



Liquids Rich Montney Play – British Columbia, Canada

Investor Presentation

December, 2017

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Print date 07/12/17

CALIMA

ENERGY

ASX Code	CE1
Ordinary Shares	490.5 M
Management Perf. Equity ⁽¹⁾	55.5 M
Market Capitalisation ⁽²⁾	\$27.0 M
Cash & Securities (no debt) ⁽³⁾	\$3.0 M
Enterprise Value (EV)	\$24.0 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 November 27 2017

(3) Estimated cash balance at November 1 2017

CALIMA

ENERGY

**TEAM – HAS BUILT SUCCESSFUL
COMPANIES TOGETHER ⁽¹⁾**

**MONTNEY - A PREMIER NORTH AMERICAN
LIQUIDS RICH ENERGY PLAY**

**MONTNEY – \$5Bn INVESTMENT THIS YEAR
WITH AN ACTIVE M&A MARKET**

**CALIMA –ACQUIRED HIGH QUALITY
ACREAGE AT LOW COST**

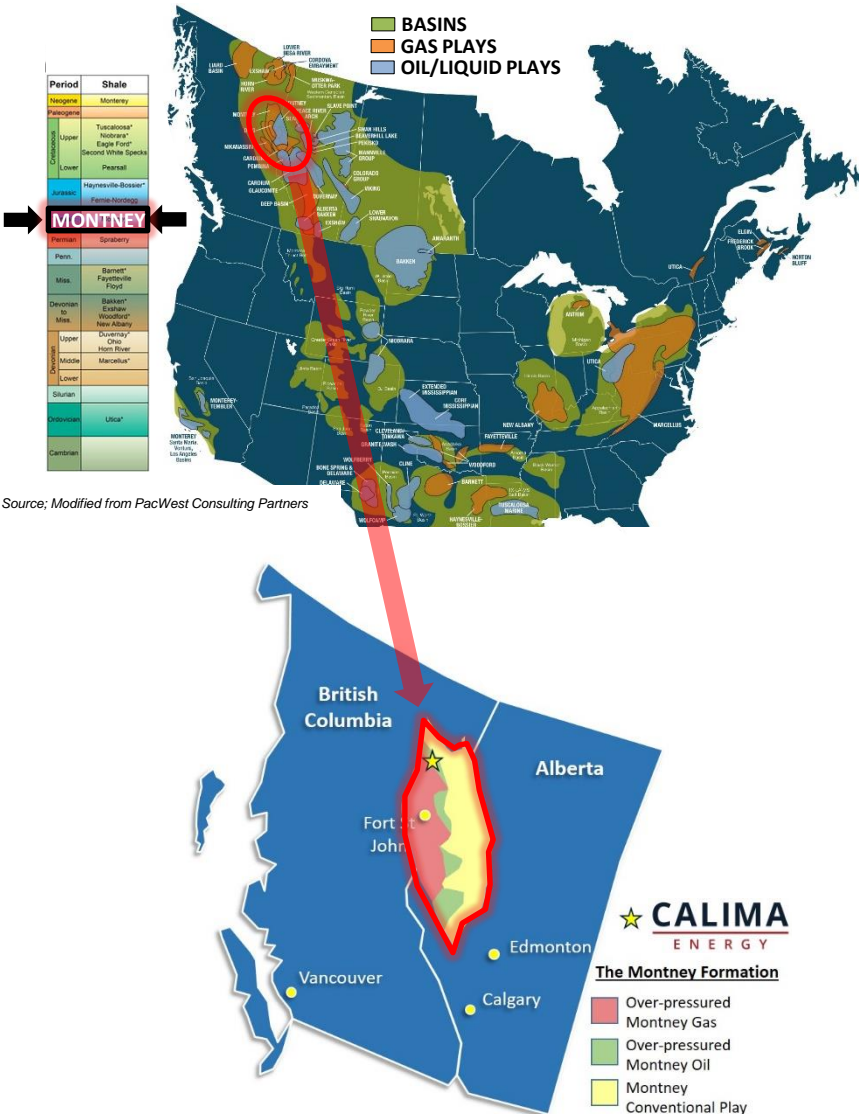
STRATEGY – BUY, DEVELOP, MONETISE

