



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

**CALIMA**  
ENERGY

ASX Code: CE1

**February 20, 2019**

## **Production Testing Preparation Underway**

### **Highlights:**

- Water pumping operations underway in preparation for production testing at the Company's two maiden horizontal wells.
- Previous core and wireline log data have returned favourable results, with the upcoming production testing to demonstrate the productivity of the wells.
- Innovative cost-saving water management system developed and installed by water management specialists New Wave Energy Services.
- Production testing scheduled to commence in early March 2019.

**Calima Energy Limited (ASX:CE1)** ("Calima" or the "Company") is pleased to advise that water pumping operations have commenced as part of preparation for production testing at its two recently drilled horizontal wells into the Montney Formation, in British Columbia.

Water pumping, a key requirement for well stimulation, is a component of the Company's upcoming production testing program, which is set to commence in early March 2019.

Core analyses and wireline log data at the Company's wells have returned highly positive results and Calima is rapidly progressing towards production testing to fully assess the productivity of its wells.

### **Alan Stein, Calima's Managing Director commented:**

*"Following on from the successful completion of drilling, ahead of schedule, the operations team in Canada continue to deliver outstanding results. Calima has always contended that the northern extension of the Montney Formation, located in Canada's most active energy exploration province, holds significant levels of oil and gas. We are entering a very exciting phase as we begin to unlock the value of our 72,000 acres of Montney drilling rights.*

*I would also like to thank the team at New Wave Energy Services, who have put in place an innovative water management system to support our reservoir stimulation operations. The system they have installed with on-the-fly supply has given us a reliable source of water with significantly reduced costs."*

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**Kent Dowhanuik, New Wave's Executive Vice President, Canada Operations commented:**

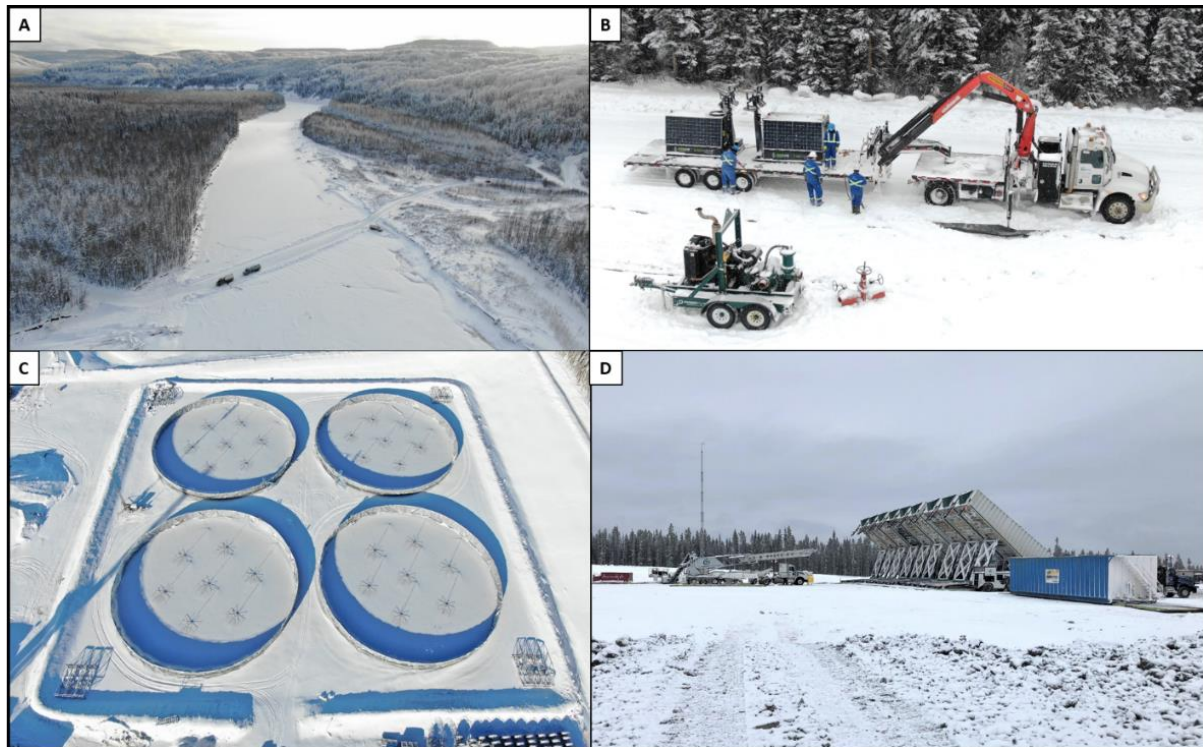
*"On behalf of the entire team at New Wave, I want to convey how extremely excited we are to supply Calima's entire water management solution for the upcoming reservoir stimulation on the Calima-2 & -3 horizontal wells. New Wave looks forward to developing a strong, long-term relationship with Calima as further development takes place in its Canadian Montney play"*

### **Preparation for Production Testing Underway**

The equipment and consumables required for the water pumping and reservoir stimulation operations are already on site. Stimulation is scheduled to commence at the Calima-2 well in the next few days, with each well expected to take 6-7 days. Subsequent production testing is anticipated to occur over a duration of approximately 25 days.

Calima is fully permitted to source its water from the nearby Sikanni Chief River and will fill on-site storage tanks located on the Company's drilling pad. Total water storage on site is 25,200m<sup>3</sup> within four tanks, covering a combined land surface area of 8,335m<sup>2</sup>.

Pumping operations will continue to fill the tanks while the wells are undergoing reservoir stimulation. Once testing operations commence, the recovered water will be returned to the tanks before being recycled for future use.



*Figure One – A) Water is sourced from the Sikanni Chief River. B) Installation of an innovative water management system. C) Water is stored within four tanks with a combined storage capacity of 25,200m<sup>3</sup> covering a land surface area of 8,335m<sup>2</sup>. D) Equipment and consumables required for reservoir stimulation are now on site.*



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

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## About Calima Energy

**Calima Energy Limited (ASX:CE1)** is an international oil and gas company with more than 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, Saguario 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.