other than as set out in this note.

Note 24. Related party transactions

Parent entity

Melbana Energy Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in Note 26.

Key management personnel

Disclosures relating to key management personnel are set out in Note 21 and the remuneration report included in the Directors' report.

Transactions with related parties

None.

The following transactions occurred with related parties:

	30-June-23 $	30-June-22 $
Payments for consulting services*	5,750	32,375
Payments for Drilling Supervision Services**	67,924	8,867
	73,674	41,242

* Payments for consulting services represent the payments made to Springhead Petroleum Pty Ltd, an entity associated with Mr Peter Stickland.
** Payments for Drilling services were made to Lucas Drilling Pty Ltd a company in which Mr Andrew Purcell is also the Board Chairman.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans from or loans to related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 25. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	30-June-23 $	30-June-22 $
Loss after income tax	(1,140,487)	(6,717,952)
Total comprehensive income	(1,140,487)	(6,717,952)

Note 25. Parent entity information (continued)

Statement of financial position

	30-June-23 $	30-June-22 $
Total current assets	**25,585,145**	21,076,442
Total assets	**47,529,981**	34,637,322
Total current liabilities	**2,311,412**	4,524,076
Total liabilities	**2,311,412**	4,524,298
Equity		
Issued capital	**320,473,026**	303,177,819
Share-based payment reserve	**404,684**	1,453,859
Financial assets at fair value through other comprehensive income reserve	**–**	–
Accumulated losses	**(275,659,141)**	(274,518,654)
Total equity	**45,218,569**	30,113,024

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

Contingent liabilities

As at 30 June 2023 the parent entity has a contingent liability of US$225,000 to a third party related to the sale of permit WA-488-P should EOG Australia complete the drilling of an exploration well (currently advised to be drilled in 2024 or 2025) in that permit area. Future additional payments would be owed to this third party related to any future contingent cash and royalty payments the Consolidated Entity may receive.

As at 30 June 2022 the parent entity had no contingent liabilities other than that referred to in the paragraph above.

Capital commitments

Refer Note 23 to the financial statements for the details of the exploration commitments. The parent entity had no other capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in Note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 26. Interest in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2:

		Ownership interest	
	Principal place of business / Country of incorporation	30-June-23 %	30-June-22 %
Methanol Australia Pty Ltd	Australia	100	100
LNG Australia Pty Ltd	Australia	100	100
MEO International Pty Ltd	Australia	100	100
Finniss Offshore Exploration Pty Ltd	Australia	100	100
Melbana Operations Pty Ltd	Australia	100	100
Melbana Energy AC/P70 Pty Ltd	Australia	100	100
Melbana Exploration Pty Ltd	Australia	100	–

Note 27. Interest in Farm-out arrangements

Name	Principal place of business / Country of incorporation
Block 9 PSC	Cuba

On 25 May 2020 the Consolidated Entity entered into a Farm-in Agreement (FIA) with Sonangol Pesquisa E Produção S.A (Sonangol). Under the terms of the FIA, Sonangol agreed to fund 85% of the cost of two exploration wells in Block 9 in return for receiving a 70% interest (Promote). The FIA provides Sonangol with a priority in recovery of the initial consideration it paid the Company (approximately equal to the Company's historic costs related to Block 9 at that point) and the Promote it agreed to pay for the initial two exploration wells. On 17 August 2020, the Company announced that formal Cuban regulatory approvals had been received for Sonangol to acquire this 70% interest.

Group Commitments and contingent liabilities

The work commitments for the current exploration sub-period of Block 9 were met in full by the drilling of the two exploration wells, Alameda-1 and Zapato-1. The next exploration sub-period (the fourth and final), should the Company choose to enter it, has a work commitment of two exploration wells. The Company intends to apply to have the current two well appraisal program (Alameda-2 and Alameda-3) credited against this future period work commitment. The Cuban regulator has informally agreed to produce its formal consent for this proposal.

The expected expenditure towards meeting primary term commitments for permits WA-544-P, NT/P87 and AC/P70 up to the end of the next fiscal year is forecast to be $1,000,000, subject to the regulator approving the suspension and extension of permits WA-544-P and NT/P87 discussed in Exploration Commitments earlier in this report. If the regulator does not approve the application for a suspension and extension the Company is not obligated to enter the secondary period.

Note 28. Events after the reporting period

On 4 July 2023 the Company announced it had identified a carbonate buildup, named the Hudson Prospect, within its permit areas NT/P87 and WA-544-P. The Company's maiden prospective resource estimates for this prospect are shown in Table 2. A farmout process was also commenced to seek a partner to fund the acquisition of a 3D seismic survey to further derisk the exploration opportunity.

