Melbana Energy

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Chairman's Letter – 2026 AGM

Dear Shareholders

Good morning and welcome to the 2026 Annual General Meeting of Melbana Energy Limited. My name is Andrew Purcell, and I am the Executive Chairman of the company and also the Chairman of today's Meeting.

There are only a small number of resolutions for you to consider this year, which are explained in detail in the Notice of Meeting and Explanatory Statement sent out ahead of the meeting. Before we turn to the formal business, I would like to give you an overview of what has happened since we last met.

Last year, we outlined plans to increase production and establish regular oil exports from Block 9. We have not delivered that outcome. This has been a difficult year for shareholders, and I recognise the disappointment. Today, I want to explain where we stand and what comes next.

Two developments constrained our progress in Cuba. Approved work was not funded by Sonangol, so we deferred Amistad-11 and demobilised personnel and equipment. The later US designation of CUPET, our contractual counterparty, then limited our ability to operate.

Against that background, our first priority has been to recover the amounts owed to us. In the September quarter, we received $14.5 million from Sonangol. We ended September with $14.0 million in cash, and approximately $22.7 million remained owing before the impairment provision. We continue to pursue recovery, but the timing and amount to be recovered remain uncertain.

Sonangol did not remedy its defaults within the required period and was notified that it is deemed to have withdrawn and that its 70% interest is to be assigned to Melbana. The transfer requires Cuban regulatory approval, and our reported participating interest remains 30% until it is complete.

Neither Melbana nor its subsidiaries was designated under the US sanctions. However, CUPET's designation materially restricts our ability to operate. Direct support of the production sharing contract remains suspended while we seek the necessary approvals that will enable us to operate in spite of the sanctions, so we cannot give a reliable restart date.
We have, however, made important technical advances. New seismic interpretation indicates that Amistad-2 entered a breached part of the structure from which oil had migrated, which explains why it did not recover oil on flow test and gives us a better basis for future well placement. Amistad-1 also flowed oil unassisted when reopened earlier this year. These results support further appraisal but do not establish commercial production yet.

Our financial statements reflect this uncertainty. The FY2026 loss was $50.2 million, including substantial non-cash impairment and inventory charges, and Block 9 exploration and evaluation assets were written down to nil.

In Australia, we continue to seek partners to fund the next stage of work, with AC/P70 and the Hudson permits the main farm-out opportunities. We also retain contingent payments from Beehive without exposure to its drilling costs. Any transaction must balance the interest we retain against the capital we commit.

Our immediate priority is to protect the company's position while advancing the regulatory approvals to enable us to operate in Cuba, as well as concluding a transaction with the appropriate partner to assist us in taking this opportunity to the next phase. Block 9 remains on care and maintenance, and no environmental or safety incidents were reported in the September quarter. I thank our team, including those who left in the workforce reduction, for their contribution through a demanding period.

Thank you for your continued support. I will now turn to the company presentation, before we deal with the resolutions in the Notice of Meeting.

Melbana Energy Limited
ASX Code : MAY

Annual General Meeting

19 November 2026

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Contingent and Prospective Resources: Unless otherwise specified, the information that relates to Contingent Resources and Prospective Resources for Melbana is based on, and fairly represents, information and supporting documentation compiled by Mr. Peter Stickland, who is a director of the company and has more than 30 years of relevant experience. Mr. Stickland is a member of the European Association of Geoscientists & Engineers and the Petroleum and Exploration Society of Australia. Mr. Stickland consents to the publication of the resource assessments contained herein. The Contingent Resource and Prospective Resource estimates are consistent with the definitions of hydrocarbon resources that appear in the ASX Listing Rules.

Prospective and Contingent Resources Cautionary Statement (PCRCS): The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Future exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Contents

1. Review of FY2026 and cash position
2. Operations update
   - Cuba: route back to operations
   - Australia: partnerships and Beehive
3. Outlook: capital must be earned
4. Questions



Review of FY2026

2026 fell short of our expectations

We did not deliver the progress shareholders expected.

Amistad-2 disappointed. Sonangol's funding default and sanctions affecting our Cuban counterparty constrained our ability to move forward.

Our response

- Block 9 placed on care and maintenance
- Workforce reduced, overheads reduced
- Pursued Joint Operations debt; protected our contract

18 SEPTEMBER 2025

Amistad-2 recovered no oil

Drilled to 2,000 m with 169 m of porous net reservoir, but seal had been eroded resulting in a breached compartment of low oil saturation. The well was suspended.

NOVEMBER 2025 – APRIL 2026

Sonangol failed to fund its share

Notice of Default reissued on 22 January 2026. The cure period expired in early April 2026 without remedy.

1 MAY – 11 JUNE 2026

Sanctions hit our Cuban counterparty

CUPET was designated a Specially Designated National. Melbana was not designated, but operations were suspended.

Our immediate priority became protecting the company and preserving the opportunity to rebuild value.

Cash recovery has strengthened the position of the joint operation

A$14.5m

Joint Operations receipts from Sonangol

in the September quarter, settling amounts owed including interest.

A$14.0m

Cash at 30 September 2026

A materially stronger liquidity position after the Joint Operations receipts.

