

CALIMA ENERGY LIMITED

IMPORTANT INFORMATION ABOUT VOTING AND ATTENDANCE AT ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting will be held at 10.00am (WST) on Friday, 29 May 2020 at Unit 1A, 1 Alvan Street, Subiaco, Western Australia. However, to minimise health risks created by the COVID-19 pandemic, and in light of the Australian Government's ban on non-essential public gatherings of more than 2 people, Calima is not able to allow shareholders to physically attend the AGM.

All resolutions at the AGM will be decided based on proxy votes which must be received by Calima's share registry by 10.00am (WST) on Wednesday, 27 May 2020.

Although Shareholders cannot attend the AGM in person, Calima strongly encourages Shareholders to participate in the AGM by:

1. Lodging a proxy form appointing the Chair as their proxy. Shareholders can complete the proxy form to provide specific instructions on how their vote is to be exercised on each item of business, and the Chair must follow these instructions. Shareholders who choose to lodge a proxy form should follow instructions on their personalised proxy form.
2. Lodging questions prior to the AGM via Calima's website www.calimaenergy.com/contact-us/. Questions must be received no later than 10.00am (WST) Wednesday, 27 May 2020. Questions may be directed to the Chair or Calima's auditor (as appropriate). Responses to all valid questions will be posted on Calima's website and lodged on the ASX platform prior to commencement of the AGM.
3. Attending the AGM by telephone using the following details (which will also be available on Calima's website):

Join the AGM from your computer, tablet or smartphone using the following link:

<https://global.gotomeeting.com/join/282033741>

You can also dial in using your phone:

Australia: +61 2 8355 1038

United States: +1 (646) 749-3117

Canada: +1 (647) 497-9373

United Kingdom: +44 330 221 0097

Shareholders who choose to attend the AGM by telephone will be offered the opportunity to ask questions and discuss Calima's annual report, remuneration report and management. Representatives of Calima's auditor will also attend the AGM and will be available to answer questions from Shareholders in relation to the topics detailed in the notice of AGM.

The situation regarding COVID-19 is evolving rapidly and Calima is following the health advice of the Australian Government. If the health advice from the Australian Government concerning public gatherings changes prior to the AGM and it becomes appropriate for Calima to make different arrangements for the AGM, Calima will advise Shareholders accordingly via Calima's ASX announcements and website. Shareholders are encouraged to monitor Calima's ASX announcements and website for any further updates in relation to arrangements for the AGM.

CALIMA ENERGY LIMITED

ACN 117 227 086

NOTICE OF ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at Unit 1A, 1 Alvan Street, Subiaco, Western Australia on 29 May 2020 at 10:00 am (WST).

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary on +61 (8) 6500 3270.

CALIMA ENERGY LIMITED

ACN 117 227 086

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Calima Energy Limited (**Company**) will be held at Unit 1A, 1 Alvan Street, Subiaco, Western Australia on 29 May 2020 at 10:00am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday, 27 May 2020 at 5:00pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 14.

AGENDA

Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 31 December 2019, which includes the Financial Report, the Directors' Report and the Auditor's Report.

1. Resolution 1 – Adoption of Remuneration Report

To consider, and if thought fit, to pass with or without amendment, the following resolution as a non-binding resolution:

"That, for the purposes of section 250R of the Corporations Act and for all other purposes, the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on this Resolution if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (c) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on this Resolution; or

- (d) the person is the Chair voting an undirected proxy which expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. Resolution 2 – Re-election of Alan Stein as a Director

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That, Alan Stein, who retires in accordance with clause 13.2 of the Constitution, being eligible and offering himself for re-election, is re-elected as a Director.”

3. Resolution 3 – Election of Brett Lawrence as a Director

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of clause 13.3 of the Constitution and with effect from the passing of this Resolution, Brett Lawrence whose appointment as a Director ceases pursuant to clause 13.4 of the Constitution, being eligible and offering himself for election, is elected as a Director.”

