# INVESTOR UPDATE

## FREE CASH FLOW GROWTH FOCUSED CANADIAN OIL & GAS PRODUCER

CALIMA ENERGY

JUNE 2021

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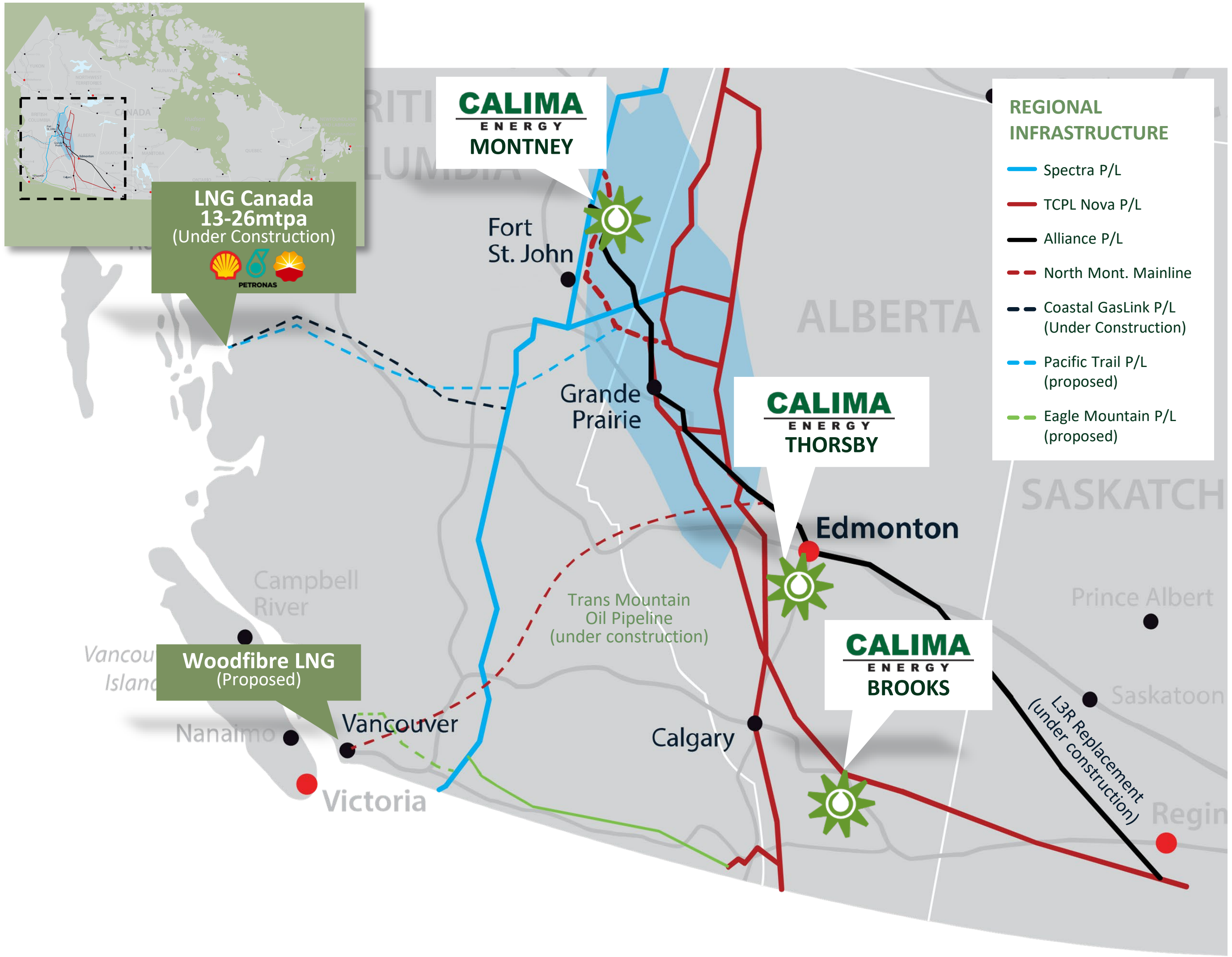
# THE NEW CALIMA

- Conventional oil & gas producer focused on generating free cash flow from the responsible development of high-quality assets in Western Canada
- Top-tier asset base with breakeven at US$26 WTI, strong economics and robust rates of return
- At US$60 WTI, high netback production drives significant operating profit
- Stable, low decline base production from Brooks and Thorsby offering significant development opportunities for growth
- Access to global LNG markets supports future upside from Montney development in northeast British Columbia at Tommy Lakes






CALIMA ENERGY

# CORPORATE SNAPSHOT

Calima is a returns-focused growth producer with top tier assets, positive cash flow and an ESG focus

## FINANCIAL INFORMATION

| | |
|---|---|
| ASX Trading Symbol | CE1 |
| Shares Outstanding (basic) | 10.268 billion |
| Market Cap on Close @ June 4, 2021 | A$97.6 million |
| Net debt estimate at May 31, 2021 | C$11 million |
| Credit Facility | C$25 million |
| Low Opex & Transportation Costs | C$10/bbl |
| Breakeven | US$26/bbl |
| Calendar 2021 Operating Cash Flow[1] | C$32 million |

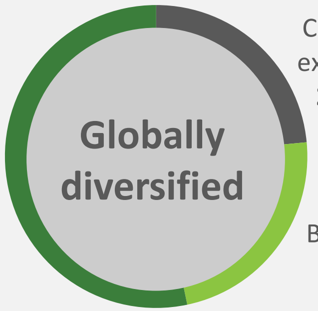
MAY-DEC '21 AVG. PRODUCTION FORECAST
**3,700** boe/d

PDP RESERVES[2]
**5.4** mmboe

TOTAL PROVED + PROBABLE (2P) RESERVES[2]
**22.5** mmboe
*(65% Oil)*

2C CONTINGENT RESOURCE[2]
**192.1** mmboe
*(77% Gas)*

SHAREHOLDER GROUP




**De-risked asset base**
Alberta assets have existing wells and booked reserves and extensive 3D seismic

**Free cash flow generating**
Capital allocation flexibility provided by Alberta base production

**LNG market exposure**
Future upside through Montney assets' exposure to massive global LNG markets

**Robust operating netbacks**
Low breakeven and low production costs with high torque to commodity prices

**Skilled executive team**
Management brings track record of Western Canadian asset development

**Access to capital**
ASX listing expands investor base and provides exposure to international capital

[1] *$US64 WTI, US$14 WCS differential, $2.70/gj AECO, $1.21 CAD or AUS/USD, May to December operating cash flow estimate of C$23 million. Operating cash flow is defined as revenue, less royalties, and operating & transportation expenses*
[2] *InSite 2019YE Reserves Report, 2- McDaniel & Associates Reserve Report, 30 April 2021, 3- Q4 2020 average production*
**Unless otherwise stated, all financial amount are expressed in Canadian dollars through this presentation, which is the Company's functional currency*



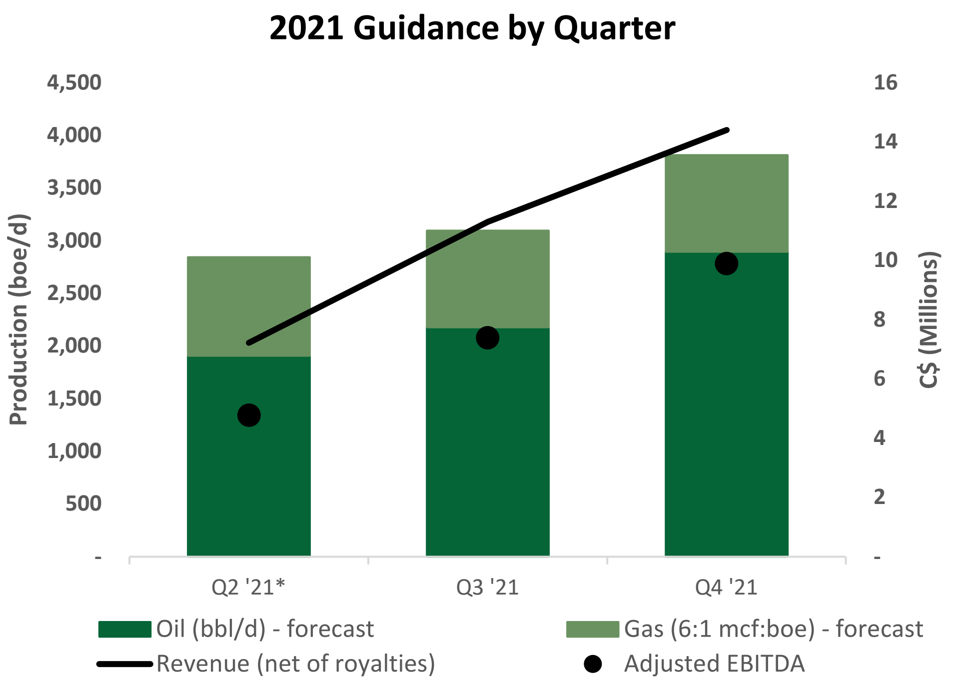
CALIMA ENERGY

# 2021 – 2022 CURRENT GUIDANCE / OUTLOOK

Funding the capital program internally with cash flow and generating free cash flow with no debt forecast in 2022 differentiates Calima from peers

