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5 April 2022

Value Maximisation Initiatives Confirmed for Montney Acreage

- The Montney assets hold significant inherent value and Calima remains committed to unlocking it for the benefit of shareholders
 - The Montney Formation is world class, and is the most active oil and gas play in Canada with an estimated remaining 449Tcf of gas, 14.4 billion bbls of condensate and 1.1 billion bbls of oil
 - Together with Peters & Co the Company continues to work towards a strategy to realize the inherent value in the Montney, however this process is taking longer than expected due to the size of the opportunity, the significant M&A activity that occurred in 2021 (C\$8.5 billion transaction value) and the time to absorb new deals
 - With the current recalibration of energy security world-wide, the need for Europe to source natural gas from Tier 1 jurisdictions over the coming years and with rising commodity prices, Calima sees no need to enter into transactions on less than optimum terms
 - The Calima Lands are development ready with existing egress capacity in excess of 11,000 boe/d of gas and related liquids (50,000 mcfg/d and 2,500 bo/d) through the Tommy Lakes facilities with significant growth upside
 - The Company has ~C\$50 million in tax pools related to its Montney assets, ~C\$27 million of which are non-capital losses that can be used to offset taxable income generated from oil and natural gas development activities at Brooks, Thorsby, or other operating areas in the immediate term
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Calima Energy Limited (ASX:CE1 / OTCQB: RLTOF) (“Calima” or the “Company”) is pleased to provide an update on the Company’s ongoing process to maximise value from its Montney assets situated in NEBC (the “Process”) which may include, but not limited to, an asset sale, joint venture, asset exchange, or other potential transactions.

Background on the Process

- In September 2021, Calima announced the initiation of a process to identify, examine, and consider potential alternatives to extract value from its extensive Montney acreage position and strategic infrastructure footprint.
- Calima engaged Peters & Co. Limited (“Peters & Co.”) to seek out pathways for the Company to unlock value from its Montney position. As a Calgary-based investment bank that is focused on Canadian energy, Peters & Co. has an extensive track record of advising companies on Montney transactions.

Current Status of the Process

- Based on the work undertaken to date, Calima’s Board and Management are not in a position to announce a specific transaction or direction at this stage.
- The Company will continue to evaluate options to maximise value for shareholders.
- Until such time as the Board and Management identify an optimal course of action that is aligned with shareholders’ best interests, the Process will remain ongoing.

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- The Company has confidence that the Process will result in unlocking value in the short to medium term, as a result of the following factors:
 - Strong and rising natural gas and natural gas liquids prices;
 - Size of the resource in place on Calima’s acreage;
 - Long tenure of its existing acreage; and
 - Recent and ongoing consolidation of Montney assets in NEBC.

Highlights of Calima’s Montney Position

Calima currently owns and operates more than 34,000 acres of Montney land rights in NEBC. The Company maintains a ten-year petroleum and natural gas (“PNG”) lease (expiry 2029) over 49 contiguous sections as a result of its successful 2019 drilling program, described in greater detail below.

Technical Overview

In 2019, Calima drilled three wells targeting the Montney Formation including Calima 1, Calima 2 and Calima 3. From Calima 1, ~240m of Montney core were retrieved. In contrast, Calima 2 and Calima 3 were 2,500m horizontal wells each with 92 stage fracture completions. A gas rate of 10.2 MMcf/d was recorded at Calima 2 during testing, while long-term reservoir monitoring confirmed a pressure-depth ratio of ~11.5kPa/m (19,382 kPa reservoir pressure), a positive indicator for future development potential.

Calima’s Montney lands offer long-term value potential with large resource in place, estimated at ~160 MMboe of Contingent Resource (“2C”)¹. The assets feature an Estimated Ultimate Recovery (“EUR”) of 9 Bcf per well yielding approximately 131 Mbbls of high-value liquids, according to McDaniel and Associates’ independent 2021 resource update¹.

(Net of Royalties)	Prospective Resource (2U)	Contingent Resource (2C)		
		Dev on hold	Dev Pending	Total Contingent
Natural Gas (mmcf)	588,109	535,193	213,295	748,488
Total Liquids (mbbl)	28,240	25,644	10,137	35,780
Total BOE (Mboe)	126,258	114,842	45,686	160,528

The estimated quantities of hydrocarbons that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal is required to determine the existence of a significant quantity of potentially economic hydrocarbons.

