

Alameda-1 Drilling Update

Highlights

- Drilling remedial works completed
- Preparations being made for pressure and integrity testing, following satisfactory completion of which drilling ahead to deeper primary targets to resume
- Mapping has commenced to characterise the resource potential of the unexpected hydrocarbon zones encountered so far

SYDNEY, AUSTRALIA (2 NOVEMBER 2021)

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

Remedial works on the setting of the liner are complete. The cement plug that was injected has been drilled out to 1,821 metres and will continue to 1,842 metres once the higher density mud has displaced the well. Drilling ahead to the deeper targets will then continue, following a successful formation integrity test and pressure test of the blow-out preventer.

Given the increase in pressure detected at approximately 1,800 metres it was important that these remedial works be completed to the standard required by the well design before drilling forward. In parallel to undertaking these works an additional mud gas separator was installed to give the rig enhanced capacity.

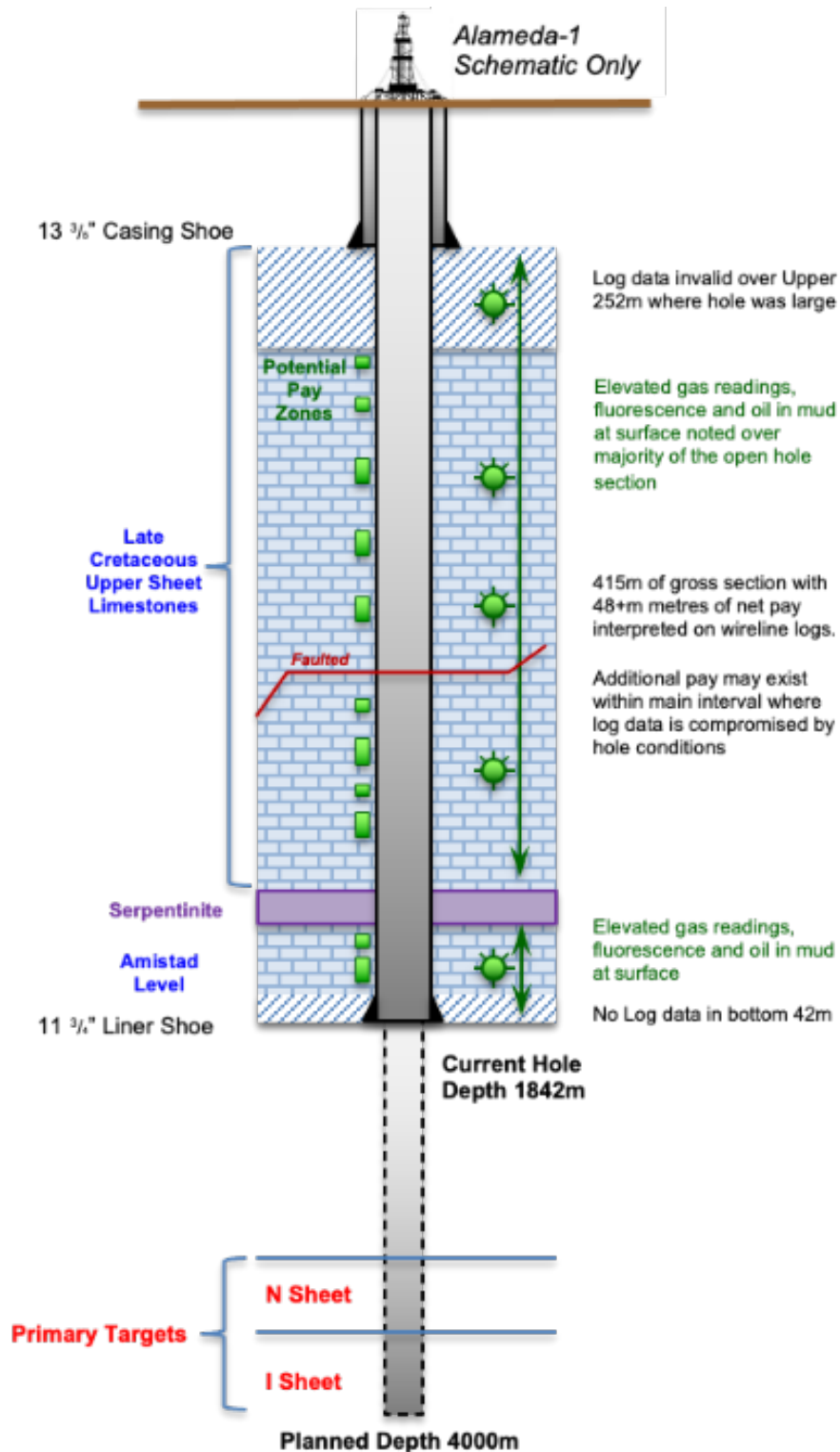


Figure 1 - Testing the oil sample from Alameda-1

Analysis of an oil sample previously collected reported an API of 15°, lighter than the nearby Varadero field (reportedly 10 – 14° API). Sampling conditions were not optimum, however, and better samples will be attempted to be collected and reanalysed at the next opportunity. Oil of this specific gravity is common in Cuba and typically free flowing.

Mapping has commenced to characterise the resource potential of the unexpected hydrocarbon zones encountered so far. As reported previously, it is estimated wireline logs indicate ~48 metres of net pay across 11 zones totalling 415 metres of gross section (but excluding ~290 metres that could not be analysed due to poor well conditions but within which good oil shows were also encountered).

The net pay total was derived using a conservative porosity cut-off of 12%. This makes no allowance for the presence of fracturing, however, which would increase this net pay estimate to ~100 metres by lowering the porosity cut-off in the calculation.



For and on Behalf of the Board of Directors:

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