4. Resolution 4 – Approval to issue Shares to Glenn Whiddon in lieu of Director's fees and consultancy fees

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That, subject to Resolution 9 being passed, for the purposes of Listing Rule 10.14, and for all other purposes, Shareholders approve and authorise the issue of the number of Shares determined by the Remuneration Share Formula to Glenn Whiddon (or his nominees) under the Calima Employee Securities Incentive Plan in lieu of Director's fees and consultancy fees on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director who is eligible to participate in the Calima Employee Securities Incentive Plan and their nominees or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. Resolution 5 – Approval to issue Shares to Neil Hackett in lieu of Director's fees

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That, subject to Resolution 9 being passed, for the purposes of Listing Rule 10.14, and for all other purposes, Shareholders approve and authorise the issue of the number of Shares determined by the Remuneration Share Formula to Neil Hackett (or his nominees) under the Calima Employee Securities Incentive Plan in lieu of Director's fees on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director who is eligible to participate in the Calima Employee Securities Incentive Plan and their nominees or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. Resolution 6 – Approval to issue Shares to Brett Lawrence in lieu of Director's fees

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That, subject to Resolution 9 being passed, for the purposes of Listing Rule 10.14, and for all other purposes, Shareholders approve and authorise the issue of the number of Shares determined by the Remuneration Share Formula to Brett Lawrence (or his nominees) under the Calima Employee Securities Incentive Plan in lieu of Director's fees on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director who is eligible to participate in the Calima Employee Securities Incentive Plan and their nominees or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. Resolution 7 – Approval to issue Shares to Alan Stein in lieu of Director's fees and consultancy fees

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, subject to Resolution 9 being passed, for the purposes of Listing Rule 10.14, and for all other purposes, Shareholders approve and authorise the issue of the number of Shares determined by the Remuneration Share Formula to Alan Stein (or his nominees) under the Calima Employee Securities Incentive Plan in lieu of Director's fees and consultancy fees on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director who is eligible to participate in the Calima Employee Securities Incentive Plan and their nominees or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8. Resolution 8 – Approval to issue Shares to Mark Freeman in lieu of consultancy fees

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.1, and for all other purposes, Shareholders approve and authorise the issue of the number of Shares determined by the Remuneration Share Formula to Mark Freeman (or his nominees) in lieu of consultancy fees on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mark Freeman and his nominees or a person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder) or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

9. Resolution 9 – Adoption of Calima Employee Securities Incentive Plan

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 7.2 Exception 13(b), as an exception to Listing Rule 7.1, and for all other purposes, approval is given for the establishment of the "Calima Employee Securities Incentive Plan" and the issue of up to a maximum of 200,000,000 securities under that plan on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is eligible to participate in the Calima Employee Securities Incentive Plan and their nominees or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

10. Resolution 10 – Ratification of July Placement under Listing Rule 7.1 Capacity

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 216,732,760 July Placement Shares to the July Placement Participants each at an issue price of \$0.018 on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the July Placement Participants or any associates of those persons.

However, the Company will not disregard a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

11. Resolution 11 – Ratification of July Placement under Listing Rule 7.1A Capacity

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 5,489,462 July Placement Shares to the July Placement Participants each at an issue price of \$0.018 on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the July Placement Participants or any associates of those persons.

However, the Company will not disregard a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

12. Resolution 12 – Approval of 10% Placement Facility

To consider, and if thought fit, to pass with or without amendment, the following resolution as a special resolution:

"That, the Company have the additional capacity to issue Equity Securities provided for in Listing Rule 7.1A."

13. Resolution 13 – Amendment to Constitution

To consider, and if thought fit, to pass with or without amendment, the following resolution as a special resolution:

"That, for the purposes of section 136(2) of the Corporations Act, the Constitution of the Company be modified by making the amendment contained in the document tabled at the Meeting and signed by the Chair for the purposes of identification, with effect from the passing of this Resolution."

