



July 1, 2019

Corporate Investor Presentation

Calima Energy Limited (ASX:CE1) (“Calima” or the “Company”) is pleased to release a corporate presentation in support of the Placement and Underwritten Rights Issue announced on 1 July.

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

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About Calima Energy

Calima Energy Limited (ASX:CE1) is an international oil and gas company with more than 72,000 acres of drilling rights for the Montney Formation in British Columbia, the most active oil and gas play in Canada. Calima’s neighbours in the Montney include international operators Shell, ConocoPhillips and Petronas Canada, as well as Canadian producers Black Swan Energy, Saguaro Resources and Painted Pony Energy. The region’s liquids-rich hydrocarbon reserves are being targeted for LNG export alongside domestic and international oil market opportunities.

An aerial photograph of a geothermal power plant situated in a snowy, forested landscape. The plant features several large, circular, open-air basins, some of which are emitting steam. To the left of the basins, there is a complex of industrial structures, including pipes, valves, and a crane. The surrounding area is covered in a dense forest of evergreen trees, and the ground is blanketed in snow. The overall scene depicts a large-scale industrial operation in a natural, wooded environment.

CALIMA

ENERGY

INVESTOR PRESENTATION
JUNE 2019

Capital Raising Overview

Capital Raising Details

- A capital raising of approximately \$12.7m (before costs) via a \$4 million placement (**Placement**) and \$8.7 million entitlement offer (**Entitlement Offer**)
- Placement of 222.2 million new ordinary shares, at an offer price of \$0.018 per share to raise \$4 million, issued under the Company's available capacity, pursuant to ASX Listing Rules 7.1 and 7.1A.
- \$8.7 million 1 for 3 non-renounceable, fully underwritten entitlement offer, at an offer price of \$0.018, the same price as the Placement

Offer Pricing

- The Offer Price of A\$0.018/sh represents a:
 - 5.3% discount to the last traded price on Wednesday, 26 June 2019 of \$0.0190;
 - 14.9% discount to the 5 day VWAP as at Wednesday, 26 June 2019 of \$0.0211; and
 - 15.9% discount to the 10 day VWAP as at Wednesday, 26 June 2019 of \$0.0214

Use of Funds

- Funds raised from the capital raising will be applied primarily for general working capital purposes and to support the Company in undertaking the preliminary planning and feasibility work required to bring the Company's existing wells into production through a proposed tie-in pipeline

Director Participation

- All Directors intend to participate fully in the Entitlement Offer
- Whiddon family companies, controlled by Jane Whiddon has agreed to act as a sub-underwriter to the entitlement offer for up to \$0.73 million.

Ranking

- Placement shares will not be entitled to participate in the Entitlement Offer
- Following the Entitlement Offer Record Date, new shares issued under the Placement and Entitlement Offer will rank equally with existing shares

Joint Lead Managers & Underwriters

- Euroz Securities Ltd and Petra Capital Ltd are Joint Lead Managers and Joint Book Runners to the Placement and Joint Underwriters to the Entitlement Offer
- Calima's second largest shareholder, Craig Burton, has agreed to sub-underwrite a total of approximately A\$2.9 million of the Entitlement Offer

Source and Uses

	\$ million
Opening Cash ¹	3.1
Receivables ²	0.9
Namibian Sales Consideration ³	2.8
Payables ⁴	(11.4)
Funds raised from the Placement	4.0
Funds raised from the Entitlement Offer	8.7
Costs of the Issue	(0.8)
Net funds available	7.3
Corporate overhead to 30 June 2020	1.35
Montney Project Costs & Working Capital to 30 June 2020 ⁵	3.65
Testing Program ⁶	2.2
Other project work	0.1
Total	7.3

¹ As at 1 June 2019, unaudited. ² Includes Canadian GST refund of \$930,000. ³ Sale of Namibian interests \$2.8 million. The receipt of proceeds from the sale of the Company's Namibian interests subject to the satisfaction of certain conditions precedent which include customary Government and partner consents.

⁴ Primarily outstanding drilling costs from the 2019 Montney drill campaign and resource work. ⁵ Includes due diligence on infrastructure, pipeline design and survey, core analysis/technical studies, land rental and regulatory costs, negotiation of marketing/sales and access to midstream infrastructure and maintenance of pad facilities. ⁶ Costs for two wells to use remaining permitted flare volume for both wells

If the sale of the Namibian interest does not proceed then the Test Program and activities constituting the Montney Project costs will be scaled back accordingly

Indicative Timetable

Request for Trading Halt and Announcement of Capital Raising	Thursday, 27 June 2019
Placement book opens	Thursday, 27 June 2019
Placement book closes	Friday, 28 June 2019
Appendix 3B and Cleansing Notice lodged with ASX	Monday, 1 July 2019
Offer Document lodged with ASX	Monday, 1 July 2019
Trading halt lifted and return to trading	Monday, 1 July 2019
Entitlement offer record date	Thursday, 4 July 2019
Settlement of new shares issued under the Placement	Thursday, 4 July 2019
Placement allotment date	Friday, 5 July 2019
Dispatch of Offer Document and Application Form and announcement that dispatch completed	Monday, 8 July 2019
Entitlement offer opening date	Monday, 8 July 2019
Entitlement offer closing date	Monday, 22 July 2019
Announcement of completion of Entitlement Offer and shortfall notice	Thursday, 25 July 2019
Expected settlement date for entitlement offer new shares	Friday, 26 July 2019
Expected allotment date for entitlement offer new shares	Monday, 29 July 2019

Calima Energy

Calima Energy (CE1) is an ASX listed oil and gas company with its primary assets in the Montney Formation in British Columbia, Canada.

