

Alameda-1 Drilling Update

Highlights

- **Preliminary evaluation indicates a total of at least 48 net metres of potential oil and gas pay across 11 zones totalling 415 metres of gross section**
- **Results derived from electric logging over 1,389 metres in the upper part of the secondary objective drilled to date, including the zones with good oil shows and elevated gas readings**
- **The estimated length of oil and gas pay excludes ~290 metres where poor hole conditions prevented viable logs from being acquired. Additional net pays might be found in these zones due to the good oil shows and similar lithology encountered there**
- **Drilling will now resume out of the current target and towards the deeper primary targets, following the cementing and formation integrity testing of the 11-3/4" liner shoe once it has been set in place**

SYDNEY, AUSTRALIA (19 OCTOBER 2021)

Melbana Energy Limited (ASX: MAY) (**Melbana**) is pleased to report the following update on the progress of the Alameda-1 exploration well being drilling in Block 9 PSC, onshore Cuba.

Operations at the Alameda-1 well over the past week involved electric logging of the drilled section of the well from the current total depth of 1,842 metres up to 453 metres, including over the zones which displayed good oil shows and elevated gas readings while drilling. Poor hole conditions in some parts of the section provided some operational challenges and somewhat limited the type of logs which could be run and the data that was produced.

However, of the 1,389 metre open hole section, viable log data was acquired over better-quality well bore sections totalling ~1,000 metres, with preliminary analysis indicating potential oil pay in 11 intervals totalling 415 metres of gross section. Within these intervals, 48 metres of net pay were determined based on a conservative porosity cut-off of 12%. This estimate of net pay increases to ~100 metres when a lower porosity cut-off of 9% is used - a potentially valid option when applied to the fractured carbonate reservoirs encountered in this well. Logs also provided positive indications of permeability in those sections of the well bore.

Unfortunately, poor hole conditions precluded the acquisition of valid wireline data over ~290 metres including intervals with some of the most promising oil shows observed while drilling. Based on similar intersected lithologies, additional pay may exist in these intervals. More detailed log analysis is continuing while the rig operations continue.

The 11-3/4" liner has now been set in place prior to drilling ahead. The forward plan is to cement and pressure test the liner and recommence drilling. The primary targets of the Alameda-1 well are still to be reached by the drill bit.

Melbana Energy’s Executive Chairman, Andrew Purcell, commented: *“This is a very exciting result. The Alameda 1 well has intersected a significant net thickness of log-interpreted oil pay in the upper part of the secondary objective for the well, even while using conservative input parameters. Further, additional oil pay may exist in other zones which displayed good oil and gas shows while drilling but which did not yield viable log data due to poor hole conditions, particularly a 252 metre thick interval near the top of the logging run and a 42 metre thick interval near the bottom where some of the best oil and gas shows were recorded.*

The main objectives of this exploration well are yet to be encountered and our attention is now keenly directed towards reaching the depths at which we expect them to be encountered. Depending on what we find there, these oil and gas pays may be better assessed by a new well to be drilled from the same pad, the planning and design of which has commenced in case this proves to be the preferred option.

We have more analysis to perform on the logs and we are also re-mapping the geology of the area based on the well results obtained to date. We will continue to provide regular updates on the implications for the potential commerciality of the oil pay in the shallow section as our understanding improves”.



Figure 1 - Rig at dusk at the Alameda-1 site

For and on Behalf of the Board of Directors:

Mr Andrew Purcell
Executive Chairman

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