

# **Melbana Energy Limited and Controlled Entities**

**ABN 43 066 447 952**

## **Half-year Financial Report - 31 December 2025**

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**Melbana Energy Limited and Controlled Entities**  
**Corporate Directory**  
**31 December 2025**

<b>Stock Exchange Listing</b>	The securities of Melbana Energy Limited are listed on the Australian Securities Exchange (ASX code: MAY)
<b>Website Address</b>	<a href="http://www.melbana.com">www.melbana.com</a>
<b>Directors</b>	Andrew Purcell (Executive Chairman) Michael Sandy (Non-Executive Director) Peter Stickland (Non-Executive Director)
<b>Company Secretary</b>	Uno Makotsvana
<b>Registered Office &amp; Principal Place of Business</b>	Mezzanine Floor 388 George Street Sydney NSW 2000 Australia
<b>Telephone</b>	+61 (0)2 8323 6600
<b>Share Register</b>	Boardroom Pty Ltd Level 8, 210 George Street Sydney, NSW 2000 Australia
<b>Telephone</b>	+61 1300 737 760
<b>Auditor</b>	MNSA Pty Ltd Level 1, 283 George Street Sydney, NSW 2000 Australia
<b>Telephone</b>	+61 (02) 9299 0901

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**Melbana Energy Limited and Controlled Entities**  
**Director's Report**  
**31 December 2025**

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 2025.

**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 \$1,817,493 (31 December 2024: loss of \$1,988,258).

International Operations

***Block 9 (Melbana 30%) – onshore Cuba***

During the reporting period, the Company was focussed on delivering value for shareholders by advancing the appraisal and development of the Alameda discovery.

Final preparations for the drilling of Amistad-2 were completed, including receipt of all necessary permits, and the well was spud on 18 September 2025. The well was originally planned to take about three weeks to drill to a programmed total depth (TD) of 1,125 metres measured depth (m.MD). Drilling results showed that the upper portion of the target structure had been eroded and replaced with sediment and that this has happened prior to the most recent phase of structuring.

The top of limestone was therefore encountered in the low-side (footwall) of the structure, approximately 600 m.MD deep to prognosis, so the decision was made to continue drilling past the original TD. Given the good hole conditions and whilst still in the reservoir formation, it was decided to stop drilling at 2,000 m.MD, incurring only about one week of additional drilling time.

The well was drilled at a lower mud weight than Amistad-1 and with the proprietary reservoir drilling fluid, designed using the learnings of the previous wells drilled in Block 9, which performed very well and allowed the removal of barite from the drilling fluid in the lower portion of the well. The lower mud weight also assisted with the well drilling at a higher rate of penetration than expected.

An extensive logging program was conducted and provided positive indications of extensive porosity and oil saturation within the 8-1/2" hole. Subsequent preliminary petrophysical analysis interpreted a total 169 m.MD, or 146 metres of true vertical depth (TVD), net reservoir based on a conventional cutoff of 9% porosity.

The reservoir in Amistad-2 is comprised of three primary sections: the upper-most section is highly porous and correlated to the Unit 1A observed in Alameda-2; the second unit is separated from shallower Unit 1A by a tight limestone interval and appears to be consistent with the Unit 1B Lower interval previously observed by Alameda-2; and, the third appears to be a repeat section of Unit 1B, but in a rotated and steeply dipping position.

An acid-soak was spotted across the entire reservoir interval before being circulated out without incident. Tubing and a pump were then run in hole and Amistad-2 was opened for testing. Initial flow confirmed a highly permeable reservoir

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averaging 550 bbl/d with minimal pressure drawdown in the first 24 hours. The pump rate continued to be increased, with a final average rate of 1,220 bbl/d of water with minimal pressure drawdown. Cumulative water produced during testing was approximately 1,840 bbl, around twice the total combined wellbore and volume of drilling, acid and completion brine/water lost during operations.

Pressure data from the well indicates that the reservoirs at the Amistad-2 location are not in communication with those at the Alameda-2 location.

Civil construction was completed for the contingent Amistad-3 well. However, following the result of Amistad-2, it was decided to drill Amistad-11 instead of Amistad-3. Amistad-11 is a planned twin well to Alameda-2, which had originally produced at a stabilised 1,235<sup>1</sup> BOPD prior to being damaged whilst shut-in post the original completion.