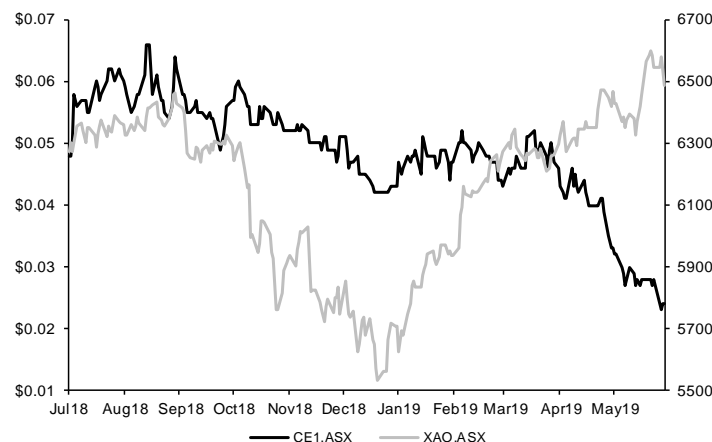
CAPITAL STRUCTURE

• Ordinary Shares	1,450 M
• Perf. Related Securities ⁽¹⁾	68.3 M
• Market Capitalisation ⁽²⁾	\$28 M
• Cash & Securities ⁽³⁾	\$3.1 M

SHAREHOLDERS

• Institutions	21%
• Board/Management/Founders ⁽⁴⁾	20%
• Tribeca Inv. Partners	10%

CE1 – Share price performance – one year



(1) See the latest Appendix 3B announcement 30 April 2019. Includes performance shares, performance rights and options on issue of which Management own 81%

(2) Based on the closing price on 26 June 2019

(3) As at 1 June 2019

(4) Founders includes former major shareholders of TSV Montney Limited and TMK Montney Limited

Board & Management

The Calima Board and Senior Management comprise a highly successful and experienced team with a history of generating shareholder value.

MANAGEMENT

Mike Dobovich
Country Manager (Canada)

Aaron Bauer
Operations Manager (Canada)

Ed Mason
Corporate Advisor

Justin Norris
Montney Sub-Surface Project Leader

Mark Freeman
Business Development

BOARD OF DIRECTORS

Alan Stein
Managing Director

Dr Stein has more than 30 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.

Glenn Whiddon
Chairman

Mr Whiddon has an extensive background in equity capital markets, banking and corporate advisory, with a specific focus on natural resources.. 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. In 2002 Grove's Market capitalisation was less than C\$5 million. In April 2007, Grove was acquired by Stratic Energy Limited, a TSX-listed oil and gas company, for C\$150m.

Jonathan Taylor
Technical Director

Mr Taylor has more than 30 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 Stein, was one of the two founding executive directors of Ophir Energy plc serving initially as its Technical Director.

Neil Hackett
Non-Executive Director

Mr Hackett is currently Non-executive Chairman of Australian Securities Exchange listed entity Ardiden Ltd (ADV), NED of Hastings Technology Metals Ltd (HAS) and previous NED of African Chrome Fields Ltd (ACF), Modun Resources Ltd (MOU) and has held various ASX Company Secretary positions including Sundance Resources, Ampella Mining, and ThinkSmart."