Access to Market

The Company’s Montney assets have been maintained in a development-ready state, with all major approvals in place to construct a pipeline from the Calima 2 and 3 wells to the Tommy Lakes infrastructure tie-in point. The Tommy Lakes infrastructure has egress capacity in excess of 11,000 boe/d of gas and related liquids (50,000 mcf/d and 2,500 bo/d), with the existing well-pad sized to accommodate multiple future wells. Calima’s Tommy Lakes Infrastructure also provides the potential for a sales tie-in to NorthRiver Midstream. The NorthRiver system provides access to all major gas pipeline networks such as T-South, NGTL, Alliance and Coastal Gas Link.

¹ Montney Resource Update 2022 announced on ASX on 28 March 2022. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.



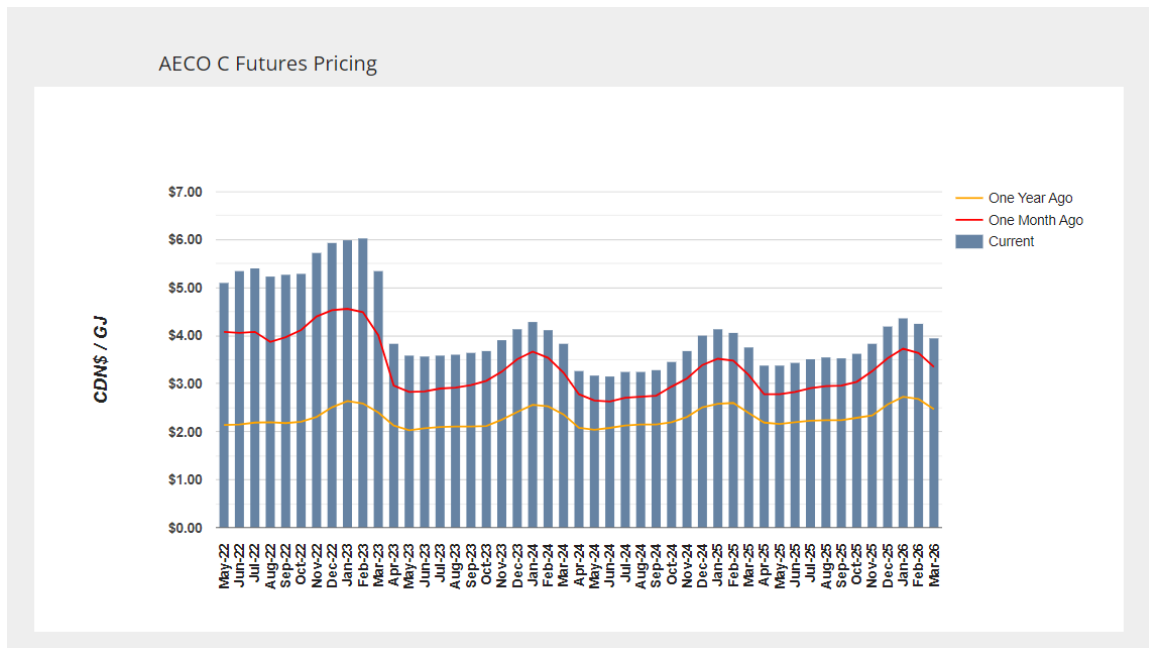
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Commodity Prices Support Continued Montney M&A Transactions

In 2021, over C\$8.5 billion of Montney M&A transactions were completed throughout the year². More recently on 28 March 2022, Vermillion Energy announced the acquisition of Leucrotta Exploration for a net cash purchase of C\$477mm. Leucrotta is a Montney focused oil and natural gas exploration and development company with 77,000 net acres of Montney lands located in the Northeast British Columbia with estimated Q1 2022 and current production of 4,250 boe/d. Aside from this deal, market watchers anticipate most of the active Montney acquirers are focused on incorporating the large deals done throughout 2021, but are expected to return seeking additional accretive opportunities. As natural gas prices have remained strong at >C\$5.00/GJ (AECO spot), with the May-December futures trading at approximately C\$5.40/GJ, and the recent significant rise in oil prices further supporting the sector; further Montney consolidation is expected to continue in 2022 and beyond.

During the Process, global liquified natural gas (“LNG”) markets have been much tighter, pushing prices to record highs. Underlying fundamentals, further fueled by geo-political events, have increased the demand for LNG around the world. The Shell-led LNG Canada export project, located on the West Coast of Canada at Kitimat BC has been under construction since late 2018, and is poised to be Canada’s first LNG export facility with commercial start up to commence 2025. Ultimate demand for gas at this facility is estimated at 4-5 Bcf/d³. This project will allow gas produced in BC to be sold into robust Asian and European markets at much higher prices than are currently being realized in North America. The long tenure of Calima’s Montney land position extends well past the anticipated commercialization of this LNG Canada project, which positions the Company’s large resource well-placed to realise material value benefit from continued rising natural gas prices.