The Amistad-11 well plan is to drill up-dip of Alameda-2, kicking off at a shallower depth to achieve the desired separation at optimum reservoir depth then to drill on to a total depth of 1,000 m.MD in the lower section of Unit 1B. The well is planned to have an open hole completion, but with the capability of running a slotted production liner, if required.

The reservoir drilling fluid Melbana has developed in response to its experience managing this formation previously will once again be used, given the good drilling rate of penetration and high productivity completion observed at Amistad-2. Drainage interference from the selected well position and trajectory is also estimated to be minimal, given the small volume produced to date relative to likely total recoverable volume estimated from prior testing and location outside the communication area of Alameda-2.

Partner approval and all permits to drill Amistad-11 were acquired and the rig mobilised to location completed on 22 November 2025. The Amistad-11 well spud was awaiting receipt of outstanding payment amounts due from Sonangol. Sonangol advised they would not be able to remit further monies in the 2025 calendar year and requested the drilling of Amistad-11 be deferred till 2026.

As such, the Company issued instructions to demobilise the contractor personnel and equipment and issued a Notice of Default to Sonangol, pursuant to the Joint Operating Agreement that governs the parties' relationship in Block 9 for non-payment of cash calls. Failure to cure the default in the sixty days provided may result in the defaulting party being required to assign its interest in Block 9 to the non-defaulting party.

During the period, Melbana acquired 18 km of low-cost 2D seismic data using a highly mobile hydraulic weight-drop system and associated geophone receivers. The Company conducted the acquisition of these data, primarily along existing roads to tie existing and proposed well locations and aid in the identification of potential shallow drilling hazards. Preliminary processing indicates good data quality and the potential for the acquired data to supplement, and potentially replace, the vintage seismic data which has been utilised to date for shallow well targeting.

Given the success of the low-cost 2D survey, plans are being advanced to conduct a small-scale 3D seismic survey along the Alameda-2 anticline trend to tie the existing wells and support future shallow well development planning.

During the period, a total of 13,824 barrels of crude was produced from Alameda-2 and delivered to storage, bringing the closing inventory to 36,687 barrels. Alameda-2 was shut-in on 2 November, with the aim of drilling a twin (Amistad-11) immediately adjacent to avoid the formation damage issues, which had demonstrably impacted Alameda-2 production performance.

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 US\$5 million (subject to them making certain future elections with regards to the permit) and a royalty of US\$10 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

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<sup>1</sup> See ASX announcement dated 28 August 2023.

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within a defined activity area approximately 45 square kilometres (km<sup>2</sup>) 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.<sup>2</sup>

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***

During the period, the National Offshore Petroleum Titles Administrator approved a variation of the minimum work requirements for Permit Year 4 of petroleum exploration permits WA-544-P and NT/P87 (Permits) granted to the Company in 2020. The approved variation removed the requirement to acquire 3D seismic in the permits and added geological and geophysical studies and well planning. The Permits are in the Joseph Bonaparte Gulf, offshore northern Australia.

Melbana now has until 23 May 2027 to complete geological and geotechnical studies, including well and operational planning, before deciding whether to progress to drill one exploration well by 23 May 2028.

The Permits host the attractive Hudson prospect, which has been identified by the Company as an isolated carbonate build up. Isolated carbonate build ups host some of the world's largest oil reservoirs, but they are an untested play type in Australia. The first exploration well to do so, designated Beehive-1, is likely to be drilled in the adjacent WA-488-P.

The Permits are in shallow water (20 to 40 metres deep) and located about 300 kilometres southwest of Darwin in Australia's Northern Territory.

The Blacktip gas field lies to the northwest of the Permits and its pipeline transects the northern boundary of NT/P87, allowing potential access to the Darwin LNG facility and/or the east coast gas market.

Melbana and its advisors are currently running a process to identify parties interested in funding an exploration well to further derisk the prospect in return for receiving an interest in the Permits. A copy of the technical presentation Melbana is using during the farmout process is available on the Company's website.

***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 oil field, discovered by ENI in 2005 and the Swan gas field, discovered by Arco in 1973. In 2024, Melbana reprocessed 500 km<sup>2</sup> of the publicly available Pantheon 3D seismic survey covering the discovered oil and gas fields, highlighting larger than previously interpreted closure at Swan in the deeper Jurassic and Plover sections. The permit also holds the potential for large, un-tested, Triassic and Permian structural closures.

During the period, Melbana updated the Prospective Resource\* estimates relating to the undeveloped Vesta Deep (Plover) gas and Hadrosaurus (Jurassic) prospects located within AC/P70, offshore northwestern Australia.