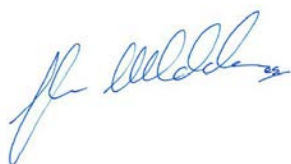
14. Resolution 14 – Renewal of Proportional Takeover Provisions in Constitution

To consider, and if thought fit, to pass with or without amendment, the following resolution as a special resolution:

"That, for the purposes of Clause 36 of the Constitution and section 648G of the Corporations Act, and for all other purposes, the Company renew the proportional takeover provisions contained in Clause 36 of the Constitution with effect from the date of this Resolution for a period of three years."

Dated 29 April 2020

BY ORDER OF THE BOARD



Glenn Whiddon
Executive Chairman

CALIMA ENERGY LIMITED

ACN 117 227 086

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Unit 1A, 1 Alvan Street, Subiaco, Western Australia on 29 May 2020 at 10:00am (WST).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy Holders

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment on Resolutions 1, 4 to 7 and 9 if:

- (a) the person is either:

- (i) a member of the Key Management Personnel of the Company; or
 - (ii) a Closely Related Party of such a member, and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

3. Annual Report

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. Copies of the report can be found on the Company's website www.calimaenergy.com or by contacting the Company on +61 (8) 6500 3270.

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report;
- (b) ask questions about, or make comment on, the management of the Company;
- (c) ask questions about, or make comment on, the Remuneration Report;
- (d) ask the auditor questions about:
 - (i) the conduct of the audit;
 - (ii) the preparation and content of the Auditor's Report;
 - (iii) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - (iv) the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (e) the content of the Auditor's Report; and
- (f) the conduct of the audit of the Financial Report,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive and non-executive directors.

Section 250R(3) of the Corporations Act provides that this Resolution is advisory only and does not bind the Directors of the Company. Of itself, a failure of Shareholders to pass this Resolution will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, under sections 250U and 250Y of the Corporations Act, Shareholders have the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

At the Company's last annual general meeting, the Remuneration Report was approved by over 75% of Shareholders present and voting. In summary, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting Shareholders should be aware that if there is a 'no' vote of 25% or more at the next annual general meeting the consequences are that all Directors (other than the Managing Director) may be up for re-election.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The Chair of the Meeting intends to exercise all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

5. Resolution 2 – Re-election of Alan Stein as a Director

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors (rounded up to the nearest whole number), must retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who have been Directors for the same period of time, those to retire shall be determined by lot (unless they agree otherwise).

A Director who retires by rotation under Clause 13.2 of the Constitution is eligible for re-election. Clause 13.3 of the Constitution provides that the Company may elect a person as a Director by ordinary resolution passed at a general meeting.

Alan Stein, previously the Managing Director of the Company and now a non-executive director of the Company, is the Director longest in office since his last election. Accordingly, Alan Stein retires by rotation at this Meeting and, being eligible, seeks re-election.

Resolution 2 seeks Shareholder approval for the election of Alan Stein as a Director.

Mr 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. Fusion was listed on the UK AIM market in 2000 and made several discoveries offshore

Mauritania before being sold in 2003. In early 2004, following the sale of Fusion, Dr Stein, together with Mr Jonathan Taylor, was one of the two founding executive directors of Ophir Energy plc. He held the position of Managing Director until 2011. Ophir was involved in several discoveries offshore Equatorial Guinea and Tanzania discovering more than 18 trillion cubic feet of gas. The Board (excluding Alan Stein) recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 2.

6. Resolution 3 – Election of Brett Lawrence as a Director

6.1 General

Clause 13.4 of the Constitution gives the Directors authority to appoint other Directors. Brett Lawrence was appointed as a Director of the Company on 29 October 2019 to fill a casual vacancy.

