



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

CALIMA
ENERGY

ASX Code: CE1

October 31, 2018

Rig Contract Award

Highlights:

- Precision Drilling, one of Canada's leading drilling rig operators, has been awarded contracts to provide drilling and directional services for Calima's three well drilling campaign which commences in December.

Calima Energy Limited (ASX:CE1) ("Calima" or the "Company") is pleased to announce that it has awarded contracts for drilling and directional services to Precision Drilling Corporation ("Precision"). Delivery of the Precision Drilling Rig 379 is scheduled for mid-December 2018. This rig is currently working for some of the largest Montney operators in northeast British Columbia. Its successful track record in drilling horizontal and vertical wells in the Montney was a significant factor in the rig selection process.

Calima owns 72,014 acres of drilling rights in northeast British Columbia which are considered to be prospective for the prolific Montney Formation. The Company will be drilling three wells commencing in December 2018. The first will be a vertical well designed to calibrate stratigraphy and collect core samples. The second and third wells will have 2,500 m horizontal sections which will be stimulated and placed on extended production tests.



Precision Drilling's PD379 super-double rig in action (Photos courtesy Precision Drilling)



Kevin Neveu, Precision’s CEO commented:

“Precision has built its reputation in North America’s unconventional basins by consistently providing High Performance, High Value services to customers such as Calima. We are pleased to be working with Calima with Rig 379 and our Integrated Directional Drilling services, a combination we believe will deliver maximum efficiency for Calima in its Montney drilling program. Precision is excited to be chosen by Calima as the Drilling and Directional Drilling Contractor for their inaugural drilling program in their Montney acreage and we look forward to being a part of their long-term success”

Alan Stein, Calima’s Managing Director commented:

“We are delighted to have been able to secure Rig 379 from Precision Drilling. The track record of Precision Rig 379 was an important part of the rig selection process. The operational schedule remains on track to start drilling before the end of the year.”

About Precision Drilling:

Precision Drilling is the largest drilling rig contractor in Canada with access to an extensive fleet of contract drilling rigs (257 in total) throughout Canada and worldwide operations. Precision provides customers with access to drilling rigs, directional drilling services, well service and snubbing rigs, camps, rental equipment, and wastewater treatment units backed by a comprehensive mix of technical support services and skilled, experienced personnel.

Precision is headquartered in Calgary, Alberta and listed on the Toronto Stock Exchange under the trading symbol “PD” and on the New York Stock Exchange under the trading symbol “PDS”.
www.precisiondrilling.com

For further information visit www.calimaenergy.com or contact

Alan Stein

Managing Director

E: astein@calimaenergy.com

T: +61 8 6500 3270

Jonathan Taylor

Technical Director

E: jtaylor@calimaenergy.com

T+ 44 77391 77805

Glenn Whiddon

Chairman

E: glenn@lagral.com

T: +61 0 410 612 920

David Tasker

Chapter One Advisors

E: dtasker@chapteroneadvisors.com.au

T: +61 433 112 936



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.

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, Saguro 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.