CALIMA ENERGY

Liquids Rich Montney Play - Canada

Investor Webinar Presentation

24th October, 2017

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Print date 17/10/17

CALIMA ENERGY

ASX Code	**CE1**
Ordinary Shares	**490.5 M**
Management Perf. Equity(1)	**55.5 M**
Market Capitalisation(2)	**$28.6 M**
Cash & Securities (no debt)(3)	**$7.5 M**
Enterprise Value (EV)	**$21.1 M**
Board & Management own	**22%**

THE OPPORTUNITY

- Calima has a significant footprint in the Montney Play in British Columbia
- The Montney is one of the best resource plays in North America
- Focus on monetisation post drilling.
- Numerous new venture growth opportunities available.

(1) Includes performance shares, performance rights ($0.15) and options ($0.09 and $0.12). For details see prospectus dated June 30 2017
(2) Based on the closing price on September 11 2017
(3) Estimated cash balance at September 1 2017

CALIMA ENERGY

TEAM HAS BUILT, GROWN AND SOLD SUCCESSFUL COMPANIES TOGETHER [1]

MONTNEY - A PREMIER NORTH AMERICAN LIQUIDS RICH ENERGY PLAY

MONTNEY - STRONG INSTITUTIONAL AND INDUSTRY APPETITE FOR THE PLAY

STABLE INVESTMENT DESTINATION

LOW TECHNICAL RISK WITH EXCELLENT UPSIDE

MANAGEMENT ALIGNED & MOTIVATED >20% OWNERSHIP

SIGNIFICANT VALUE ARBITRAGE VS. MONTNEY PEERS

(1) Appendix 1

THE MONTNEY PLAY

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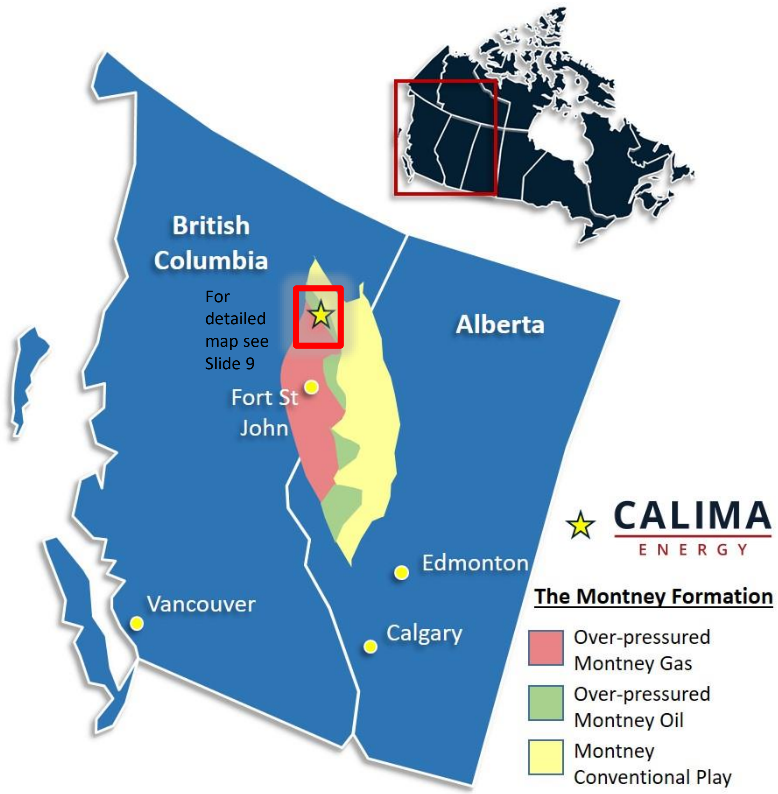

- Covers an extensive area (130,000 km^2) of British Columbia and Alberta.
- Estimated remaining 449 Tcf of gas, 14.4 bn bbls of condensate and 1.1 bn bbls of oil[(1)].
- Is the most active play in Canada with C$5.2 Bn in investment in 2017 rising to C$7.5 Bn in 2022[(2)].
- Current production is 6.3 bcfed (including 247,000 bbld condensate and other liquids) which is predicted to more than double by 2022[(2)].
- Siltstone play offering better productivity than shale plays.
- Thicker than most other unconventional plays (200-300 m) allowing for multi-layer completions from one surface location.
- Ideal rock properties for fracture stimulation resulting in enhanced productivity.
- Breakeven costs in the liquids rich window of the Montney play (US$1.69/mcfe) are amongst the most competitive in North America, delivering excellent returns at current prices[(2)].

(1) *The Ultimate Potential For Unconventional Petroleum From The Montney Formation Of British Columbia and Alberta, National Energy Board, November 2013*

(2) *Wood Mackenzie Unconventional Service, Montney Key Play Report, April 2017*

MONTNEY – CALIMA LANDS

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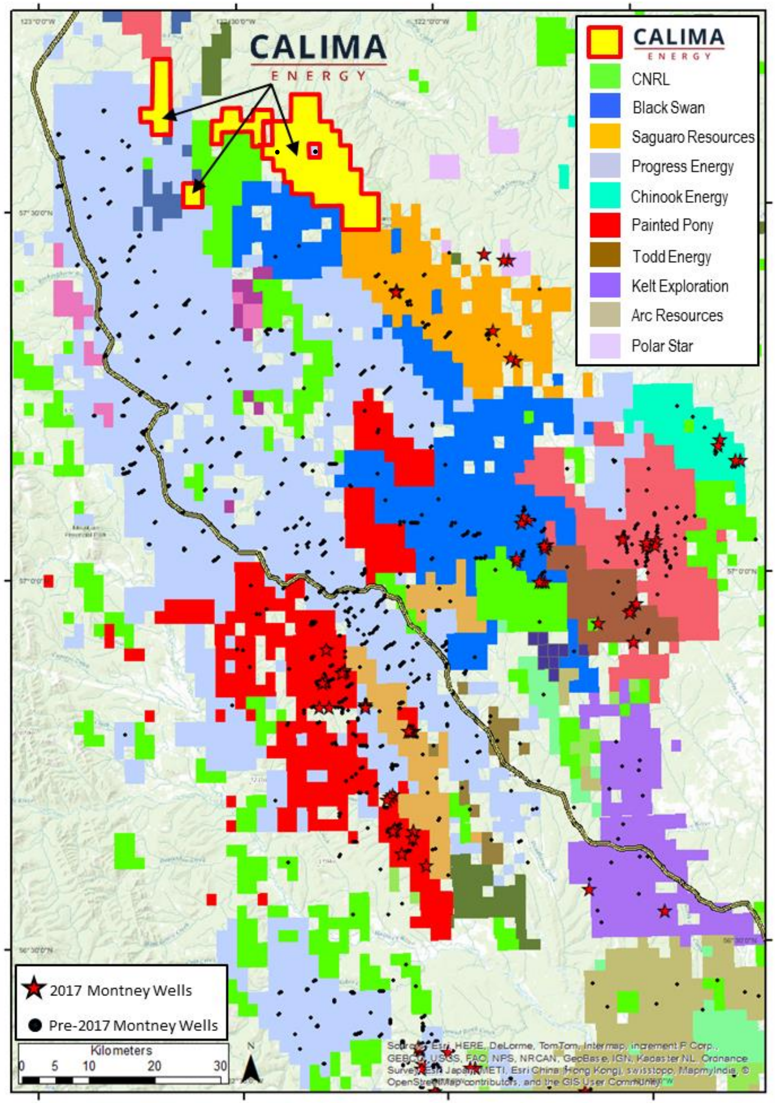

- Calima has acquired the right to 57% of an acreage position referred to as the Calima Lands, located in a liquids-rich window of the Montney play in British Columbia.
- Land position currently comprises almost 70,000 acres of drilling rights (c. 40,000 net to Calima)
- Calima Lands acquisition guided by proprietary geoscience workflow which enabled low-cost licensing ahead of mainstream industry activity.
- Calima's mapping predicts that the Calima Lands will be rich in condensate.
- Saguaro Resources immediately to the south is one of the fastest growing companies in the region.
- Saqauro generates half of its revenue from condensate and other NGL's.
- Calima's peers in northeast British Columbia will invest more than C$1Bn this year.
- There is an active A&D market and the industry has paid premium prices for liquids rich sweet spots.
- Plan to drill two or possibly three horizontal wells in the winter of 2018/19.