A$22.7m

Gross still owed to the Joint Operations

Approx. at quarter end, against an impairment provision of approx. A$11.9m.

Those Joint Operations receipts improved liquidity. We are focused on protecting that position while pursuing the remaining debt and assessing what we can fund.

Recovery is not assured

The timing and amount we ultimately recover from the remaining debt remain uncertain, so we are not relying on it to fund development.

Cuba needs a clear route back to operations

30%

Reported Melbana interest today

+

70%

Sonangol interest, awaiting Cuban approval

=

100%

Potential Melbana interest in the Block 9 PSC

A larger interest invites a better partner

Completing the transfer of Sonangol's interest would increase our share of Block 9's potential and create room to bring in a well-funded, better-suited partner.

- Sonangol deemed withdrawn after cure period expired
- Talks with potential partners are already progressing
- Amounts owed to the Joint Operations remain unpaid

A compliant operating basis comes first

Operations remain suspended following CUPET's designation. We are actively taking steps to establish a lawful, workable path to restart before further investment.

- CUPET designated 11 June 2026; Melbana was not
- Financial, technical and admin support suspended
- Steps under way to establish a path to lawful operation

The objective remains commercial production

46 MMbbl

Gross (100%) 2C Contingent Resource, Amistad Unit 1B, independently assessed[1]

1,235 bopd

Average rate on drill stem test in Alameda-2[2]

169 m

Highly porous net reservoir intersected in Amistad-2[3]

Why Block 9 still merits appraisal

New seismic and the earlier flow from Amistad-1 provide a basis for further appraisal near Pad 1. Commercial deliverability remains to be established.

- New 2D seismic and LiDAR feed a revised structural model
- Amistad-2 hit a breached forelimb, a targeting error from poor-quality data
- Amistad-1 flowed oil unassisted to surface from a recharged reservoir

THE TEST FOR FURTHER INVESTMENT

The technical case, operating conditions and available funding will determine whether further investment is justified.

We are not forecasting production.

[1] ASX announcement, “Block 9: Maiden Contingent Resources”, 25 March 2024 (McDaniel & Associates report dated 20 March 2024). [2] ASX announcement, “Alameda-2: Successful flow test of lighter oil to surface”, 28 August 2023. [3] ASX announcement, “Amistad-2 Well Completed”, 5 November 2025.

Significant development potential

Investment

Significant resource volumes identified from the more than US$150 million spent to date

Operations

Demonstrated capability operating in Cuba over many years and drilling programs

Knowledge

Initial exploration thesis validated and understanding of subsurface enhanced from multiple wells and new seismic

Block 9 history

- 2015 - PSC awarded to Melbana for 25 years by CUPET (national oil company of Cuba)
- 2020 – 70% interest in PSC assigned to Sonangol (national oil company of Angola) in consideration for their funding 85% of a two well exploration program
- 2021 – 2025 drilled 5 exploration wells leading to discovery of significant volumes of recoverably hydrocarbons at multiple locations and of a higher quality higher than is typically found in Cuba. Important learnings in management of subsurface pressure and minimising formation damage.
- 2025 – data from targeted 2D seismic program combined with well logs and other data improve subsurface interpretation, thus allowing better positioning of future production wells.
- 2026 – Contractual dispute with Sonangol and suspension of operations due to heightened U.S. embargoes against Cuba.

APPROVED FIELD DEVELOPMENT PLAN

Drill up to 7 new production wells targeting the high confidence (1C) 16 million barrel contingent resource in the shallowest structure proven to contain free flowing and relatively good quality oil. Export approvals in place.

Australia provides another route to value



Capital-light pathways to value

We are seeking partners to advance AC/P70 and Hudson while matching our funding commitments to our capacity. These permits sit outside the Cuban funding and regulatory issues and were preserved at very low cost.

Beehive retains contingent value

We retain potential future payments without a drilling funding obligation. Their value depends on future milestones and commercial success. WA-552-P remains an earlier-stage opportunity requiring technical evaluation.

AC/P70

Vesta and Swan discoveries; seeking a partner

Hudson Prospect

WA-544-P and NT/P87; over 466 Bcf gas or 90 MMbbl oil, unrisked, 100%

WA-488-P Beehive

Contingent cash and royalty; no drilling cost or participating interest

Tassie Shoal

Environmental approvals run to 2052

Three priorities for the year ahead

1

Recovery of what is owed

We continue to pursue Sonangol's debt to the Joint Operations and complete the interest transfer.

A$22.7m gross outstanding at 30 September 2026; A$11.9m provision held. Recovery is not assured.

2

Secure approvals for Cuba

Steps are under way to secure the approvals needed to operate and bring in a stronger, well-funded partner.

Partner discussions are progressing; no restart date is set.

3

Pursue capital-light options

We are retaining and advancing the Australian portfolio and seeking capital-light pathways to value.

Beehive contingent payments retained, with no drilling funding obligation.

Further capital is committed only as progress is earned: a credible technical case, a clear regulatory pathway and funding we can execute.

Thank you

I thank our people for their commitment through a demanding year, and our shareholders for their patience and continued support.



We remain focused on rebuilding value and reporting progress.

Questions

End of Presentation

QUESTIONS?

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