**\*Prospective Resources Cautionary Statement** - The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Future exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially moveable hydrocarbons. All Prospective Resource volumes presented have been calculated in accordance with Guidelines issued by the Society of Petroleum Engineers in the Petroleum Resource Management System (2018) using probabilistic methods, except totals which are arithmetic.

<sup>2</sup> See NOPSEMA website for more information: [https://info.nopsema.gov.au/environment\\_plans/678/show\\_public](https://info.nopsema.gov.au/environment_plans/678/show_public)

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Advanced geophysical studies resulted in a 3.7% increase in Prospective Gas Resource<sup>3</sup> to 2,857 Bcf (unrisked gross best estimate) and an 81% increase in Prospective Oil Resource to 78 MMbbl (unrisked gross best estimate) and maturation of the Hadrosaurus lead to Prospect status. Estimates were made using probabilistic methods with arithmetic aggregation of totals.

The permit, currently in its Primary Term, was awarded to Melbana in 2022<sup>4</sup>. It contains multiple prospects and leads hosted within play fairways known to be prospective for gas and oil and is close to infrastructure that provides a clear path to commercialisation.

Melbana has engaged an advisor to assist it with farming out some of its 100% interest in the permit to a suitably qualified partner in return for an upfront cash contribution to back costs and funding the forward technical work programme, which includes one exploration well.

Corporate

The Company continues to explore new business opportunities in order to maintain a quality portfolio of opportunities that have the potential of creating value for shareholders.

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.

Matters subsequent to the end of the financial half-year

On 3 January 2026, the United States intervened in Venezuela, removing President Nicolás Maduro. This has disrupted Venezuela-Cuba oil supply arrangements, potentially affecting the Company's operations. Management has reviewed its operations planning and continues to monitor the situation and its potential implications.

On 12 January 2026, the Company issued 436,764,704 listed options with the ASX stock code MAYOA (the "Options"). The Options were issued with an exercise price of \$0.02 per share. The Options were issued in fulfilment of the attaching options to the fully paid ordinary shares issued by the Company on 27 August 2025.

On 22 January 2026, the Company announced an operational update regarding the Block 9 Production Sharing Contract (PSC) onshore Cuba for the drilling of Amistad-11. The update confirmed that all equipment and contractors remain available to commence drilling the next well. A rescheduled spud date is now dependent on the Company's joint-operation partner providing its share of the funds required for this activity. The Production from Amistad-1 (which had ceased ahead of the planned commencement of Amistad-11 last year) was briefly resumed recently to alleviate wellhead pressure buildup.

Additionally, the Notice of Default issued to Sonangol was reissued to ensure full compliance with the procedural requirements of the Joint Operating Agreement. As a result, the sixty-day cure period allowed under the Joint Operating Agreement has restarted and now extends until early April 2026.

No other matter or circumstance has arisen since 31 December 2025 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.

<sup>3</sup> See ASX announcements dated 10 October 2025.

<sup>4</sup> See ASX announcement dated 16 February 2022.

**Melbana Energy Limited and Controlled Entities  
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**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, 6 March 2026

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**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**

In accordance with Section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Melbana Energy Limited.

As the auditor for the review of the financial report of Melbana Energy Limited for the half-year ended 31 December 2025, 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**

**Allan Facey**  
Director

Sydney  
Dated this 06<sup>th</sup> of March 2026

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**Melbana Energy Limited and Controlled Entities**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the half-year ended 31 December 2025**

	Note	31-Dec-25 \$	31-Dec-24 \$
Other income	4	-	66,555
Interest income		35,453	114,485
<b>Expenses</b>			
Consultants' fees and expenses		(563,387)	(603,235)
Employee benefits expenses		(425,878)	(664,645)
Administration and other expenses		(253,114)	(241,906)
Audit, tax and other compliance related expenses		(45,668)	(45,619)
Securities exchange, share registry and reporting costs		(173,017)	(118,265)
Operating lease and outgoing expenses		(133,640)	(168,757)
Investor relations and corporate promotions costs		(29,283)	(30,932)
Travel costs		(18,980)	(108,595)
Depreciation expense		(93,680)	-
Share based payment expense		(66,155)	(97,144)
Foreign exchange loss		-	-
Bank fees		(50,144)	(90,200)
<b>Profit/(loss) before income tax expense</b>		<b>(1,817,493)</b>	<b>(1,988,258)</b>
Income tax expense		-	-
<b>Loss after income tax expense for the half-year attributable to the owners of Melbana Energy Limited</b>		<b>(1,817,493)</b>	<b>(1,988,258)</b>
<b>Other comprehensive incomes</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		2,704,239	1,218,007
Other comprehensive income/(loss) for the half-year, net of tax		2,704,239	1,218,007
<b>Total comprehensive income/(loss) for the half-year attributable to the owners of Melbana Energy Limited</b>		<b>886,746</b>	<b>(770,251)</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	13	<b>(0.05)</b>	<b>(0.06)</b>
Diluted earnings per share	13	<b>(0.05)</b>	<b>(0.06)</b>