**MANAGEMENT - ALIGNED & MOTIVATED
>20% OWNERSHIP**

VALUE - ARBITRAGE VS. MONTNEY PEERS

(1) Appendix 1

THE MONTNEY PLAY



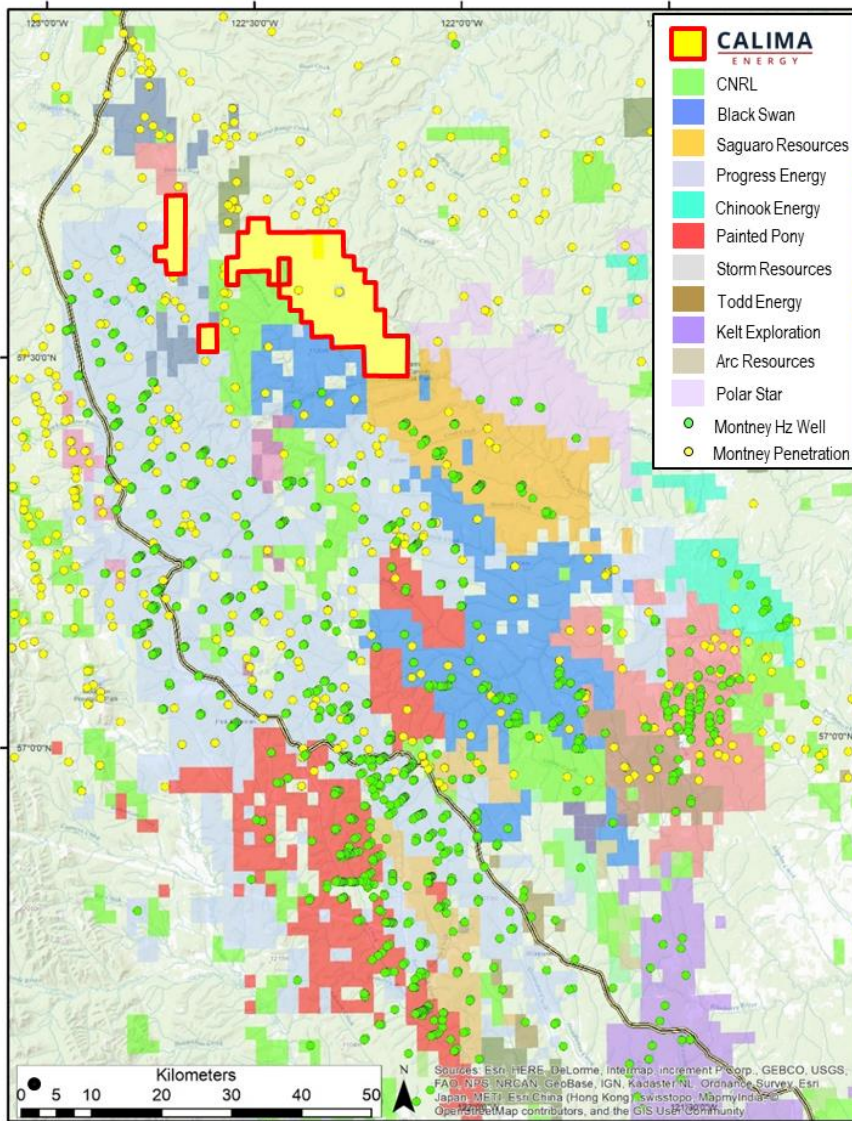
Source: Modified from PacWest Consulting Partners

- Covers an extensive area (130,000 km²) 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 this year rising to C\$7.5 Bn by 2022⁽²⁾.
- Current production is 6.3 bcfd (including 247,000 bbl/d condensate and other liquids) which is predicted to more than double by 2022⁽²⁾.
- Siltstone play delivering better productivity than shale plays.
- Ideal rock properties for fracture stimulation resulting in enhanced productivity.
- Thicker (200-300m) than most other unconventional plays allowing for multi-layer completions from one surface location.
- 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