For map location see Slide 4

MONTNEY - PEER GROUP

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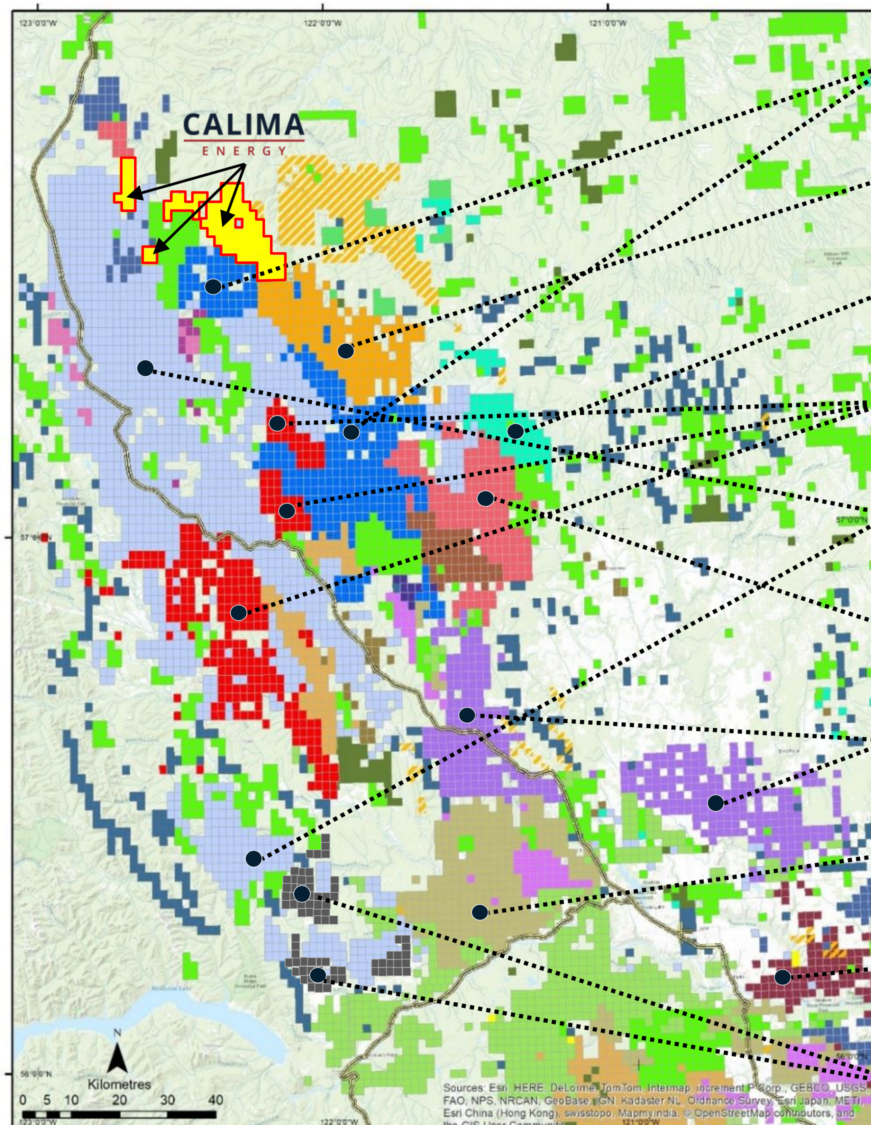

Black Swan energy
- Private equity backing of $850 M
- 341 sections held in the Jedney and Nig areas
- 2017 capital program of $180 M

Saguaro Resources Ltd
- $400 M line of credit from PE firms
- 162 sections within the Laprise area adjacent to Calima Energy land position
- Fully funded to drill 28 wells in 2017

CHINOOK energy inc
- $40 M capital expenditure for 2017
- 70 sections in the Birley/Umbach area
- Projected 2017 production of 6300-6500 boe/d

PAINTED PONY ENERGY
- TSX-listed company with market cap of $780 M & credit facility of $400 M
- In May 2017, the company acquired UGR's position for a combined total of 314 sections (201,009 acres)

PROGRESS ENERGY
- Parent company is Malaysian NOC – Petronas
- Largest natural gas Montney player in Western Canada (total resource ~62 Tcf in North Montney)
- 215 wells drilled to date

STORM RESOURCES
- TSX-listed with market cap of $515 M
- 155 sections (109,000 net acres) land position
- End of 2016 2P reserves of 104mmboe

kelt exploration
- TSX-listed with market cap of $1.15 Bn
- 650 Montney sections in BC & Alberta with a strong position in the Inga/Fireweed area
- 2017 capital program of $145 M

ARC RESOURCES LTD
- TSX-listed with market cap of $6.13 Bn
- 1200 Montney sections in both BC & Alberta
- Total proved resources of 426mmboe and 2P reserves 737mmboe

LEUCROTTA EXPLORATION INC.
- TSX-listed with a market cap of $370 M
- A Montney focussed producer in the Dawson Area with a net acreage of 90,200 acres (141 sections)
- Current production is approximately 3000 boe/d

Canbriam
- Private equity backing of Warburg Pincus, BlackRock & Arc Financial
- 2017 capital program of $280-310 M
- Montney position of 180,000 net acres in Altares

Note: "$"=C$ Data at May 2017

MONTNEY – CALIMA LANDS FARMIN

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Stage	Cumulative Contributions	WI Earned (cumulative)	Latest Date
1	C$5 M	20% (20%)	01 Aug 2018
2	C$12 M	17.5% (37.5%)	28 Feb 2019
3	C$25 M	17.5 % (55%)	28 Feb 2020

Stage	Activities
1	Acreage acquisition, 3D seismic, Drill planning
2	Drill and complete one x 2,000 m Hz well
3	Drill and complete two x 2,000 m Hz wells

- Calima has completed a farmin with TSV-Montney Ltd and TMK-Montney Ltd (TSV/TMK) to acquire up to 55% of the Calima Lands.
- C$10.5 M invested in the Calima Lands by TSV/TMK.
- Calima will fund a three stage earn-in.
  - Stage 1 (C$5 M):
    - C$1.5 M invested already.
    - Anticipate full-spend by early 2018.
  - Stages 2 & 3 (C$20 M):
    - Entry to stages two and three are at our election.
    - Three-well drilling campaign anticipated 2H 2018
- Calima also owns 11.2% of the issued share capital of TMK, resulting in a fully diluted economic interest of 57%.
- Calima's cost base upon completion <$650 acre