## FORECAST[1]

| | May - Dec ’21 | Calendar 2021 | 2022 |
|---|---|---|---|
| Average Production | ~3,700 boe/d | ~3,300 boe/d | ~5,000 boe/d |
| Exit Production | ~4,500 boe/d | ~4,500 boe/d | ~5,500 boe/d |
| Adjusted EBITDA | C$21.2mm | C$29.1mm | C$46.0mm |
| Capital Expenditures | C$20.0mm | C$23.2mm | C$33.0mm |
| Exit Net Debt (Working Capital) | C$14.0mm | C$14.0mm | C$2.0mm |
| Exit Net Debt to trailing EBITDA | 0.4X | 0.4x | 0.0x |



*Q2 2021 is for the two months ended June 30, 2021

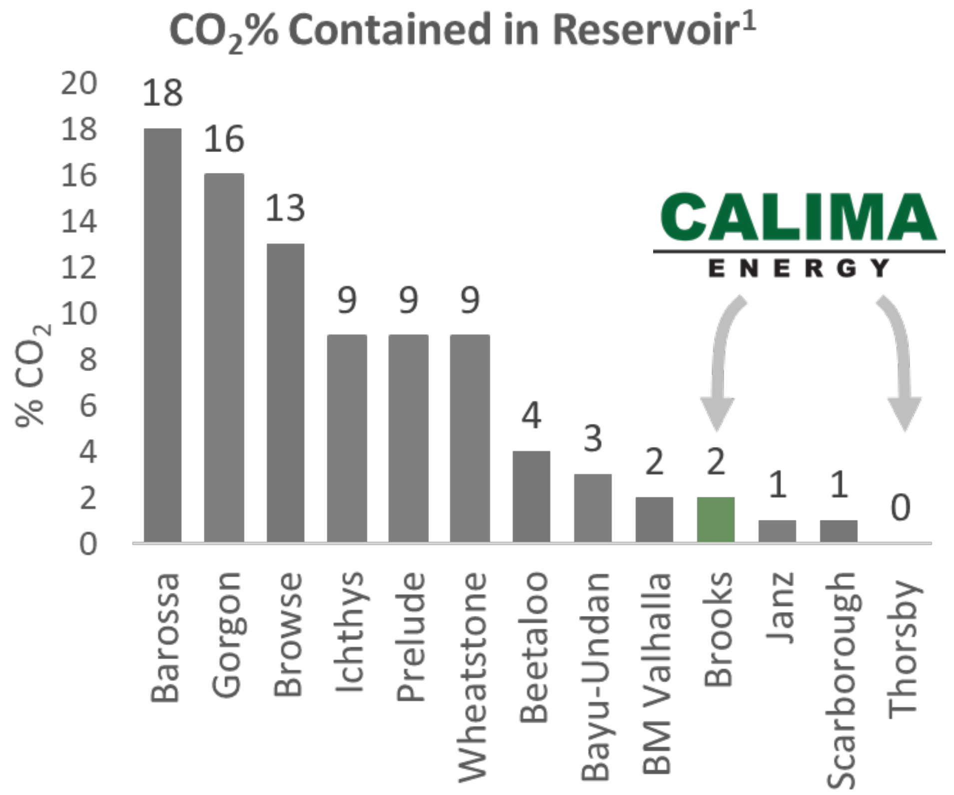
[1] *Assumptions*:

- 2021 average production of 3,300 boe/d *based on current PDP production, plus production additions from drilling 8 wells at Brooks (Sunburst) and 3 wells at Thorsby (Sparky) at US$64/bbl WTI, -US$14 WTI/WCS differential, C$2.70/mcf AECO, 1.21 CAD/USD.*
- *2022 average production of 5,000 boe/d based on current PDP production, plus production additions from 2021 drilling as stated above, plus production additions from drilling 9 wells at Brooks (Sunburst) and 6 wells at Thorsby (Sparky) in 2022 at US$60/bbl WTI, US$12 WTI/WCS differential, ~C$2.70/mcf AECO, 1.28 CAD/USD.*
- *EBITDA is adjusted for 2021 expected realised hedging losses of C$4.6 million for calendar 2021 and C$3.0 million for May – Dec 2021. EBITDA is based on commodity prices stated above, corporate average royalty rates of 17%, and operating costs and G&A assumptions that are based off historical financial performance. Interest and taxes are cashflow items excluded from EBITDA and estimated at C$0.5 million for calendar 2021 and C$1.5 million for May – Dec 2021*

# DEMONSTRATED ESG EXCELLENCE

## ENVIRONMENTAL

- Brooks and Thorsby assets have very low $CO_2$ in reservoir at 2% and 0% respectively, minimizing the potential future costs or need to purchase carbon credits in becoming a net zero emitter
- Montney gas will support the lowest $CO_2$ emission/tonne LNG project in the world, LNG Canada
- Low water use due to no fracing at key Brooks asset
- Multi-well pad drilling reduces environmental footprint
- Clean asset base with >5.0 corporate LMR and $16.9 million net undiscounted ARO
- Investment in $H_2$Sweet which has an innovative, proprietary regenerative reagent $H_2S$ removal process. With $H_2$Sweet, Calima can lower its $CO_2$ emission rates at Brooks and realise positive economic & environmental benefits




[1] Source: company presentations

# DEMONSTRATED ESG EXCELLENCE

## SOCIAL

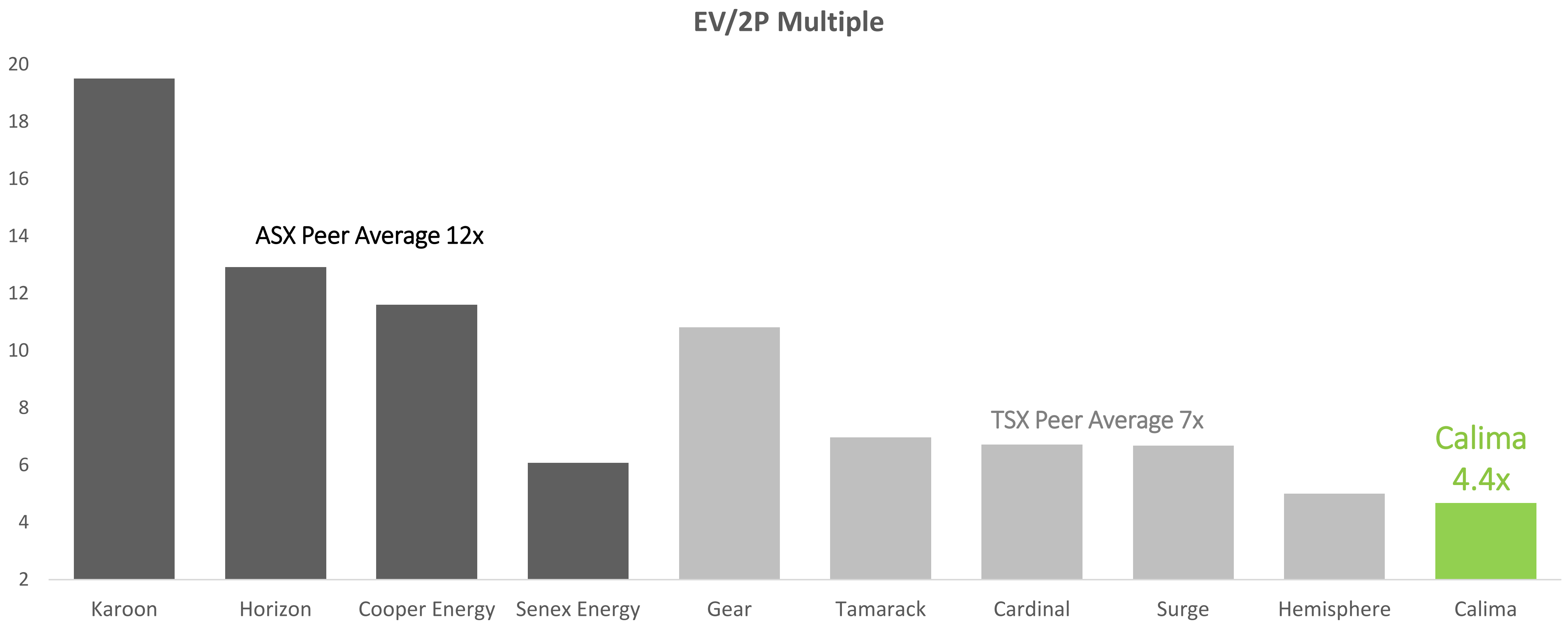
- Continue to target zero lost time incidents and exceed regulatory requirements to minimize environmental impacts and provide all employees and contractors a safe place to work
- Long history of active involvement in all communities where Calima works, particularly with First Nations
- History of making meaningful donations to a variety of non-profit organizations