On 5 July 2023 the Company announced the first results from its Alameda-2 appraisal well in its Block 9 PSC onshore Cuba. Unit 1A of the Amistad interval demonstrated recovery at surface of about 40 barrels of moveable hydrocarbons from a productive interval of 63 metres measured depth. API was 11.7° and viscosity was 3,783 cP.

On 14 July 2023 the Company announced that the Alameda-2 appraisal well had reached total depth for Unit 1B, with strong oil and gas shows between 700 and 1,110 metres measured depth with a core taken and preparations underway to wireline log the unit.

On 4 August 2023, the Company announced that the Alameda-2 appraisal well had reached total depth ahead of schedule and that logged Net Pay for Units 1A, 1B and 2 had been increased from 84 metres previously to 243 metres (using conservative cutoffs and without allowing for the highly fractured limestones identified there.

On 15 August 2023, the Company announced that the Alameda-2 appraisal well had confirmed moveable oil in Unit 3 of the Amistad interval, about 500 metres to the south and 200 metres updip from where Alameda-1 penetrated the same unit. The quality of the oil was like that which had been recovered from Unit 1A and it demonstrated the potential to flow at about 750 barrels per day. No formation water was observed. Incorporating the logged Net Pay for Unit 3 increased the total Net Pay for the Amistad interval to 346 metres total vertical depth (increasing to 615 metres total vertical depth if natural fracturing is incorporated).

On 28 August 2023, the Company announced significantly lighter (19° API) and lower viscosity (30 cP) oil had flowed to surface from Unit 1B of the Amistad interval at a stabilised rate of 1,235 barrels of oil per day (peaking at 1,903 barrels of oil per day. No formation water was observed, either during the flow test or from logs, and 1,000 barrels of oil had been trucked away to storage.

On 20 September 2023, the Company announced that the Alameda-3 appraisal well is to commence in November 2023, prior to which it was planned to commence early production from Unit 1B in Alameda-2.

All of the volumes quoted above are on a gross unrisked mean estimate basis.

No other matters or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the result of those operations, or the consolidated entity's state of affairs in future financial years.

Note 29. Reconciliation of loss after income tax to net cash used in operating activities

	30-June-23 $	30-June-22 $
Profit/(Loss) after income tax expense for the year	(1,001,999)	6,332,812
Adjustments for:		
Non-operating activity income	–	(10,391,856)
Depreciation and amortisation	125,642	121,641
Share-based payments	404,684	636,241
Foreign exchange differences	597,808	747,260
Change in operating assets and liabilities		
(Increase)/decrease in other receivables	(1,620,742)	(77,786)
(Increase)/decrease in prepayments	(1,029,986)	88,851
Increase/(decrease) in trade and other payables	(392,084)	411,127
Increase/(decrease) in provisions	(209,399)	12,167
Net cash used in operating activities	(3,126,076)	(2,119,543)

Note 30. Earnings per share

	30-June-23 $	30-June-22 $
Profit/(loss) after income tax attributable to the owners of Melbana Energy Limited	(1,001,999)	6,332,812
Weighted average number of ordinary shares used in calculating basic earnings per share	3,285,215,346	2,660,397,536
Weighted average number of ordinary shares used in calculating diluted earnings per share	3,317,693,239	3,054,070,678
	Cents	Cents
Basic earnings per share	(0.03)	0.24
Diluted earnings per share	(0.03)	0.21

Note 31. New and Amended Accounting Policies Adopted by the Group

The Entity adopted AASB 2020-3 which makes some small amendments to a number of standards including the following: AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141. The adoption of the amendment did not have a material impact on the financial statements.

AASB 2021-7a: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

AASB 2020-7a makes various editorial corrections to a number of standards effective for reporting periods beginning on or after 1 January 2022. The adoption of the amendment did not have a material impact on the financial statements.

Note 32. New and Amended Accounting Policies Not Yet Adopted by the Entity

AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current.

The Group plans on adopting the amendment for the reporting period ending 30 June 2024 along with the adoption of AASB 2022-6. The amendment is not expected to have a material impact on the financial statements once adopted

AASB 2022-6: Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants

AASB 2022-6 amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least 12 months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. It also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure.

The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. These amendments arise from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8).

