



Market Announcements Platform
ASX Limited
Exchange Centre
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CALIMA
ENERGY

ASX Code: CE1

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Calima-2 flowing gas and light oil

Highlights:

- **Calima-2** well flowing at a rate of **1,640 boe/d** comprising gas at ~ 9 mmcf/d, with light oil and other natural gas liquids at ~143 bbl/d.
- Production tubing is being installed with testing to recommence imminently delivering further results.
- **Calima-3** testing has commenced with recovery of load water injected during reservoir stimulation underway.

Calima Energy Limited (ASX:CE1) (“Calima” or the “Company”) is very pleased to advise that the Calima-2 well (Appendix One) is producing gas and light oil (or condensate) from the middle target in the Montney Formation.

The first phase of the production test which recovers the load water injected during reservoir stimulation is nearing completion. As the water rate decreases the flow of gas increases and eventually light oil and other natural gas liquids are recovered. During the final stages of the clean-up phase the well has been flowing at a calculated rate of **1,640 boe/d⁽¹⁾** comprised of **~ 9 mmcf/d of gas** and **~143 bbl/d⁽²⁾** of **light oil and natural gas liquids**.

The well will now be shut in as planned to allow installation of production tubing before being brought back on production. The tubing allows for collection of additional data such as down hole pressure and management expects that the production rates and the ratio of gas vs light oil and natural gas liquids will continue to improve once the tubing is installed.

Alan Stein, Calima’s Managing Director commented:

We are extremely pleased with the initial production rates from Calima-2 which compare favourably with other wells in the region. This satisfies the primary objective of the drilling campaign and confirms that the Calima Lands lie within the sought-after liquids rich zone of the Montney Formation. This is an exciting time for Calima shareholders, and we look forward to releasing further results over the coming days. The delays associated with the coiled tubing unit have been frustrating given the narrow weather





window in which we can operate. Fortunately, with this outstanding performance from Calima-2, we will have all the basic data needed to calculate the metrics to demonstrate that we have opened up a new liquids-rich Montney play in British Columbia”.



Figure One – Gas being flared during initial testing operations of the Calima-2 well.

Coiled tubing operations on Calima-3 are now completed and the well has started its clean up with recoveries of load water injected during reservoir stimulation underway. At this stage it is performing in a similar manner to Calima-2.

The Company has retained one of Calgary’s leading oil and gas consultancies, GLJ Petroleum Consultants, to analyse the test results and provide commentary on the data being generated. Further details will be released as the data becomes available over the next week or so.

A video of the testing operations is available on the Company website www.calimaenergy.com.

This release is designed to lift the trading halt requested by the Company on March 21st.



The Company cautions that the information in this release relates to initial flow rates which may not necessarily be indicative of the results which will be obtained upon the conclusion of the full testing programme or from longer term production. Further announcements will be made once stabilised flow rates have been established.

Appendix One

Name & Type	Calima 02 Hz Tommy a-054-C/094-G-09 (Horizontal)
Location	NE British Columbia, Canada
Working Interest	100%
Rock Type	Montney Formation - siltstone
Vertical Depth / Lateral Length	1683m TVD / 2508m
Test Type & Duration	Initial clean-up and flow back – 24 hours
Hydrocarbon phases recovered	Gas and Light Oil/Condensate
Other recoveries	Stimulation water
Completion Stages	92 stages at 30m spacing with 1.5t/m proppant loading
Choke size	63.5mm

For further information visit 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, 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.



Notes

(1) Barrel of oil equivalent (boe); All boe conversions in the text are derived by converting gas to oil at the ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent. A Boe conversion rate of 1 Boe:6Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio of oil compared to natural gas, based on current prevailing prices, is significantly different than the energy equivalency ratio of 1Boe:6Mcf, utilising a conversion ratio may be misleading if used in isolation.

(2) The numbers of barrels recovered at the well-head is not indicative of the total number of barrels typically won from production. Based on expected deep cut recoveries through standard processing facilities in the area the liquids recoveries would be expected to increase by more than 100% after treatment.

Forward Looking Statements

This release may contain forward-looking statements. These statements relate to the Company's expectations, beliefs, intentions or strategies regarding the future. These statements can be identified by the use of words like "anticipate", "believe", "intend", "estimate", "expect", "may", "plan", "project", "will", "should", "seek" and similar words or expressions containing same.

These forward-looking statements reflect the Company's views and assumptions with respect to future events as of the date of this release and are subject to a variety of unpredictable risks, uncertainties, and other unknowns. Actual and future results and trends could differ materially from those set forth in such statements due to various factors, many of which are beyond our ability to control or predict. These include, but are not limited to, risks or uncertainties associated with the discovery and development of oil and natural gas reserves, cash flows and liquidity, business and financial strategy, budget, projections and operating results, oil and natural gas prices, amount, nature and timing of capital expenditures, including future development costs, availability and terms of capital and general economic and business conditions. Given these uncertainties, no one should place undue reliance on any forward-looking statements attributable to Sundance, or any of its affiliates or persons acting on its behalf. Although every effort has been made to ensure this release sets forth a fair and accurate view, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.