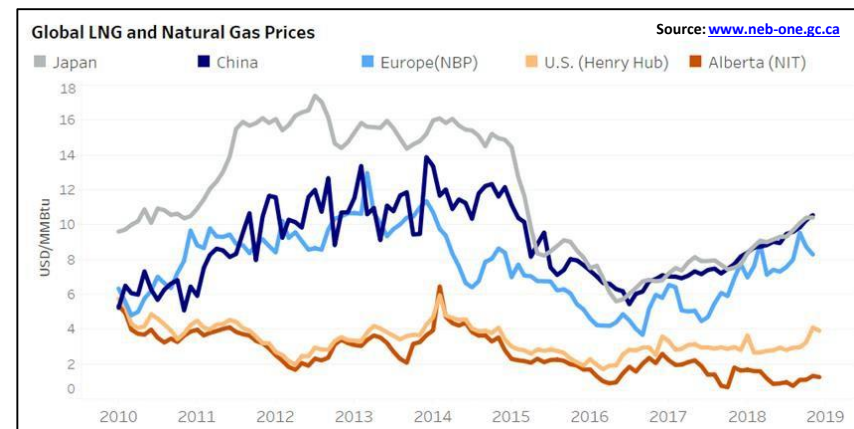
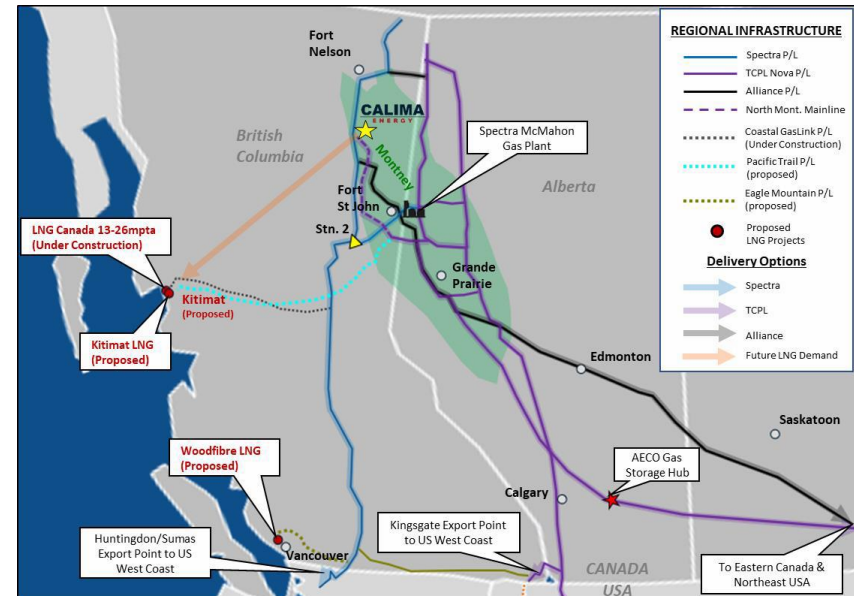
MONTNEY
(100%)

CALIMA
ENERGY



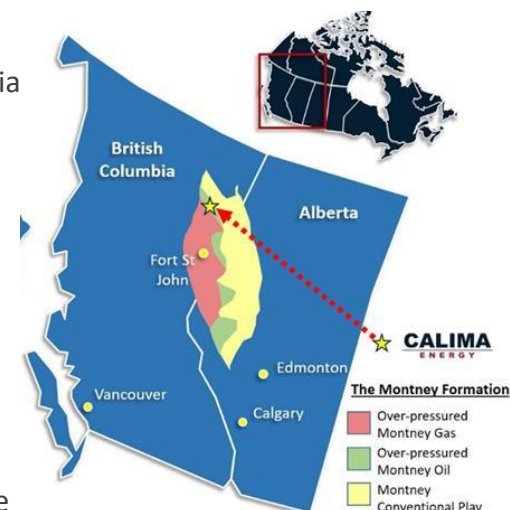
Montney: Demand Increasing

- **LNG:** Five⁽¹⁾ significant LNG projects approved (50-70Mtpa potential)
 - Shell, PETRONAS and partners commenced construction of LNG Canada (at 26Mtpa will consume 3.5bcf/d)
 - Woodside and Chevron increasing Kitimat LNG from 10 to 18Mtpa (will consume 2.4bcf/d)
 - Montney currently produces 8-9bcf/d
- **Cost Advantages:** LNG from Western Canada has a unit cost 50% lower than equivalent Australian projects and will be the lowest cost structure in the world ⁽²⁾
- **Lowest CO₂ Footprint:** CO₂ footprint of LNG Canada will be <50% of the footprint of typical LNG projects. Kitimat LNG targets 10%
- **Additional Demand;** Approval of the Trans Mountain pipeline will create additional demand for gas (fuel) and condensate (diluent), Alberta switching from coal fired generation to a mix of gas and renewables
- **Access to Infrastructure:** Calima can access the NorthRiver (Brookfield) pipeline and processing network which is strategically positioned to support Montney growth and LNG development ⁽³⁾



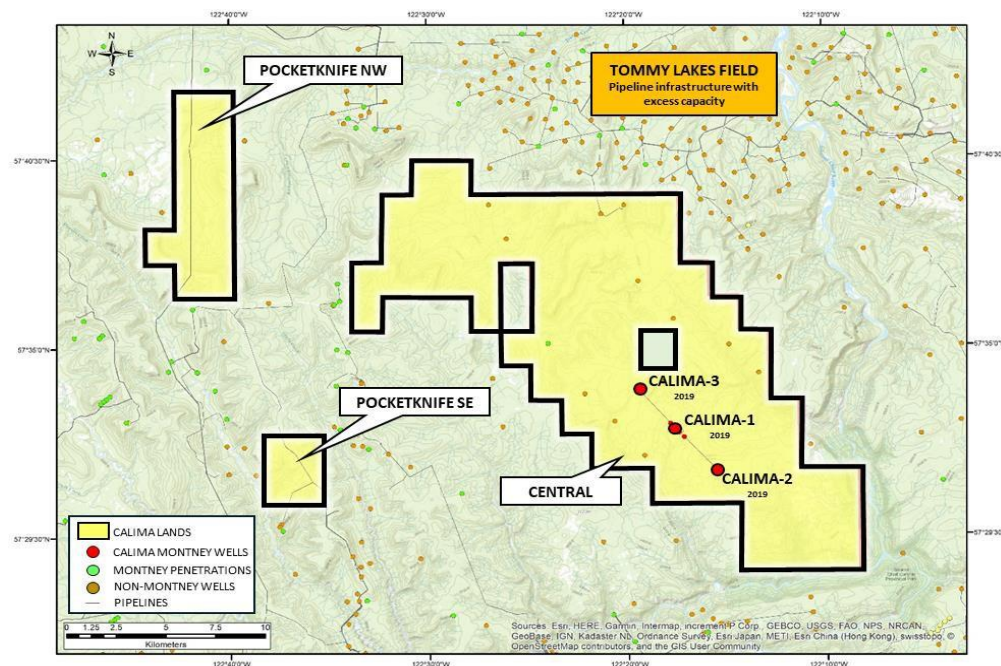
Key Asset - The Montney (100%)

