



Market Announcements Platform
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CALIMA
ENERGY

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Calima's interest in the Comoros consolidated into Discover Exploration - farm down to Tullow Oil

Highlights:

- Calima's portfolio holding in the Comoros has been acquired by Discover Exploration Limited (majority owned by Carlyle International Energy Partners).
 - As part of the transaction, Tullow has agreed to farm-in to a 35% interest in the Comoros PSC
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Calima Energy Limited (ASX:CE1) ("Calima" or the "Company") owns an 8.5% equity interest in Bahari Holding Company Limited which, holds a 40% interest in a Production Sharing Contract covering Blocks 35,36 and 37 offshore the Union of the Comoros in the Indian Ocean. Bahari is in a joint venture with UK based Discover Exploration Limited ("Discover") who owns the remaining 60%.

The shareholders of Bahari Holding Company have agreed to sell their 40% interest in Production Sharing Contract covering Blocks 35,36 and 37 to Discover in exchange for 5% of the enlarged share capital of Discover. Discover is a private equity backed E&P company financed by Carlyle International Energy Partners, a \$2.5 billion fund associated with the Carlyle Group. Discover holds a diverse and substantial portfolio of quality hydrocarbon acreage around the world.

Simultaneously, Anglo-Irish company Tullow Oil plc ("Tullow"), a leading independent oil and gas exploration and production company (market cap ~A\$4.5 billion) has farmed into a 35% interest in the Comoros PSC Blocks 35,36 and 37. Tullow Oil has interests in over 80 exploration and production licences across 16 countries. Tullow will assume Operatorship, and will carry Discover for a 3D seismic survey and the first exploration well. Both transactions are subject to governmental consent.

Alan Stein, Calima's Managing Director commented:

"The consolidation of our Comoros interests into the Carlyle backed Discover is a positive step forwards towards converting a portfolio seed capital investment into a shareholding in a well-financed company with excellent prospects of a well receive, substantial IPO in the near to medium term. Calima retains its financial interest in the Comoros PSC's which will now be led by Tullow, one of the most successful African exploration company's in recent years while also achieving some risk diversification into the Dutch and German sectors of the North Sea. Discover is well placed to supply growing gas markets in

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Europe and the combination of near term cash flow in a mature well developed market and blue sky exploration upside where some costs are being carried by a proven and successful deepwater operator should be an appealing combination for investors.

About Discover - Discover is a private company based in London which is majority owned by Carlyle International Energy Partners, a \$2.5 billion fund associated with the Carlyle Group, a \$200 billion global asset manager. Discover is led by the same executive team that founded, developed and sold Cove Energy plc ("Cove") in 2009-2012. The team has strong expertise in upstream oil and gas across Africa, Europe, Asia and the Middle East.

Cove held an 8.5% non-operated working interest in Rovuma Area 1 offshore Mozambique, where operator Anadarko Petroleum Corp. discovered circa 75 TCF of recoverable gas. In 2012, Cove was acquired by PTTEP for US\$1.9 billion.

Discover's portfolio consists of:

- 65% working interest in exploration blocks 35, 36 and 37 offshore the Comoros, operated by Tullow Oil plc (subject to governmental consent);
- 35% working interest in Petroleum Exploration Permit 38264 (PEP 38264) offshore New Zealand, operated by Beach Energy Limited;
- 22.5% to 45% working interests in exploration and production licenses GEMs and 4Quads offshore the Netherlands, operated by Orange-Nassau Energie B.V.;
- 45% working interest in exploration license Geldsackplate offshore Germany, operated by Orange-Nassau Energie B.V.;
- 20% working interest in exploration license H&L offshore Germany, operated by Wintershall Holding GmbH;
- 32% working interest in exploration license 14/16 offshore Denmark, operated by Edison S.p.A.; and
- A signed farm in agreement, subject to joint venture partner and governmental approvals, to acquire a 25% non-operated working interest in an exploration license offshore West Africa.

The Gems and 4Quads licenses contain the Ruby discovery with a contingent resource of 185 Bcf which is being progressed towards development.

Discover is considering an Initial Public Offering of its shares in the near to medium term.



About Tullow - Tullow is an Anglo-Irish company founded in 1985. It is one of the 250 biggest listed companies in the United Kingdom and is listed on both the London and Dublin stock exchanges. It is Africa's leading independent oil & gas company with 85 exploration, development and production licenses in 16 countries in East Africa (Kenya, Uganda and Zambia), West Africa (Côte d'Ivoire, Equatorial Guinea, Gabon, Ghana and Namibia), South America, Europe and Asia. In 2017, Tullow produced c. 95,000 barrels of oil equivalent per day (net) and had gross revenues of US\$ 1.7 billion.

About the Comoros PSC - The Comoros PSC covers a deepwater area of 16,063 km² (circa 4 million acres) and is outboard of circa 200 trillion cubic feet ("TCF") of gas in place discovered in Rovuma Areas 1 and 4, offshore Mozambique. The joint venture partners of Rovuma Areas 1 and 4 include Anadarko Petroleum Corp., China National Offshore Oil Corp. (CNOOC), Eni S.p.A., ExxonMobil Corp., Mitsui & Co. and PTT Exploration and Production (PTTEP).

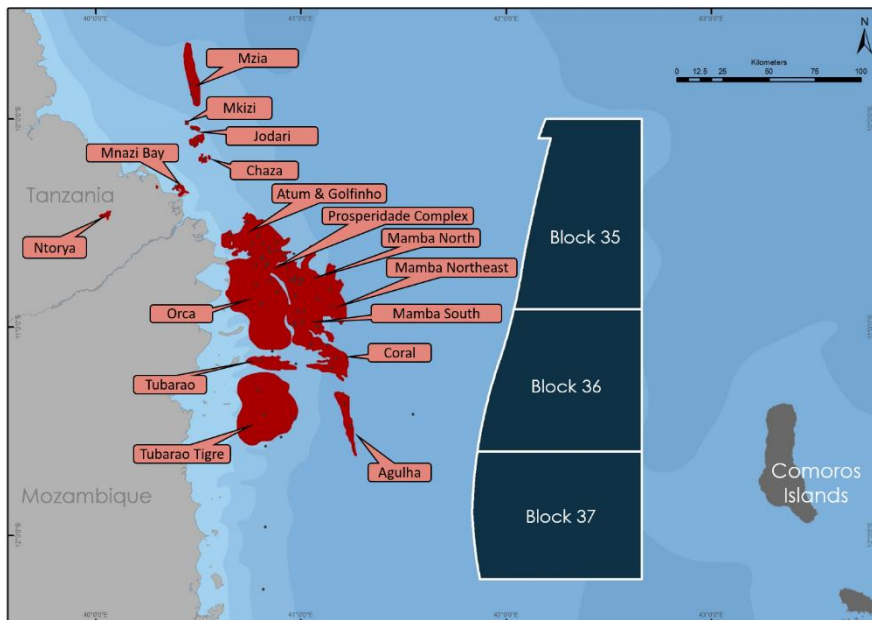


Figure 1 - Location of the Bahari interests offshore Comoros.

In a Competent Persons Report prepared for Discover dated August 2018, ERCE, the UK-based independent energy consulting group, estimates that two partly stacked prospects in Comoros blocks 35, 36 & 37 together contain gross mean un-risked prospective resources of circa 7.1 billion barrels of oil (+1.1 TCF of associated gas) in an oil case or 49 TCF of non-associated gas (+2.3 billion barrels of condensate) in a gas case.



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