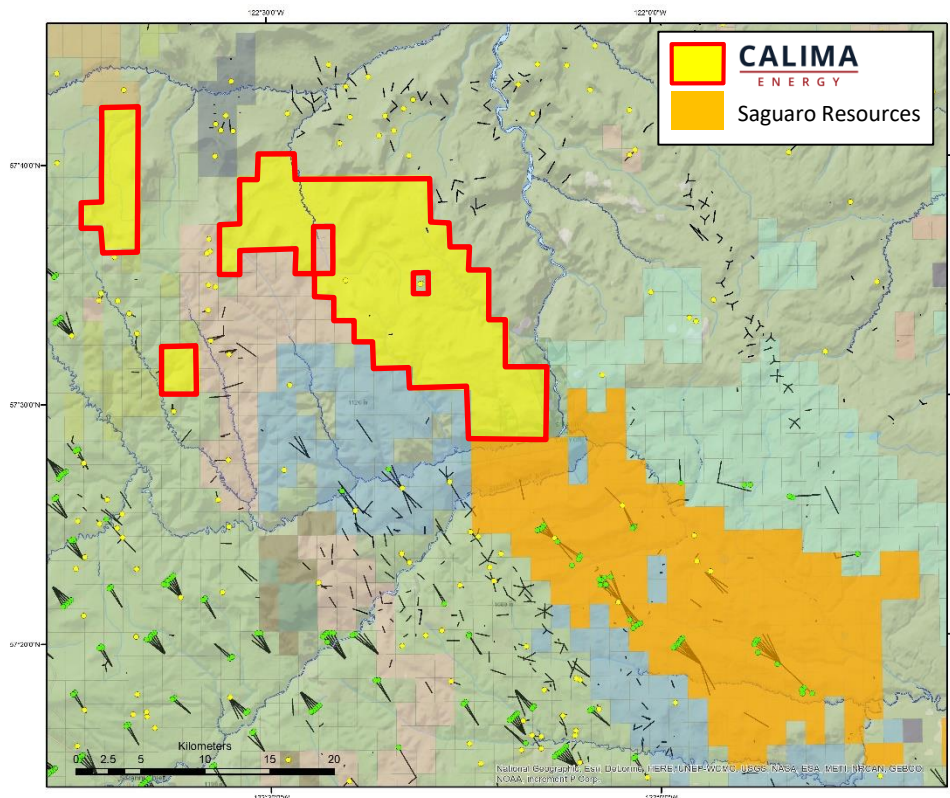
- Calima owns 57%⁽¹⁾ of an acreage position referred to as the Calima Lands, located in a liquids-rich window of the Montney play in British Columbia.
- The Calima Lands comprise almost 70,000 acres of drilling rights (c. 40,000 net to Calima)
- Proprietary mapping⁽²⁾ suggests that the Calima Lands will be rich in condensate.
- Land position built at low cost ahead of industry activity.
- Saguaro Resources, immediately to the south, is one of the fastest growing companies in the region.
 - Good analogue for the Calima Lands.
 - 50% of revenue from condensate.
- Condensate in BC sells at a premium to WTI.
- Calima proposes to drill three wells in the winter of 2018/19.
- Strategy is to buy (2014-17), develop (2018-19) and monetise (2019-20).
- Next significant value catalyst is a resource statement in February 2018.

For map location see Slide 4

(1) Calima has the right to earn a 55% interest in the Calima Lands through a farm-in agreement (Appendix 2). Calima has an 11% shareholding in TMK Montney Ltd which, when fully diluted, will own 18% of the Calima Lands.

(2) Investor Webinar Presentation, Slides 8-11, Calima Energy, October 24, 2017, www.calimaenergy.com

SAGUARO RESOURCES (1,2) – OFFSET ACTIVITY & ANALOGUE



- Saguario Resources has drilling and production rights covering 110,000 acres immediately to the southeast and along geological trend from the Calima Lands.
- Funded via C\$444mm equity investment supplemented by C\$190mm of debt.
- More than C\$500mm invested drilling 50 wells and building facilities.
- Year end >16,000 Boepd predicted.
- Planning to drill 36 wells in 2018 to reach 25,000 Boepd.
- Liquids rich yield of 52 bbls/mmcft of which c. 70% is condensate.
- Liquids account for 60% of revenue (50% from condensate).
- Q3 17 netback \$11.83 per Boe.
- Estimated Ultimate Recoveries (EUR) per well trending towards 8 Bcf which delivers a single well IRR of >80%.

Reserves Evaluation ⁽³⁾ Net, NBR	Year End 2016		
	Total mboe	NPV 10% Before Taxes \$000	Montney Locations ⁽⁴⁾
Proved Developed Producing (PDP)	24,509	\$276,141	43
Total Proved (1P)	140,723	\$1,128,815	169
Total Proved + Probable (2P)	400,378	\$2,968,252	353

