



Market Announcements Platform  
ASX Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

**13 September 2017**

## **27% growth in Calima's Montney acreage**

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### **Highlights:**

- 27% increase in acreage holding over the liquids-rich Montney Formation in the Caribou area.
- Acreage growth represents the acquisition of an additional 13,714 acres of drilling rights in Government auctions.
- Calima now holds drilling rights over 63,800 acres strengthening its position as a significant new player in the Montney.
- Targeting a total of 70,000 acres by year end.

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**Calima Energy Limited (ASX:CE1)** advises that its acreage holding in the Caribou area of British Columbia has grown by 13,714 acres or 27% since 1<sup>st</sup> May 2017. The Company now holds drilling rights over 63,800 acres (the Calima Lands, Figure 1). This establishes Calima as a significant new player in the highly productive liquids-rich Montney play.

Guided by its proprietary mapping methodology the Company has been seeking to grow its portfolio to a scale where it is material in comparison to its peers and of sufficient size to enhance investor returns from future investment in infrastructure. The portfolio growth reported here represents an important milestone in reaching that objective. Importantly for future development and monetisation, these drilling rights, acquired through a competitive Government tender process, are immediately adjacent to the initial core area of the Calima Lands.

### **Alan Stein, Calima's Managing Director commented:**

*"Building our acreage position to achieve materiality has been a core part of our early strategy. We are extremely pleased to now have drilling rights over 63,800 acres and anticipate closing in on our target of 70,000 acres by the end of the year."*



Preliminary interpretation of recently licensed 3D seismic and data from more than 60 Montney wells within a 35 km perimeter confirms that the Calima Lands can be considered directly analogous to the acreage being successfully developed immediately to the south where more than 40 horizontal wells have been drilled into the Montney Formation.

The new interpretation will provide the basis to determine optimal locations for future drilling. The Company proposes to drill and test at least three horizontal wells. This will enable completion of a resource audit based on an appropriate development plan.

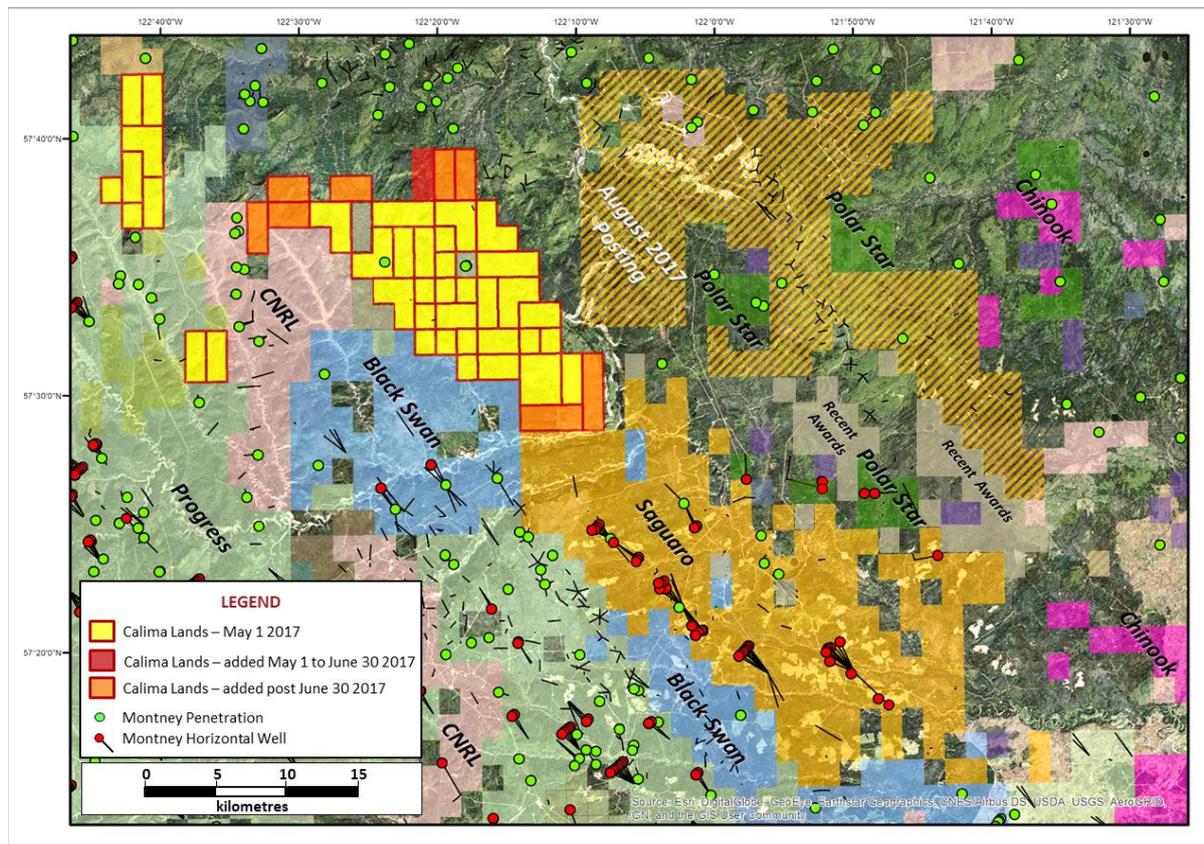


Figure 1 – The Calima Lands, shown in red outline, now cover 63,800 acres. Calima’s position on the 1<sup>st</sup> of May 2017 is shown in yellow. Acreage added between the 1<sup>st</sup> of May, when the Montney transaction was announced and the 30<sup>th</sup> of June 2017, when the Company published its prospectus, is shown in red. Acreage added after the 30<sup>th</sup> of June 2017 shown in orange. Neighbouring Operators annotated.



For further information visit [www.calimaenergy.com](http://www.calimaenergy.com) or contact:

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## **About Calima Energy**

**Calima Energy Limited** (ASX:CE1) is an international oil and gas company with interests in an area of British Columbia that is considered to be highly prospective for the Montney Formation.

The Montney play covers an extensive area (130,000 km<sup>2</sup>) of British Columbia and Alberta. The National Energy Board of Canada has the estimated remaining resource potential in the unconventional play to be 449 trillion cubic feet of gas, 14.4 billion barrels of condensate and 1.1 billion barrels of oil<sup>(1)</sup>. Wood Mackenzie recently estimated that the industry would invest more than C\$5 billion in the Montney play during 2017, rising to more than C\$7.5 billion by 2022. Daily production of 4.9 billion cubic feet of gas and 247,000 barrels of condensate and other liquids per day is predicted to double by 2022<sup>(2)</sup>.

From a cashflow perspective breakeven costs in the liquids rich window of the Montney are around US\$1.70/mcfe, **which is amongst the most competitive in North America** delivering excellent returns at current prices.

(1) The Ultimate Potential for Unconventional Petroleum from the Montney Formation of British Columbia and Alberta, National Energy Board, November 2013.

(2) Wood Mackenzie Unconventional Service. Montney Key Play April 2017.