- **Acreage** - CE1 owns and operates 100% interest in 72,000 acres of drilling rights in British Columbia
- **2018 Prospective Resource** - 475mmboe⁽¹⁾ from 400 well locations – upgrade expected July 2019
- **Leases** - Three wells in 2019, allowed CE1 to convert almost 50% of its acreage to 10-year production leases
- **Top Quartile** - Initial results rank in the top quartile of peer group Montney wells (1,640boe/d)
- **Scale** - largest oil and gas play in Canada, ranks alongside the best U.S. unconventional plays
- **Investment** - C\$10bn in new pipelines and upgrades in the basin over next five years
- **LNG** - approval of five significant LNG projects with first production in 2023 (50-70Mtpa)
- **Drilling success** - More than 8,300 Montney wells drilled in B.C. with less than 2% well failure rate



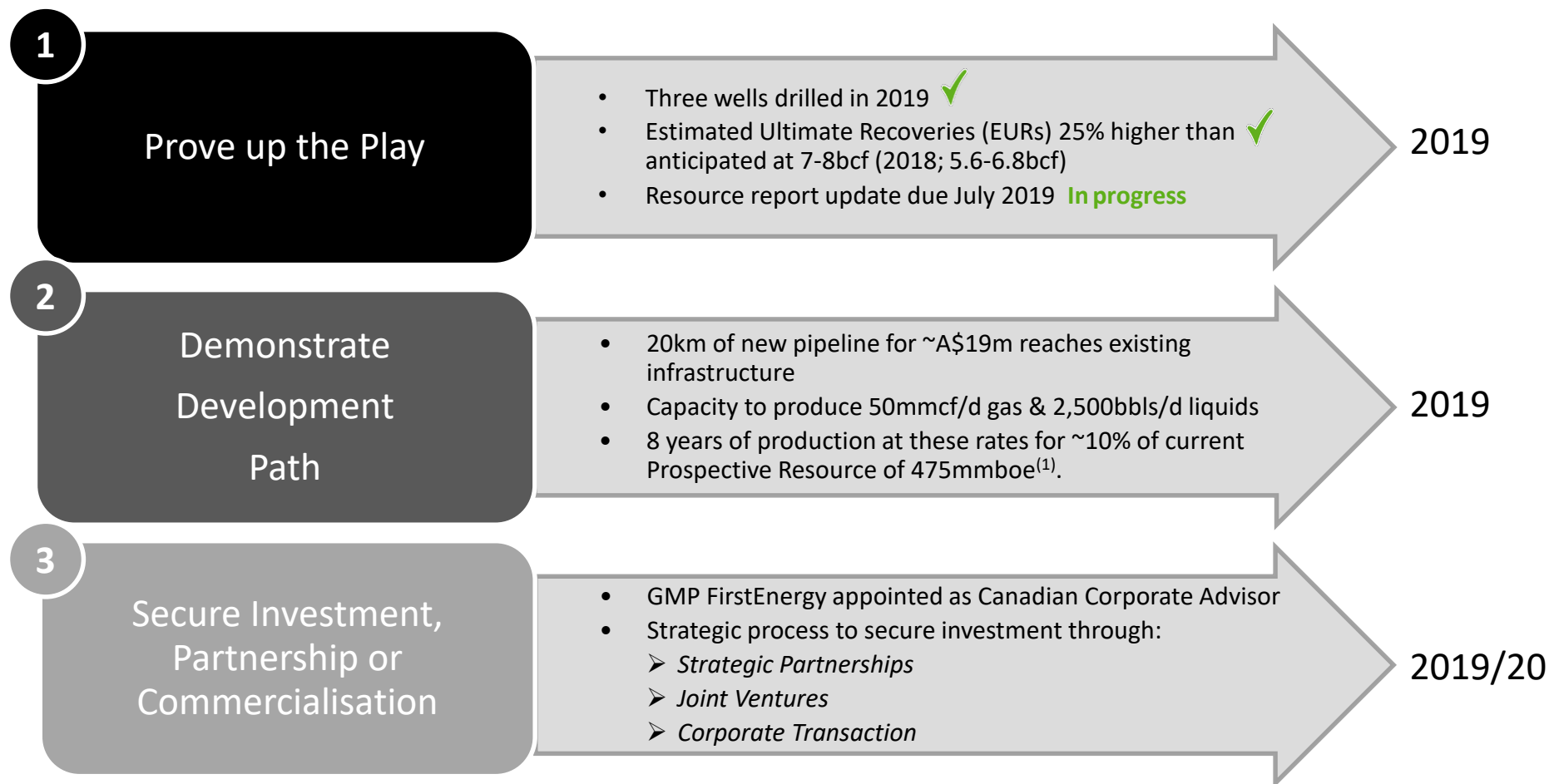
PLAY	AREA (km ²)	GROSS THICKNESS	COST TO ACQUIRE ACREAGE (US\$/acre)
MONTNEY (CAN)	130,000	Up to 300m	\$5,000
BAKKEN (US/CAN)	520,000	Up to 40m	\$12,500
BARNETT (US)	13,000	25-180m	~\$6,000
EAGLE FORD (US)	52,000	15-85m	\$15,000
HAYNESVILLE (US)	24,000	40-110m	\$6,500
MARCELLUS (US)	247,000	25-90m	\$10,000