Clause 13.4 of the Constitution requires that any Director appointed to fill a casual vacancy holds office until the next general meeting of the Company and is eligible for re-election at that meeting. Clause 13.3 of the Constitution provides that the Company may elect a person as a Director by ordinary resolution passed at a general meeting.

Pursuant to the above Clauses, Brett Lawrence's appointment as a Director will cease at the meeting and, being eligible, Brett Lawrence seeks election as a Director.

Resolution 3 seeks Shareholder approval for the election of Brett Lawrence as a Director.

Mr Brett Lawrence has 15 years of diverse experience in the oil and gas industry. Mr Lawrence worked with Apache Energy for over eight years, performing roles in drilling engineering, reservoir engineering, project development and commercial management before seeking new venture opportunities with ASX listed companies. Brett holds a Master of Petroleum Engineering, a Bachelor of Engineering (Mining) and Bachelor of Commerce (Finance) from Curtin University in Western Australia. The Board (excluding Brett Lawrence) recommends that Shareholders vote in favour of Resolution 3.

Resolution 3 is an ordinary Resolution.

The Chair intends to exercise all available proxies in favour of Resolution 3.

7. Resolutions 4 to 7 – Approval to issue Shares to Directors in lieu of Director's fees

7.1 General

As announced by the Company on 23 March 2020, the Company and each of Messrs Whiddon, Hackett, Lawrence and Stein have agreed that, subject to Shareholder approval, each of the Directors will receive Shares in lieu of 100% of Director's fees and consultancy fees payable to them in the period 1 April 2020 to 31 March 2021 as part of the Company's strategy to sustain its business in the current volatile commodity price environment.

Consultants may also receive Shares in lieu of a portion of the consultancy fees payable to them on similar terms as the Directors. See Section 8.1 for further details.

The annual Director's fees and consultancy fees payable to each of the Directors are outlined below:

Director	Director's fees	Consultancy fees*
Glenn Whiddon	\$36,000	Up to a maximum of \$86,000**
Neil Hackett	\$36,000	Nil
Brett Lawrence	\$36,000	Nil
Alan Stein	\$36,000	Up to a maximum of \$50,000***

* Consultancy fees will be based on the amount of consulting services that the Director provides to the Company during the period and will be calculated at a rate of \$1,600 per day.

** Mr Whiddon, the Executive Chairman, will provide executive services to the Company at a day rate of \$1,600 per day, charged monthly.

*** Mr Stein, the former Managing Director, moved to a Non-Executive role in March 2020. However, if he is required to undertake duties not normally expected of a Non-Executive Director, for example assisting with reserve work, he will be paid at a rate of \$1,600 per day. Depending on the amount of consulting services Mr Stein provides, the Company will assess whether it needs to re-classify Mr Stein as an Executive Director.

It is proposed that each of the Directors (or their nominees) be issued a number of Shares equivalent to 100% of Director's and consultancy fees payable to them (as outlined in the table above) for the period 1 April 2020 to 31 March 2021 plus an additional number of Shares equivalent to 33% of the total Director's fees and consultancy fees (if any) paid to the Director to compensate the Directors for having to pay tax from their own resources in relation to the Shares, for the lack of liquidity in the Shares and for no increase in Director's fees for the last three years.

The Shares will be issued under the proposed Calima Employee Securities Incentive Plan on a quarterly basis in arrears no later than 10 business days after the end of each quarter in which the Director's or executive fees fall due and payable at a deemed issue price equivalent to the 90 day VWAP for Shares at the end of the relevant quarter. The Directors consider the VWAP calculation to be representative of the Share price for the relevant quarter.

The number of Shares (**Director Remuneration Shares**) to be issued to the Directors will be determined in accordance with the following formula (**Remuneration Share Formula**):

$$\text{Number of Shares} = \frac{(\text{Director's fees (if any)} + \text{consultancy fees (if any)}) \times 1.33}{90 \text{ day VWAP at the end of the relevant quarter}}$$

Any fractions of Shares resulting from the calculation will be rounded down to the nearest whole number.

