



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

CALIMA
ENERGY

ASX Code: CE1
(with effect from re-listing)

31 August 2017

Calima Energy commences trading on ASX

Highlights:

- Trading commences on ASX under ticker code CE1
 - Farm-in finalised over the liquids-rich Montney oil and gas play in Canada where Calima will hold an effective 57% interest upon final earn-in
 - Pre-completion Montney investment \$1.5 million
 - Well-funded with \$7.5 million in cash and securities and no debt
 - Board and Management team enhanced via addition of Havoc Partners LLP executive team
 - Active work programme and growth strategy
 - New web site launched www.calimaenergy.com
-

Calima Energy Limited (ASX:CE1) is pleased to announce the commencement of trading today on the ASX. This coincides with the completion of the farm-in arrangements to the liquids-rich Montney play in north-eastern British Columbia, the acquisition of certain assets from Havoc Partners LLP (“Havoc”) and importantly the addition of the Havoc team as shareholders and management of Calima Energy Limited.

Calima is the Operator of the Montney Project and has the right to acquire up to 55% of the Calima Lands from joint venture partners.

Calima Chairman Glenn Whiddon commented:

“Completion of the Montney farm-in arrangements provides Calima with an extensive land-holding in the world class liquids-rich Montney play. We welcome the Havoc team; Alan Stein as Calima’s Managing Director and Jonathan Taylor as Technical Director and Justin Norris, Richard Higgins and Mark Sofield in senior technical and commercial roles.

“This team combines significant technical, operational and management expertise, and has a track record from their two earlier team ventures, Fusion Oil and Gas and Ophir Energy, in building and growing energy companies and delivering value to shareholders.”



The Montney Play – Our Focus

The Montney play covers an extensive area (130,000 km²) of British Columbia and Alberta. The National Energy Board of Canada has estimated the 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.

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⁽²⁾. Daily production is currently in the region of 4.9 billion cubic feet of gas and 140,000 barrels of condensate and this is predicted to double by 2022.

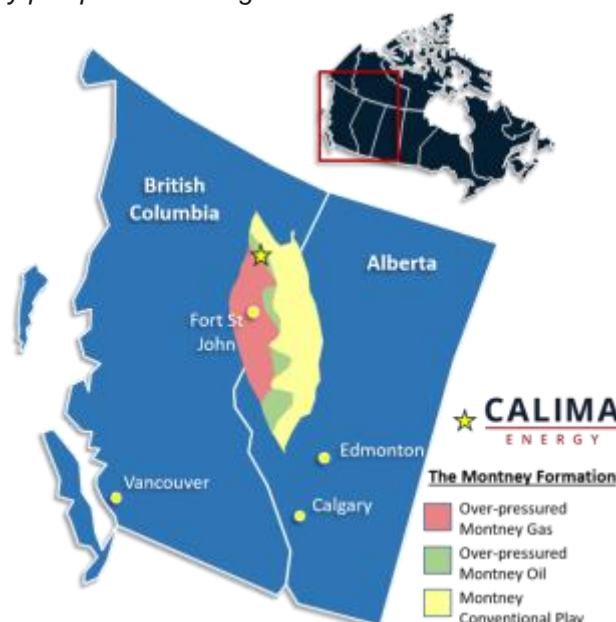
Of significance, the Montney is thicker than most other unconventional plays in North America allowing for multi-layer completions from a single well pad which improves economics. The productive horizons in the Montney are generally siltstones with natural porosity rather than shales and they are well suited to fracture stimulation techniques resulting in enhanced productivity.

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.

Calima Managing Director Alan Stein commented:

“The Havoc team are delighted to take up Management roles with Calima and we look forward to building the Company through our involvement in the Montney play and other ventures. We have been personal investors in this Montney play for more than three years now and we are pleased to be able to expand our involvement via this transaction.”

The Montney offers some of the best economics of all the unconventional plays in North America. Because of the innovative geological mapping that has guided our investment strategy in Canada we believe that Calima has been able to move ahead of industry trends to acquire some very prospective acreage on attractive terms.”





Montney Transaction Terms

Calima is the Operator of the Montney Project (defined as the “Calima Lands”) and has the right to acquire up to 55% of the Calima Lands from joint venture partners, TSV Montney Limited and TMK Montney Limited (collectively “TMV/TMK”) by investing in further acreage acquisition, data purchase, technical studies and the drilling of three wells as part of a three stage earn-in agreement. The TSV/TMK joint venture has already spent C\$10.5 million building the existing position.

A Stage One investment of C\$5.0 million will earn Calima a 20% interest in the Calima Lands, of which C\$1.5 million has already been incurred in respect of the successful award of further acreage and the acquisition of seismic and well data. To allow Calima to best manage its capital requirements, entry into Stages Two and Three is triggered at the election of the Company.

Stages Two and Three require a combined investment of C\$20 million to earn a further 35%. Funds deployed under Stages Two and Three will predominately be incurred on drilling three horizontal wells.

Additionally, Calima also owns directly 11.2% of TMK-Montney Limited, resulting in Calima holding an **effective 57% interest in the Calima Lands** upon final earn-in.

The Havoc Transaction

Calima has acquired from Havoc interests in petroleum permits in the Saharawi Arab Democratic Republic (Western Sahara) and passive, minority interests in TMK-Montney Limited and Bahari Holding Company Limited.

The five founding partners of Havoc have also agreed to join the management team of Calima with Alan Stein and Jonathan Taylor coming on board as Managing Director and Technical Director respectively and Justin Norris, Richard Higgins and Mark Sofield in senior technical and commercial roles.

The Havoc team (www.havocpartners.com) have worked together for more than 16 years and were the founders of AIM listed Fusion Oil & Gas plc which was involved in discoveries offshore Mauritania and then were all involved in Ophir Energy plc which made discoveries offshore Equatorial Guinea and Tanzania. When it listed on the LSE in 2011 Ophir was the biggest ever E&P IPO in London at the time and was the most successful float of the year.

The Havoc team took Ophir from a small exploration focused African player to a c. £1.9 billion FTSE 250 company with contingent resources in excess of 1 billion barrels of oil equivalent making it one of the most successful growth stories in the London E&P market.

ENDS



For further information visit www.calimaenergy.com or contact:

Calima Energy Limited			
			<u>Media:</u>
Alan Stein	Jonathan Taylor	Glenn Whiddon	Steve Suleski
Managing Director	Technical Director	Chairman	FTI Consulting
E: astein@calimaenergy.com	E: jtaylor@calimaenergy.com	E: glenn@lagral.com	E: steve.suleski@fticonsulting.com
T: +61 8 6500 3270	T+ 44 77391 77805	T: +61 0 410 612 920	T: +61 8 9485 8888

About Calima Energy

The principal activity of **Calima Energy limited (ASX: CE1)** is investing in oil and gas exploration and production projects, with an initial emphasis on Canada, and as opportunities arise, further internationally.

The Company has a new website, www.calimaenergy.com, which will provide investors with further detail on the Company, including projects and important updates.

Corporate Snapshot

- Shares on Issue 490.5 million
- Management Performance Equity⁽¹⁾ 55.5 million
- Market Capitalisation A\$16.5 million
- Cash and securities (no debt) A\$7.5 million
- Pre-completion Montney investment A\$1.5 million
- Board and Management ownership ~ 22%

(1) Includes performance shares, performance rights (\$0.15) and options (\$0.09 and \$0.12). For details see prospectus dated June 30, 2017.

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