Melbana Energy

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ASX Announcement

SYDNEY, AUSTRALIA (31 July 2026)

Melbana Energy Limited (ASX: MAY) (Melbana or the Company) provides its quarterly activities report for the quarter ended 30 June 2026.

Quarterly Activities Report

HIGHLIGHTS

Operations

Cuba

Block 9 PSC (Melbana 30%, Operator)

- Newly acquired seismic data improves understanding of the subsurface.

- Joint operation partner failed to cure default in time available. Subsequently notified it was deemed to have withdrawn and its 70% interest transferred back to the Company (subject to receipt of Cuban regulatory approval). The Company continues to pursue recovery of the $34.8 million owed.

- All direct participation in financial, technical and administrative support for Block 9 PSC suspended with immediate effect following U.S. Department of State designating CUPET a Specially Designated National.

- No lost time incidents were recorded during the quarter.

Corporate

- Cash at quarter end was $0.47 million.

- Implementation of cost reduction initiatives given lower level of activity.

CUBA: Block 9 PSC (Melbana 30%, Operator)

OPERATIONS

Results from the newly acquired seismic line and analysis of data obtained whilst drilling Amistad-2 suggested the primary objective was not intersected because of a subsurface misinterpretation (due to limited and poor-quality legacy seismic data, possibly compounded by an error in its acquisition design parameters). Creation of an updated subsurface model suggest hydrocarbons that once existed in this section (as evidenced from logs) may have been given a migration path to surface (see Figure 1). Given the demonstrable value of these additional seismic data, additional seismic acquisition programs would be prioritised in future work programs.

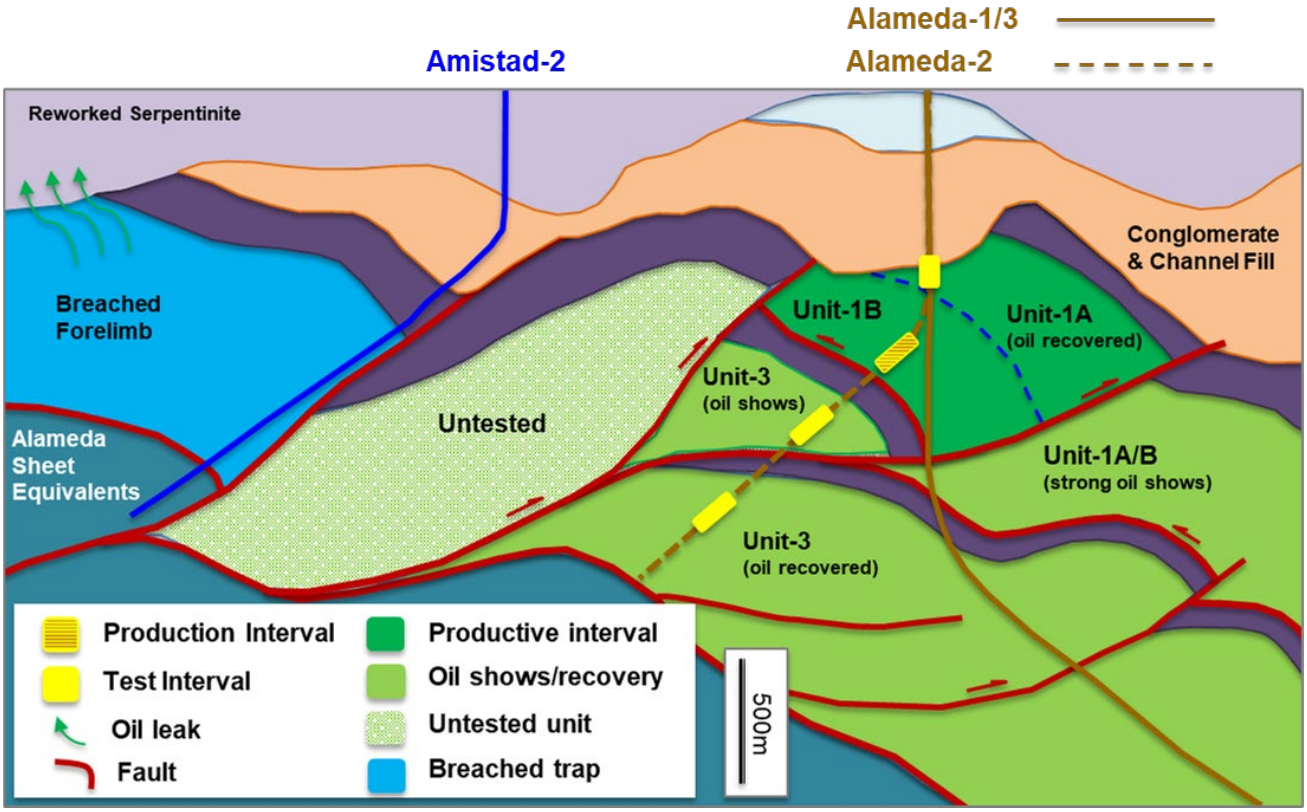

Figure 1 - New subsurface model for the upper (Amistad) sheet

Notice of Default

The Company's joint operation partner, Sonangol Pesquisa e Produção S.A. (Sonangol), failed to cure its default position in the time available, which expired during the quarter. As at 30 June 2026, Sonangol owed $34.8 million to the joint operation. As a result, the Company notified Sonangol that it was deemed to have withdrawn from Block 9 and that its 70% participating interest in Block 9 PSC is to be assigned to the Company, subject to receipt of Cuban regulatory approvals. Payments reportedly made by Sonangol to the Company in partial satisfaction of the amounts owed were not received by the Company as of the date of this announcement. The Company is considering options for the recovery of the monies owed.