MONTNEY – LAND SALES 2011 ONWARDS

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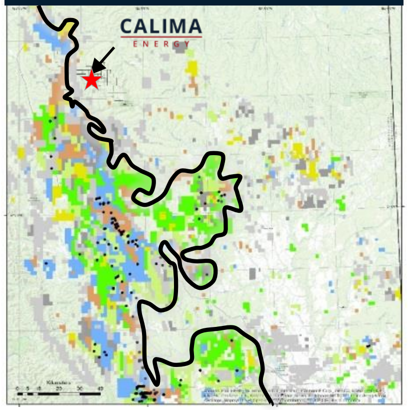
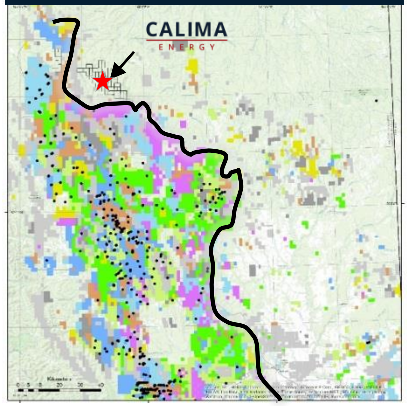
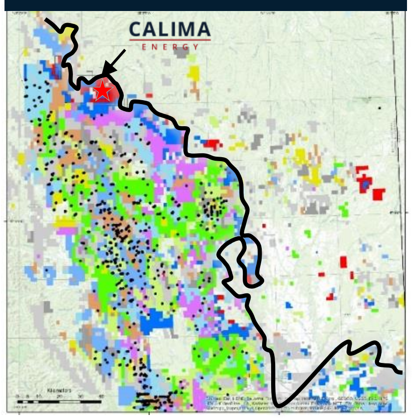
2011



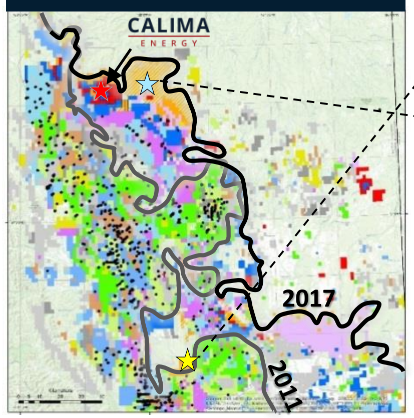
2013



2015



AUGUST 2017



- Activity associated with the Montney unconventional play has spread progressively north eastward.
- Prior to 2013 the Montney was predominantly a dry gas play.
- Since 2013 most of the activity has been focussed on the liquids rich part of the play.
- The liquids potential of the Calima Lands was identified in 2013 using a proprietary geoscience work flow.
- TSV/TMK started acquiring land in the Caribou area in 2014 moving ahead of industry trends (average land cost $130/acre).
- The Calima Lands now lie within the accepted limits of the Montney liquids rich play.
- In July 2017 a single parcel of land covering 14,000 acres attracted a record bid of $77 M ($5,600/acre)
- In August 2017 industry requested that a large contiguous acreage parcel of c. 100,000 acres to the east of the Calima Lands be included in an upcoming land sale.
- This is notable because of its very large size and its potential to extend the Montney play eastwards.

Montney Horizontal Production Well

Montney Acreage Limit

$ = C$

LAND SALES

2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | YTD 2017 | August 2017

INVESTMENT GUIDED BY GEOLOGY

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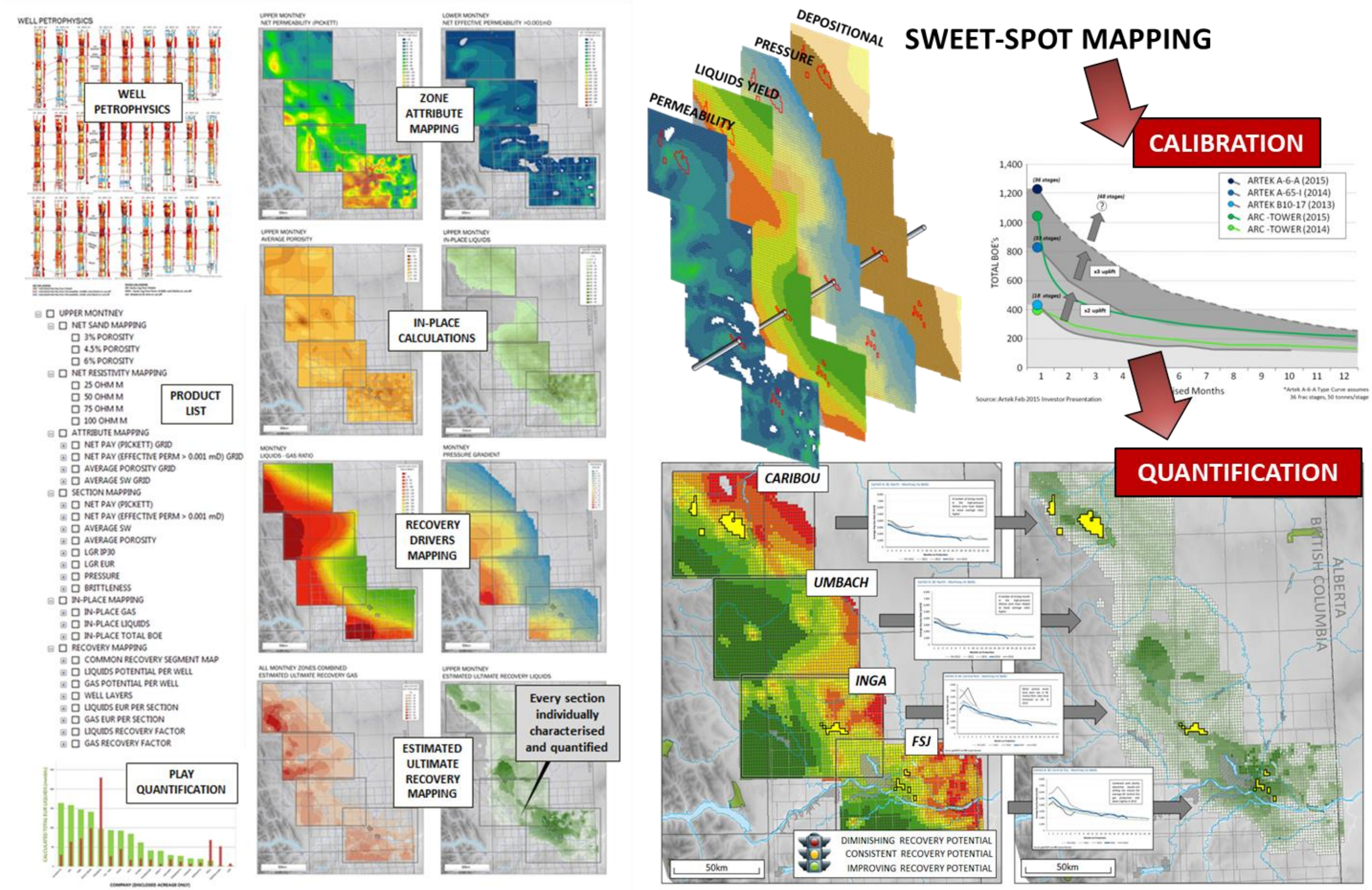

Acreage acquisition strategy was guided by a proprietary geological mapping technique based on the analysis of more than 1.400 well penetrations. Critical play elements are stacked, ranked and analysed to identify potential sweet spots. When calibrated with existing production data these data can be used to create maps of estimated ultimate recovery of hydrocarbon gas and liquid.