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

**Melbana Energy Limited and Controlled Entities**  
**Consolidated Statement of Financial Position**  
**As at 31 December 2025**

	Note	31-Dec-25 \$	30-Jun-25 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		4,400,135	5,115,674
Trade and other receivables		305,441	260,996
Inventory	5	11,437,637	12,694,187
Receivable from Joint operations		21,997,419	12,897,075
<b>Total current assets</b>		<b>38,140,632</b>	<b>30,967,932</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	1,855,919	1,358,524
Deposits		148,692	150,593
Exploration and evaluation	7	55,066,765	47,690,555
<b>Total non-current assets</b>		<b>57,071,376</b>	<b>49,199,672</b>
<b>Total assets</b>		<b>95,212,008</b>	<b>80,167,604</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		14,591,421	5,729,318
Provisions		1,014,544	1,101,605
Contract liabilities		16,149,011	17,410,350
<b>Total current liabilities</b>		<b>31,754,976</b>	<b>24,241,273</b>
<b>Total liabilities</b>		<b>31,754,976</b>	<b>24,241,273</b>
<b>Net assets</b>		<b>63,457,032</b>	<b>55,926,331</b>
<b>Equity</b>			
Issued capital	8	327,050,826	320,473,026
Reserves		6,025,922	3,486,746
Accumulated losses		(269,619,716)	(268,033,441)
<b>Total equity</b>		<b>63,457,032</b>	<b>55,926,331</b>

*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 2025**

	Issued capital	Share based payment reserve	Other reserves	Accumulated losses	Total Equity
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2024</b>	<b>320,473,026</b>	<b>687,702</b>	<b>(1,132,945)</b>	<b>(264,096,615)</b>	<b>55,931,168</b>
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
<b>Balance at 31 December 2024</b>	<b>320,473,026</b>	<b>784,846</b>	<b>85,062</b>	<b>(265,867,943)</b>	<b>55,474,991</b>

	Issued capital	Share based payment reserve	Other reserves	Accumulated losses	Total Equity
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2025</b>	<b>320,473,026</b>	<b>836,610</b>	<b>2,650,137</b>	<b>(268,033,441)</b>	<b>55,926,331</b>
Loss after income tax expense for the half-year	-	-	-	(1,817,493)	(1,817,493)
Total comprehensive income for the half-year, net of tax	-	-	-	(1,817,493)	(1,817,493)
Issue of fully paid ordinary shares	7,000,000	-	-	-	7,000,000
Share issue costs	(422,200)	-	-	-	(422,200)
Issue of performance rights	-	162,496	-	-	162,496
Performance rights lapsed	-	(327,559)	-	231,218	(96,341)
Foreign currency translation reserve	-	-	2,704,239	-	2,704,239
<b>Balance at 31 December 2025</b>	<b>327,050,826</b>	<b>671,547</b>	<b>5,354,375</b>	<b>(269,619,716)</b>	<b>63,457,032</b>

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

**Melbana Energy Limited and Controlled Entities  
Consolidated Statement of Cash Flows  
For the half-year ended 31 December 2025**

	<b>31-Dec-25</b>	<b>31-Dec-24</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees (inclusive of GST)	(2,024,337)	(2,571,167)
<b>Net cash used in operating activities</b>	<b>(2,024,337)</b>	<b>(2,571,167)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(356,777)	(5,975)
Payments for exploration and evaluation expenditure	(14,207,423)	(25,272,383)
Interest received	35,453	114,485
Receipts from joint operations	9,164,774	24,401,967
<b>Net cash used from investing activities</b>	<b>(5,363,973)</b>	<b>(761,906)</b>
<b>Cash flows from financing activities</b>		
Issue of fully paid ordinary shares under placement	7000,000	-
Capital raising costs	(422,200)	-
<b>Net cash provided by financing activities</b>	<b>6,577,800</b>	<b>-</b>
Net (decrease) in cash and cash equivalents	(810,510)	(3,333,073)
Cash and cash equivalents at the beginning of the financial year	5,115,674	12,322,890
Effects of exchange rate changes on cash and cash equivalents	94,971	730,796
<b>Cash and cash equivalents at the end of the half year</b>	<b>4,400,135</b>	<b>9,720,613</b>