From: www.gaslberta.com

Jordan Kevol, CEO and President, commented:

“Our Montney value maximization process continues. Since we announced the initiation of this process, spot natural gas prices are up approximately 30% and futures are up approximately 20%. Throughout 2021, significant consolidation occurred immediately adjacent, and leading up to, our asset position. We are also

² Source: Peters and Co.
³ <https://bit.ly/3j58WDq>



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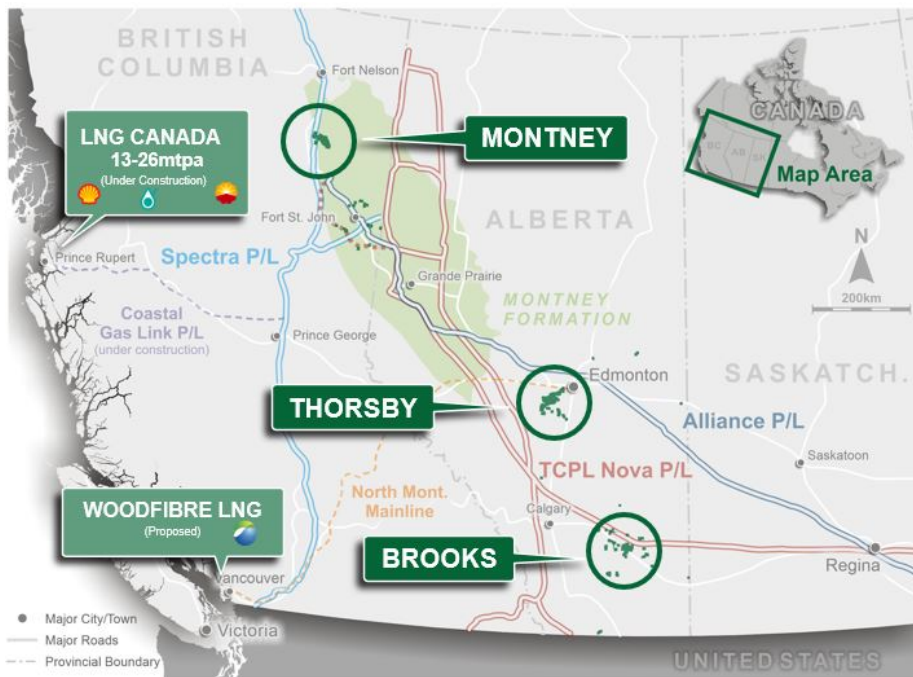
pleased to see the first Montney deal of 2022 with the Vermillion and Leucrotta deal. Current strong gas prices have reaffirmed to Calima that significant inherent value exists in this asset, and more time is needed to seek out the proper way to unlock it.”

This release has been approved by the Board.

For further information visit www.calimaenergy.com or contact:

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Calima Assets



Qualified petroleum reserves and resources evaluator statement

The petroleum resources information in this announcement is based on, and fairly represents, information and supporting documentation in a report compiled by technical employees of McDaniel and Associates Ltd, a leading independent Canadian petroleum consulting firm registered with the Association of Professional Engineers and Geoscientists of Alberta (APEGA) and was subsequently reviewed by Graham Veale who is the VP Engineering with Blackspur Oil Corp. Mr. Veale holds a BSc. in Mechanical Engineering from the University of Calgary (1995) and is a registered member of the Alberta Association of Professional Engineers and Geoscientists of Alberta (APEGA). He has over 26 years of experience in petroleum and reservoir engineering, reserve evaluation, exploitation, corporate and business strategy, and drilling and completions. McDaniel and Mr. Veale have consented to the inclusion of the petroleum reserves and resources information in this announcement in the form and context in which it appears.

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

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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 Calima, 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.