## GOVERNANCE

- Majority independent board with diversity of skillset, backgrounds and experience including both Canadian and Australian expertise
- Appropriate policies and procedures impart rigour around financial reporting, audit oversight and overall risk mitigation
- Key risk management practices in place governing hedging and financial controls

# RELATIVE VALUATION OFFERS OPPORTUNITY

Relative to ASX and TSX-listed peers, Calima has significant re-rating potential






[1] Company Presentations, Market Data 4th June, 2021, AUS/CAD 0.94

# COMMITTED TO RETURNS-FOCUSED GROWTH FOR SHAREHOLDERS

## TODAY

- Continue development drilling to achieve ~3,300 boe/d[1] average production on the Brooks and Thorsby assets in 2021
- Commence 26 well development drill program over next 18 months

## MEDIUM TERM

- Grow to 5,500 boe/d[2] at Brooks and Thorsby by YE 2022
- FID or completion of a strategic transaction on Calima Montney lands and infrastructure
- Reduce net debt to < C$5 million by YE 2022

## LONGER TERM

- Increase production above 5,500 boe/d through development drilling and strategic acquisitions
- Potential Montney production. Existing infrastructure allows for production of up to 11,000 boe/d

## UPSIDE OPPORTUNITY

- Acquire offsetting sections through Crown and freehold leasing
- Grow reserves in the Brooks and Thorsby areas with Mannville & Nisku targets
- Execute on strategic acquisitions

*[1] This forecasted production is based on current PDP production, plus production additions from drilling 8 Sunburst wells and 3 Sparky wells in 2021 based on US$64.00/bbl WTI, US$14.00 WTI/WCS differential, ~C$2.70/gj AECO, 1.28 CAD/USD*

*[2] This forecasted production is based on current PDP production, plus 2021 drilling noted above, plus production additions from drilling 9 Sunburst wells and 6 Sparky wells in 2022. These wells are included in Blackspur's reserve report as proven undeveloped drilling locations. The operating cash flow is based on US$60 WTI, -US$12 WCS differential, 1.28 CAD/USD FX rate, $2.70 gj AECO, corporate average royalty rates of 17% and operating costs assumptions that are based off historical financial statements.*

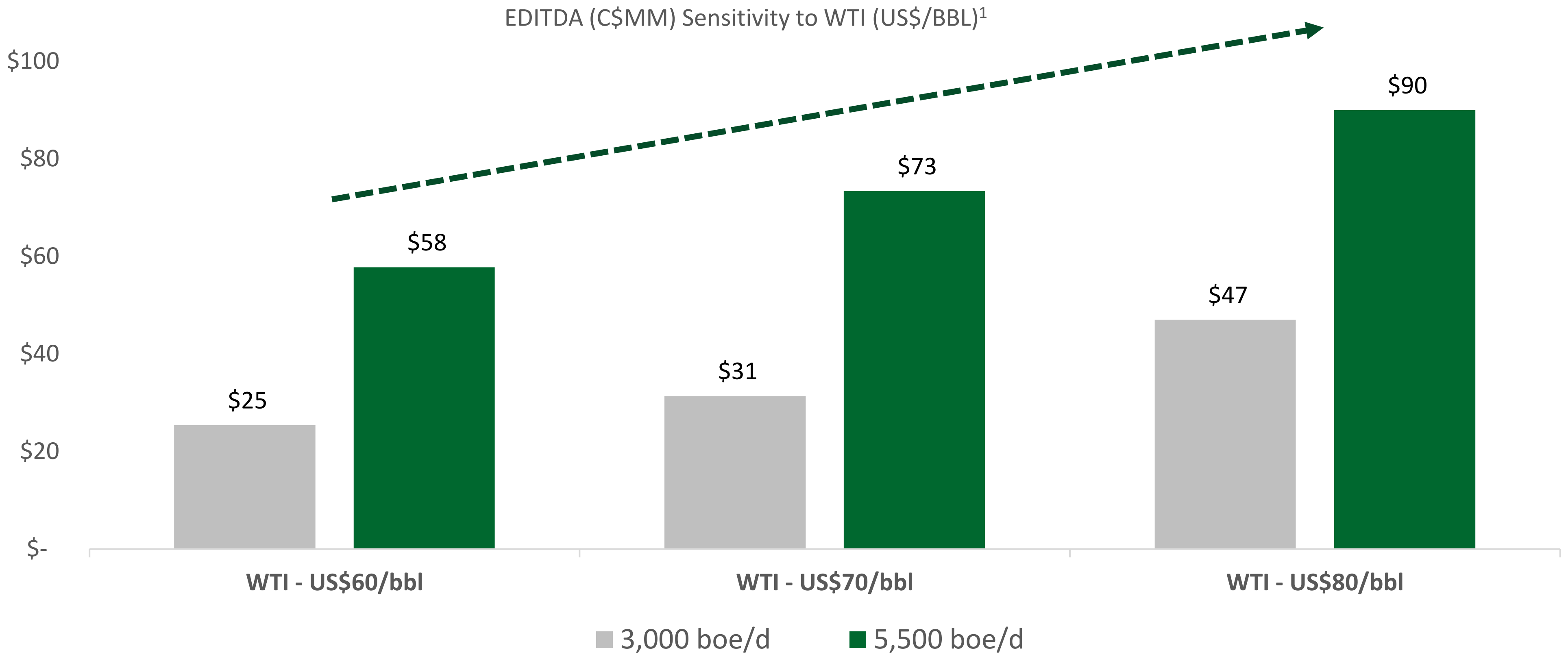


CALIMA ENERGY

# ROBUST EBITDA WITH TORQUE TO RISING ENERGY PRICES

Calima is well positioned to benefit from a strengthening commodity price environment

## STRONG TORQUE TO COMMODITY PRICES




[1] ***Assumptions:***

- Calendar 2021 average production of 3,000 boe/d based on current PDP production, plus production additions from drilling 8 wells at Brooks (Sunburst) and 3 wells at Thorsby (Sparky) at WTI prices noted above, -US$12 WTI/WCS differential, C$2.70/mcf AECO, 1.28 CAD/USD.
- *2023 average production of 5,500 boe/d (2022 exit rate) based on current PDP production, plus production additions from 2021 drilling as stated above, plus production additions from drilling 9 wells at Brooks (Sunburst) and 6 wells at Thorsby (Sparky) in 2022 and 4 wells at Thorsby (Sparky) in 2023 at WTI prices noted above, US$12 WTI/WCS differential, ~C$2.70/mcf AECO, 1.28 CAD/USD.*
- *EBITDA is calculated based on stated WTI prices, -US$12 WCS differential, 1.28 CAD/USD FX rate, $2.70/GJ AECO, corporate average royalty rates of 17%, and operating costs and G&A assumptions that are based off historical financial performance.*

# STRONG MANAGEMENT & BOARD

## LEADERSHIP

### Jordan Kevol
Managing Director & CEO

- 8 years at Blackspur (Founder & CEO)
- Geologist with 16 years of public and private Canadian junior E&P experience

### Braydin Brosseau
CFO & VP Finance - Canada

- 6 years at Blackspur
- 14+ years Canadian E&P experience
- Ex West Valley Energy, Aston Hill Financial, PwC

### Mark Freeman
CFO & Corporate Secretary - Australia

- >20 years oil and gas development and corporate finance expertise
- Ex TSV Montney, Grand Gulf Energy, Golden Gate Petroleum

**Dorn Cassidy**
VP Operations

**Sean Kostenuk**
VP Exploration

**Graham Veale**
VP Engineering

**Chris Bennett**
VP Land

**Micheal Dobovich**
VP Corporate Sustainability

## DIRECTORS

### Glenn Whiddon
Chairman

- Commercial >30 years in equity capital markets, banking and corporate advisory
- Bank of New York, Grove Energy and various ASX listed companies

### Brett Lawrence
Non-Exec Director

- Commercial and petroleum engineering > 15 years in international E&P
- Executive experience in public companies and private equity investing

### Alan Stein
Non-Exec Director

- Geologist 30 years in international E&P
- Founder & CEO of Ophir Energy plc & Fusion Oil & Gas plc
- Principal of Havoc Partners LLP

### Lonny Tetley
Non-Exec Director

- Partner at Burnet, Duckworth and Palmer LLP
- Currently serves on the Board of Certarus, Beyond Energy Services & Accelerate Financial Technologies Inc.