(Cockerill & Hughes, CSEG Recorder, March 2016)

MONTNEY – LIQUIDS POTENTIAL

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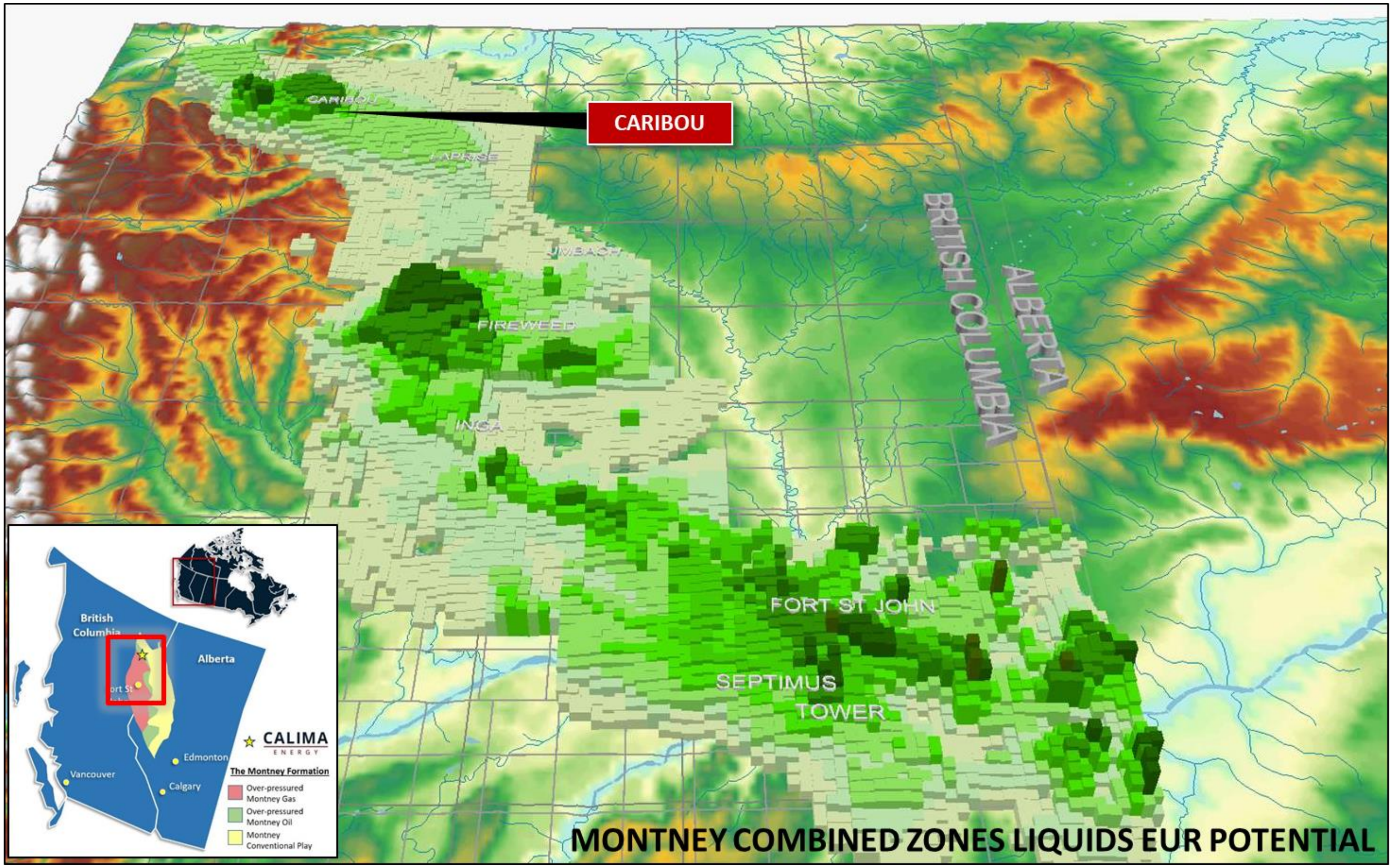

Perspective view of estimated ultimate liquid yield draped over topography for the north part of the Montney Play. The darker green areas are rich in liquids. This mapping was used to identify the liquids potential of the Caribou area before the area was licensed. Subsequent drilling results have validated the prediction.

UPPER MONTNEY - PREDICTED LIQUIDS YIELD

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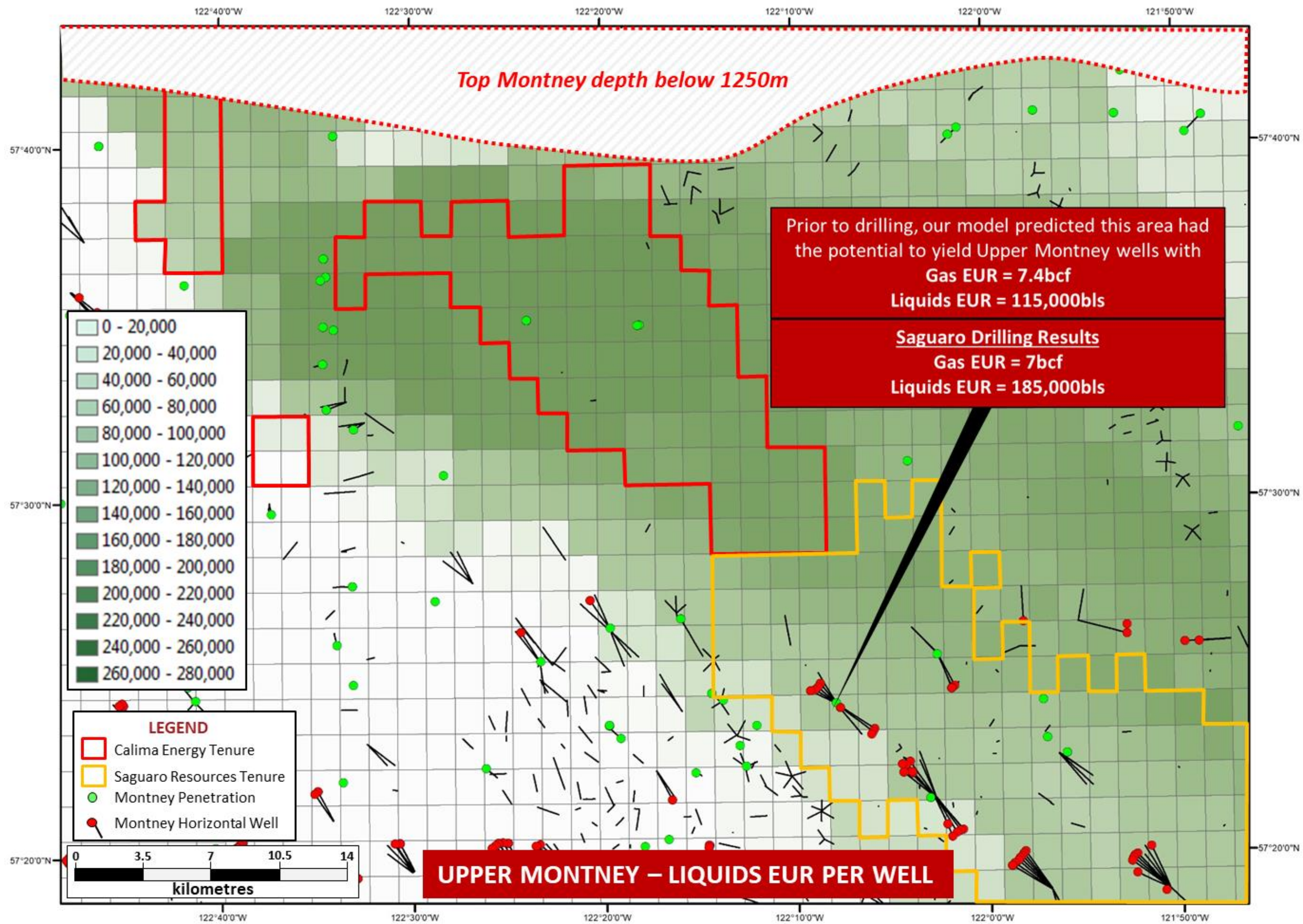

This map shows estimated ultimate liquids yield per well for each section. The mapping suggests that the Calima Lands should compare favourably with the land to the south being developed successfully by Saguaro Resources.

