

Melbana Energy Limited and Controlled Entities

ABN 43 066 447 952

Half-year Financial Report - 31 December 2024

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Melbana Energy Limited and Controlled Entities

Corporate directory

31 December 2024

Stock Exchange Listing	The securities of Melbana Energy Limited are listed on the Australian Securities Exchange (ASX code: MAY)
Website Address	www.melbana.com
Directors	Andrew Purcell (Executive Chairman) Michael Sandy (Non-Executive Director) Peter Stickland (Non-Executive Director)
Company Secretary	Uno Makotsvana
Registered Office & Principal Place of Business	Mezzanine Floor 388 George Street Sydney NSW 2000 Australia
Telephone	+61 (02) 8323 6600
Share Register	Boardroom Pty Ltd Level 8, 210 George Street Sydney NSW 2000 Australia
Telephone	+61 1300 737 760
Auditor	MNSA Pty Ltd Level 1, 283 George Street Sydney NSW 2000
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Melbana Energy Limited and Controlled Entities

Director's Report

31 December 2024

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 the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the half year ended 31 December 2024.

Directors

The following persons were Directors of Melbana Energy Limited during the whole of the financial half-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 in Australia.

Dividends

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

Review of operations

The loss for the Consolidated Entity after providing for income tax amounted to \$1,988,258 (31 December 2023: loss of \$703,315).

International Operations

Block 9 (Melbana 30%) – onshore Cuba

During the reporting period, the Company has been focused on realising value / generating production from the Amistad Unit 1B reservoir of its greater Alameda oil discovery.

Analysis of core samples from Alameda-3 identified potential formation damage with core photography and scanning electron microscopy (SEM) indicating barite embedment and precipitation of salts respectively. Both of these damage mechanisms were considered likely contributors to the previously observed reduction in Alameda-2 oil production performance.

Formulation of a remedial acid stimulation solution has been developed in conjunction with third-party experts and advice from other in-country operators. Well specific rock and fluid compatibility testing was conducted to ensure the recommended "Varadero blend" of acids and solvent would be effective and without deleterious effects.

Procurement and delivery of all necessary materials and equipment to conduct the operation were completed during the period and commencement of the operation is awaiting arrival of the service rig, currently expected to be on site in early to mid-February.

Planning for the Amistad-2 and Amistad-3 wells advanced significantly during the period. Given the wells will have single targets within the proven Unit 1B oil reservoir, it has been possible to significantly simplify the well design. Incorporating lessons learnt and advice from in-country and international experts, the wells drilled into Unit 1B will be completed open-hole immediately after drilling and a small volume acid-wash circulated prior to the immediate commencement of production.

The recent identification and remediation on potential formation damage also led the Company's drilling team to develop a proprietary Reservoir Drilling Fluid (RDF). The Melbana RDF is a water-based drilling fluid which has been specifically designed and tested to allow the safe and effective drilling of the wells with minimal potential for formation damage via a reduction in both drilling solids and potential for mineral precipitation.

The forward work program for the block will be to:

- i) conduct the remedial acid-stimulation of Alameda-2.
- ii) drill the Amistad-2 well; and
- iii) drill the Amistad-3 well.

Melbana Energy Limited and Controlled Entities
Director's Report
31 December 2024

The objective of the program is to demonstrate commercial scale oil production from the shallow Unit 1B reservoir in the over billion-barrel oil-in-place greater Alameda field.

Australian Operations

WA-488-P (Melbana contingent cash and royalty interest) – Bonaparte Basin offshore Western Australia

The Company sold its interest in permit WA-488-P in November 2021 to EOG Resources Australia Block WA-488 Pty Ltd (EOG Australia) for an upfront cash consideration and remains entitled to further payments from EOG Australia totalling USD5.0 million (subject to them making certain future elections with regards to the permit) and a royalty of US\$10.0 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.

EOG has received all the approvals it needs to drill up to three wells, exploration and/or appraisal, into the Beehive structure within a defined activity area approximately 45 square kilometres (km²) in size. The wells could be drilled at any time within a 5-year window under this EP, commencing no earlier than 1 January 2025 and to be completed no later than 31 December 2029.¹

The Company has no exposure to any future costs associated with this permit, including to the cost of drilling the exploration well.