# CASH FLOWING ASSET BASE WITH LONG-TERM UPSIDE

## BROOKS

| Area Detail | |
|---|---|
| 2,215[1] | Boe/d |
| 94% | Working interest |
| 147 / 35 | Net identified / net booked locations |
| 9.1[2] | MMboe (72% oil) 1P reserves |
| 11.6[2] | MMboe (72% oil) 2P reserves |

Medium Oil Weighted Production Delivers Consistently High Corporate Netback

## THORSBY

| Area Detail | |
|---|---|
| 685[1] | Boe/d |
| 100% | Working interest |
| 101 / 28 | Net identified / net booked locations |
| 7.6[2] | MMboe (59% oil) 1P reserves |
| 10.9[2] | MMboe (58% oil) 2P reserves |

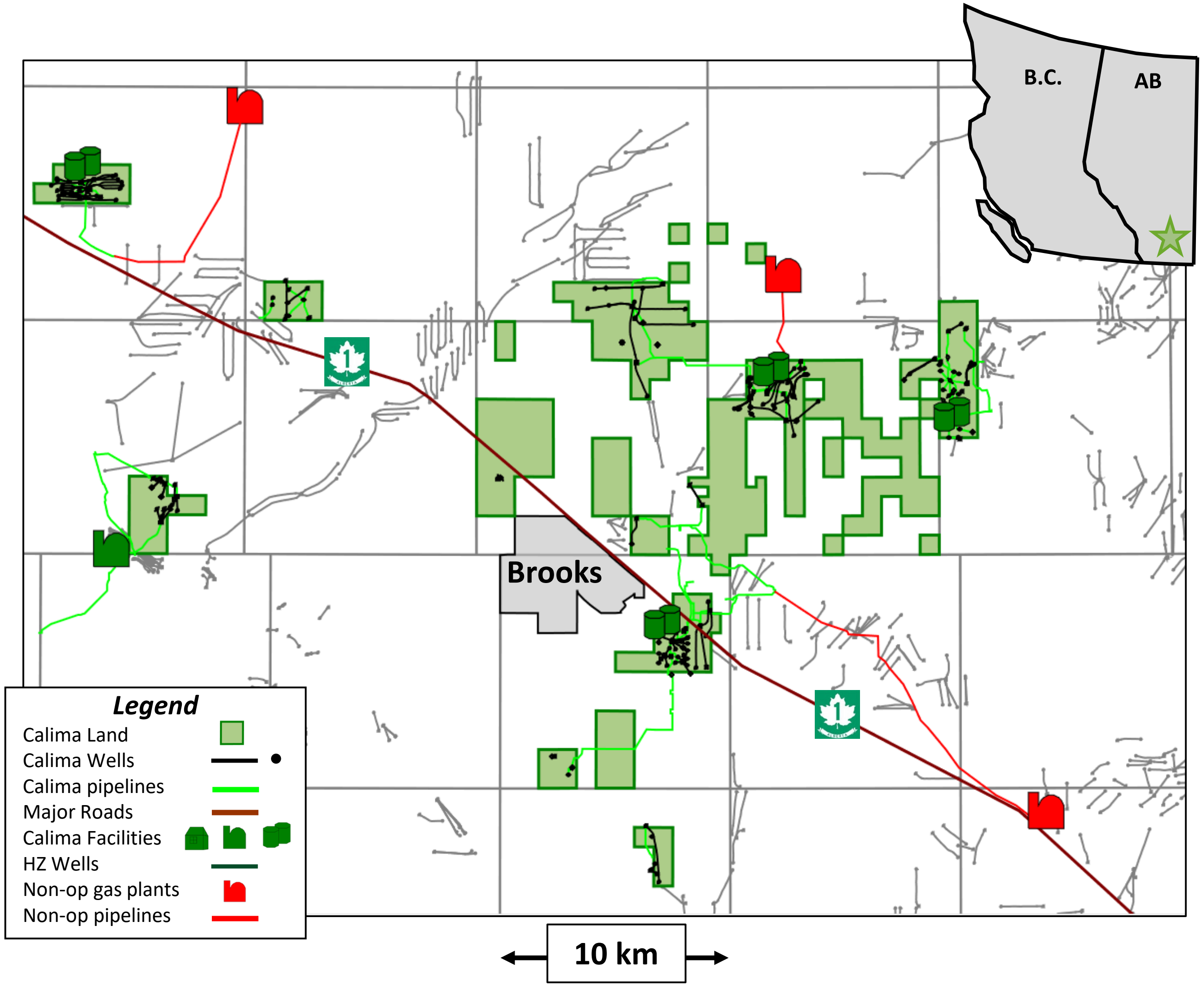
[1] May 2021 average production (field data estimate)
[2] InSite 2019 YE Reserves Report



CALIMA ENERGY

# BROOKS

- Large resource in place with multiple oil pools identified, delineated and developed
- ~83 net sections across 53,093 net acres in total, with year-round access and 48 wells drilled to date
- Owned and operated infrastructure with capacity for sizeable production growth
- 147 net locations identified; 35 booked (16 net Sunburst PUDs & 17 net Glauconitic PUDs)
- Wells are significantly outperforming type curve in both the Sunburst and Glauconitic reservoirs




**RESERVES DETAIL** (mboe)[1]

| | |
|---|---|
| PDP | 3,352 |
| Proved Undeveloped | 5,720 |
| Total Proved | 9,072 |
| Total Proved + Probable | 11,621 |

[1] Refer to the Reserve Evaluation – Blackspur Oil Corp. Acquisition announcement dated 25 February 2021 (pages 15-24)

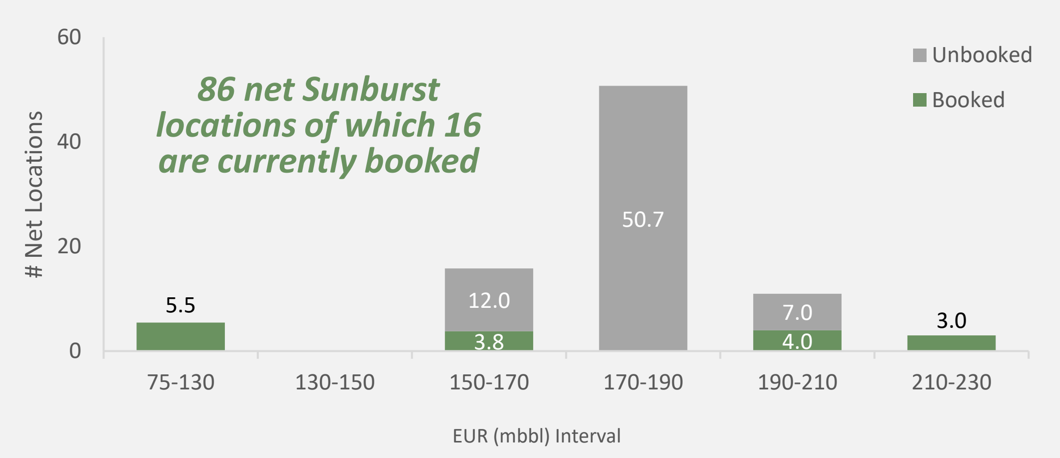


CALIMA ENERGY

# BROOKS

- Open hole Sunburst wells have top tier economics at current pricing (no fracs)
- Average Sunburst conventional hz wells (22 wells) have outperformed third party reserve evaluator type curves
- Low OPEX (including transportation) of ~C$10/boe
- Working Interest: 94%
- Low base decline rate of ~22%

## INVENTORY BY EUR INTERVAL (CONV & FRAC'D)




## BROOKS ECONOMICS [1,2,3,4]

Sources: Company disclosure, geoSCOUT

| | | | Sunburst Type Curve Economics | |
|---|---|---|---|---|
| | | | Sunburst Conventional $60 WTI | Frac'd $60 WTI |
| RESOURCE | EUR – Oil & Liquids/Well | Mbbl | 168 | 198 |
| | EUR – Gas/Well | MMcf | 301 | 275 |
| | Total EUR | Mboe | 218 | 243 |
| | % Liquids (Oil & NGLs) | % | 77% | 81% |
| ECONOMICS | Avg. Royalty Rate | % | 17% | 17% |
| | CAPEX/Well | $M | C$1,000 | C$2,200 |
| | F&D | $/boe | C$4.59 | C$9.04 |
| | BTAX IRR | % | >500% | 92% |
| | BTAX NPV10 | $M | C$3,245 | C$2,752 |
| | P/I 10% | x | 3.2 | 1.3 |
| | Payout | Years | 0.5 | 1.2 |
| | IP90 Oil (Wellhead) | bbl/d | 139 | 148 |
| | Netback (Year 1) | $/boe | C $34.04 | C$37.24 |
| | Recycle Ratio | x | 7.4 | 4.1 |
| | Break-even to WTI | US$/bbl | US$30.82 | US$35.31 |