CE1 - ACREAGE	SECTIONS	AREA (acres)
CENTRAL	88	60,363
POCKETKNIFE NW	13	8,903
POCKETKNIFE SE	4	2,748
TOTAL	105	72,014



(1) Slide 14 and ASX Announcement 14 March 2018

Montney: Strategy to Unlocking Value



(1) Slide 14 and ASX Announcement 14 March 2018

Montney: Stage 1 – Prove up the Play ⁽¹⁾

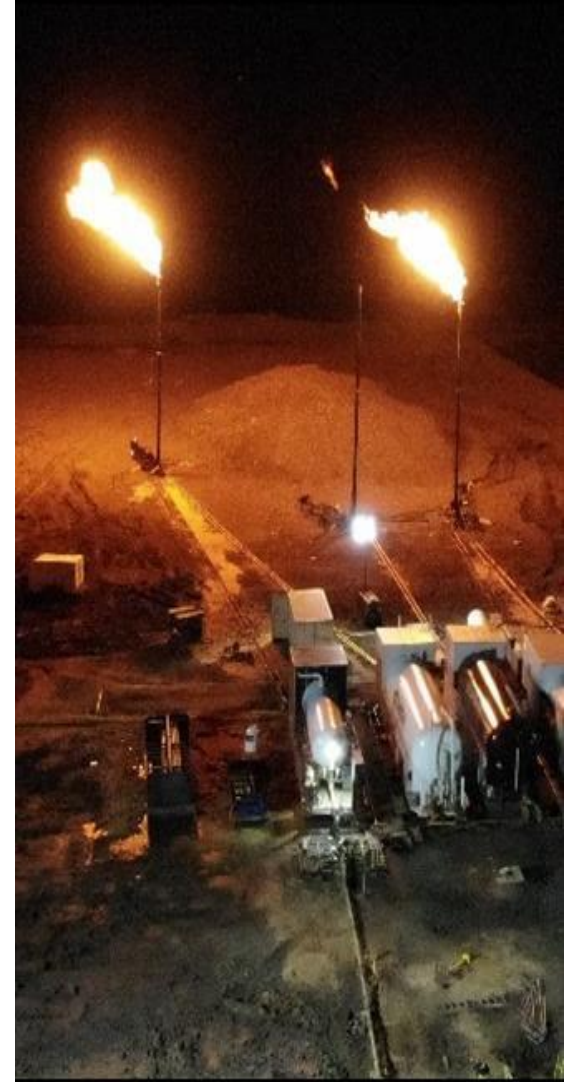
Calima - 1



Calima - 2



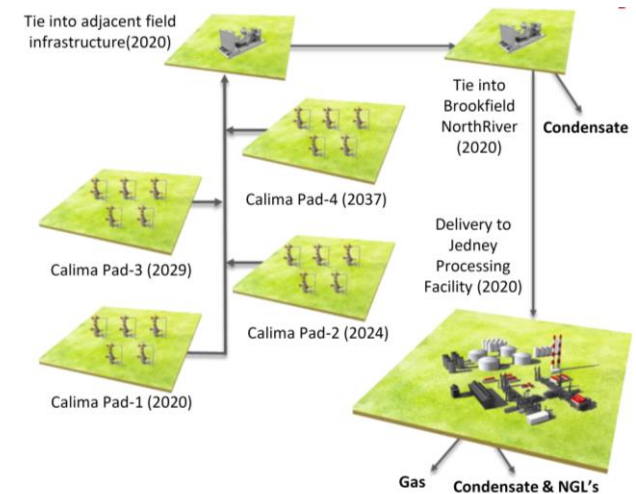
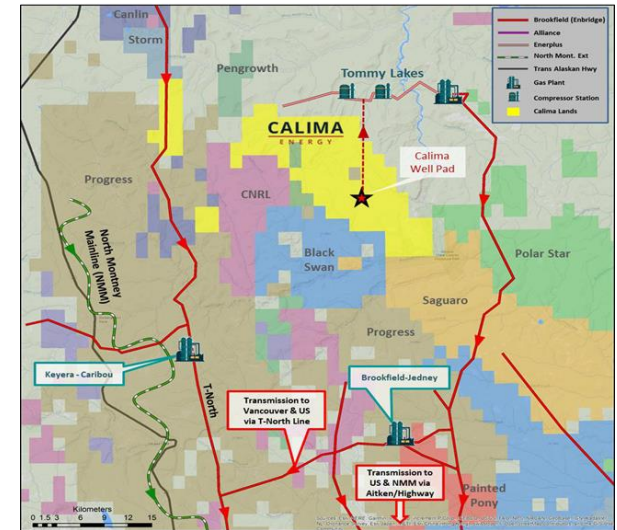
Calima - 2 & 3