SAGUARO RESOURCES – OFFSET ACTIVITY

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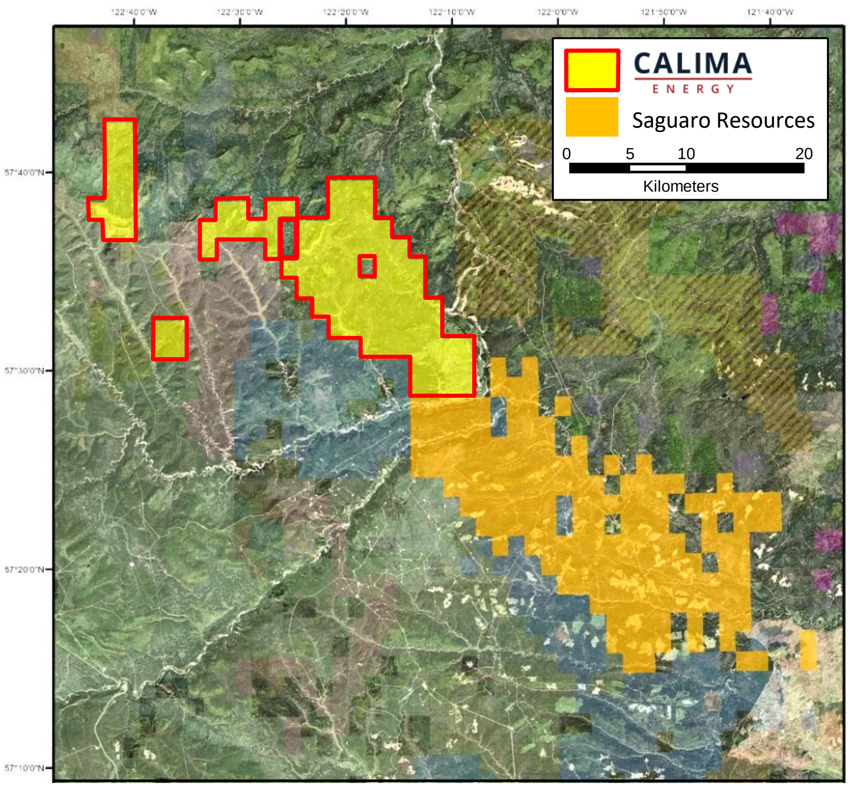


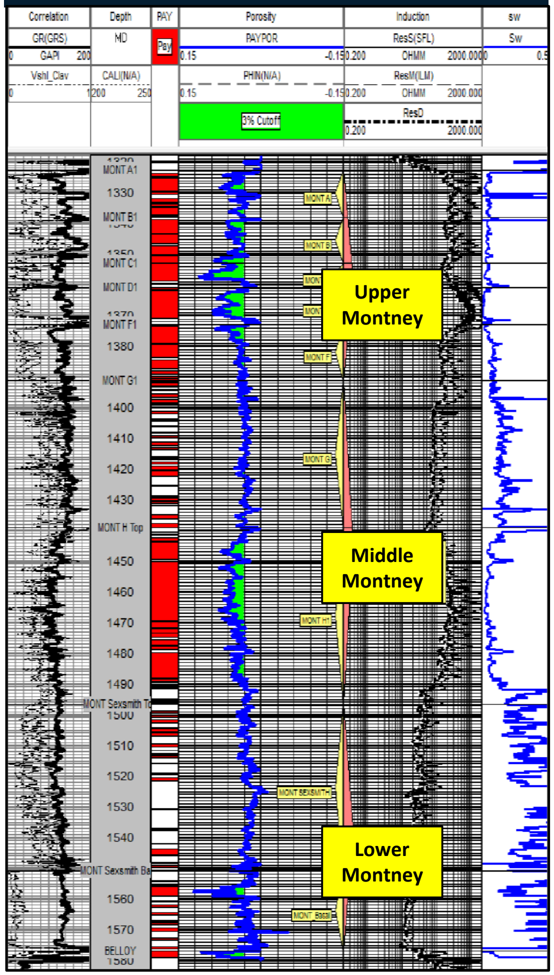
- Saguaro Resources has built a position covering 110,000 acres immediately to the southeast and along geological trend from the Calima Lands.
- Land acquisition cost of ~C$1,000 per acre[1,2].
- Private equity investors provided C$444 M facility supplemented by C$155 M debt facility.
- More than C$400 M invested drilling 46 wells and building facilities.
- Fully funded to drill 28 wells during 2017.
- Producing 10,500 boe/d (August 2017) from 36 wells; peak daily production in July 2017 exceeded 15,500 boe/d; planning to exit 2017 with 16,000 boe/d.
- Liquids rich yield of 53 bbls/mmcf of which 71% is condensate[3].
- Liquids account for 48% of revenue (40% from condensate).
- Estimated Ultimate Recoveries (EUR) per well of 6.3-8.3 bcf (1.2-1.6 mmboe) delivers an IRR of 42-85% respectively.

Reserves Evaluation[4] Net, NBR	Year End 2016		
	Total mboe	NPV 10% Before Taxes $000	Montney Locations[5]
Proved Developed Producing (PDP)	18,933	$224,164	34
Total Proved (1P)	92,690	$740,601	134
Total Proved + Probable (2P)	295,124	$2,193,917	330

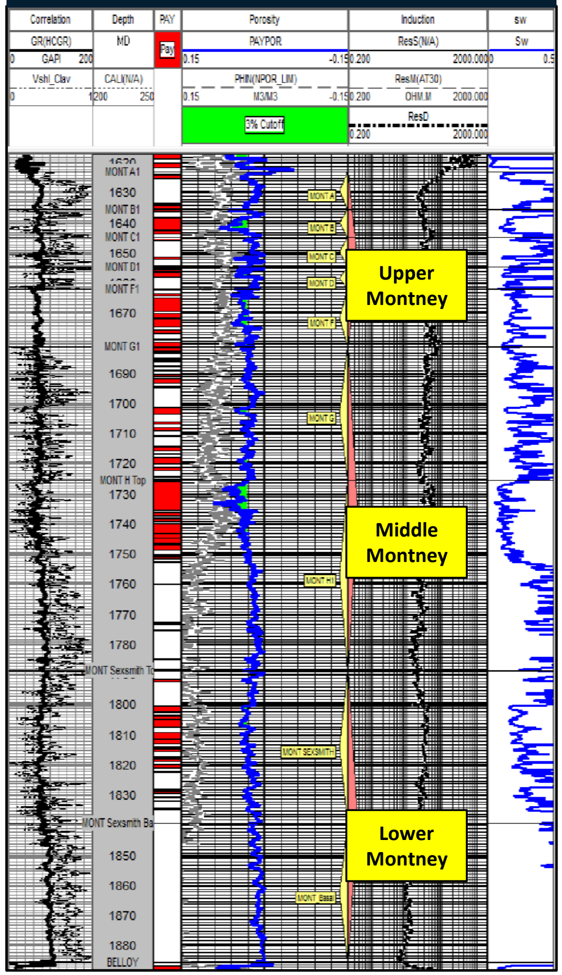
(1) “Saguaro Resources won’t be a junior producer for long” - JWN Energy, May 2017
(2) Calima Lands average initial acquisition cost ~C$130 per acre
(3) Facilities CGR
(4) Saguaro reserves from August 2017 Corporate Presentation
(5) Montney locations refers to the number of wells used in the reserves estimate