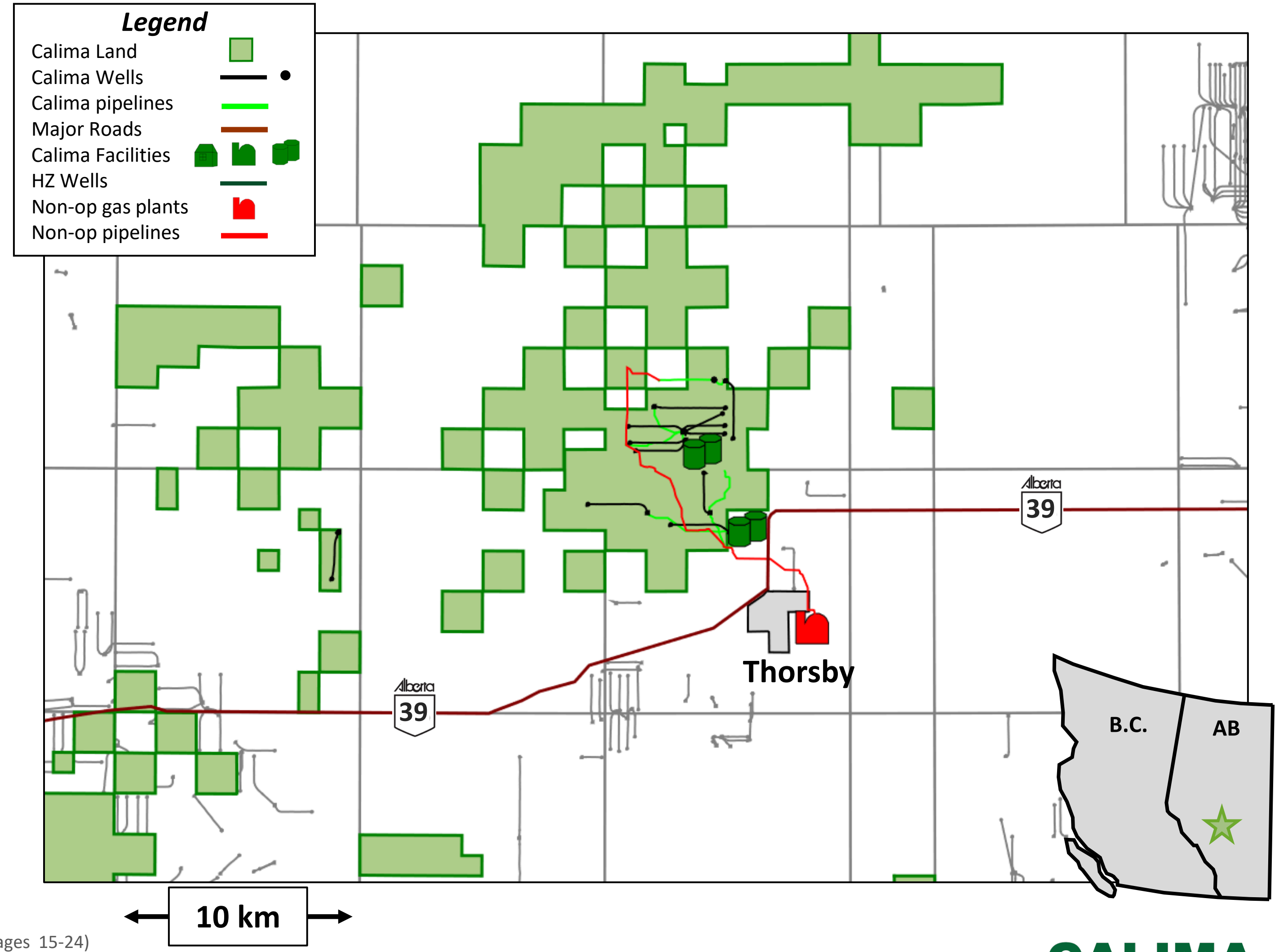
*[1] Shows the average of the 22 wells Blackspur drilled compared to the type curve and Insite's weighted average PUD location. The type curve is based on our 2P Insite EUR for all the Sunburst wells drilled to date that have produced.*
*[2] Refer to the Reserve Evaluation – Blackspur Oil Corp. Acquisition announcement dated 25 February 2021 (pages 15-24). 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.*
*[3] Flat pricing: US$60.00/bbl WTI, C$2.50/GJ AECO, US$12.00/bbl WCS differential and 1.25 CAD or AUS/USD.*
*[4] Break-even prices include DCET and the point at which IRR is zero and it is no longer economic to drill that play type. They are calculated by sensitizing WTI while maintaining other price streams constant.*



CALIMA ENERGY

# THORSBY

- ~108 net sections on 63,946 net acres total
- 11 wells drilled to date - results competitive with other economic WCSB plays
- Multi-well pads reduce overall capital costs
- 89 net Sparky; 12 net Nisku inventory identified with multiple pools to be delineated (28 booked Sparky locations)
- Select wells demonstrated significant type curve outperformance in the Sparky Formation




## RESERVES DETAIL (mboe)[1]

| | |
|---|---|
| PDP | 2,071 |
| Proved Undeveloped | 5,554 |
| Total Proved | 7,625 |
| Total Proved + Probable | 10,893 |

[1] Refer to the Reserve Evaluation – Blackspur Oil Corp. Acquisition announcement dated 25 February 2021 (pages 15-24)

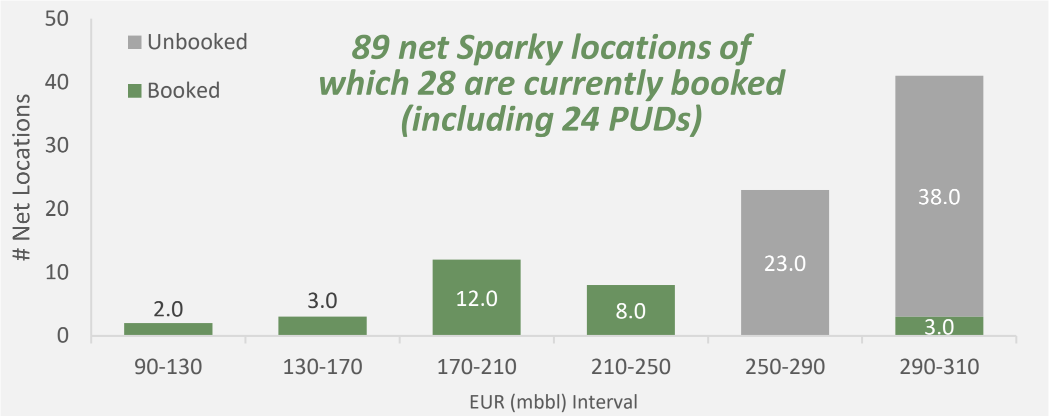


CALIMA ENERGY

# THORSBY

- Significant type curve outperformance in the Sparky Formation
- Additional opportunities with Nisku and Duvernay potential; offsetting results are supportive
- Upside potential by improving capital efficiencies and further scaling
- Low OPEX (including transportation) of ~C$10/boe
- Working Interest: 100%
- Low area decline rate of ~17%

## INVENTORY BY EUR INTERVAL




## THORSBY ECONOMICS [1,2]

*Sources: Company disclosure, geoSCOUT*

| | | | Sparky Type Curve Economics | | |
|---|---|---|---|---|---|
| | | | *Tier 1 (a) $60 WTI* | *Tier 2 (b) $60 WTI* | *Illustrative 40 T/Stage (c) $60 WTI* |
| RESOURCE | EUR – Oil & Liquids/Well | Mbbl | 323 | 288 | 364 |
| RESOURCE | EUR – Gas/Well | MMcf | 551 | 419 | 622 |
| RESOURCE | Total EUR | Mboe | 414 | 358 | 468 |
| RESOURCE | % Liquids (Oil & NGLs) | % | 78% | 80% | 78% |
| ECONOMICS | Avg. Royalty Rate | % | 16% | 15% | 15% |
| ECONOMICS | CAPEX/Well | $M | C$2,500 | C$2,500 | C$2,800 |
| ECONOMICS | F&D | $/boe | C$6.03 | $6.99 | $5.98 |
| ECONOMICS | BTAX IRR | % | 382% | 242% | > 500% |
| ECONOMICS | BTAX NPV10 | $M | C$6,100 | C$5,027 | C$7,039 |
| ECONOMICS | P/I 10% | x | 2.4 | 2.0 | 2.5 |
| ECONOMICS | Payout | Years | 0.5 | 0.7 | 0.5 |
| ECONOMICS | IP90 Oil (Wellhead) | bbl/d | 336 | 274 | 460 |
| ECONOMICS | Netback (Year 1) | $/boe | C$34.40 | C$34.40 | C$34.40 |
| ECONOMICS | Recycle Ratio | x | 5.7 | 4.9 | 5.7 |
| ECONOMICS | Break-even to WTI | US$/bbl | US$34.00 | US$35.10 | US$33.22 |

[1] Refer to the Reserve Evaluation – Blackspur Oil Corp. Acquisition announcement dated 25 February 2021 (pages 15-24). 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.