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

## Melbana Energy Limited and Controlled Entities

### Notes to the Consolidated Financial Statements 31 December 2025

#### 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 6 March 2026.

#### Note 2. Significant accounting policies

These condensed interim financial statements for the interim half-year reporting period ended 31 December 2025 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 2025 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 2025, the Consolidated Entity:

- had, for the financial half-year ending on that date a loss after tax of \$1,817,493 (2024: loss after tax of \$1,988,258);
- had, for the financial half-year ending on that date, net cash outflows from operating activities of \$ 2,024,337(2024: \$2,571,167);
- had cash and cash equivalents on hand of \$ 4,400,135 (30 June 2025 \$5,115,674); and
- had a net working capital position of \$ 6,385,656 (30 June 2025: 6,726,659)

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.

As at 31 December 2025, the Consolidated Entity held cash and cash equivalents of \$4.4 million. Following completion of a \$7 million capital placement during the half year, and after allowing for restructuring costs and near-term committed outflows, cash available to fund ongoing corporate activities is approximately \$3.13 million. Based on the current corporate cost run rate, this is expected to support operations for a limited period within the next twelve months in the absence of additional inflows.

The Consolidated Entity holds a receivable from Sonangol Pesquisa & Produção (SPP) of approximately \$22 million, which exceeds total current liabilities of \$17.24 million. Receipt of these funds would enable the Group to settle outstanding project payables. The ONAT tax liability is subject to an in-principle agreement whereby the amount is to be offset against future oil production under an oil swap arrangement once production resumes. While no formal deferral or standstill arrangements are in place with creditors, vendors are presently cooperating pending resolution of partner funding

**Melbana Energy Limited and Controlled Entities**  
**Notes to the Consolidated Financial Statements 31 December 2025**

**Note 2. Significant accounting policies (continued)**  
**Going concern (continued)**

The Consolidated Entity has both listed and unlisted options on issue. Exercise of the listed options would generate gross proceeds of approximately \$8.24 million. If both the listed and unlisted options were exercised in full, total gross proceeds would be approximately \$14.41 million. Less than 50% of the listed option proceeds have been incorporated into the base case cash flow forecast.

The Consolidated Entity's ability to continue as a going concern is dependent upon one or more of the following occurring within the forecast period:

- receipt of outstanding amounts from SPP;
- conversion of listed and/or unlisted options;
- the successful raising of additional equity capital on acceptable terms; and/or
- completion of one or more corporate transactions.

The Directors note that a number of corporate transactions are active at the date of this report; however, they remain subject to finalisation and customary conditions.

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 the steps above 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. Any expenditures currently noted as contingent are subject to the Directors' discretion as there are no outstanding mandatory commitments as part of the license or title conditions.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern and or its ability to effectively fund exploration activities and operating expenditures. The Directors have reviewed the cash flow forecasts prepared by management and, having regard to the matters set out above, consider the going concern basis of preparation to be appropriate. Accordingly, the financial statements have been prepared on a going concern basis and do not include any adjustments that may be required should the Group be unable to continue as a going concern.

**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 7.

**Note 4. Other income**

	31 December 2025	31 December 2024
	\$	\$
Disposal of out of specification material	-	66,555
	<u>-</u>	<u>66,555</u>

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

**Melbana Energy Limited and Controlled Entities**  
**Notes to the Consolidated Financial Statements**  
**31 December 2025**

**Note 5. Inventory**

<i>Current assets</i>	<b>31 December 2025</b>	<b>30 June 2025</b>
	\$	\$
Drilling supplies and materials	10,519,972	12,060,045
Crude inventory	917,665	634,142
	<u>11,437,637</u>	<u>12,694,187</u>

**Note 6. Property, plant and equipment**

<i>Non-current assets</i>	<b>31 December 2025</b>	<b>30 June 2025</b>
	\$	\$
Surface equipment and facilities – at cost	1,706,678	1,274,383
Accum dep on Surface equipment and facilities	(75,839)	-
	<u>1,630,839</u>	<u>1,274,383</u>
Motor vehicles and trucks – at cost	247,774	90,151
Accum dep on Motor vehicles and trucks	(22,694)	(6,010)
	<u>225,080</u>	<u>84,141</u>
	<u>1,855,919</u>	<u>1,358,524</u>