SAGUARO RESOURCES – AN ANALOGUE

Caribou well (in Calima lands)

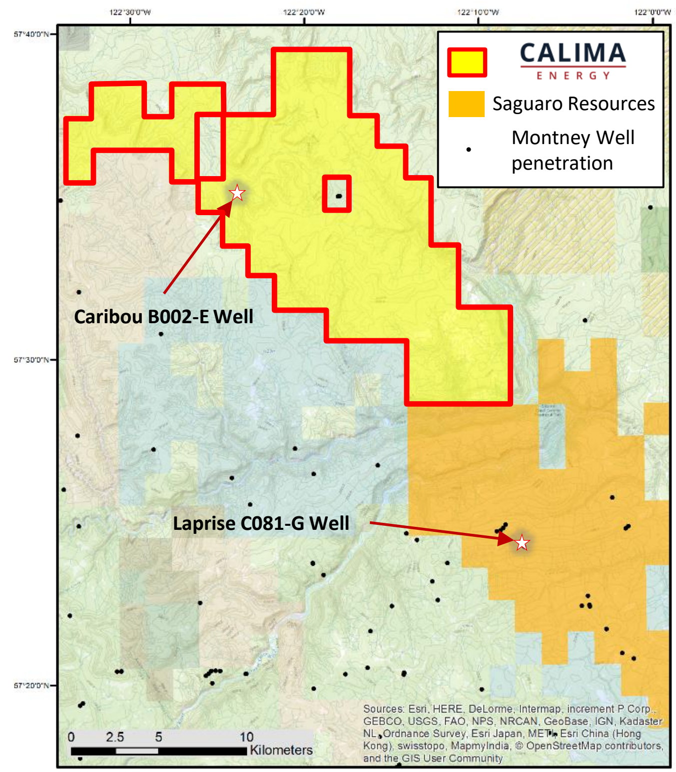


Laprise C081-G well (in Saguaro lands)



McDaniel & Associates Consultants Limited (McDaniel) provided a geological audit and review of offsetting competitor production for the Montney Formation on the Calima lands in the Caribou Area.

Calima expects wells drilled in its lands will deliver



Log data from a well in the Calima lands (Caribou B002-E) and a well in the adjacent Saguaro lands (Laprise C081-G) which were used by McDaniel to compare reservoir parameters. Red flag denotes pay zone. A full copy of the McDaniel report can be obtained from the Company website (www.calimaenergy.com)

SAGUARO RESOURCES – AN ANALOGUE

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Upper Montney

Well ID	Top (m)	Pay (m)	Porosity (%)	Water Saturation (%)	Gradient (kPa/metre)	Temperature (Celsius)	Pressure (kPa)	Compressibility (Z-factor)	Illustrative Gas in Place (Bcf/sq mile)
Calima B002-E	1332.6	55.5	5.2	15	11.5	42	15,209	0.764	**40.0**
Saguaro C081-G	1622.7	26.4	4.2	17	13	52	21,096	0.805	**19.2**

Middle Montney

Well ID	Top (m)	Pay (m)	Porosity (%)	Water Saturation (%)	Gradient (kPa/metre)	Temperature (Celsius)	Pressure (kPa)	Compressibility (Z-factor)	Illustrative Gas in Place (Bcf/sq mile)
Calima B002-E	1391.2	63.3	4.5	15	11.5	45	15,998	0.771	**40.9**
Saguaro C081-G	1680.9	37.1	4.1	16	13	54	21,851	0.814	**27.1**

Lower Montney

Well ID	Top (m)	Pay (m)	Porosity (%)	Water Saturation (%)	Gradient (kPa/metre)	Temperature (Celsius)	Pressure (kPa)	Compressibility (Z-factor)	Illustrative Gas in Place (Bcf/sq mile)
Calima B002-E	1496.5	21.2	4.3	26	11.5	48	17,209	0.780	**12.0**
Saguaro C081-G	1788.4	16.1	3.5	23	13	57	23,249	0.830	**9.5**

The following extract from the McDaniel report describes the comparison of a well in the Calima Lands with a well in the Saguaro lands;

- *"The Middle and Upper Montney reservoirs on Calima acreage* ***compare favourably to what has recently and is currently being developed by Saguaro to the south****.*
- *Pay thickness and average porosity are both higher in the Caribou Area.*
- *The biggest difference between the Caribou and Laprise areas is the reservoir depth, the Montney Formation at Laprise is roughly 300 m deeper than Caribou, which would explain the difference in porosity as the zone is at a lower burial depth and likely has seen less compaction."*

A copy of the McDaniel report can be obtained from the Company website (www.calimaenergy.com)

MONTNEY - KEY DEAL METRICS

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- BMO noted recently that typical transaction metrics for proven Montney land was $2,500 to $5,000/acre.
- Weighted average price of transactions over the period April to July 2017 was c$3,700/acre
- Calima Lands have been acquired at an average initial cost of less than $130/acre.
- Cost to complete acreage build and drill initial wells estimated to be <$650/acre.

Montney Transaction Activity (April to July 2017)

Date	Buyer	Seller	Value (C$ M)	Production (boe/d)	C$/boe	Acreage (acres)	$/acre (C$)
July 17	Paramount	Trilogy	**650**	25,133	25,862	118,000	**5,508**
May 17	?	Paramount	**150**	1,400	107,143	47,360	**3,167**
May 17	Primavera	Crew	**49**	n/a	n/a	18,400	**2,663**
May 17	Leucrotta	?	**36**	n/a	n/a	11,840	**3,041**
May 17	Painted Pony	UCR	**229**	8,500	27,012	69,143	**3,312**
May 17	?	Trilogy	**50**	1,100	45,455	44,427	**1,125**
April 17	ConocoPhillips	Pengrowth	**92**	n/a	n/a	23,424	**3,928**

- Calima proposes to drill 2 or 3 horizontal wells to demonstrate productivity
- Drilling will be the key value catalyst to elevate land status from un-proven to proven
- Objective is to transact within the typical range of deal metrics

CALIMA
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- Investment strategy guided by proprietary geoscience mapping methodology
- The Calima Lands are predicted to be liquids rich
- Independent geologist’s report verifies prospectivity

- Low cost entry into a Tier 1 basin
- Low technical risk with excellent upside
- Jurisdiction where deals are done and capital available
- Significant valuation arbitrage

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BOARD & MANAGEMENT

Alan Stein

Managing Director

Dr Stein has more than 25 years' experience in the international oil and gas industry. He was one of the founding partners of the geoscience consultancy IKODA Limited based in London and Perth and was the founding Managing Director of Fusion Oil & Gas plc and Ophir Energy plc.

Dr Stein is currently the Non-Executive Chairman of Hanno Resources Ltd and Sea Captaur Limited and is a Non-Executive Director of Bahari Holding Company Limited.

Glenn Whiddon

Chairman

Mr Whiddon has an extensive background in equity capital markets, banking and corporate advisory, with a specific focus on natural resources. Glenn holds a degree in Economics and has extensive corporate and management experience. He is currently Director of a number of Australian and international public listed companies in the resources sector.

Mr Whiddon was formerly Executive Chairman, Chief Executive Officer and President of Grove Energy Limited, a European and Mediterranean oil and gas exploration and development company, with operations in Italy, Romania, Slovenia, Tunisia and the UK and Dutch North Seas.

Mr Whiddon is currently a director of Auroch Minerals Limited, Statesman Resources Limited and Fraser Range Metals Group Limited.