[2] *Flat pricing: US$60/bbl WTI, C$2.50/GJ AECO, US$12/bbl WCS differential and 1.25 CAD or AUS/USD. Break-even prices include DCET and the point at which IRR is zero and it is no longer economic to drill that play type. They are calculated by sensitizing WTI while maintaining other price streams constant.*

a) *Tier 1 are planned future wells incorporating all technical learnings over the wells drilled to date and based on best 2 wells drilled to date.*
b) *Tier 2 adds a third well with sand issues and downtime but still consistent with all the learnings in tier 1 (away from fault).*
c) *The illustrative curve is based on increasing the frac size to 1 T/m, this increase in planned on future wells.*



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# 2021 FIELD ACTIVITY

- Drilling at our 2-29-19-13W4 oil battery
- Drone footage of 15-23-18-14W4 and 10-20-20-16W4 oil batteries

Bantry 2-29 oil battery and $H_2$Sweet plant
Drilling rig pictured – open hole Sunburst

Bantry 15-23 oil battery and Sunburst well pad

Countess 10-20 oil battery
Waterflood in the Sunburst J2J pool



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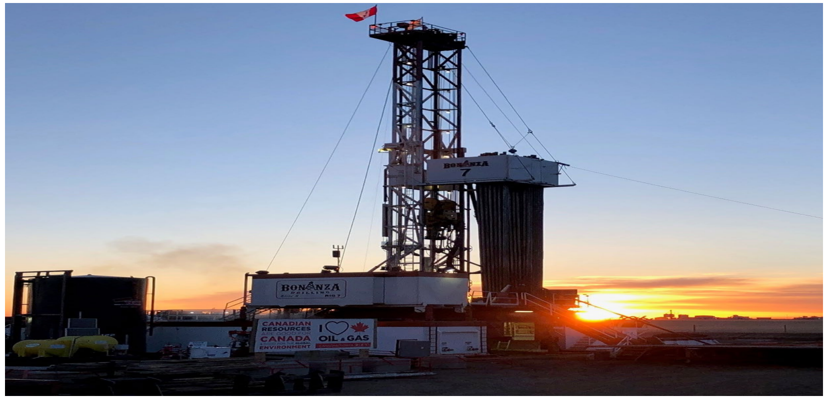
# 2021 FIELD ACTIVITY

