



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

ASX Code: CE1

August 8, 2018

Completion of Montney Farm-in Transaction and Expansion of Management Team

Highlights:

- Calima consolidates 100% ownership of 72,000 acres of drilling rights in British Columbia following the successful acquisition of TSV Montney and TMK Montney.
 - Calima's Farm-in Agreement with TSVM and TMKM can now be concluded which will lead to simplification, greater efficiencies and cost savings.
 - Mark Freeman joins the Calima management team from TSVM to implement merger integration and to provide business development services to the enlarged Company.
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Calima Energy Limited (ASX:CE1) ("Calima" or the "Company") advises that following the successful completion of the takeovers of TSV Montney Ltd ("TSVM") and TMK Montney Ltd ("TMKM"), the Company will own a 100% working interest in 72,000 acres of drilling rights in British Columbia considered to be prospective for the Montney Formation. As a result, the Farm-in Agreement between the Company and TSVM and TMKM has become redundant and the agreement will be concluded.

As advised on 1st May 2018, the purpose of the takeover transaction was to consolidate ownership of the Montney Project, with the key benefits including, but not limited to:

- Consolidation of a 100% interest in a single entity is likely to attract greater market interest;
- The enhanced structure will likely provide improved access to capital to fund the forward work program and removes any risk associated with TSVM and/or TMKM funding its share of development costs;
- Removes any potential impediments or misalignment of separate JV interests; and
- Additional synergies include the removal of duplicated technical and administrative costs.



The Company is also pleased to advise that Mr Mark Freeman, who has previously provided management services to TSVM and has extensive corporate experience in Canada, will be joining the Calima Team. Mr Freeman is a Chartered Accountant with more than 20 years' experience in corporate finance and the resources industry. He has considerable experience in strategic planning, business development, mergers, acquisitions and project management. Mr Freeman has worked with a number of successful public resource companies and since 2015 has been providing strategic advice to TSVM. A graduate of the University of Western Australia with a Bachelor of Commerce, Mr Freeman also holds a Graduate Diploma in Applied Finance from the Securities Institute of Australia. Mr Freeman will take responsibility for merger integration and also business development for the enlarged group. Mr Freeman was recently interviewed at the Noosa Exploration and Development conference. A copy of the interview is available via the Company's website.

Calima's Managing Director, Alan Stein commented:

"The merger has been a very successful outcome for the Company and we now look forward to the drilling campaign which will commence before the end of the year. The Montney is continuing to see ongoing significant and substantial investment. Over 350 horizontal Montney wells were drilled in the first quarter of this year and M&A valuations for early stage acreage have increased from an average of \$2,500 per acre last year to \$4,500 for the first half of this year. With an acreage position of 72,000 acres the Company has been fortunate to establish a significant land position in a world class hydrocarbon province.

For further information visit 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 over 72,000 acres of drilling rights prospective for the Montney Formation in British Columbia, the most active oil and gas play in Canada.

Calima, which features a board and management made up of some of the most successful oil and gas executives of recent years, is fast-tracking a major oil and gas opportunity in one of the world's most successful and sought after plays.

The Company is preparing to drill several wells close to existing infrastructure, including pipelines and processing facilities.

Calima's neighbours in the Montney include international operators Shell, ConocoPhillips and PETRONAS, as well as Canadian producers Black Swan Energy, Saguaro Resources and Painted Pony Energy. The region's liquids-rich hydrocarbon reserves are being targeted for LNG export alongside domestic and international oil market opportunities.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Calima Energy Limited's planned activities and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential", "should," and similar expressions are forward-looking statements. Although Calima Energy Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.