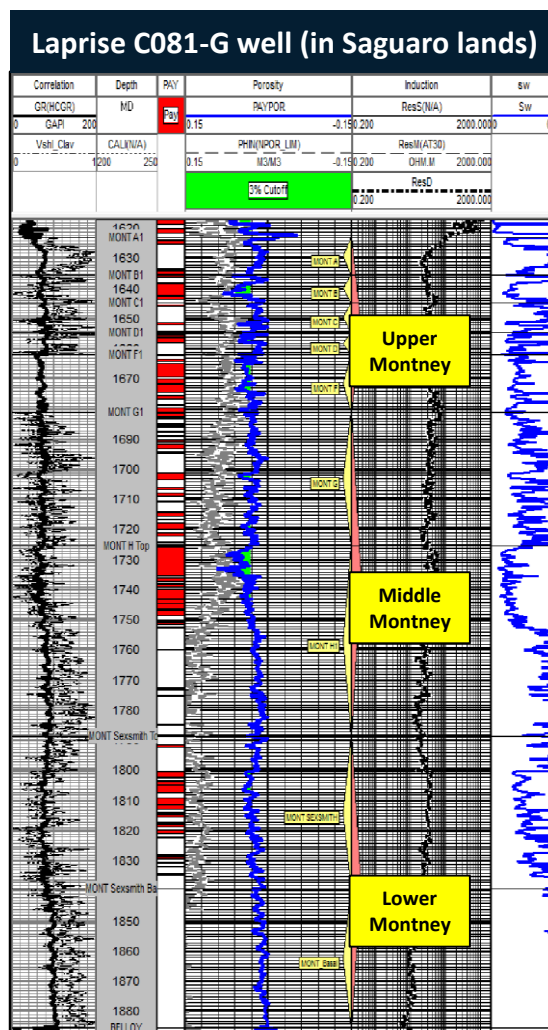
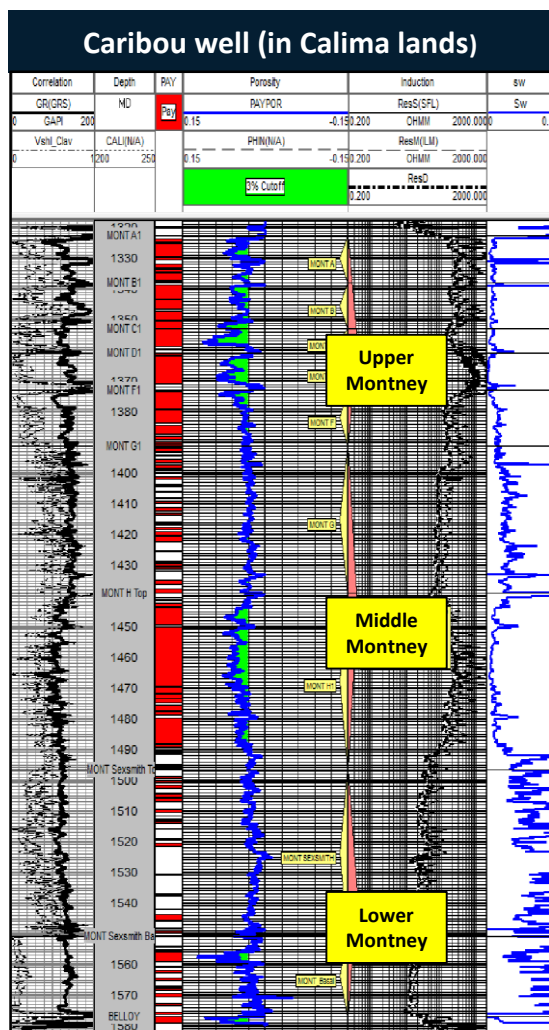
(1) Saguario Resources, Corporate Presentation, November 2017.
www.saguaroresources.com

(2) An Emerging NEBC Montney Player; Introducing Saguario Resources & Laprise, Cormark Securities Inc., Research Note, July 13, 2017