Jonathan Taylor

Technical Director

Mr Taylor has more than 25 years' experience in the international oil and gas industry. He started his career with Amerada Hess in the UK before moving to Clyde Petroleum plc. He relocated to Perth in 1998 to take up the role of Technical Director at Fusion Oil & Gas plc. Following the sale of Fusion, Mr Taylor, together with Dr Alan Stein, was one of the two founding executive directors of Ophir Energy plc serving initially as its Technical Director.

Mr Taylor is currently a non-executive director of Octant Petroleum, Helium One Limited and Citra Partners Ltd.

Neil Hackett

Non-Executive Director

Member of the Audit & Risk Committee and Remuneration Committee

Mr Hackett holds a Bachelor of Economics from the University of Western Australia, Post-graduate qualifications in Applied Finance and Investment, and is a Graduate (Order of Merit) with the Australian Institute of Company Directors.

Mr Hackett is currently Non-executive Chairman of Australian Securities Exchange listed entity Ardiden Ltd (ADV), and previous NED of African Chrome Fields Ltd (ACF), Modun Resources Ltd (MOU) and has held various ASX Company Secretary positions including Sundance Resources Ltd, Ampella Mining Ltd, and ThinkSmart Ltd. Mr Hackett is currently Chairman of WA State Government peak cycling organisation West Cycle Inc and company secretary of industrial footwear manufacturer Steel Blue Pty Ltd.

HAVOC PARTNERS - 16 YEARS

In May 2017 the five founding partners of Havoc Partners LLP (Havoc) all joined the management team of the Company. Alan Stein and Jonathan Taylor joined the Board as Managing Director and Technical Director respectively and the three remaining partners; Richard Higgins, Justin Norris and Mark Sofield fulfil technical and commercial management functions.

Havoc is a natural resources investment company focused on oil and gas, precious- and base-metals and strategic noble gases. The five founding partners of Havoc are geoscientists who have worked together for more than 16 years and collectively have more than 100 years of international upstream experience. Havoc was established to provide a platform to deploy the expertise and relationships of the partners in making direct and indirect investments in the natural resources sector with an emphasis on oil and gas.

The partners were the founders of AIM listed Fusion Oil & Gas plc which made several discoveries offshore Mauritania and then were the founders of Ophir Energy plc which made discoveries offshore Equatorial Guinea and Tanzania. When it listed on the LSE in 2011 Ophir was the biggest ever E&P IPO in London at the time and was the most successful float of the year.

The Havoc team took Ophir from a small exploration focused African player to a c. £1.9 Bn FTSE 250 company with contingent resources in excess of 1 bn bbls; one of the most successful growth stories of the African E&P players.

www.havocpartners.com

FUSION OIL & GAS plc

UK AIM listed

Mauritania; Chinguetti, Banda and Tevet.

ophir

UK LSE listed

Equatorial Guinea; Fortuna, Silenus, Viscata, Tonel and Lykos.

Tanzania; Jodari, Mzia, Pweza, Taachui, Kamba, Mziki, Chewa, Papa and Chaza.

PORTFOLIO ASSETS – WAIT AND SEE

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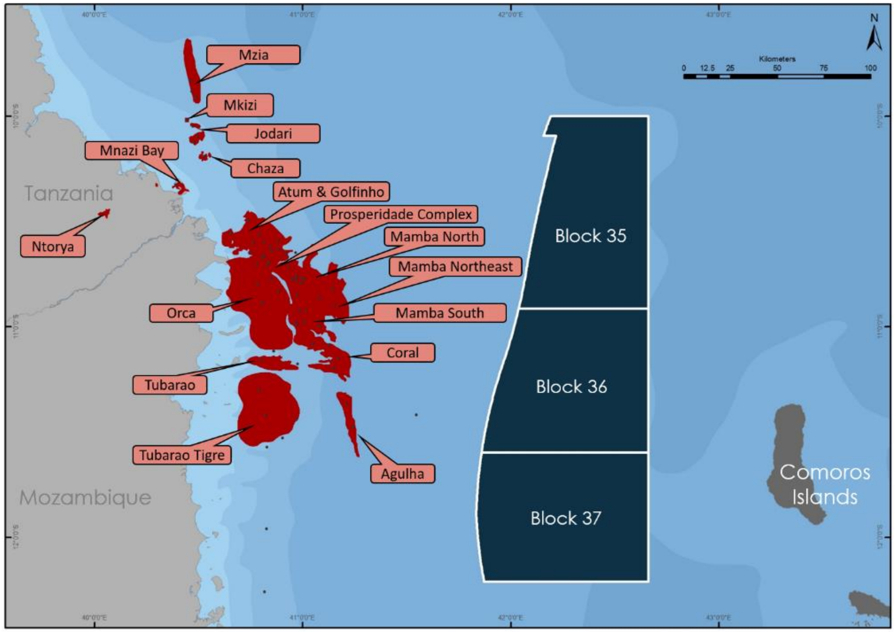
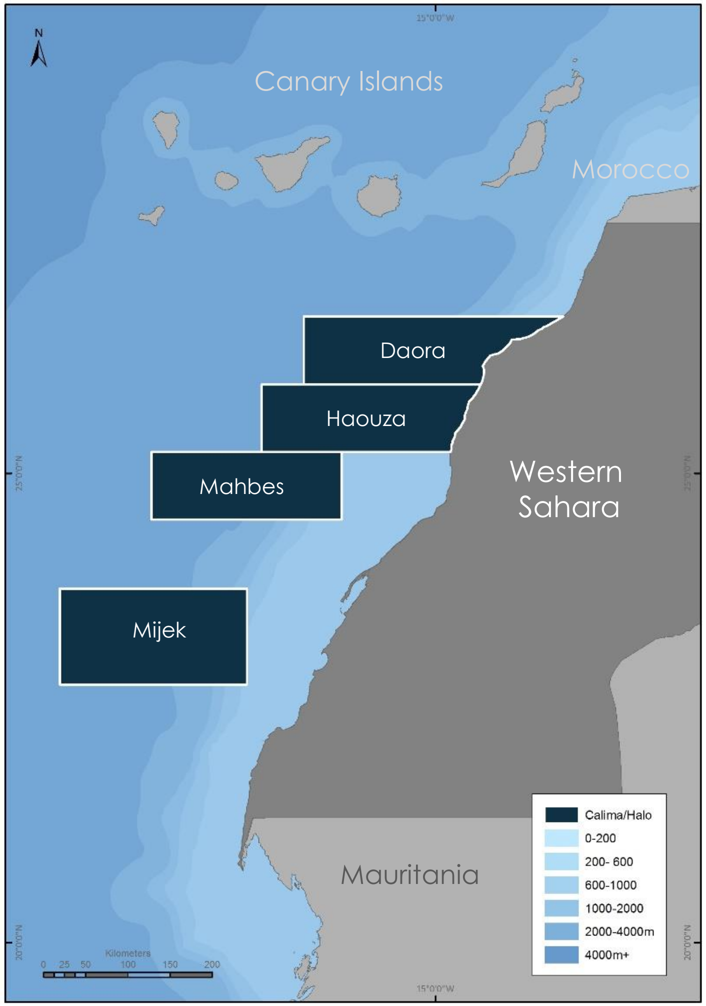
- As part of the transaction announced on May 1st 2017 Calima acquired certain other assets from Havoc Partners LLP.
- Bahari Holding Company Limited (10% shareholding) – Bahari has exploration interests offshore Comoros in East Africa.
- Western Sahara (50% interest in 4 PSCs) – Calima has interests in 4 PSCs subject to resolution of a sovereignty dispute.
- These are passive investments which do not currently require any capital investment from Calima.





