



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

CALIMA
ENERGY

ASX Code: CE1

May 23, 2019

Sale of Namibia PEL 90

Highlights:

- Sale of Namibia PEL 90 (Block 2813B) for US\$2.0 million (~**A\$2.9 million**) plus success bonuses.
 - Success bonuses totalling US\$10.0 million allows Calima to retain upside in the Namibia project.
 - Funds from the sale to be allocated towards Calima's core Montney project and for working capital.
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Calima Energy Limited (ASX:CE1) ("Calima" or the "Company") is pleased to announce that it has entered into an agreement to sell its interest in the Namibia PEL 90 licence (Block 2813B) to Tullow Namibia Limited (Tullow), a subsidiary of Tullow Oil plc, a leading deep-water operator with an outstanding track record in Africa. The parties have agreed to a 60-day exclusivity period to enable the satisfaction of certain industry standard conditions precedent, which include; entering into a formal sale and purchase agreement, customary due diligence, Tullow board approval and Government and partner approvals relating to the assignment of interest and transfer of Operatorship.

Calima will receive US\$2.0 million on completion. Success bonuses totalling US\$10.0 million will be paid in two equal tranches (US\$5.0 million) following the grant of a production licence and then upon the commencement of commercial production.

Alan Stein, Calima's Managing Director commented:

"With recent drilling success in the Montney this transaction allows us to focus capital allocation towards Canada while maintaining financial leverage to exploration success in Namibia. The Namibian block is a world-class exploration play with extraordinary upside but it will require considerable investment and time to reach the point of exploration drilling. The Montney offers our shareholders a significant value proposition in the short term where the Company can now put in place the building blocks of a world-class development with modest capital investment. We wish Tullow and our Namibian partners every success in Block 2813B.



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.