(3) Saguario reserves from November 2017 Corporate Presentation

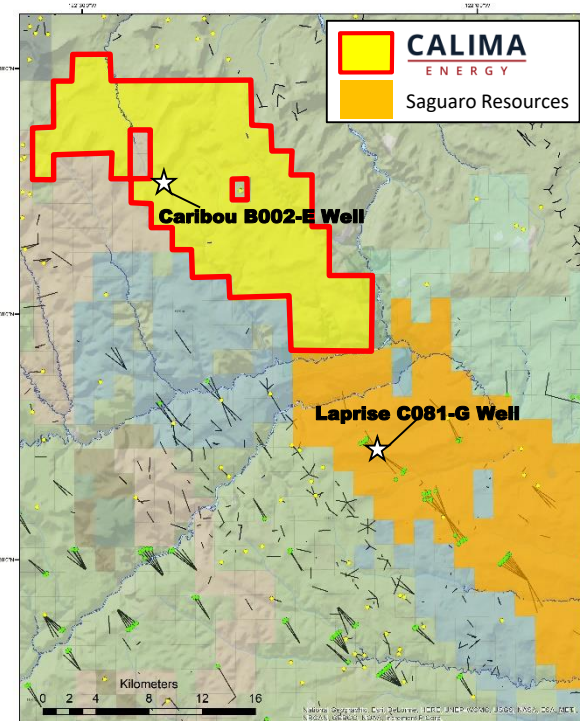
(4) Montney locations refers to the number of wells used in the reserves estimate

INDEPENDENT VALIDATION OF SAGUARO AS AN ANALOGUE - 1



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 similar performance to those drilled by Saguaro.



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)

INDEPENDENT VALIDATION OF SAGUARO AS AN ANALOGUE - 2

Upper Montney

Reservoir	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

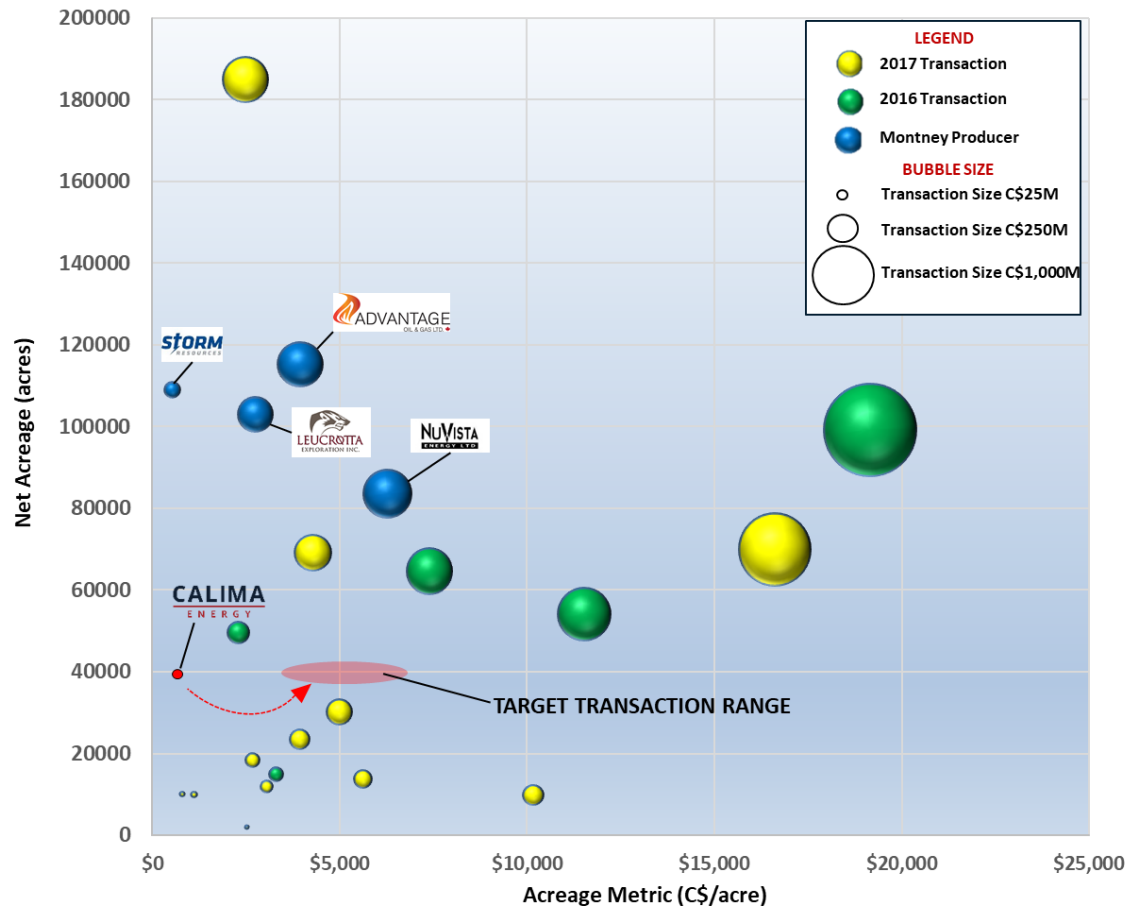
Well ID	Top (m)	Pay (m)	Porosity (%)	Water Saturation (%)	Gradient (kPa/metre)	Temperature (Celsius)	Pressure (kPa)	Compressibility (Z-factor)	Illustrative Gas in Place (Bcf/sq mile)
Calima B002-E	1496.5	21.2	4.3	26	11.5	48	17,209	0.780	12.0
Saguaro C081-G	1788.4	16.1	3.5	23	13	57	23,249	0.830	9.5