WA-544-P and NT/P87 (Melbana 100%) – Bonaparte Basin offshore Western Australia/Northern Territory

The Company continued studies and seismic planning and consultation to investigate less invasive alternatives to seismic acquisition, which would require a variation to the existing Year 4 work commitment. The Company continued a process to identify potential farminee(s) to fund a forward work program.

WA-552-P (Melbana 100%) – Carnarvon Basin Western Australia

On 19 September 2024, the Company announced that this permit had been granted to the Company. The permit was applied for under the Australian Government's 2022 Offshore Permits Exploration Acreage Release. Work commitments for the primary 3 year term comprise of desktop work only.

The permit is located offshore Western Australia in the Dampier Sub-basin of the Northern Carnarvon basin. WA-522-P contains several small oil discoveries but Melbana's concept for the block is a new deeper, carbonate play.

AC/P70 (Melbana 100%) – Ashmore & Cartier Islands, Australia

This permit contains the undeveloped Vesta-1 oil discovery drilled in 2005. The Vesta-2 appraisal well drilled in 2007 identified a gas cap. This complex field is an attractive opportunity to a junior explorer like Melbana with the technical capability and track record of identifying new play types and attracting large, well-funded, partners to test its exploration theses – often by overturning conventional thinking.

During the reporting period the Company's technical team completed seismic reprocessing, analyses and interpretation and developed a seriatim of prospects and leads. The Company intends to advance a farm-in process in the coming months.

Corporate

Mr Uno Makotsvana assumed the position of Company Secretary. Mr Makotsvana is now the Chief Financial Officer and Company Secretary of the Company.

Significant changes in the state of affairs

There have been no other significant changes in the state of affairs of the Company during this financial year.

¹ See NOPSEMA website for more information: https://info.nopsema.gov.au/environment_plans/678/show_public

Melbana Energy Limited and Controlled Entities
Director's Report
31 December 2024

Matters subsequent to the end of the financial half-year

On 7 January 2025, the Company announced a Small Holding Share Sale Facility allowing shareholders that hold shares with a value of less than AU\$500 to sell their shares without any brokerage or other costs.

On 24 January 2025, the Company announced that 41,016,999 Performance Rights had lapsed on 29 October 2024.

On 24 February 2025, the Company announced that a member of the Board of Directors, Michael Sandy, transferred 5,300,000 fully paid Ordinary (FPO) shares, previously held directly, to his Super Fund Account, increasing his indirect holding to 7,300,000 securities.

On 26 February 2025, the Company announced the completion of Maiden prospective and contingent resource estimates for AC/P70 (Melbana 100%).

No other matter or circumstance has arisen since 31 December 2024 other than stated above 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.

Auditor's independence declaration

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

This report is made in accordance with a resolution of the Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Andrew Purcell
Executive Chairman

Sydney, 7 March 2025



**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**

As the auditor for the review of the financial report of Melbana Energy Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.

MNSA Pty Ltd

Mark Schiliro
Director

Sydney

Dated this 7th of March 2025

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Melbana Energy Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

	Note	31-Dec-24 \$	31-Dec-23 \$
Other income	4	66,555	1,038,019
Interest income		114,485	352,972
Expenses			
Consultants' fees and expenses		(603,235)	(655,573)
Employee benefits expenses		(664,645)	(486,423)
Administration and other expenses		(241,906)	(80,681)
Audit, Tax and compliance related expenses		(45,619)	(82,368)
Securities exchange, share registry and reporting costs		(118,265)	(101,511)
Operating lease and outgoing expenses		(168,757)	(152,565)
Investor relations and corporate promotions costs		(30,932)	(55,216)
Travel costs		(108,595)	(112,602)
Depreciation expense		-	(88,536)
Share Based Payment Expense		(97,144)	-
Foreign exchange loss		-	(99,032)
Bank Fees		(90,200)	(175,968)
Finance costs		-	(3,831)
Profit/(loss) before income tax expense		(1,988,258)	(703,315)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Melbana Energy Limited		(1,988,258)	(703,315)
Other comprehensive incomes			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		1,218,007	(773,752)
Other comprehensive income/(loss) for the half-year, net of tax		1,218,007	(773,752)
Total comprehensive income/(loss) for the half-year attributable to the owners of Melbana Energy Limited		(770,251)	(1,477,067)
		Cents	Cents
Basic earnings per share	11	(0.06)	(0.02)
Diluted earnings per share	11	(0.06)	(0.02)

