



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

CALIMA
ENERGY

ASX Code: CE1

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Drilling Update – Coring Operations Successful

Highlights:

- Successful recovery of 230 meters of core through target Montney Formation.
 - The core covers approximately 90% of the entire Montney interval.
 - Elevated gas readings encountered - gas escape bubbles reported on the rig floor
 - Core fast-tracked to laboratory - analysis is already underway.
 - Drilling operations remain on schedule and on budget.
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Calima Energy Limited (ASX:CE1) (“Calima” or the “Company”) is pleased to advise that the Calima-1 vertical well (official designation - Calima Tommy A-54-C/94-G-09) intersected the top of the Montney Formation at 1,562 meters, which is within 4 meters of the pre-drill prognosis.

Coring operations commenced at 1,571 meters with successful core recovery down to 1,801m. The Montney is 254 meters thick at the well location which matches pre-drill predictions and is comparable to the thickness of section encountered by adjacent Operators. The cored section gives an almost complete (90%) section through the Montney. All core has now been recovered to surface and has been delivered to the laboratory for processing and analysis.

Alan Stein, Calima’s Managing Director commented:

“The core recovery exceeds our expectations and will provide valuable data to determine expected reservoir performance. We should reach the bottom of the well in the next few days and will then proceed to collect wireline log data. These data will be used to confirm the depth of both of our horizontal wells which will be drilled immediately following the completion of this vertical well. We look forward to providing updates as we progress through the key stages of the operation.”

Elevated gas readings were recorded during coring operations and gas escape bubbles were noted on the rig floor as the core was recovered to surface. This is in-line with expectations and is an encouraging indication of hydrocarbon saturation. The background gas readings in the lower parts of the Montney were particularly elevated. This will be investigated further through detailed core analysis in the laboratory and evaluation of the wireline logging data which will be acquired over the coming days.





The forward plan is to drill ahead to a target depth of approximately 1,875 meters before running a comprehensive suite of wireline logs. The wireline data will be used to confirm the depth of the two horizontal wells which will be drilled immediately after completion of the Calima-1 logging operations. The wireline and core data combined will provide essential stratigraphic and rock property data that will be integrated with production test results to determine the productivity of the Montney Formation over the Calima Lands and provide important data for an updated reserves report which will be commissioned post the completion of drilling and testing operations.

A further announcement will be made upon completion of the logging operations.



Figure 1 – Recovering core from the Calima-1 vertical well.



Figure 2 – Cores recovered from the Calima-1 vertical well.



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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.

Calima's neighbours in the Montney include international operators Shell, ConocoPhillips and Petronas Canada, 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.