



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

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Calima Lands – Drilling and water approvals granted

Highlights:

- Authorisation to drill and test up to three wells (two horizontals / one vertical) in the Calima Lands has been granted
 - Authorisation will enable Calima to conduct extended well tests that will provide valuable data on productivity and deliverability of the Montney Formation
 - Authorisation granted for water access and storage on the Calima Lands
 - Water authorisation reduces working capital requirements and enhances project economics as it mitigates the need for trucking
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Calima Energy Limited (ASX:CE1) (“Calima” or the “Company”) operates 72,014 acres of drilling rights over acreage (the Calima Lands) in British Columbia considered to be prospective for the Montney Formation.

Calima’s subsidiary, Calima Energy Inc, (acting as Operator of its joint venture in Canada) has been granted authorisation by the British Columbia Oil and Gas Commission to drill, test and operate up to three wells (two horizontals and one vertical) from the Company’s preferred location.

The authorisation allows Calima to immediately commence building a well pad from which the drilling activities, planned for the winter of 2018/2019, can take place and is on the critical path in the planning process for logistics and drilling.

Most importantly, the authorisation will also enable Calima to conduct initial flow tests on the planned Montney horizontal sections that will provide vital production data to be used to calibrate against offset production and thereby provide a valuable comparison and valuation metric going forward.

The British Columbia Oil and Gas Commission has also granted authority to access water from local sources and store water on the Calima Lands. Water access is a critical milestone in the approvals



process necessary to undertake the drilling and testing program and the authorisation will substantially reduce road use associated with the trucking of water to the drill site.

Alan Stein, Calima’s Managing Director commented:

“The Company is delighted to receive authorisation from the British Columbia authorities to drill, test and operate up to three wells in the Calima Lands this year. The authorisation is significant not only because it is another authorisation milestone passed along the critical path to drilling, but more importantly because it will allow us to conduct an extended well test, in excess of that generally mandated by the regulations to enable calibration against offset production and confirm the value of the Calima Lands.”

“The authority to access and store water on the Calima Lands represents a further significant progression in the approvals process as the Company focuses on the operational activities necessary to drill wells and supports our decision to be working with CWL Energy on our operational matters in Canada, as they have been integral to gaining the approvals.”

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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.

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