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

Melbana Energy Limited
Consolidated statement of financial position
As at 31 December 2024

		31-Dec-24	30-Jun-24
	Note	\$	\$
Assets			
Current assets			
Cash and cash equivalents		9,720,613	12,322,890
Other receivables		2,188,048	7,038,319
Receivable from Joint Operating partner		18,552,118	31,967,395
Total current assets		<u>30,460,779</u>	<u>51,328,604</u>
Non-current assets			
Deposits		144,839	125,916
Exploration and evaluation	5	51,500,014	44,894,829
Total non-current assets		<u>51,644,853</u>	<u>45,020,745</u>
Total assets		<u>82,105,632</u>	<u>96,349,349</u>
Liabilities			
Current liabilities			
Trade and other payables		6,992,106	19,136,475
Provisions		1,117,316	727,756
Contract Liabilities		18,521,219	20,553,950
Total current liabilities		<u>26,630,641</u>	<u>40,418,181</u>
Total liabilities		<u>26,630,641</u>	<u>40,418,181</u>
Net assets		<u>55,474,991</u>	<u>55,931,168</u>
Equity			
Issued capital	6	320,473,026	320,473,026
Reserves		869,908	(445,243)
Accumulated losses		(265,867,943)	(264,096,615)
Total equity		<u>55,474,991</u>	<u>55,931,168</u>

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

Melbana Energy Limited and Controlled Entities
Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2024

	Issued capital	Share based payment reserve	Other reserves	Accumulated losses	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2023	320,473,026	404,684	(258,952)	(267,626,164)	52,992,594
Loss after income tax expense for the half-year	-	-	-	(703,315)	(703,315)
Total comprehensive income for the half-year, net of tax	-	-	-	(703,315)	(703,315)
Foreign Currency Translation Reserve	-	-	(773,752)	-	(773,752)
Balance at 31 December 2023	<u>320,473,026</u>	<u>404,684</u>	<u>(1,032,704)</u>	<u>(268,329,479)</u>	<u>51,515,527</u>
	Issued capital	Share based payment reserve	Other reserves	Accumulated losses	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2024	320,473,026	687,702	(1,132,945)	(264,096,615)	55,931,168
Loss after income tax expense for the half-year	-	-	-	(1,988,258)	(1,988,258)
Total comprehensive income for the half-year, net of tax	-	-	-	(1,988,258)	(1,988,258)
Issue of Performance Rights	-	314,074	-	-	314,074
Performance Rights Lapsed	-	(216,930)	-	216,930	-
Foreign Currency Translation Reserve	-	-	1,218,007	-	1,218,007
Balance at 31 December 2024	<u>320,473,026</u>	<u>784,846</u>	<u>85,062</u>	<u>(265,867,943)</u>	<u>55,474,991</u>

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

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Melbana Energy Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2024

	Note	31-Dec-24 \$	31-Dec-23 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(2,571,167)	(1,712,167)
Net cash used in operating activities		(2,571,167)	(1,712,167)
Cash flows from investing activities			
Payments for property, plant and equipment		(5,975)	-
Payments for exploration and evaluation		(25,272,383)	(25,855,496)
Interest Received		114,485	352,972
Receipts from joint operating partner		24,401,967	12,967,566
Net cash used from investing activities		(761,906)	(12,534,958)
Cash flows from financing activities			
Repayment of lease liabilities		-	(86,362)
Finance costs		-	(3,831)
Net cash provided by financing activities		-	(90,193)
Net (decrease) in cash and cash equivalents		(3,333,073)	(14,337,318)
Cash and cash equivalents at the beginning of the financial year		12,322,890	34,976,625
Effects of exchange rate changes on cash and cash equivalents		730,796	(493,197)
Cash and cash equivalents at the end of the half year		9,720,613	20,146,110

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

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Melbana Energy Limited and Controlled Entities

Notes to the Consolidated Financial Statements 31 December 2024

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 half-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, whose shares are publicly traded on the Australian Securities Exchange.