(1) Drilling results ASX Announcement - Appendix 1, 30 May 2019

Montney: Stage 2 – Demonstrate Development

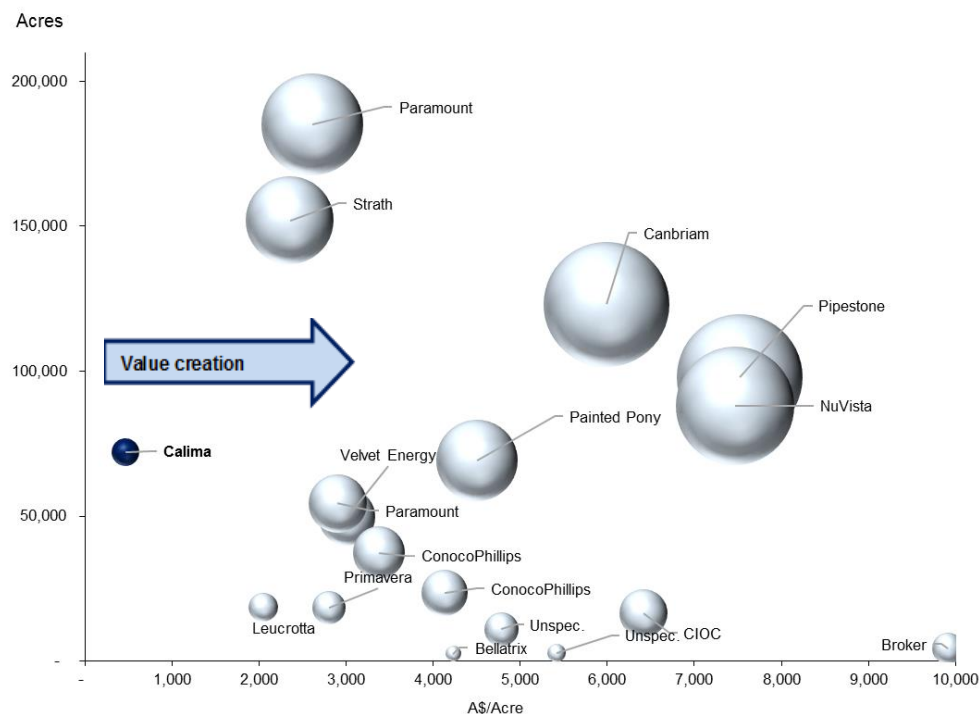
- Existing late-life field infrastructure 20km to the north of the Calima pad has capability to handle up to 50mmcf/d and 2,500bbl/d
- Negotiations re access at an advanced stage
- The field is connected to North River's Jedney processing plant, which offers multiple options to link to the U.S. and to LNG export markets
- Propose to partially debt fund pipeline (A\$19m) via revenue from CE1's existing wells – minimises dilution to shareholders
- Infrastructure re-use creates an export route at significantly reduced cost
- Project appears to be financially robust at current prices
- Field development plan will allow for future reserves booking
- Creates a project which works at current prices with optionality to expand or transact into anticipated increases in future demand driven by LNG, coal substitution and expansion of the Trans-Mountain Pipeline
- A development plan producing 50mmcf/d for eight years would consume only 10% of the total gross resource (475mmboe) based on the 2018 resource estimate ⁽¹⁾
- Significantly enhances the appeal of CE1 to investors, partners and potential acquirers



Montney: Stage 3 – Secure Investment

- GMP FirstEnergy appointed as Canadian Corporate Adviser
- GMP will assist the CE1 in unlocking shareholder value in its Canadian portfolio via:
 - *Strategic Partnerships*
 - *Joint Ventures*
 - *Corporate transactions*
- Transaction activity points to continued demand for liquids rich Montney projects in anticipation of increased demand primarily from LNG
- Proving a path to market with a valid development plan on a project that works at today's pricing will pave the way to creating long-term value for shareholders
- CE1's acreage position is currently valued at A\$450/acre, which is about one-tenth of the average transaction of A\$4,414/acre

M&A Transaction values in the Montney



March 2018	Calima Lands Gross	Calima Lands Net
Natural Gas (tcf)	2.16	1.69
Condensate (mmbbl)	54.20	45.11
Natural Gas Liquids (mmbbl)	60.22	50.01
Total Liquids (mmbbl)⁽³⁾	114.42	95.20
TOTAL (mmboe)⁽⁵⁾	475.79	376.76

(1) ASX Announcement 14 March 2018.