**Note 7. Exploration and evaluation**

	<b>Consolidated</b>	
	<b>31 December 2025</b>	<b>30 June 2025</b>
	\$	\$
Exploration and evaluation - at cost	<u>55,066,765</u>	<u>47,690,555</u>

*Reconciliations*

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

<b>Consolidated</b>	<b>NT/P87</b>	<b>AC/P70</b>	<b>WA-544-P</b>	<b>WA-522-P</b>	<b>Block 9</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2025	572,962	2,564,788	436,432	15,916	44,100,457	47,690,555
Expenditure during the half-year	6,889	58,762	7,379	27,517	7,275,663	7,376,210
<b>Balance at 31 December 2025</b>	<u>579,851</u>	<u>2,623,550</u>	<u>443,811</u>	<u>43,433</u>	<u>51,376,120</u>	<u>55,066,765</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 2025, exploration activities in each area of interest, where costs are carried forward, have not yet reached a stage which permits



**Melbana Energy Limited and Controlled Entities**  
**Notes to the Consolidated Financial Statements**  
**31 December 2025**

*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 10. Dividends**

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

**Note 11. 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 \$5.2 million for 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 \$5.2 million.

*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.

*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.

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**Melbana Energy Limited and Controlled Entities**  
**Notes to the Consolidated Financial Statements**  
**31 December 2025**

**Note 12. Events after the reporting period**

On 3 January 2026, the United States intervened in Venezuela, removing President Nicolás Maduro. This has disrupted Venezuela-Cuba oil supply arrangements, potentially affecting the Company's operations. Management has reviewed its operations planning and continues to monitor the situation and its potential implications.

On 12 January 2026, the Company issued 436,764,704 listed options with the ASX stock code MAYOA (the "Options"). The Options were issued with an exercise price of \$0.02 per share. The Options were issued in fulfilment of the attaching options to the fully paid ordinary shares issued by the Company on 27 August 2025.

On 22 January 2026, the Company announced an operational update regarding the Block 9 Production Sharing Contract (PSC) onshore Cuba for the drilling of Amistad-11. The update confirmed that all equipment and contractors remain available to commence drilling the next well. A rescheduled spud date is now dependent on the Company's joint-operation partner providing its share of the funds required for this activity. The Production from Amistad-1 (which had ceased ahead of the planned commencement of Amistad-11 last year) was briefly resumed recently to alleviate wellhead pressure buildup.

Additionally, the Notice of Default issued to Sonangol was reissued to ensure full compliance with the procedural requirements of the Joint Operating Agreement. As a result, the sixty-day cure period allowed under the Joint Operating Agreement has restarted and now extends until early April 2026.

No other matter or circumstance has arisen since 31 December 2025 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 13. Earnings per share**

	31 December 2025	31 December 2024
	\$	\$
Loss after income tax attributable to the owners of Melbana Energy Limited	<u>(1,817,493)</u>	<u>(1,988,258)</u>
	No.	No.
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>3,648,844,732</u>	<u>3,370,204,104</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>3,677,606,955</u>	<u>3,422,597,360</u>
	Cents	Cents
Basic (loss)/ earnings per share	(0.05)	(0.06)
Diluted (loss)/ earnings per share	(0.05)	(0.06)

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**Melbana Energy Limited and Controlled Entities  
Directors' Declaration 31 December 2025**

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 2025 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, 6 March 2026

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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 2025, 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 2025 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.

## Emphasis of Matter on Going Concern

We draw your attention to Note 2 on going concern in the financial report, which indicates that the consolidated entity incurred an operating loss after tax from continuing operations \$1,817,493 (31 December 2024: \$1,988,258), and net cash outflow from operating activities of \$2,024,337 (31 December 2024: \$2,571,167). As at 31 December 2025, the Group had net current asset of \$6,385,656 (30 June 2025: \$6,726,659). These events and conditions, along with other matters set forth in Note 2, indicate that a material uncertainty exists that may cast doubt of the consolidated entity's ability to continue as a going concern, our opinion is not modified in respect of this matter.



## 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 2025 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**

**Allan Facey**  
Director

Sydney

Dated this 06<sup>th</sup> of March 2026