



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

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Calima moves to compulsory acquire remaining TMKM and TSVM shares, consolidates 100% of Montney Project

Highlights:

- Calima has acquired >98% of the shares of TMKM and >91% of the shares of TSVM. Calima has moved to compulsorily acquire the remaining shares in both **TMKM and TSVM**.
- Completion of the Offers and the compulsory acquisition of the remaining TVSM and TMKM's shares will **consolidate 100% of the Montney Project into Calima**, creating a leading Montney-focused exploration, appraisal and production company.
- **TMKM shareholders** who accepted the Calima's takeover offer were issued Calima shares on 13 July 2018. Compulsory acquisition settlement will occur approximately 2 to 4 weeks later.
- **TSVM shareholders** who accepted the Calima's takeover offer will be issued on the 27 July 2018. Compulsory acquisition shares will settle mid-August 2018
- Calima is well advanced in its preparations for drilling its first wells in late 2018, recently announcing the appointment of key engineering contracts¹.

The Board of **Calima Energy Limited (ASX:CE1)** ("Calima" or the "Company") is pleased to provide an update on the acquisition of TMK Montney Limited (**TMKM**) and TSV Montney Limited (**TSVM**), which was announced to the market on the 2 May 2018.

Under the Calima takeover offers to the ordinary shareholders of each of TSVM and TMKM (**Offers**), as at the date of this announcement Calima has acquired 98.08% of TMKM's and 91.20% of TSVM shares on issue, and, as a result, has moved to compulsorily acquire the remaining shares it does not already own in both companies.

On the compulsory acquisition of the TSVM and TMKM shares, and imminent consolidation of 100% of the Montney Project into Calima, Calima Managing Director, Alan Stein, said,

¹ Refer to ASX announcement made on 5 July 2018



“As we complete the acquisition of TSVM and TMKM we welcome new shareholders to the Company and look forward to developing the benefits that come from the simplified ownership structure over the 72,000 acres of drilling rights in the Calima Lands. “

“Our plans for drilling late in 2018 remain on track and we are excited by continued drilling successes in the Montney near the Calima Lands and the overall improved outlook for infrastructure across the whole play, which we believe will have a positive impact on valuations.”

As previously highlighted, completion of the Proposed Transaction will result in a number of key benefits, including, but not limited, to:

- Consolidation of the Montney Project 100% into a single entity, which is likely to attract greater market interest;
- The enhanced structure and larger market capitalisation 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;
- Consolidation removes any potential impediments or misalignment of separate JV interests; and
- Additional synergies include the removal of duplicated technical and administrative costs.

Further Offer Details

Completion of the Offers and the compulsory acquisition of the remaining TSVM and TMKM shares will see the issue of a total of approximately 420.8 million new Calima shares, with approximately 149.6 million of these new shares (representing 35.5% of shares issued) subject to escrow through to 30 April 2019.²

The issue of new shares under the Offers and the compulsory acquisition processes is expected to occur according to the following timeline:

- The issue of new Calima shares to **TMKM** shareholders who accepted the Offer was completed on the **13 July 2018**. New Calima shares to be issued to those shareholders whose shares will be acquired under compulsory acquisition is expected to be completed approximately 2 to 4 weeks later.
- The issue of new Calima shares to **TSVM** shareholders who accepted the Offer is expected to be completed on the **27 July 2018**. New Calima Shares to be issued to those shareholders whose shares were acquired under compulsory acquisition is expected to be completed approximately 2 to 4 weeks later.

A summary of key shareholder groups at completion of the Offers and the compulsory acquisition processes is provided in the table below:

² 149,569,486 Calima shares subject to escrow through to 30 April 2019, as detailed in the TSVM and TMKM Bidders Statements lodged with the ASX on 15 May 2018.



Shareholders		
Board and Management	287,309,329 ³	28.81%
Key Stakeholders	80,890,909	8.11%
Small Cap Institutions	46,859,042	4.70%
Pacific World Energy Ltd	33,500,000	3.36%
Other Calima Shareholders	125,867,422	12.62%
New TSVM / TMKM shareholders	420,810,143	42.20%
Total	997,236,845	100%

Table 1 - Key shareholder groups at completion of the Offers

As illustrated above, the register is characterised by a high degree of Calima board and management ownership, indicative of the Company's alignment in delivering shareholder value.

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For further information visit www.calimaenergy.com or contact

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About Calima Energy

³ Includes escrowed TSVM and TMKM insiders, board and management.



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.