Drilling rig move into 2-29 battery site
Open hole Sunburst drill

Bantry 2-29 oil battery and $H_2$Sweet plant


Bantry 2-29 water disposal building and tank farm

Overhead drone shot of the Bantry 2-29 battery




Drilling an open hole Sunburst well in Brooks

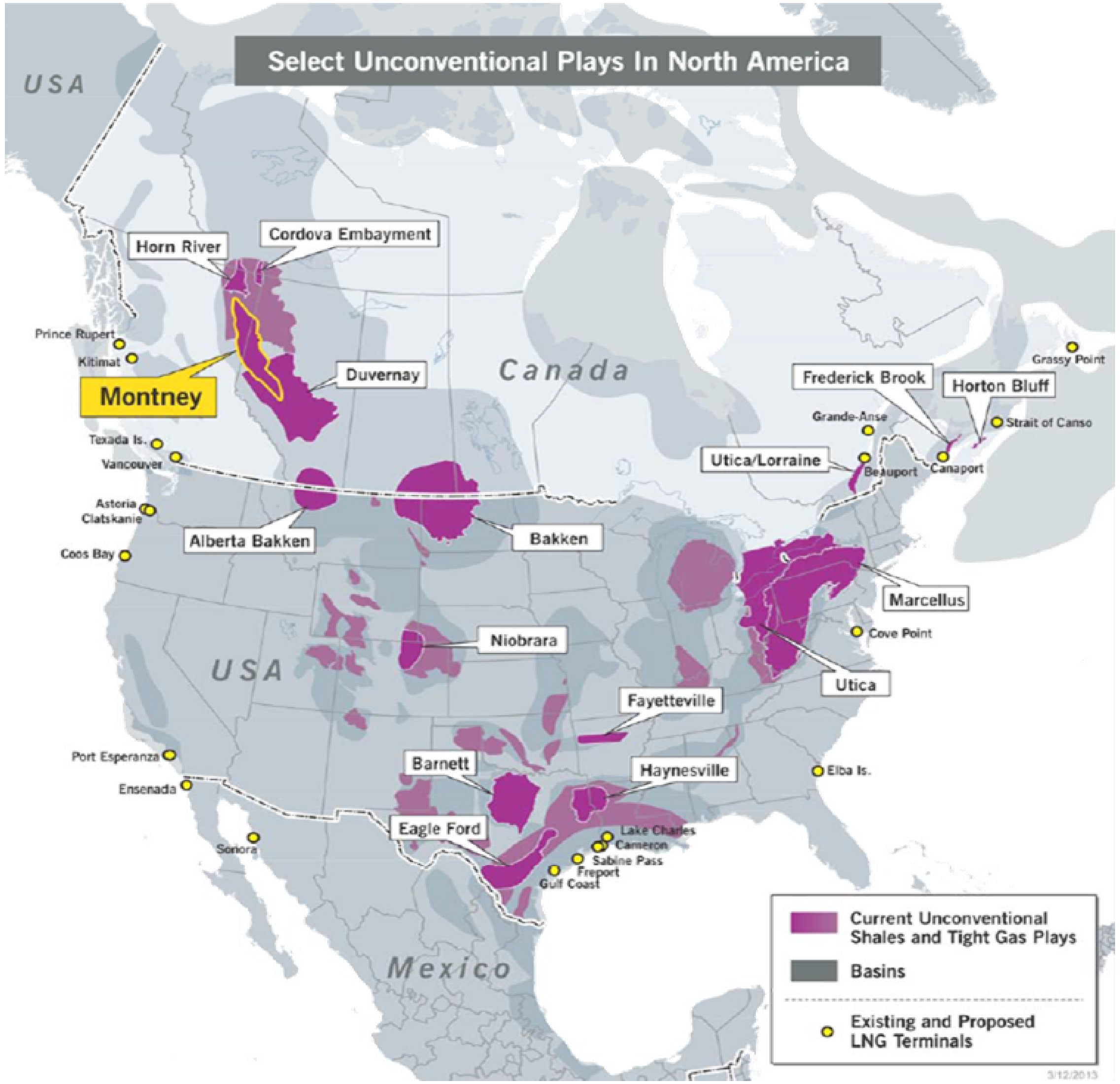

Countess 10-20 oil battery and Sunburst waterflood



CALIMA ENERGY

# WORLD-CLASS MONTNEY PLAY

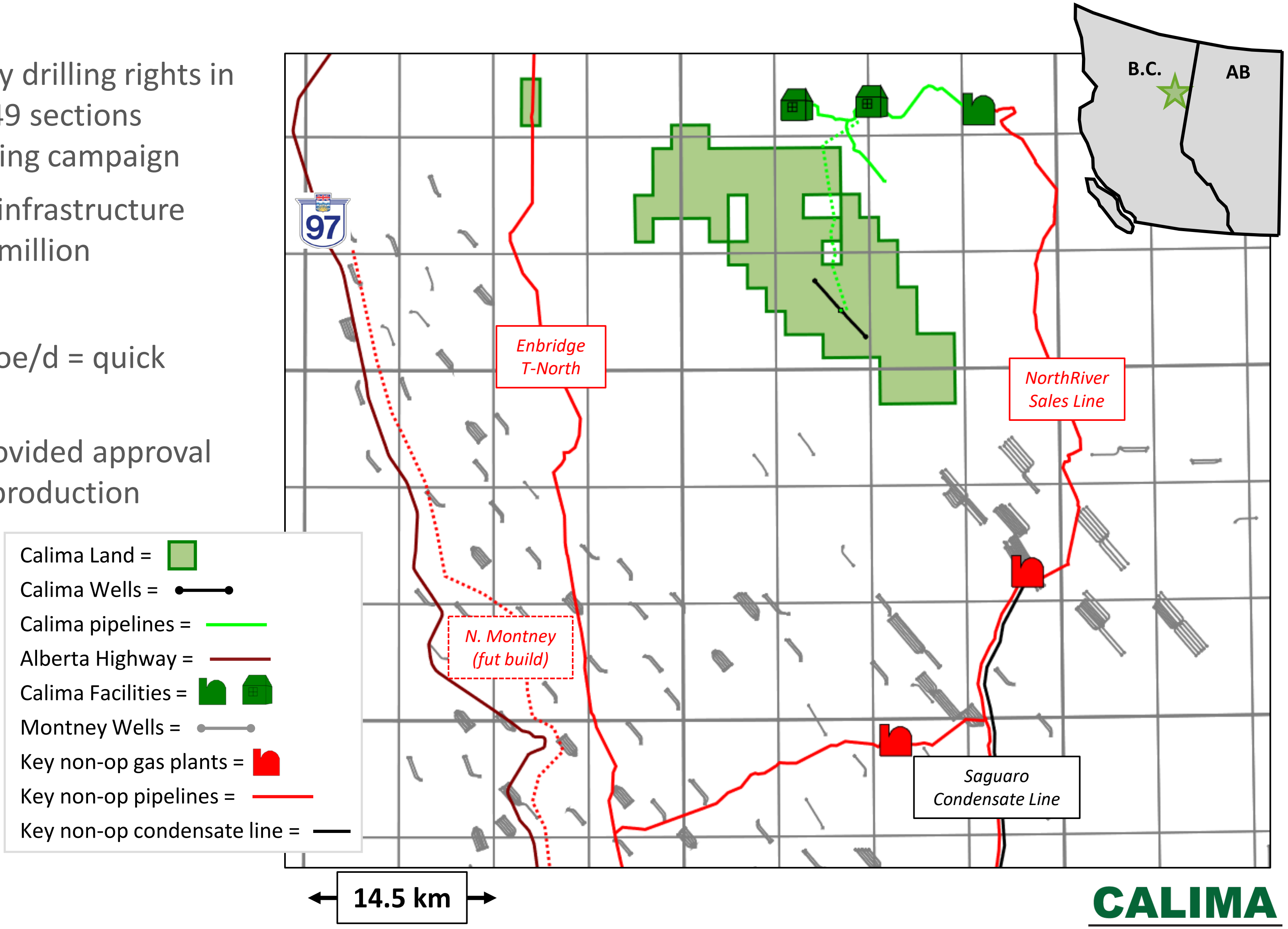
- Among the highest rates of return hydrocarbon basins in North America
- Diversity of hydrocarbons with light oil, liquids rich natural gas and dry gas
- Strong market fundamentals enhanced by three world class LNG projects
- Large resource endowment across three high quality assets near key pipeline infrastructure




Source: RBC Rundle, Company Reports, NEB, U.S. Department of Energy and RBC Capital Markets

# CALIMA'S FOOTPRINT IN THE MONTNEY

- 100% interest in >60,000 acres of Montney drilling rights in BC, with 10-year continuation lease over 49 sections (33,643 acres) due to successful 2019 drilling campaign
- Owns Tommy Lakes facilities and pipeline infrastructure with replacement cost estimated at A$85 million
- 'Development Ready' project:
  - Existing pipeline capacity of >11,000 boe/d = quick ramp up
  - BC Oil and Gas Commission ('OGC') provided approval to construct and operate a multi-well production facility
  - Permit granted to construct pipeline to connect the Calima well-pad with regional pipeline and processing infrastructure






CALIMA ENERGY

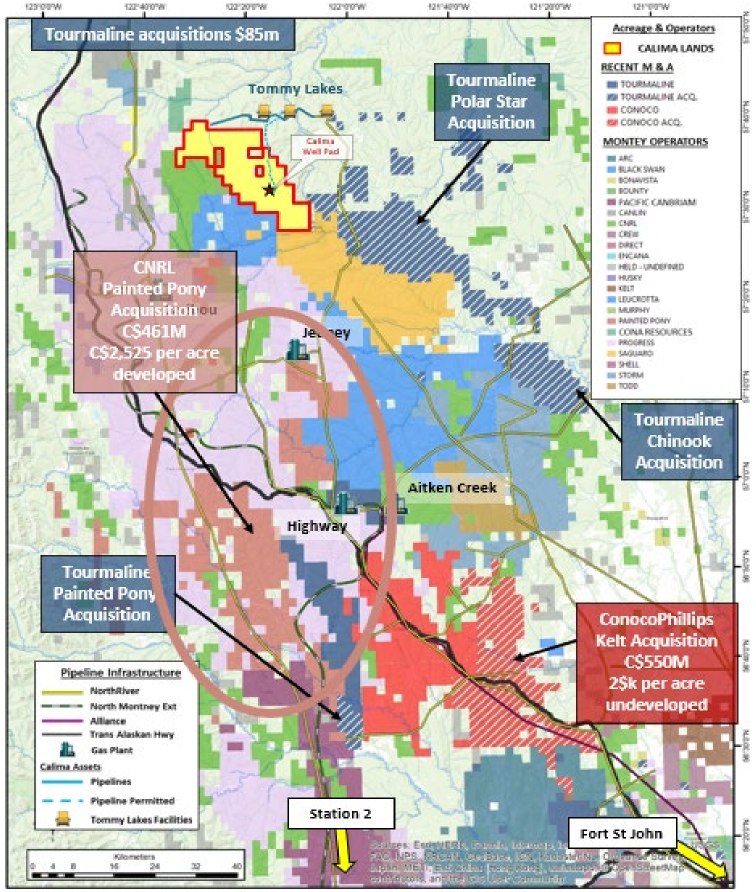
# CALIMA – FUTURE DEVELOPMENT OPPORTUNITY

## RIGHTS TO LARGE RESOURCE IN PLACE, PROVIDING FOR LONG-TERM VALUE

- **192.1 MMboe (2C) resources[1]** *(based on McDaniels & Associates best estimate gross unrisked contingent resource)*
- 2C resource elevated to Development Pending category; will be **recategorized as 2P Reserves** once funding secured[1]
- Estimated Ultimate Recovery (EUR) **8.4 Bcf** per well yields **~50 barrels per Mmcf** of high-value liquids

| | Prospective Resource (2U) | Contingent Resource (2C) | | |
|---|---|---|---|---|
| | | Dev on hold | Dev Pending | Total Contingent |
| Natural Gas (mcf) | 1,677,610 | 638,220 | 248,401 | 886,621 |
| Total Liquids (mbbl) | 83,896 | 31,997 | 12,442 | 44,339 |
| Total BOE (Mbbl) | 363,498 | 138,267 | 53,542 | 192,109 |

- Strategy to prepare for future development while unlocking value short term via joint ventures, partnerships or a corporate transaction
- Montney remains a strategic source for oil & gas for Eastern Canada and the US market as evidenced with the recent wave of corporate activity including:
  - Saguaro sold 50% interest of its production and facilities to Tourmaline in the June Qtr 2021 for $205 million (9,000 boe/d, 25% condensate/NGL's).
  - ARC Resources and Seven Generations Energy C$8.1 billion merger
  - Canadian Natural Resources (CNRL) C$461 million purchase of Painted Pony
  - ConocoPhillips C$550 million purchase of Kelt asset package
  - Tourmaline's C$85 million purchase of select acreage from Painted Pony, Polar Star and Chinook for C$85 million






[1] *McDaniel & Associates Reserve Report as announced on ASX on 30 April 2021.* 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.

CALIMA ENERGY

# ASSET-ENHANCING UPSIDE OPPORTUNITIES

Asset base offers numerous enhancement projects and value creating opportunities

## BROOKS

- **Waterflood** - implemented at the Brooks Sunburst J2J pool, highlighting secondary recovery potential of the asset base
- **Land Acquisition** - potential to add offsetting ~49 net sections through Crown and freehold leasing, contributing an additional 152 net locations

## THORSBY

- **New Development** - Calima holds an 88% WI in Thorsby land, of which ~92% is undeveloped and represents additional production and reserves potential
- **Land Acquisition** - potential to add offsetting ~22 net sections through Crown and freehold leasing, contributing an incremental 45 net locations

# THE 'MUST-OWN' CALIMA OPPORTUNITY

Unique opportunity to own a company with **quality free-cash flowing assets**, low-leverage and **significant upside potential** provided by future Montney development and access to global LNG markets

Calima can **quickly respond** to rising energy prices by accelerating its drilling programs given the Company's ability to convert wells from spud to on-stream in **30-60 days**

# Contact Us

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

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# Appendices

# DEBT TERMS

At the close of the Blackspur transaction, Calima will repay the existing Non-Revolving and Revolving Credit Facilities and establish a committed revolving credit facility with National Bank of Canada.