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 7 March 2025.

Note 2. Significant accounting policies

These condensed interim financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These condensed interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

At 31 December 2024, the Consolidated Entity:

- had, for the financial half-year ending on that date a loss after tax of \$ 1,988,258 (2023: loss after tax of \$703,315);
- had, for the financial half-year ending on that date, net cash outflows from operating activities of \$ 2,571,167 (2023: \$1,712,167);
- had cash and cash equivalents on hand of \$ 9,720,613 (30 June 2024 \$12,322,890); and
- had a net working capital position of \$ 3,830,138 (30 June 2024: \$10,910,423).

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's cash reserves as of 31 December 2024 may not be sufficient to meet the Consolidated Entity's planned exploration, field evaluation and field development commitments and activities for the 12 months from the date of this report. To meet its funding requirements the Consolidated Entity will rely on taking appropriate steps, including:

- Continuing to advance discussions with potential new partners and credit providers who have demonstrated interest in participating in the development of Block 9
- Sale of its entitlement to oil production, subject to the regulator accepting contemplated declaration of commerciality
- Raising capital by one or a combination of the following: placement of shares, pro-rata issue to shareholders, and/or further issue of shares to the public.
- In some circumstances, subject to negotiation and approval, minimum work requirements may be varied or suspended, and/or permit may be surrendered or cancelled; or
- Other avenue that may be available to the Consolidated Entity.

Melbana Energy Limited and Controlled Entities
Notes to the Consolidated Financial Statements
31 December 2024

Note 2. Significant accounting policies (continued)

This financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. In the event these steps do not provide sufficient funds to meet the Consolidated Entity's exploration commitments, the interest in some or all of the Consolidated Entity's tenements may be affected. No adjustments have been made relating to the recoverability and reclassification of recorded asset amounts and classification of liabilities that might be necessary should the Consolidated Entity not continue as a going concern, particularly the write-down of capitalised exploration expenditure should the exploration permits be ultimately surrendered or cancelled.

Having assessed the potential uncertainties relating to the Consolidated Entity's ability to effectively fund exploration activities and operating expenditures, the Directors believe that the Consolidated Entity will continue to operate as a going concern for the foreseeable future. Therefore, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Operating segments

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

The Board of Directors receive regular consolidated cash flow information as well as Consolidated Statement of Financial Position and Statement of Comprehensive Income information that are 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 5.

Note 4. Other income

	Consolidated	
	31 December 2024	31 December 2023
	\$	\$
Operator's indirect expenses charge	-	1,038,019
Disposal of out of specification material	66,555	-
Other income	<u>66,555</u>	<u>1,038,019</u>

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

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Melbana Energy Limited and Controlled Entities
Notes to the Consolidated Financial Statements
31 December 2024

Note 5. Exploration and evaluation

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
Exploration and evaluation - at cost	<u>51,500,014</u>	<u>44,894,829</u>

Reconciliations

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

Consolidated	NT/P87 \$	AC/P70 \$	WA-544-P \$	Block 9 \$	Total \$
Balance at 1 July 2024	519,887	2,168,123	398,514	41,808,305	44,894,829
Expenditure during the half-year	20,940	184,923	10,463	6,388,859	6,605,185
Balance at 31 December 2024	<u>540,827</u>	<u>2,353,046</u>	<u>408,977</u>	<u>48,197,164</u>	<u>51,500,014</u>

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, as at 31 December 2024, 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 half-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 6. Issued capital

	Consolidated			
	31 December 2024	30 June 2024	31 December 2024	30 June 2024
	No.	No.	\$	\$
Ordinary shares - fully paid	<u>3,370,204,104</u>	<u>3,370,204,104</u>	<u>320,473,026</u>	<u>320,473,026</u>
			31 December 2024	30 June 2024
			\$	\$
<u>Issued and Paid-Up Capital</u>				
Opening balance - Fully paid ordinary shares		320,473,026	320,473,026	320,473,026
Total Issued Capital		<u>320,473,026</u>	<u>320,473,026</u>	<u>320,473,026</u>

As at the reporting date there were no share options on issue.

