



ASX / MEDIA RELEASE

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STATUS OF MELBANA'S CUBA BLOCK PSC 9

- Cuba Block PSC 9 is a key asset of Melbana Energy Limited (ASX:MAY), which has made an all-share bid for Metgasco
- Metgasco has recommended shareholders **TAKE NO ACTION** in relation to Melbana's bid, pending the issuance of Metgasco's Target's Statement
- Melbana has made no announcement to clarify the status of Block PSC 9.
- Metgasco has raised serious concerns with Melbana about Block PSC 9. After repeated requests for clarification, Melbana has responded to Metgasco, however the response provides no substantive clarity as to the status of Block PSC 9 nor has any announcement to clarify the status of Block PSC 9 been made.

Melbana's Bidder's Statement, dated 10 September 2019 states that:

*"Melbana Energy currently **is currently not in full compliance with its obligations under the PSC it is party to in its Block 9 tenure in Cuba** given the bank guarantee for the current sub period's work commitments has not been replaced following its expiry on 31 December 2018...It also considers it unlikely that it could satisfy the remaining work commitment for the current exploration sub-period...It has therefore requested CUPET to extend the current sub period by one year and to waive the requirement to provide a bank guarantee. CUPET has agreed to these requests and forwarded the proposed amendments to a **higher competent authority whose approval is required** for such changes."* (emphasis added)

Melbana's Bidder's Statement and Notice of Extraordinary General Meeting, dated 10 September 2019, states that:

*"The applications need to be approved by the Council of Ministers who are **scheduled to meet in September 2019**".* (emphasis added)

Further, in that Notice of Extraordinary General Meeting, Melbana's Independent Experts, Fluid Energy Consultants, more specifically state that:

*"The directors of Melbana have explained to Fluid that CUPET and the Minister for Mines and Energy have advised that the applications need to be approved by the Council of Ministers who are scheduled to next meet in **early September 2019**".* (emphasis added).

As it is now October 2019, Metgasco is very concerned that the outcome of this meeting has not been disclosed to the market, nor to Metgasco shareholders, at a time when they are being asked by Melbana to accept an offer of Melbana shares for their shares.

In the context of a bid by Melbana, and given that Cuba Block PSC 9 represents a key asset of Melbana, this matter raises the question of whether Metgasco shareholders (as bid recipients) are properly informed.

After attempts by Metgasco to speak with Melbana's "Independent Board Committee" directors, Metgasco emailed Melbana early this morning requesting **immediate** advice as to the outcome of the above meeting and the status of Cuba Block PSC 9, or otherwise respectfully requested that Melbana consider making an immediate market announcement clarifying this vital matter.

After further follow up, Melbana has written to Metgasco, however the responses provide **no clarity** as to the outcome of the meeting of the Council of Ministers or the status of Block 9 PSC.

It is noted that Melbana would not answer Metgasco's specific Yes/No question, namely whether the various waivers and extensions sought from the Cuban authorities by Melbana, as referred to in its announcements regarding Block 9 PSC, had been formally granted.

Metgasco advises its shareholders that it thus holds very serious concerns regarding the status of the key Cuba Block PSC 9 asset of Melbana (the bidder), the representations made by Melbana, and whether bid recipients were, and are, fully informed.

Metgasco reiterates to its shareholders its advice to TAKE NO ACTION in relation to Melbana's bid for Metgasco, pending the issuance of Metgasco's Target's Statement.

Contact and further information:

Metgasco welcomes shareholder communication and invites all interested shareholders to make contact at any time.

ENDS

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