(2) Prepared in accordance with the standards set out in the Canadian Oil and Gas Evaluation Handbook (COGEH) and National Instrument (NI 51-101) and classified in accordance with the Society of Petroleum Engineers Petroleum Resources Management System (SPE-PRMS).

(3) Sum of Condensate and Natural Gas Liquids. Based on public domain data and the results of wells drilled on adjacent land McDaniel estimate that the average condensate to gas ratio for wells in the Calima Lands would be 23 bbl/MMcf (wellhead condensate/gas ratio). Additional liquids would be stripped from the gas upon processing. Natural Gas Liquids here include propane (C3), butane (C4) and condensate (C5+) at ratio of 6:9:10, respectively.

(4) Liquids To Gas Ratio commonly referred to as the Condensate To Gas Ratio (CGR). The sum of all the liquids expected to be recovered per million cubic feet of gas. These liquids are recovered at the wellhead and from further processing and are comprised of condensate (C5+) and other Natural Gas Liquids such as propane (C3) and butane (C4).

(5) Prospective resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. The project maturity sub-class is Prospect which means that the project is regarded as sufficiently well defined to represent a viable drilling target. The prospective resources have also been classified using a deterministic method of petroleum reserves estimation having an evaluation date of 31 December 2017.

Resources Report

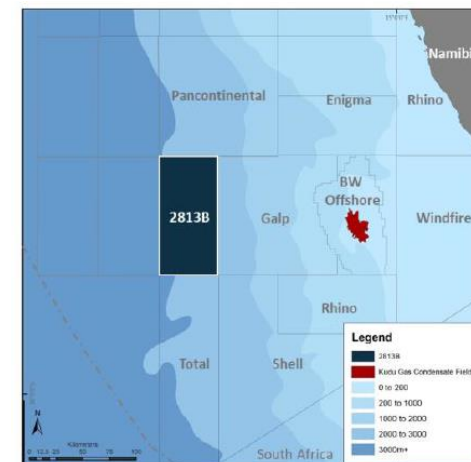
- McDaniel & Associates have been commissioned to update the March 2018 Resources report⁽¹⁾
- New report expected early July
- Drilling results suggest there will be a significant uplift
- **Estimated Ultimate Recovery (EUR)** – Expecting an increase closer to the 7-8bcf per well (2018; 5.6-6.8bcf)
- **Liquids To Gas Ratio⁽⁴⁾ (CGR)** – Confirm 2018 expectation of c.50bbl/mmcf
- **Well Locations – 2018 report** considered only 400 well locations in the upper and middle targets. Update report could consider additional locations based on analyses of core data over the lower target
- **Well Spacing** – Higher than expected hydrocarbon saturations and porosities may justify tighter well-spacing of 300-350m (2018; 400m)
- **Category** – Significant proportion of the Prospective Resources may be converted to the Contingent category and, upon completion of commercial arrangements, some of the Contingent Resources will be converted to Reserves

Other Assets

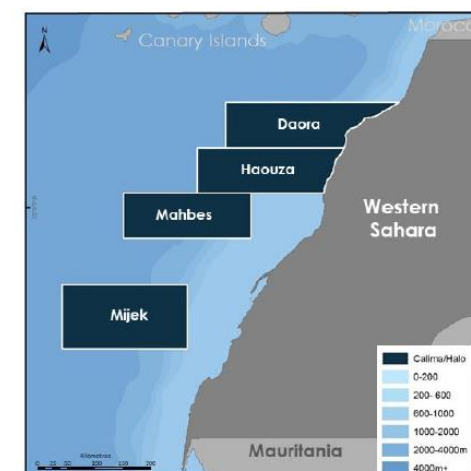
Three non-core investments:

- **Namibia** - 56% interest in PEL 90 (Block 2813B), offshore Namibia. CE1 recently announced the sale of PEL 90 for US\$2.0m (~A\$2.9m) plus success bonuses to Tullow
 - Success bonuses totalling US\$10.0m allow Calima to retain upside in the Namibia project
 - Completion subject to the satisfaction of certain conditions precedent which include customary Government and partner consents
- **Western Sahara** - 50% interest in four offshore PSCs awarded by the Saharawi Arab Democratic Republic (SADR), subject to resolution of a sovereignty dispute
- **Discover** - 0.425% shareholding in Discover Exploration Limited ⁽¹⁾
 - Discover is a private equity backed E&P company financed by Carlyle International Energy Partners, a \$2.5bn fund associated with the Carlyle Group
 - Discovery holds a diverse and substantial portfolio of quality hydrocarbon acreage around the world

Namibia (56%)



Western Sahara (50%)



(1) Interest acquired as a consequence of the sale of Bahari Holding Company to Discover Exploration Limited. ASX Announcement, 3 December 2018.