The Directors have agreed to voluntary escrow over the Director Remuneration Shares that will be issued to them for a period of 3 months from the date of issue.

The maximum dollar value of the proposed issue of Director Remuneration Shares is a total of up to \$372,400 comprising \$47,880 in respect of each Director's entitlement to Director's fees and up to \$114,380 in respect of Glenn Whiddon's entitlement to consultancy fees and \$66,500 in respect of Alan Stein's entitlement to consultancy fees.

The maximum number of Director Remuneration Shares which may be issued under Resolutions 4 to 7 is uncertain because the number of Director Remuneration Shares to be issued will be

calculated in accordance with the Remuneration Share Formula which uses a future 90-day VWAP for Shares.

The possible dilution to Shareholders resulting from the issue of the Director Remuneration Shares under Resolutions 4 to 7 is illustrated in the below table, which is provided for indicative purposes only. The table below is based on the closing price of Shares on 28 April 2020 \$0.005 and prices at a 50% premium \$0.0075 and a 50% discount \$0.0025 to that price.

Possible future deemed issue price of Director Remuneration Shares	Maximum number of Director Remuneration Shares issued under Resolutions 4 to 7*	% Dilution to Shareholders**
Closing price on 28 April 2020: \$0.005	74,480,000	3.34%
50% premium: \$0.0075***	49,653,333	2.25%
50% discount: \$0.0025***	168,112,000	7.23%

*Based on the maximum amount of Director's fees and consultancy fees being accrued in the period 1 April 2020 to 31 March 2021.

**Based on 2,155,572,225 Shares on issue as at 28 April 2020.

*** These prices are provided for example purposes only as Shares are unable to trade at these prices.

The Company's annual report for any period during which the Director Remuneration Shares are issued will disclose the details of the number of Director Remuneration Shares that were issued to each of the Directors, including the percentage of the Company's issued capital represented by those Director Remuneration Shares.

7.2 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) a director of the company;
- (b) an associate of a director of the company; or
- (c) a person whose relationship with the company or a person referred to in a Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Director Remuneration Shares falls within Listing Rule 10.14.1 and therefore requires Shareholder approval under Listing Rule 10.14.

Resolutions 4 to 7 seek Shareholder approval to issue the Director Remuneration Shares to each of Messrs Whiddon, Hackett, Lawrence and Stein (or their nominees) respectively under and for the purposes of Listing Rule 10.14.

If Resolutions 4 to 7 are passed, the Company will issue the Director Remuneration Shares to each of Messrs Whiddon, Hackett, Lawrence and Stein (or their nominees) in lieu of Director's and executive fees for the period 1 April 2020 to 31 March 2021.

If Resolutions 4 to 7 are not passed, the Company will not issue the Director Remuneration Shares to Messrs Whiddon, Hackett, Lawrence and Stein (or their nominees) and the Company will be required to pay such Director's and executive fees in cash.

Resolutions 4 to 7 are ordinary resolutions.

7.3 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Director Remuneration Shares to Messrs Whiddon, Hackett, Lawrence and Stein (or their nominees) pursuant to Resolutions 4 to 7 constitutes the giving of a financial benefit and Messrs Whiddon, Hackett, Lawrence and Stein are each a related party of the Company by virtue of being Directors.

After a review of publicly available information relating to the remuneration structures of ASX listed companies, including those operating in the oil and gas industry, the Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of issue of the Director Remuneration Shares because the issue is considered reasonable remuneration in the circumstances.

