



November 18, 2019

CALIMA RECEIVES APPROVAL FOR PRODUCTION FACILITY

Highlights:

- BC Oil and Gas Commission (“OGC”) has provided approval to construct and operate a multi-well production facility
 - Design incorporates natural gas fired turbines to supply electrical generation resulting in reduced CO² emissions and lower operating costs
 - Modular design allows for pre-construction and faster on-site installation
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Calima Energy Limited (ASX:CE1) (“**Calima**” or the “**Company**”) owns and operates 67,900 acres of drilling and production rights in British Columbia (“**Calima Lands**”). The Company is pleased to announce that it has received a permit from the BC Oil and Gas Commission (“OGC”) to construct a production facility at its Montney pad location.



Calima pad site during drilling operations

Alan Stein, Calima’s Managing Director commented: *“This is another milestone towards the completion of a field development plan for the Calima Lands and eventual FID decision. I should like to thank the team at Trialta for the timely completion of this work.”*



Production Facilities Design on Well Site

The facilities include tankage, electrical generation metering and a control centre. The construction design is modular, allowing for the construction off-site in a controlled environment only final tie-ins once placed on pre-set foundations at site. This ensures an efficient, cost-effective installation within the winter.

While the initial approval is for the existing two liquids rich Montney wells drilled earlier this year, it is envisaged that additional modules would be added to the pad site to accommodate a 20 well pad.

The egress pipeline to take production from the Calima Lands to the Tommy Lakes gathering system has been applied for with the OGC and is sized to accommodate up to 50 Mmcf/d and 1,500 bbls of well head condensate. Further condensate and natural gas liquids will be recovered from the post-production processing sequence at Tommy Lakes and at the Jedney processing facility, resulting in approximately 50 barrels of liquids recovered per mmcf/d of gas production.

On site electrical power will be generated by gas powered turbines due to their low maintenance, long life and low operating costs, and importantly, their reduced CO₂ emissions. To ensure the facility meets the stringent emissions guidelines that exist in Canada, an instrument air package that reduces fugitive methane emissions will be installed. The production facilities will be remote monitored allowing access to live-time data in both Calgary and Perth.

Calgary based Trialta Projects had been the lead engineering contractor for project design as well as supporting the regulatory application process for the facilities.

The next key milestones are related to approvals for a tie-in pipeline, securing access to the existing Tommy Lakes pipelines and transportation and processing agreements with NorthRiver Midstream providing access to broader Canadian and international markets for Calima Lands production.

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