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)

DEVELOPED MONTNEY LAND VALUATIONS



- Once Calima has invested C\$25 m to earn it's 55% interest in the Calima Lands investment will be c. C\$630/acre.
- Recent Montney transaction metrics for developed land imply a weighted average land value of C\$3,700/acre⁽¹⁾.
- Saguaro's recent performance puts it in the upper tier of all Montney producers and plays in the basin ⁽²⁾.
- According to McDaniel & Associates the Calima Lands compare favourably to the land being developed by Saguaro.
- Total Montney investment in 2017 was more than \$5Bn
- There is an active A&D market with the industry willing to pay a premium for liquids rich sweet spots
- Calima's objective is to move to the right towards the upper end of the transaction range implied by average market metrics.

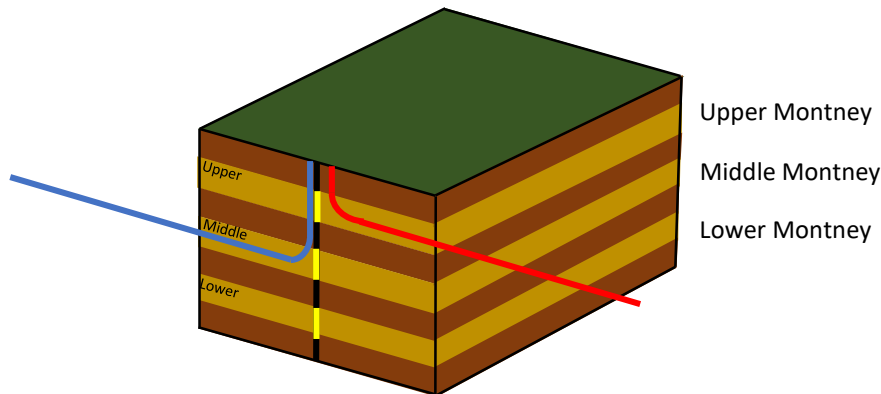
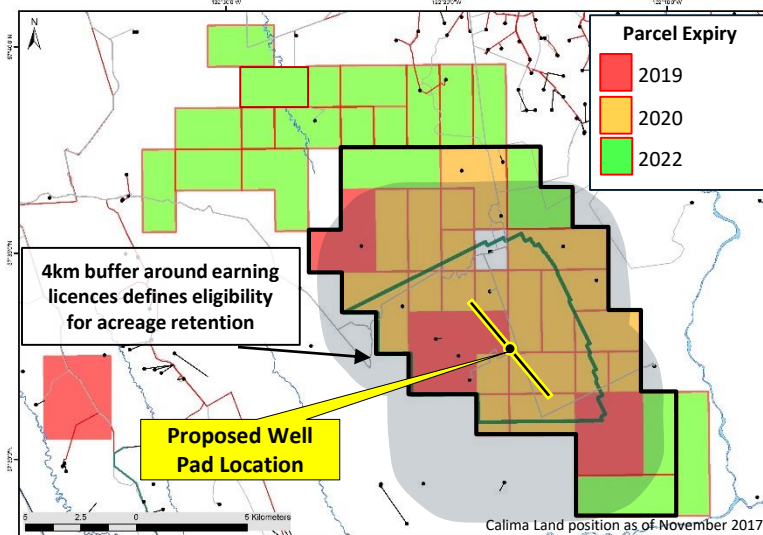
The Montney transaction valuations in green and yellow are derived from various sources of published transaction data.

To determine the implied acreage value of the producers in blue the EV of each company was adjusted for the value of production with the residual applied to the Montney land base to derive the value in terms of C\$/acre. Source – RBC Capital Markets, The Montney – Setting the Pace, October 30, 2017.