Oil and Gas Glossary and Definitions

Term	Meaning
Adjusted EBITDA:	Adjusted EBITDA is calculated as net income (loss) before interest and financing expenses, income taxes, depletion, depreciation and amortisation, and adjusted to exclude certain non-cash, extraordinary and non-recurring items primarily relating to bargain purchase gains, gains and losses on financial instruments, transaction and advisory costs and impairment losses. Calima utilises adjusted EBITDA as a measure of operational performance and cash flow generating capability. Adjusted EBITDA impacts the level and extent of funding for capital projects investments or returning capital to shareholders.
Adjusted working capital:	Adjusted working capital is comprised of current assets less current liabilities on the Company's balance sheet and excludes the current portions of risk management contracts and credit facility draws. Adjusted working capital is utilised by Management and others as a measure of liquidity because a surplus of adjusted working capital will result in a future net cash inflow to the business which can be used for future funding, and a deficiency of adjusted working capital will result in a future net cash outflow which will require a future draw from Calima's existing funding capacity.
ARO / Asset Retirement Obligation:	the process of permanently closing and relinquishing a well by using cement to create plugs at specific intervals within a well bore
Available funding:	Available funding is comprised of adjusted working capital and the undrawn component of Blackspur's credit facility. The available funding measure allows Management and other users to evaluate the Company's liquidity.
Credit Facility Interest:	Borrowings under the Credit Facility incur interest at a market-based interest rate plus an applicable margin which varies depending on Blackspur's net debt to cash flow ratio. Interest charges are between 150 bps to 350 bps on Canadian bank prime borrowings and between 275 bps and 475 bps on Canadian dollar bankers' acceptances. Any undrawn portion of the demand facility is subject to a standby fee in the range of 20 bps to 45 bps. Security for the credit facility is provided by a C\$150 million demand debenture carbon dioxide equivalent
CO2e:	carbon dioxide equivalent
Conventional Well:	a well that produces gas or oil from a conventional underground reservoir or formation, typically without the need for horizontal drilling or modern completion techniques
Compression:	a device or facility located along a natural gas pipeline that raises the pressure of the natural gas flowing in the pipeline, which in turn compresses the natural gas, thereby both increasing the effective capacity of the pipeline and allowing the natural gas to travel longer distances
Corporate Decline:	consolidated, average rate decline for net production from the Company's assets
Exit Production:	Exit production is defined as the average daily volume on the last week of the period
Operating Income:	Oil and gas sales net of royalties, transportation and operating expenses
Financial Hedge:	a financial arrangement which allows the Company to protect against adverse commodity price movements, the gains or losses of which flow through the Company's derivative settlements on its financial statements
Free Cash Flow (FCF):	represents Hedged Adjusted EBITDA less recurring capital expenditures, asset retirement costs and cash interest expense
Free Cash Flow Yield:	represents free cash flow as a percentage of the Company's total market capitalisation at a certain point in time
Funds Flow:	Funds flow is comprised of cash provided by operating activities, excluding the impact of changes in non-cash working capital. Calima utilises funds flow as a measure of operational performance and cash flow generating capability. Funds flow also impacts the level and extent of funding for investment in capital projects, returning capital to shareholders and repaying debt. By excluding changes in non-cash working capital from cash provided by operating activities, the funds flow measure provides a meaningful metric for Management and others by establishing a clear link between the Company's cash flows, income statement and operating netbacks from the business by isolating the impact of changes in the timing between accrual and cash settlement dates.
Gathering & Compression (G&C):	owned midstream expenses; the costs incurred to transport hydrocarbons across owned midstream assets
Gathering & Transportation (G&T):	third-party gathering and transportation expense; the cost incurred to transport hydrocarbons across third-party midstream assets
G&A:	general and administrative expenses; may be represented by recurring expenses or non-recurring expense
Hedged Adjusted EBITDA:	EBITDA including adjustments for non-recurring and non-cash items such as gain on the sale of assets, acquisition related expenses and integration costs, mark-to-market adjustments related to the Company's hedge portfolio, non-cash equity compensation charges and items of a similar nature;
Hyperbolic Decline:	non-exponential with subtle multiple decline rates; hyperbolic curves decline faster early in the life of the well and slower as time increases
LMR:	The LMR (Liability Management Ratio) is determined by the Alberta Energy Regulator ("AER") and is calculated by dividing Blackspur's deemed assets by its deemed liabilities, both values of which are determined by the AER.
LOE:	lease operating expense, including base LOE, production taxes and gathering & transportation expense
Midstream:	a segment of the oil and gas industry that focuses on the processing, storing, transporting and marketing of oil, natural gas, and natural gas liquids
Net Debt:	Net debt is calculated as the current and long-term portions of Calima's credit facility draws, lease liabilities and other borrowings net of adjusted working capital. The credit facility draws are calculated as the principal amount outstanding converted to Australian dollars at the closing exchange rate for the period. Net debt is an important measure used by Management and others to assess the Company's liquidity by aggregating long-term debt, lease liabilities and working capital.
NGL / Natural Gas Liquids:	hydrocarbon components of natural gas that can be separated from the gas state in the form of liquids