ROADMAP FOR OUR BUSINESS

STICKING TO
THE PLAN

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ASX:CE1



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CalimaEnergy



calimaenergy

1

2

3

Conclusion

Create

- Built a 72,000 acre Montney land position in B.C.
- Drilling programme met or exceeded expectation and will result in an updated Reserve report July 2019

Build

- The building blocks for a 10,000boepd development plan can be put in place with limited additional investment utilising existing wells and a debt facility

Realise

- Implementing a structured process to evaluate and progress investment interest and/or partnerships to create a pathway to shareholder value

APPENDIX

CALIMA
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Disclaimer

This presentation has been prepared by Calima Energy Limited (Company), based on information available as at the date of this presentation. The information in this presentation is provided in summary form and does not contain all information necessary to make an investment decision.

The purpose of this presentation is to provide general information about the Company. It is not recommended that any person makes any investment decision in relation to the Company based solely on this presentation. This presentation does not necessarily contain all information which may be material to the making of a decision in relation to the Company. Any investor should make its own independent assessment and determination as to the Company's prospects prior to making any investment decision, and should not rely on the information in this presentation for that purpose.

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The petroleum resources information in presentation 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, and was subsequently reviewed by Mr Mark Sofield, a consultant to the Company. Mr Sofield holds a BSc. Geology (Hons), is a Geologist with more than 20 years of experience in petroleum geology, geophysics, prospect generation and evaluations, prospect and project level resource and risk estimation and is a member of the American Association of Petroleum Geologists. Mr Sofield has consented to the inclusion of the petroleum resources information in this announcement in the form and context in which it appears.

Prospective resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. The prospective resources have also been classified using a deterministic method of petroleum reserves estimation having an evaluation date of 31 December 2017.

Print date 25-06-19

Canadian LNG Projects Summary⁽¹⁾

LNG Project	Location	Owners	Proposed Start	Nameplate Capacity (Mtpa)	Facility Cost (C\$/Bn)	Cost / Mtpa (C\$/Tonne)	NEB Export License	Environmental Assessment Approval
West Coast Canada								
LNG Canada	Kitimat, BC	Shell, PETRONAS, PetroChina, KOGAS, Mitsubishi	2023	26	\$40.0	\$1,538	✔	✔
Woodfibre LNG	Squamish, BC	Woodfibre LNG Ltd.	2020+	2.1	\$1.6	\$762	✔	✔
Kitimat LNG	Kitimat, BC	Chevron, Woodside	2025+	10	\$15.0	\$1,500	✔	✔
Steelhead LNG	Sarita Bay, BC	Steelhead LNG/Huu-ay-aht First Nation	TBD	24	\$30.0	\$1,250	✔	✘
Cedar LNG	Kitimat, BC	Cedar 1 LNG Export Ltd.	TBD	6.4	n/a	n/a	✘	✘
Orca LNG	Prince Rupert, BC	Orca LNG Ltd.	TBD	24	n/a	n/a	✔	✘
New Times Energy	Prince Rupert, BC	New Times Energy Ltd.	TBD	12	n/a	n/a	✔	✘
Stewart LNG	Stewart, BC	Canada Stewart Energy	TBD	30	n/a	n/a	✔	✘
WesPac LNG	Delta, BC	WesPac Midstream Vancouver LLC	TBD	3	n/a	n/a	✔	✘
East Coast Canada				145.5mtpa (19bcf/d)				
Pieridae Energy LNG	Goldboro, NS	Pieridae Energy	2023	10.5	\$10.7	\$1,016	✔	✔
Bear Head	Point Tupper, NS	LNG Ltd.	2025+	12	\$10.7	\$889	✔	✔
AC LNG	Middle Melford, NS	H-Energy	2023	13.5	n/a	n/a	✔	✘
Energie Saguenay	Port Saguenay, QC	GNL Quebec	2025	11	\$8.5	\$770	✔	✘
Stolt LNGaz	Becancour, QC	Stolt-Neilsen Gas/Sun LNG/LNGaz	TBD	0.5	\$0.6	\$1,200	✔	✘
				37.5mtpa (4.9bcf/d)				

When Shell and partners announced an FID for their LNG Canada project in October 2018, it was the first greenfield liquefaction project to be sanctioned in more than three years. With just eight global LNG projects sanctioned in the last three years, booming demand projections have set the stage for a second wave of new project announcements that could see as many as 14 projects sanctioned in North America alone by the end of 2019. The U.S. holds the majority of these projects, with our neighbour to the south on track to become the second largest exporter of natural gas globally by 2025 at close to 26bcf/d, more than doubling current capacity.



Source: **HAYWOOD** *The Next LNG Wave is Here; This Time There are Canadian Players Ready to Catch it. April 2019.*

⁽¹⁾ Since publication of this table; Shell and their partners in the LNG Canada project have commenced construction, Chevron and Woodside have applied for export approval to lift the capacity of their facility to 18Mtpa and Woodfibre LNG have secured their gas supply from the Montney via the acquisition of Canbriam Energy Inc.