The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

Note 32. New and Amended Accounting Policies Not Yet Adopted by the Entity (continued)

AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendment amends the initial recognition exemption in AASB 112: Income Taxes such that it is not applicable to leases and decommissioning obligations – transactions for which companies recognise both an asset and liability and that give rise to equal taxable and deductible temporary differences.

The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

AASB 2021-7b & c: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

AASB 2021-7b makes various editorial corrections to AASB 17 Insurance Contracts which applies to annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

AASB 2021-7c defers the mandatory effective date (application date) of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2025 instead of 1 January 2018.

The Group plans on adopting the amendments for the reporting periods ending 30 June 2024 and 30 June 2026. The impact of initial application is not yet known.

AASB 2022-7: Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards

AASB 2022-7 makes editorial corrections to the following standards: AASB 7, AASB 116, AASB 124, AASB 128, AASB 134 and AASB as well as to AASB Practice Statement 2. It also formally repeals superseded and redundant Australian Account Standards as set out in Schedules 1 and 2 to the Standard.

The Group plans on adopting the amendments for the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

Directors’ Declaration

In the Directors’ opinion:

- the attached financial statements and notes, and the Remuneration report contained in the accompanying Directors’ report, comply with the *Corporations Act 2001 (Cth)*, Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity’s financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001 (Cth)*.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001 (Cth)*.

On behalf of the Directors

Andrew Purcell
Executive Chairman

26 September 2023

Independent Auditor's Report

Sydney | Melbourne | Canberra

INDEPENDENT AUDITOR'S REPORT TO THE OWNERS OF MELBANA ENERGY LIMITED AND CONTROLLED ENTITIES
ABN 43 066 447 952

Report on the Financial Report

Opinion

We have audited the financial report of Melbana Energy Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

The financial report also complies with the International Financial Reporting Standards as disclosed in Note 2.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2023. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
During the period, the group has incurred $35,214,142 exploration for and evaluation on mineral resources as part of its farm-out arrangement with Sonangol. Under this agreement, Melbana has 30% ownership. Of the total expenditure, Melbana funded and capitalised: • $3,613,931 during the current period being 15% share under the initial agreement with Sonongol; and • $3,336,380 during the current period being 30% share of their funding commitment going forward. In addition, Melbana incurred capitalised cost of $832,995. As at 30 June 2023, $202,130 was prepaid by Sonangol.	During our audit, we analysed agreements in respect to this transaction, assessed internal reporting and substantiated transactions on a sample basis. We questioned management on treatment and challenged their assessment. Our audit included performing the following: • assessed accounting treatment of significant transactions; • reviewed disclosures within the financial report; • reviewed mathematical accuracy of calculations. • reviewed farm-out reporting and communication between Melbana and Sonongol; • completed substantive tests of detail on expenditure incurred during the period.
Cash and Cash Equivalents	
Cash and cash equivalents totalling $34,976,625 is a significant balance to the group. We do not consider cash and cash equivalents to be at a high risk of significant misstatement, or to be subject to a significant level of judgement. However, due to the materiality in context to the financial statements as a whole, they are considered to be an area of risk in our overall audit strategy.	We have evaluated disclosure and assessed controls implemented by management during the process of our audit. This included: • documenting and assessing the processes and controls in place to record cash transactions; • testing and sampling payments to determine they were bona fide payments, were properly authorised and recorded in the general ledger; and • confirm all cash holdings to independent third-party confirmations.

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Key Audit Matters (continued)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Exploration and evaluation assets As at 30 June 2023, the carrying value of exploration and evaluation assets was $18,850,629. In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value. The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement. This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.	Our procedures included: • Reviewing managements reconciliation of capitalised exploration and evaluation expenditure and ensuring it agrees to the general ledger; • Assessing the impact of farm-out agreements including recovery of prior exploration expenditure in relation to Cuba Block 9; • Evaluating costs capitalised during the period and testing on a sample basis; • Enquiring of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration areas; • Determining whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; • Assessing management judgement in impairment assessment; and • Reviewing the appropriateness of the related disclosures within the financial statements.

There were no restrictions on our reporting of Key Audit Matters.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2023.

In our opinion, the remuneration report of Melbana Energy Limited for the year ended 30 June 2023 complies with s 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

MNSA PTY LTD

MNSA Pty Ltd

Mark Schiliro
Director

Sydney
Dated this 26th of September 2023

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Shareholder Information

30 June 2023

The shareholder information set out below was applicable as at 12 September 2023.