7.4 Information required by Listing Rule 10.15

The following information is provided for the purposes of Listing Rule 10.15:

- (a) The Director Remuneration Shares will be issued to Directors, Glenn Whiddon, Neil Hackett, Brett Lawrence and Alan Stein (or their nominees).
- (b) Approval is required to issue Director Remuneration Shares to Messrs Whiddon, Hackett, Lawrence and Stein as they fall within Listing Rule 10.14.1 by virtue of being Directors.
- (c) The number of securities the Company may issue under Resolutions 4 to 7 will be determined at the end of each quarter in which Director's and executive fees fall due and payable in the period 1 April 2020 to 31 March 2021 in accordance with the Remuneration Share Formula. See the table in Section 7.1 for examples of the number of Director Remuneration Shares that may be issued based on various Share prices.

- (d) Details of the number of Director Remuneration Shares issued will be published in the annual report of the Company relating to any period in which the Director Remuneration Shares were issued, including the percentage of the Company's issued capital represented by those Director Remuneration Shares, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (e) If Resolutions 4 to 7 are passed, the Directors will each be entitled to receive a total annual remuneration package as set out below:
- (i) Mr Whiddon will be entitled to receive a maximum of \$162,260 comprising \$47,880 per annum in Director's fees and up to \$114,380 per annum in consultancy fees.
 - (ii) Mr Hackett will be entitled to receive \$47,880 per annum.
 - (iii) Mr Lawrence will be entitled to receive \$47,880 per annum.
 - (iv) Mr Stein will be entitled to receive a maximum of \$114,380 comprising \$47,880 per annum in Director's fees and up to \$66,500 per annum in consultancy fees.
- (f) No securities have previously been issued to the Directors under the Calima Employee Securities Incentive Plan.
- (g) The Director Remuneration Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (h) The Director Remuneration Shares may be issued no later than three years after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules). It is intended that the Director Remuneration Shares be issued no later than 10 business days after the end of each quarter in which Director's fees fall due and payable for the period 1 April 2020 to 31 March 2021.
- (i) The issue price of the Director Remuneration Shares will be equivalent to the 90 day VWAP for Shares at the end of each quarter in which Director's fees fall due and payable in the period 1 April 2020 to 31 March 2021.
- (j) The Director Remuneration Shares will be issued for nil cash consideration in lieu of Director's fees and consultancy fees comprising an aggregate maximum dollar amount of \$372,400. Accordingly, no funds will be raised from the issue of the Director Remuneration Shares.
- (k) A summary of the terms of the Calima Employee Securities Incentive Plan is set out in Schedule 1.
- (l) Details of any securities issued under the Calima Employee Securities Incentive Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Calima Employee Securities Incentive Plan after Resolutions 4 to 7 are approved and who were not named in the Notice will not participate until approval is obtained under that rule.

(m) A voting exclusion statement is included in this Notice.

8. Resolution 8 – Approval to issue Shares to Mark Freeman in lieu of consultancy fees

8.1 General

As noted in Section 7.1 various consultants may also receive Shares in lieu of all or a portion of the consultancy fees payable to them as part of the Company's strategy to sustain its business in the current volatile commodity price environment.

Mark Freeman, the Chief Financial Officer who is assisting with company secretary responsibilities, has agreed that, subject to Shareholder approval, he (or his nominees) will receive Shares in lieu of up to \$25,000 of his annual consultancy fee for the period from 1 June 2020 to 31 May 2021 plus an additional number of Shares equivalent to 33% of such fee to compensate Mr Freeman for having to pay tax from his own resources in relation to the Shares and for the lack of liquidity in the Shares. This is the same basis on which it is proposed that the Directors will receive the Director Remuneration Shares under Resolutions 4 to 7 (see section 7.1 for details).

The Shares will be issued on a quarterly basis in arrears no later than 10 business days after the end of each quarter in which the consultancy fees fall due and payable at a deemed issue price equivalent to the 90 day VWAP for Shares at the end of the relevant quarter.

The number of Shares to be issued to the Mr Freeman (**Consultant Remuneration Shares**) will be determined in accordance with the Remuneration Share Formula set out in Section 7.1.