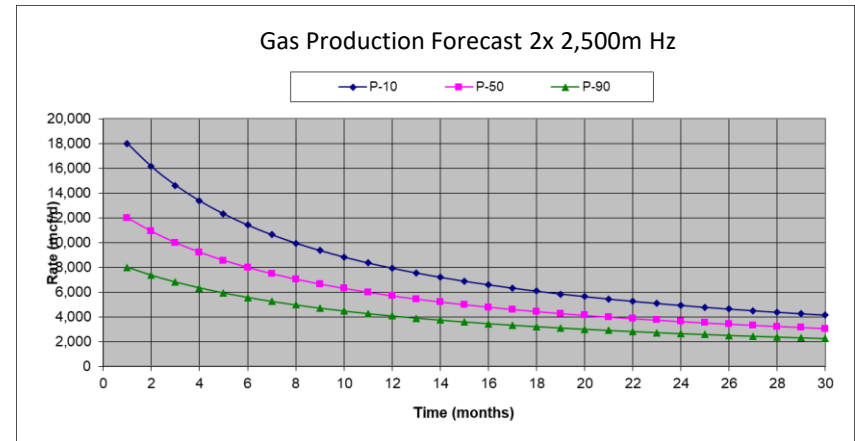
(1) Investor Webinar Presentation, Slides 8-11, Calima Energy, October 24, 2017, www.calimaenergy.com

(2) An Emerging NEBC Montney Player; Introducing Saguaro Resources & Laprise, Cormark Securities Inc., Research Note, July 13,

DRILLING PLANS



- It is proposed to drill a vertical pilot hole and then two wells with up to 2,500m of horizontal section into the Upper and Middle Montney.
- Seasonal road access restricts drilling to the winter of 18/19.
- The wells can be put on short term test without any export infrastructure **OR** options to facilitate early production via a pipeline are also being considered.
- A longer term test has the potential to add significant value
- The pipeline investment could be recovered in 6-12 months⁽¹⁾.

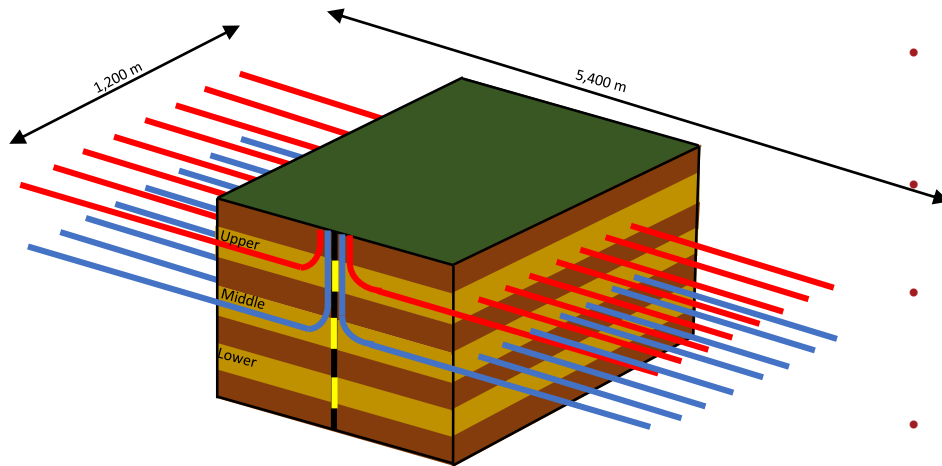
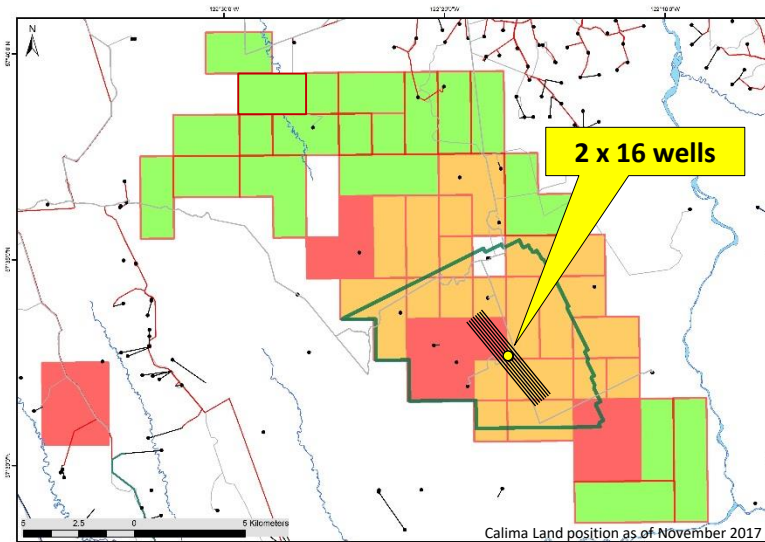


P10 – Saguro 8 Bcf type curve x 2, P50 – Saguro 6 Bcf type curve x 2, P90 – Arbitrary curve

Saguro's type curve performance has increased from 6-7 bcf with 2,000 m horizontal sections to 7-8 Bcf with 2,500 m horizontal sections. Calima is proposing to drill 2,500 m horizontal sections.