Designation of CUPET

In June 2026, the U.S. Department of State designated CUPET a Specially Designated National (SDN). A SDN generally prohibits a U.S. entity from transacting with it and the possibility of secondary sanctions on parties in other jurisdictions that do so. Neither Melbana nor any of its subsidiaries have been designated a SDN under the Executive Order or under any other applicable U.S. sanctions programme administered by the U.S. Department of the Treasury's Office of Foreign Assets Control.

CUPET is the Company's contractual counterparty in Block 9 PSC. Operations in Block 9 ceased in late 2025 due to Sonangol's non-payment of cash calls. The Company therefore no longer has any expatriate personnel or contractors in Cuba. Following CUPET's designation, the Company informed CUPET that it would immediately suspend all direct participation in financial, technical and administrative support for Block 9 PSC whilst it undertakes a more detailed review of these developments. This review includes obtaining external advice and that of the relevant departments of the Australian and U.S. governments.

HEALTH AND SAFETY

No lost time incidents occurred during the quarter.

CORPORATE

Payments to related parties and their associates totalled $111,000, as outlined in Section 6 of the accompanying Appendix 5B, and comprised directors' fees.

The Company held cash of $0.47 million as at 30 June 2026. Net cash used in operating activities was $0.8 million for the quarter, and payments for exploration and evaluation were $0.6 million, reflecting the suspension of operations. Appropriate reductions in operating costs were implemented during the quarter.

The Company's ability to continue its activities depends on receiving additional funding, either by recovery of the amounts owed to it by Sonangol or otherwise. Sonangol has once again represented to the Company this week that funds have been remitted, receipt or not of which will inform the Company's decision to pursue alternatives it has prepared to raise the necessary funds.

This announcement has been authorised for release to ASX by the Board of Melbana Energy Limited.

For and on Behalf of the Board of Directors:

Mr Andrew Purcell
Executive Chairman

For further information please contact:

Mr Uno Makotsvana
CFO and Company Secretary
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Ends -

APPENDIX B – TENEMENTS

INTERESTS HELD AT THE END OF THE QUARTER

TYPE	LOCATION	TITLEHOLDERS	INTEREST
PSC Block 9	Cuba	Melbana Energy Block 9 Pty Ltd	30%
PSC Santa Cruz	Cuba	Melbana Energy Limited	100%[1]
PEL WA-544-P	Australia	MEO International Pty Limited	100%
PEL NT/P87	Australia	MEO International Pty Limited	100%
PEL WA-488-P	Australia	EOG Resources Australia Block WA-488 Pty Limited	Cash, contingent on certain elections being made with respect to the PEL, and payments, contingent on exploration success.[2]
PEL AC/P70	Australia	Melbana Energy AC/P70 Pty Limited	100%
PEL WA-552-P	Australia	Melbana Exploration Pty Ltd	100%

INTERESTS DISPOSED OF DURING THE QUARTER

TYPE	LOCATION	TITLEHOLDERS	INTEREST
N/A			

INTERESTS ACQUIRED DURING THE QUARTER

TYPE	LOCATION	TITLEHOLDERS	INTEREST
N/A			

[1] Award subject to receiving all regulatory approvals, some of which are outstanding
[2] See ASX announcement dated 24 November 2021

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity
MELBANA ENERGY LIMITED

ABN		Quarter ended ("current quarter")
43 066 447 952		30 June 2026

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs*	(361)	(1,542)
	(e) administration and corporate costs	(436)	(2,415)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	45
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from/(used in) operating activities**	(794)	(3,912)

**Some staff costs are reallocated in exploration & evaluation*

2.	**Cash flow from investing activities**		
2.1	Payment to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(625)	(15,985)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Contributions from JV Partner)	-	9,174
2.6	**Net cash from/(used in) investing activities**	(625)	(6,811)

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (12 months) $A'000
3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	7,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(464)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from/(used in) financing activities**	-	6,536

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,981	5,056
4.2	Net cash from/(used in) operating activities (item 1.9 above)	(794)	(3,912)
4.3	Net cash from/(used in) investing activities (item 2.6 above)	(625)	(6,811)
4.4	Net cash from/(used in) financing activities (item 3.10 above)	-	6,536
4.5	Effect of movement in exchange rates on cash held	(90)	(397)
4.6	**Cash and cash equivalents at end of period**	472	472

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	472	1,981
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	472	1,981

6.	**Payments to related parties of the entity and their associates**	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	111
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Director fees, salaries & superannuation expenses.

7.	**Financing facilities** *Note: the item 'facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other - Outstanding Cash Calls from JV Partner	34,788	-
7.4	**Total financing facilities**	34,788	-
7.5	**Unused financing facilities available at quarter end**		34,788

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from/(used in) operating activities (Item 1.9)	(794)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1 (d))	(625)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,419)
8.4	Cash and cash equivalents at quarter end (item 4.6)	472
8.5	Unused finance facilities available at quarter end (item 7.5)	34,788
8.6	Total available funding (item 8.4 + item 8.5)	35,260
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	**24.85**

Note: if the entity has reported positive relevant outgoings (i.e. a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
Answer:	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
Answer:	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer:	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered

Compliance statement

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement does give a true and fair view of the matters disclosed.

Date: 31 July 2026

Authorised by: The Board of Melbana Energy Limited

Notes

1. The quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report.* If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the *[name of board committee - e.g. Audit and Risk Committee]* ". If it has been autopsied for release to the market by a disclosure committee, you can insert here :"By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors, you can wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* , the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.