For further information regarding either asset please refer to Appendix 2 of the Corporate Presentation dated April 2017 which is available from www.calimaenergy.com

COMOROS – EAST AFRICA

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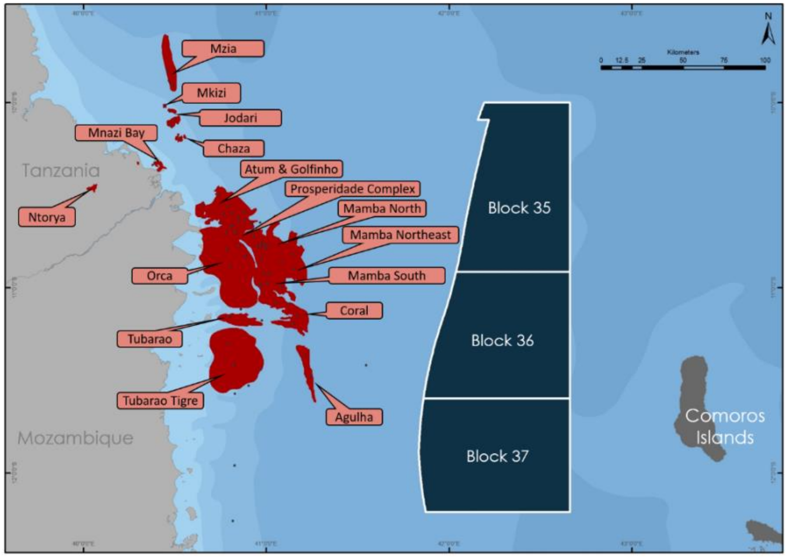
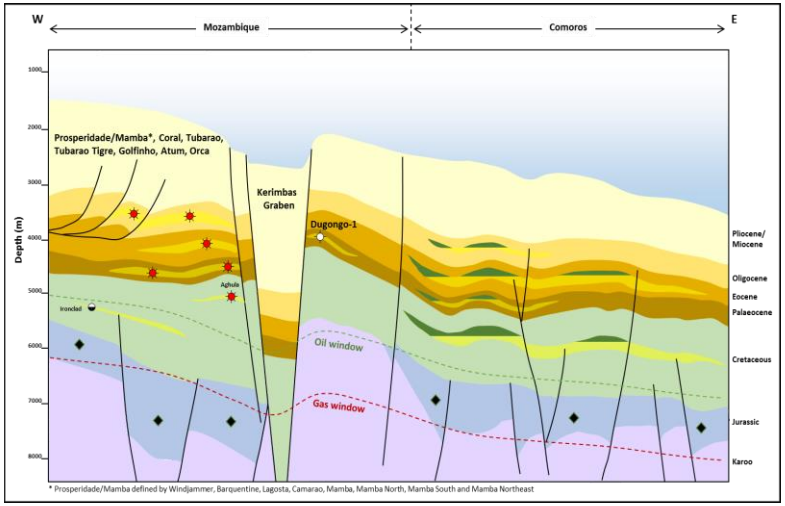
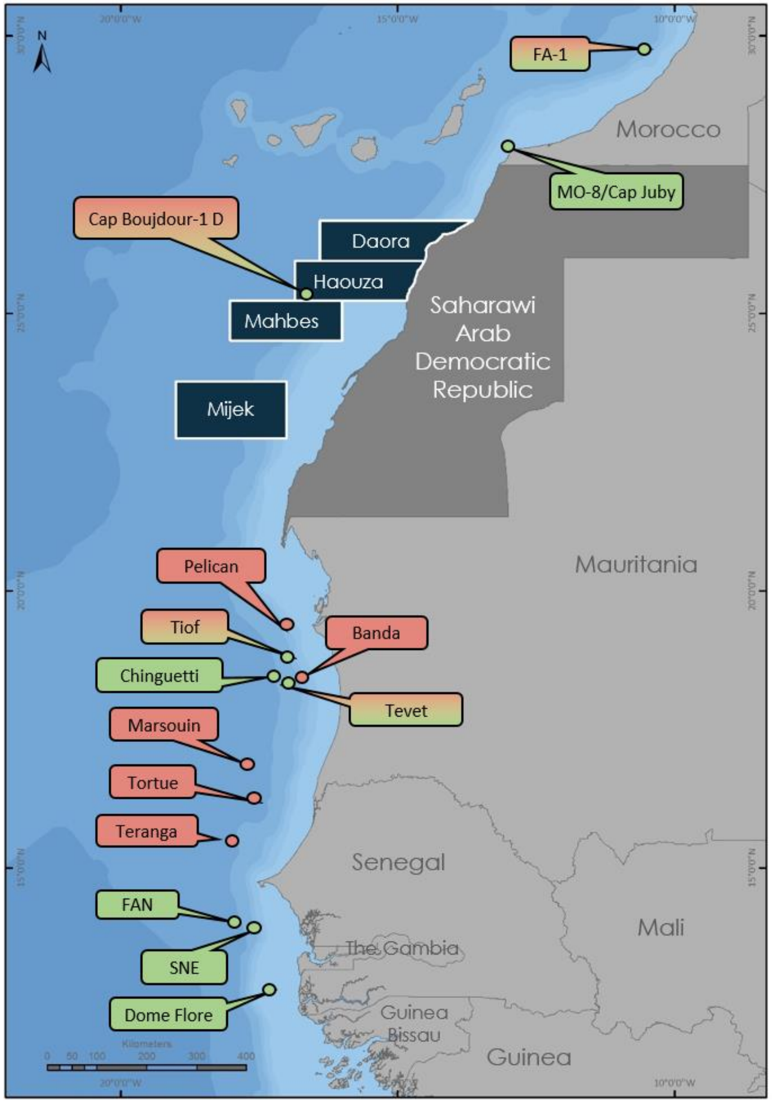




- Calima owns 10% of the issued share capital of Bahari Holding Company Limited (Bahari), a private Guernsey registered company that owns 40% of three production sharing contracts (PSCs) in the offshore territory of the Union of the Comoros.
- The PSCs lie immediately adjacent to the border with Mozambique and a short distance from the giant gas discoveries made by Eni and Anadarko, who have discovered more than 175 Tcf of natural gas.
- Ground breaking research by Bahari has demonstrated that the petroleum system in the Comoros is identical to that in Mozambique, however, the primary source rocks have been less deeply buried and are considered to be prospective for oil rather than gas.
- Tar strandings recovered by Bahari from beaches in the Comoros have been sourced from the same Lower Jurassic oil-prone source rocks that have been proven in Tanzania and elsewhere in East Africa.
- The Calima management team were involved in the first offshore gas discoveries in Tanzania and have extensive experience in East Africa.
- East Africa is probably the largest new offshore hydrocarbon province of the 21st Century.

WESTERN SAHARA – WEST AFRICA

CALIMA ENERGY



- Calima owns 50% of four offshore Production Sharing Contracts (PSCs) awarded by the Saharawi Arab Democratic Republic (SADR), which is more commonly known as Western Sahara.
- The rights to the PSCs are held via Assurance Agreements which convert automatically into PSCs once the UN recognises the SADR as a sovereign state.
- At present a significant part of the SADR, including the offshore, is occupied by Morocco and until such time as there is a resolution to the sovereignty dispute, Calima cannot undertake exploration activity.
- Recent exploration success in Senegal and Mauritania has resulted in increased industry interest in Northwest Africa as evidenced by recent transactions by BP, Woodside and CNOOC, who have all acquired acreage positions.
- The Calima management team were involved in the first offshore oil discoveries in Mauritania and have extensive experience along the Northwest African margin.
- Northwest Africa is probably the second largest new offshore hydrocarbon province of the 21st Century after East Africa.