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Term	Meaning
Net Debt/Adjusted EBITDA (Leverage)	a measure of financial liquidity and flexibility calculated as Net Debt divided by Hedged Adjusted EBITDA
Net Revenue Interest:	a share of production after all burdens, such as royalty and overriding royalty, have been deducted from the working interest. It is the percentage of production that each party actually receives
Operating Costs:	total lease operating expense (LOE) plus gathering & compression expense
Operating Netback:	Operating netback is calculated on a per boe basis and is determined by deducting royalties, operating and transportation from oil and natural gas sales, after adjusting for realised hedging gains or losses. Operating netback is utilised by Calima and others to assess the profitability of the Company's oil and natural gas assets on a standalone basis, before the inclusion of corporate overhead related costs. Operating netback is also utilised to compare current results to prior periods or to peers by isolating for the impact of changes in production volumes.
Physical Contract:	a marketing contract between buyer and seller of a physical commodity which locks in commodity pricing for a specific index or location and that is reflected in the Company's commodity revenues
Promote:	state taxes imposed upon the value or quantity of oil and gas produced
PDP/ Proved Developing:	an additional economic ownership interest in the jointly-owned properties that is conveyed cost-free to the operator in consideration for operating the assets
PV10:	a reserve classification for proved reserves that can be expected to be recovered through existing wells with existing equipment and operating methods
RBL / Reserve Based Lending Royalty Interest or Royalty:	a revolving credit facility available to a borrower based on (secured by) the value of the borrower's oil and gas reserves
Terminal decline:	Interest in a leasehold area providing the holder with the right to receive a share of production associated with the leasehold area represents the steady state decline rate after early (initial) flush production
Unconventional Well:	a well that produces gas or oil from an unconventional underground reservoir formation, such as shale, which typically requires hydraulic fracturing to allow the gas or oil to flow out of the reservoir
Upstream:	a segment of the oil and gas industry that focuses on the exploration and production of oil and natural gas
Working Capital Ratio:	The working capital ratio as the ratio of (i) current assets plus any undrawn availability under the facility to (ii) current liabilities less any amount drawn under the facilities. For the purposes of the covenant calculation, risk management contract assets and liabilities are excluded.
WI/ Working Interest:	a type of interest in an oil and gas property that obligates the holder thereof to bear and pay a portion of all the property's maintenance, development, and operational costs and expenses, without giving effect to any burdens applicable to the property

Abbreviation	Abbreviation meaning	Abbreviation	Abbreviation meaning
1P	proved reserves	A\$ or AUD	Australian dollars
2P	proved plus Probable reserves	C\$ or CAD	Canadian dollars
3P	proved plus Probable plus Possible reserves	US\$ or USD	United states dollars
bbl or bbls	barrel of oil	(\$ thousands)	figures are divided by 1,000
boe	barrel of oil equivalent (1 bbl = 6 Mcf)	(\$ 000s)	figures are divided by 1,000
d	suffix – per day	Q1	first quarter ended March 31 st
GJ	gigajoules	Q2	second quarter ended June 30 th
mbbl	thousands of barrels	Q3	third quarter ended September 30 th
mboe	thousands of barrels of oil equivalent	Q4	fourth quarter ended December 31 st
Mcf	thousand cubic feet	YTD	year-to-date
MMcf	million cubic feet	YE	year-end
PDP	proved developed producing reserves	H1	six months ended June 30 th
PUD	Proved Undeveloped Producing	H2	six months ended December 31 st
C	Contingent Resources – 1C/2C/3C – low/most likely/high	B	Prefix – Billions
Net	Working Interest after Deduction of Royalty Interests	MM	Prefix - Millions
NPV (10)	Net Present Value (discount rate), before income tax	M	Prefix - Thousands
EUR	Estimated Ultimate Recovery per well	/d	Suffix – per day
WTI	West Texas Intermediate Oil Benchmark Price	bbl	Barrel of Oil
WCS	Western Canadian Select Oil Benchmark Price	boe	Barrel of Oil Equivalent (1bbl = 6 mscf)
1P or TP	Total Proved	scf	Standard Cubic Foot of Gas
2P or TPP	Total Proved plus Probable Reserves	Bcf	Billion Standard Cubic Foot of Gas
3P	Total Proved plus Probable plus Possible Reserves	tCO ₂	Tonnes of Carbon Dioxide
EBITDA	Earnings before interest, tax, depreciation, depletion and amortisation	OCF	Operating Cash Flow, ex Capex
Net Acres	Working Interest	E	Estimate
IP24	The peak oil production rate over 24 hours of production	CY	Calendar Year
IP30/90	Average oil production rate over the first 30/90 days	WTI	West Texas Intermediate
WCS	Western Canada Select	OoIP	Original Oil in Place