| Terms | Committed Revolving Credit Facility |
|---|---|
| Facility Size | • C$25m (~$15 million drawn) |
| Provider | • National Bank of Canada |
| Interest Rate* | • Refer to interest pricing grid |
| Tenor | • No expiry, semi-annual review |
| Security | • C$150,000,000 demand debenture, parent Guarantee |
| Financial Covenants | • Net Debt to Cash Flow<br>• Working Capital Ratio > 1.0x |
| Negative Covenants | • Strict prohibition on any non-permitted senior, pari passu, or junior debt and lien incurrence |

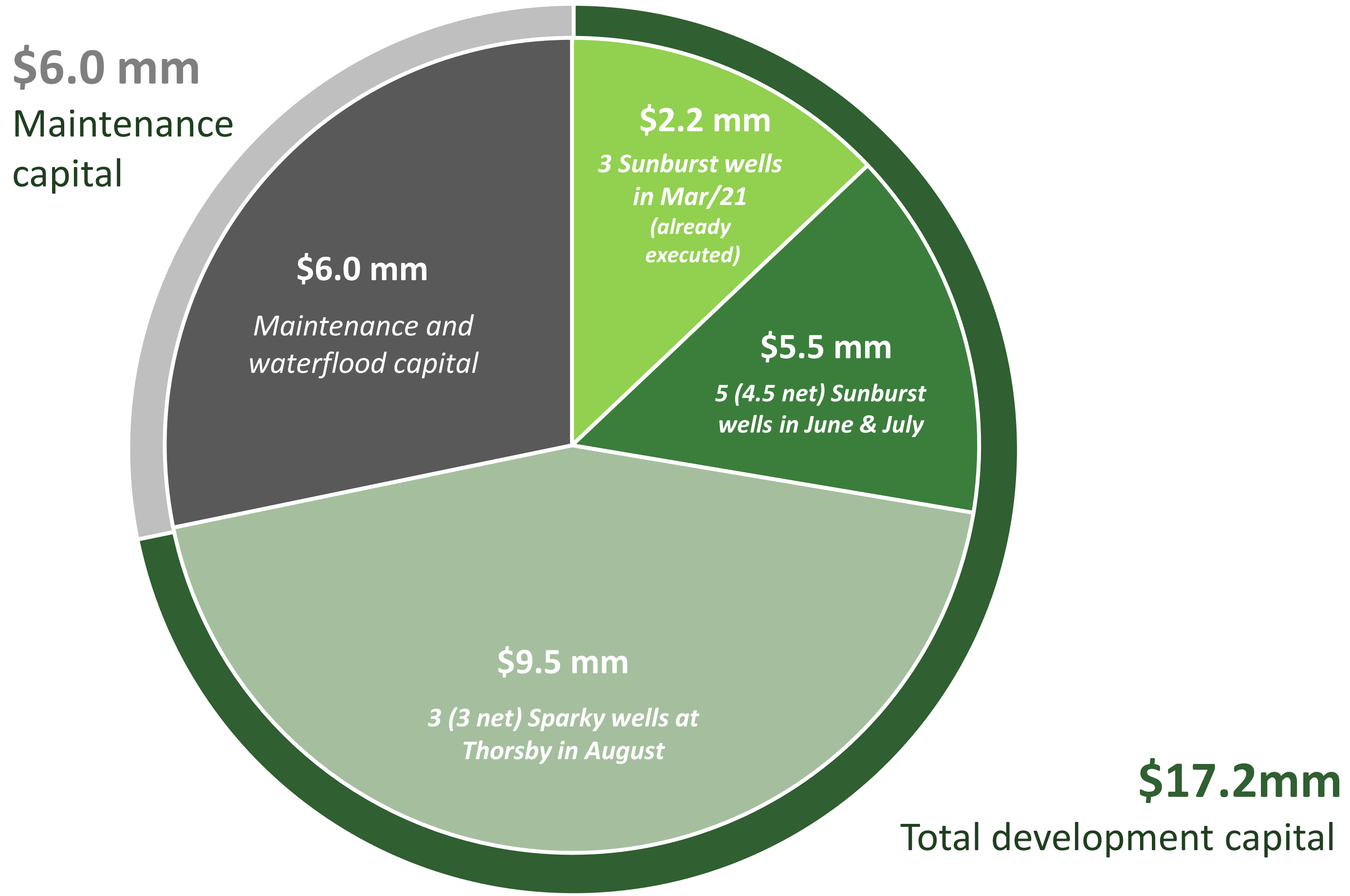
* Calima current effective interest rate is ~3-4%

Interest Pricing Grid

| Net Debt / Cash Flow | Canada Prime Rate + basis points per below | Banker's Acceptance + basis points per below | Standby fees |
|---|---|---|---|
| ≤ 1.0x | 150 | 275 | 20 |
| > 1.0x - ≤ 1.5x | 175 | 300 | 25 |
| > 1.5x - ≤ 2.0x | 200 | 325 | 30 |
| > 2.0x - ≤ 2.5x | 250 | 375 | 35 |
| > 2.5x - ≤ 3.0x | 300 | 425 | 40 |
| > 3.0x | 350 | 475 | 45 |

# CAPITAL BUDGET

CALENDAR 2021 CAPITAL BUDGET: **C$23.2mm**






CALIMA ENERGY

# HISTORY OF BLACKSPUR

| | |
|---|---|
| 2012 | • Private equity backed, founded through the recapitalization of Eiger Energy Ltd.<br>    • Average production of ~80 boe/d |
| 2013 | • Drilled 3 (3 net) wells and delivered C$1.3 million in operating cash flow<br>    • Exit production of ~250 boe/d and ~20 net sections of land |
| 2014 | • Completed the C$14.3 million Brooks acquisition adding 250 boe/d and raising C$32.0 million in an equity financing<br>    • Exit production of ~1,200boe/d and ~165 net sections of land |
| 2015 | • Completed a C$7.1 million acquisition adding 180 boe/d and raising C$12.5 million in an equity financing at $0.50/share<br>    • Exit production of ~1,500 boe/d and ~162 net sections of land |
| 2016 | • Completed the C$8.5 million additional Brooks acquisition adding 250 boe/d funded through the sale of Taber<br>    • Completed non-core asset divestiture at Taber (170 bbl/d) for gross proceeds of C$6.7 million<br>    • Exit production of ~1,300 boe/d and ~170 net sections of land |
| 2017 | • Completed a C$28.5 million equity financing at C$0.45/share<br>    • Acquired remaining 50% WI at Thorsby<br>    • Exit production of ~4,300 boe/d and ~264 net sections of land |
| 2018 | • Continued to delineate the Brooks and Thorsby regions, drilling 14 (14 net) wells<br>    • Exit production of ~4,300 boe/d and ~283 net sections of land |
| 2019 | • Reduced rate of development to achieve living within cash flow operations<br>    • Exit production of ~3,500 boe/d and ~240 net sections of land |
| 2020 | • Blackspur drilled 2 (2 net) wells in 2020<br>    • 2020 exit production of >2,600 boe/d |

# ABBREVIATIONS

| Abbreviation | Description |
|---|---|
| WI | Working Interest |
| C | Contingent Resources – 1C/2C/3C – low/most likely/high |
| NRI | Net Revenue Interest (after royalty) |
| Net | Working Interest after Deduction of Royalty Interests |
| NPV (10) | Net Present Value (discount rate), before income tax |
| EUR | Estimated Ultimate Recovery per well |
| WTI | West Texas Intermediate Oil Benchmark Price |
| WCS | Western Canadian Select Oil Benchmark Price |
| PDP | Proved Developed Producing |
| PUD | Proved Undeveloped |
| 1P or TP | Total Proved |
| 2P or TPP | Total Proved plus Probable Reserves |
| 3P | Total Proved plus Probable plus Possible Reserves |
| Royalty Interest or Royalty | Interest in a leasehold area providing the holder with the right to receive a share of production associated with the leasehold area |
| Field Netback | Oil and gas sales net of royalties, production and state taxes and operating expenses |
| EBITDA | Earnings before interest, tax, depreciation, depletion and amortization |
| Net Acres | Working Interest |
| IP24 | The peak oil production rate over 24 hours of production |
| IP30 | The average oil production rate over the first 30 days of production |

| Abbreviation | Description |
|---|---|
| B | Prefix – Billions |
| MM | Prefix - Millions |
| M | Prefix - Thousands |
| /d | Suffix – per day |
| bbl | Barrel of Oil |
| boe | Barrel of Oil Equivalent (1bbl = 6 mscf) |
| scf | Standard Cubic Foot of Gas |
| Bcf | Billion Standard Cubic Foot of Gas |
| $tCO_2$ | Tonnes of Carbon Dioxide |
| OCF | Operating Cash Flow, ex Capex |
| E | Estimate |
| YE | Year End 31 December |
| CY | Calendar Year |
| ARO | Asset Retirement Ratio |
| LMR | Liability Management Ratio |



CALIMA ENERGY