Distribution of equity securities

Analysis of number of equity security holders by size of holding as at 12 September 2023:

Securities

FULLY PAID ORDINARY SHARES

Holdings Ranges	Holders	Total Units	%
1-1,000	140	13,837	0.0
1,001-5,000	148	546,040	0.0
5,001-10,000	1,262	10,573,017	0.3
10,001-100,000	4,573	183,402,761	5.4
100,001-9,999,999,999	2,839	3,175,668,449	94.2
Totals	**8,962**	**3,370,204,104**	**100.0**

Securities

PERFORMANCE RIGHTS

Holdings Ranges	Holders	Total Units	%
1-1,000	–	–	0.00
1,001-5,000	–	–	0.00
5,001-10,000	–	–	0.00
10,001-100,000	–	–	0.00
100,001-9,999,999,999	10	70,915,618	100.00
Totals	**10**	**70,915,618**	**100.00**

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted fully paid ordinary shares are listed below:

Name/Address 1	Balance as at 12-09-2023	%
M&A ADVISORY PTY LTD <PURCELL FAMILY A/C>	234,626,097	6.96%
TWINKLE CAPITAL PTY LTD	98,000,000	2.91%
MF MEDICAL PTY LTD	50,791,481	1.51%
TERRACE MANAGEMENT PTY LTD <TERRACE A/C>	36,966,284	1.10%
MR JASON MEINHARDT	35,888,888	1.06%
MR MATTHEW DEAN MARSHALL	35,016,489	1.04%
CITICORP NOMINEES PTY LIMITED	34,083,658	1.01%
RIDDHI GROUP OF HOTELS PTY LTD	33,061,991	0.98%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	30,145,292	0.89%
FIVE ELEMENTS DESIGN PTY LTD <FIVE ELEMENTS DESIGN A/C>	29,000,000	0.86%
MR JOHN OLDANI	28,111,111	0.83%
TETS PTY LTD	27,000,000	0.80%

Shareholder Information

30 June 2023

Name/Address 1	Balance as at 12-09-2023	%
MR JONATHAN GORDON & MRS DANIELLE GORDON <ENERGY INVESTMENTS S/F A/C>	26,550,000	0.79%
MS HONG NHUNG NGUYEN	25,806,133	0.77%
PSI CONSULTING PL <COGHILL FAMILY A/C>	25,518,548	0.76%
MR MICHAEL CULLING	24,516,301	0.73%
MR WARREN ROY BLOCK & MRS PING YIT BLOCK <JOINT TRADING ACCOUNT A/C>	24,000,000	0.71%
MISS ANITA TSANG & MR BRADLEY GARTH WRIGHT <ATBW INVESTMENTS SF A/C>	22,928,947	0.68%
DR KONG JUNG AU YONG	21,135,142	0.63%
Total Securities of Top 20 Holdings	842,030,240	24.99%
Total of Securities	**3,370,204,104**	

Less than marketable parcels of ordinary shares (UMP Shares)

The number of holders of less than a marketable parcel of ordinary shares based on the closing share price at 12 September 2023 ($0.076) is as follows:

Total Shares	UMP Shares	UMP Holders	% of Issued shares held by UMP Holders
3,370,204,104	1,596,019	460	0.05%

Substantial holders

Below are substantial holders of the Company, as disclosed in substantial holding notices given to the Company:

	Ordinary shares	
	Number held	**% of total shares issued**
M&A Advisory Pty Limited*	234,626,097	6.96%

* Holder has notified the Company that it manages the relevant shares and therefore has a relevant interest in those shares under section 608(1)(b) or (c) of the *Corporations Act 2001 (Cth).*

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options and performance rights

Options and performance rights do not carry voting rights.

There are no other classes of equity securities.

Current on-market buy-back

There is no current on-market buy-back.

Corporate Directory

Directors

Andrew Purcell (Executive Chairman)
Michael Sandy (Non-Executive Director)
Peter Stickland (Non-Executive Director)

Company secretary

Cate Friedlander

Notice of annual general meeting

The Company will hold its annual general meeting of shareholders on 16 November 2023

Registered Office & Principal Place of Business

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Share register

Boardroom Pty Limited
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Telephone +61 1300 737 760

Auditor

MNSA Pty Ltd
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Sydney, NSW 2000 Australia

Stock exchange listing

The securities of Melbana Energy Limited are listed on the Australian Securities Exchange, ASX code: MAY

Website address

www.melbana.com

Corporate Governance Statement

Corporate governance statements are available at the Company's website. Please refer to
https://www.melbana.com/site/About-Us/corporate-governance

Melbana Energy

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