



Azonto Petroleum Limited

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ASX Limited, Exchange Centre
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31 July 2017

ASX Code: APY

Azonto Quarterly Activities Report June 2017

HIGHLIGHTS

- **Re-entering Oil and Gas Market with conditional farm-in Agreement providing up to a 55% working interest in an acreage position in British Columbia Canada, focussed on a liquids rich trend in the Montney Formation.**
 - **Azonto to acquire Calima, which holds interests in the petroleum permits in Saharawi Arab Democratic Republic and passive minority interests in TMK Montney Limited and Bahari Holding Company Limited.**
 - **Reconstitution of Board and Management, 1 for 3 share consolidation, \$2.25m firm capital raising commitments received.**
 - **Cash and investment balance (principally held in US\$) as at 30 June 2017 A\$4.9 million equivalent, after adjustment for A\$400,000 unrealised FX movement. During the period Azonto paid a non-refundable deposit (to be offset against farm-in commitments upon completion) of C\$500,000 to the Montney JV.**
 - **Azonto to relist on ASX in mid-August under the name of Calima Energy Limited**
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During the Quarter

- Azonto entered into a conditional farm-in Agreement giving it the right to acquire up to a 55% working interest in an acreage position in British Columbia Canada which is focussed on a liquids rich trend in the Montney Formation;
- Azonto to acquire Calima, which holds interests in the petroleum permits in Saharawi Arab Democratic Republic and passive minority interests in TMK Montney Limited and Bahari Holding Company Limited and A\$400,000 cash;
- Azonto received firm capital raising commitments for \$2.25 million (fully committed)
- Azonto to reconstitute its Board and undertake a 1 for 3 consolidation of its share capital
- Alan Stein and Jon Taylor to join the board as Managing Director and Technical Director respectively and the rest of the Havoc team to join the management team
- Azonto to change its name to Calima Energy Limited and proposed **ASX Code: CE1**

On 6 June 2017 Azonto announced it had received firm commitments for a capital raising of \$2.25 million by the issue of shares at \$0.045 cents per share (post 1:3 consolidation), via the issue of 50 million shares.

The funds raised under the Capital Raising will be used to fund the Stage 1 work program under the Farm-in Agreement referred to above, and to provide general working capital. The commitments are for a total of 50,000,000 shares at 4.5 cents, as follows:

- 44,611,112 shares (**Firm Shares**); and
- up to 5,388,888 shares (being the amount by which the minimum subscription under the Capital Raising exceeds the number of Firm Shares) (**Shortfall Shares**).

The number of Shortfall Shares actually subscribed for by the firm commitment investors will be reduced by the number of shares for which the Company receives valid applications from other investors under the Prospectus prior to the closing date for the Capital Raising.

Oversubscriptions of up to a further \$2.25 million through the issue of a further 50 million shares may be taken under the Capital Raising. Existing shareholders are welcome to subscribe to the capital raising, with allocations to be determined by the Board in its ultimate discretion.

ASX granted Listing Rule Waivers to facilitate re-entry into the Oil and Gas Market on 16 June 2017.

Prospectus for the Capital Raising was lodged with the ASIC and ASX on 30 June 2017 with an extended closing date of 17 August 2017.

Subsequent to Quarter End:

- 1 for 3 share consolidation was implemented on 27 July 2017
- General Meeting of Shareholders approving all Resolutions to facilitate re-entry into the Oil and Gas Market convened on 20 July 2017
- Completion anticipated on or about 21 August 2017
- ASX Reinstatement of Shares under Name Calima Energy Ltd (Proposed ASX Code: CE1) anticipated on or about 25 August 2017

Capital Structure at 31 July 2017 (Post 1:3 Consolidation)

	Number
Shares	388,597,822
Performance rights	46,773,159 ⁽¹⁾

(1) Existing performance rights granted to previous Azonto Management – vesting on achievement of share price hurdles before 18 December 2017, and subject to the Board being satisfied with the overall financial, strategic and HSE performance of the Company over the vesting period.

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