Melbana Energy Limited and Controlled Entities
Notes to the Consolidated Financial Statements
31 December 2024

Ordinary shares

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

Note 7. Reserves

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.

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.

Note 8. Dividends

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

Note 9. Commitments and contingent liabilities

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. There are no commitments for exploration expenditure on Australian permits over the next twelve months.

The Company has met all of its exploration commitments for the current exploration subperiod in Block 9 PSC. The next exploration subperiod, which the Company chose to enter, has a commitment of two exploration wells which will be met by the drilling of development wells. The Company's share of the approved Work Plan and Budget for the coming year is AU\$15m. *Block 9 (Melbana 30% interest) – onshore Cuba*

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 with further commitments required to enter into the fourth exploration sub-period. There is an approved work programme for the next twelve months, which form part of the development plan for Unit 1B of the Amistad Structure. The approved work programme has a firm and contingent component with the Company's share of the firm component amounting to AU\$15m

WA-544-P and NT/P87 (Melbana 100% interest) – Joseph Bonaparte Gulf offshore Western Australia/Northern Territory

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 has recently completed the initial phase of geoscientific studies on this property and there is no obligation to perform any additional studies in the coming year.

Melbana Energy Limited and Controlled Entities
Notes to the Consolidated Financial Statements
31 December 2024

AC/P70 (Melbana 100% interest) – Ashmore & Cartier Islands, Australia

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

The Company has recently completed the reprocessing and interpretation of available seismic data on this title. There is no immediate commitment to drill any wells due to an extension of the subperiod that was granted by the regulator during the financial year. A farm-in exercise is currently underway to have another participant when the exploration well commitments fall due.

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

Note 10. Events after the reporting period

On 7 January 2025, the Company announced a Small Holding Share Sale Facility allowing shareholders that hold shares with a value of less than AU\$500 to sell their shares without any brokerage or other costs.

On 24 January 2025, the Company announced that 41,016,999 performance Rights had lapsed on the 29 of October 2024.

On 24 February 2025, the Company announced that a member of the Board of Directors, Michael Sandy, transferred 5,300,000 fully paid Ordinary (FPO) shares, previously held directly, to his Super Fund Account, increasing his indirect holding to 7,300,000 securities.

On 26 February 2025, the Company announced the completion of Maiden prospective and contingent resource estimates for AC/P70 (Melbana 100%).

No other matter or circumstance has arisen since 31 December 2024 other than stated above 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.

Note 11. Earnings per share

	Consolidated	
	31 December	31 December
	2024	2023
	\$	\$
(Loss) after income tax attributable to the owners of Melbana Energy Limited	<u>(1,988,258)</u>	<u>(703,315)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>3,370,204,104</u>	<u>3,370,204,104</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>3,422,597,360</u>	<u>3,370,204,104</u>
	Cents	Cents
Basic (loss) / earnings per share	(0.06)	(0.02)
Diluted (loss) / earnings per share	(0.06)	(0.02)

**Melbana Energy Limited and Controlled Entities
Directors' Declaration 31 December 2024**

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made in accordance with section 303(5)(a) of the *Corporations Act 2001 (Cth)*.

On behalf of the Directors



Andrew Purcell
Executive Chairman

Sydney, 7 March 2025

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

Conclusion

We have reviewed the half-year financial report of Melbana Energy Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year then ended on that date, a summary of significant accounting policies and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Melbana Energy Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Melbana Energy Limited financial position as at 31 December 2024 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of Melbana Energy Limited 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual 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 Melbana Energy Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of Melbana Energy Limited are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's Responsibility for the Review of the Financial Report

ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

MNSA Pty Ltd

Mark Schiliro
Director

Sydney

Dated this 7th of March 2025

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