(1) Assuming AECO C\$2.50 mmbtu and NGL's C\$45 bbl.

32 WELL PAD UPPER & MIDDLE MONTNEY ONLY



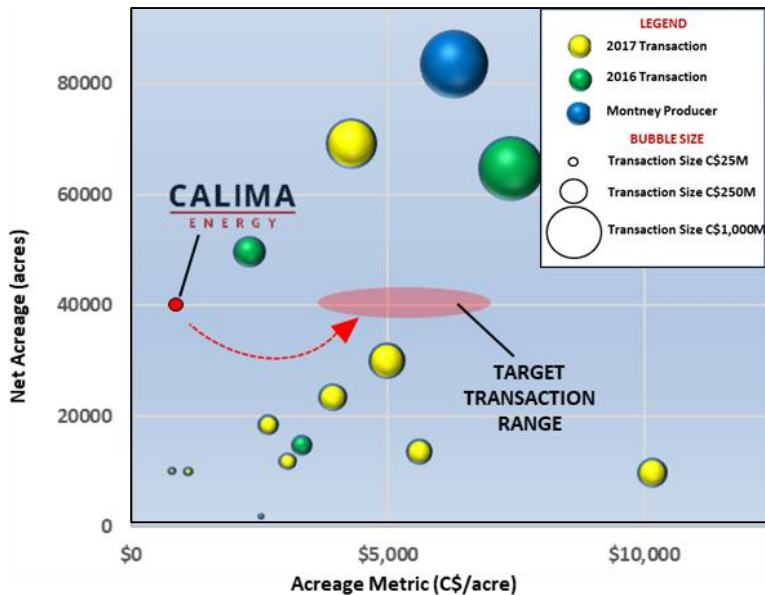
- Using a typical well spacing of 100-150m it is possible to drill up 16 wells into each of the productive Montney sequences from one pad.
- Assuming that only the Upper and Middle Montney are developed there could therefore be 32 wells drilled from each pad (leaves Lower Montney as upside).
- Each pad would drain less than 2,000 acres or less than 3% of the Calima lands which comprises 70,000 acres of drilling rights.
- Immediately to the south, Saguaro Resources estimates a full field development programme would require 1,200 wells to develop 80% of its 110,000 acre landholding ⁽¹⁾.
- The Saguaro full field development requires an investment of C\$7.45 Bn and delivers a pre-tax IRR of 34%.
- Saguaro reports that the **NPV 10** would be **C\$3.1 Bn** and peak production would be 800 MMcfd and 170,000 bbld of natural gas liquids⁽¹⁾.
- Saguaro's modelling is based on a 7Bcf type curve.
- ***Drill wells to demonstrate that the Calima Lands can sustain a development similar to that being successfully undertaken by Saguaro.***
- ***After drilling seek an opportunity to sell or otherwise transact to create value for shareholders.***

(1) Saguaro Resource, Corporate Presentation, November 2017, www.saguaroresources.com

CALIMA

ENERGY

- Experienced management team aligned with shareholders
- A buy, develop and monetise strategy in one of the most attractive resource plays in North America
- Independent geologist's report verifies prospectivity



- Low technical risk with excellent upside
- In a stable jurisdiction where deals are done and capital available
- Significant potential for valuation arbitrage
- Move Calima to the right.

CALIMA

ENERGY

**Contact us:**

Calima Energy Limited

1A /1 Alvan Street, Subiaco WA 6008, Australia

Tel: +61 8 6500 3270

Fax: +61 8 6500 3275

info@calimaenergy.com

www.calimaenergy.com

ASX:CE1



<https://twitter.com/CalimaEnergy>



<http://linkedin.com/company/calima-energy.com>

APPENDIX 1 - 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.

APPENDIX 1- HAVOC PARTNERS

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



UK AIM listed

Mauritania; Chinguetti, Banda and Tevet.



UK LSE listed

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

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

APPENDIX 2 – CALIMA LANDS FARMIN

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\$4.0 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%.
- Full details available via the prospectus published on July 1 2017