



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

**CALIMA**  
ENERGY

ASX Code: CE1

**17 September, 2018**

## **Calima Shareholder Update**

**Calima Energy Limited (ASX:CE1)** ("Calima" or the "Company") is pleased to provide the following letter to shareholders from Managing Director, Alan Stein. The letter will also be made available on the Company's website: <http://www.calimaenergy.com/>

### **Message from the Managing Director:**

Dear shareholders,

Following completion of the Company's recent A\$25 million oversubscribed placement I would like to take this opportunity to welcome new shareholders to the register and to thank existing investors for their continued support.

The Company is now in a robust financial position being funded to undertake its first drilling campaign on its extensive acreage position ('the Calima Lands') in British Columbia, Canada. The Calima Lands comprise 72,000 acres of drilling rights considered prospective for the Montney Formation which is now the biggest oil and gas play in Canada. The Company will be drilling one vertical well and two horizontal wells. The vertical well will provide stratigraphic calibration and valuable core data while the two horizontal wells will be put on extended production test.

An independent report from McDaniel & Associates (ASX Announcement March 14<sup>th</sup>, 2018), one of Canada's leading reserve auditors, indicated a gross prospective resource for the Calima Lands of 475 mmbbl which was comprised of 2.16 tcf of gas and 114.42 mmbbl of condensate and other natural gas liquids. The report concluded that the Calima Lands are analogous to acreage immediately adjacent to the south where Saguario Resources have invested more than \$500 million drilling more than 60 successful Montney horizontal wells. Saguario's recent drilling results have seen them emerge as a top quartile Montney producer. We hope to match Saguario's recent drilling performance with our wells in the Calima Lands.

Upstream investment in the Montney is expected to exceed C\$5 billion this year with over 350 horizontal wells drilled during the first quarter of 2018. Over C\$70 billion of mid-stream infrastructure investments are proposed over the next few years, more than doubling the pipeline capacity of the basin. This includes more than C\$40 billion of investment by a Shell led joint venture (LNG Canada) for the first LNG terminal at Kitimat on the west coast of British Columbia. This terminal, and the others set to follow, will allow Montney gas to

Calima Energy Ltd ACN 117 227 086  
1A/1 Alvan St, Subiaco Perth WA 6008: +61 8 6500 3270 Fax: + 61 8 6500 3275  
Email: [info@calimaenergy.com.au](mailto:info@calimaenergy.com.au) [www.calimaenergy.com.au](http://www.calimaenergy.com.au)



be exported to international markets other than the US for the first time. These planned investments already appear to be having an impact with prices for early stage Montney land positions increasing from an average of \$2,500 per acre during 2017 to an average of \$4,500 during the first half of 2018.

The drilling pad on the Calima Lands has already been cleared and work on the accommodation camp and logistics base begins next month. When the ground freezes sufficiently to allow the movement of heavy equipment to the pad site the pace of work will lift significantly, and we expect to have the drilling rig on location before the end of the year.



The Company recently presented at the Good Oil Conference in Perth and later this week we will be presenting at the Finance News Network Investor Event in Sydney. A copy of the slide deck is available via our website and webcasts of the presentation will be available over the next few days.

I look forward to keeping you up to date with the project as it progresses. For those that have not already done so, I would encourage you to register for updates via our web page and to consider joining some of the Company's social media platforms which provide access to the activities of your Company as well as developments within the whole Montney play.

Calima Energy has a presence on Twitter, LinkedIn, Facebook and Instagram all of which can be accessed via our web page at [www.calimaenergy.com](http://www.calimaenergy.com).

Kind regards,

Alan Stein  
Managing Director  
Calima Energy Limited



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

<b>Alan Stein</b>	<b>Jonathan Taylor</b>	<b>Glenn Whiddon</b>
Managing Director	Technical Director	Chairman
E: <a href="mailto:astein@calimaenergy.com">astein@calimaenergy.com</a>	E: <a href="mailto:jtaylor@calimaenergy.com">jtaylor@calimaenergy.com</a>	E: <a href="mailto:glenn@lagral.com">glenn@lagral.com</a>
T: +61 8 6500 3270	T+ 44 77391 77805	T: +61 0 410 612 920

### About Calima Energy

**Calima Energy Limited** (ASX:CE1) is an international oil and gas company with over 72,000 acres of drilling rights (the Calima Lands) in the Montney Formation, British Columbia, the most active oil and gas play in Canada.

Calima, which features a board and management made up of proven oil and gas executives, 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 the Calima Landst, which lie close to existing infrastructure, including pipelines and processing facilities.

Calima's neighbours in the Montney include Canadian producers Black Swan Energy, Saguaro Resources and Painted Pony Energy and international operators such as PETRONAS (Progress), Shell and ConocoPhillips.