Any fractions of Shares resulting from the calculation will be rounded down to the nearest whole number. Mr Freeman has agreed to voluntary escrow over the Consultant Remuneration Shares for a period of 3 months from the date of issue.

The maximum dollar value of the proposed issue of Consultant Remuneration Shares is \$33,250.

The maximum number of Consultant Remuneration Shares which may be issued under Resolution 8 is uncertain because the number of Consultant Remuneration Shares to be issued will be calculated in accordance with the Remuneration Share Formula which uses a future 90-day VWAP for Shares.

The possible dilution to Shareholders resulting from the issue of the Consultant Remuneration Shares under Resolution 8 is illustrated in the below table, which is provided for indicative purposes only. The table below is based on the closing price of Shares on 28 April 2020 \$0.005 and prices at a 50% premium \$0.0075 and a 50% discount \$0.0025 to that price.

Possible future deemed issue price of Consultant Remuneration Shares	Maximum number of Consultant Remuneration Shares issued under Resolution 8	% Dilution to Shareholders*
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Closing price on 28 April 2020: \$0.005	6,650,000	0.308%
50% premium: \$0.0075**	4,433,333	0.205%
50% discount: \$0.0025**	13,300,000	0.613%

*Based on 2,155,572,225 Shares on issue as at 28 April 2020.

** These prices are provided for example purposes only as Shares are unable to trade at these prices.

The Company's annual report for any period during which the Consultant Remuneration Shares are issued will disclose the details of the number of Consultant Remuneration Shares that were issued to Mr Freeman, including the percentage of the Company's issued capital represented by those Consultant Remuneration Shares.

8.2 Listing Rule 7.1

The Company has agreed to issue the Consultant Remuneration Shares to Mark Freeman (or his nominee) subject to Shareholder approval. The issue of the Consultant Remuneration Shares to Mr Freeman (or his nominee) therefore requires Shareholder approval under Listing Rule 7.1.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

To this end, Resolution 8 seeks Shareholder approval to the issue of the Consultant Remuneration Shares to Mr Freeman under and for the purposes of Listing Rule 7.1.

If Resolution 8 is passed, the issue of the Consultant Remuneration Shares can proceed without using up any of the Company's 15% limit on issuing equity securities without Shareholder approval under Listing Rule 7.1.

If Resolution 8 is not passed, the Company will not issue the Consultant Remuneration Shares to Mr Freeman (or his nominee) and the Company will be required to pay such consultancy fees in cash.

Resolution 8 is an ordinary resolution.

8.3 Information required by Listing Rule 7.3

The following information is provided for the purposes of Listing Rule 7.3 for Resolution 8:

- (a) The Consultant Remuneration Shares will be issued to Mr Freeman (or his nominee) none of whom are a related party of the Company.
- (b) The number of securities the Company may issue under Resolution 8 will be determined at the end of each quarter in which Mr Freeman's consultancy fees fall due and payable in the period 1 June 2020 to 31 May 2021 in accordance with the Remuneration Share Formula. See the table in Section 8.1 for examples of the

number of Consultant Remuneration Shares that may be issued based on various Share prices.

- (c) The Consultant Remuneration Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (d) It is intended that the Consultant Remuneration Shares be issued no later than 10 business days after the end of each quarter in which Mr Freeman's consultancy fees fall due and payable in the period 1 June 2020 to 31 May 2021. The Company has been granted a waiver of Listing Rule 7.3.4 to allow this Notice not to state that the Consultant Remuneration Shares will be issued no later than 3 months after the date of the Meeting, provided that such Shares will be issued on a quarterly basis by no later than 15 June 2021 (being 10 business days after the end of the final quarter of the period 1 June 2020 to 31 May 2021). In addition, the Company's annual report for any period during which the Consultant Remuneration Shares are issued, or remain to be issued, to Mr Freeman will disclose details of the number of Consultant Remuneration Shares that were issued in that reporting period, including the percentage of the Company's issued capital represented by those Consultant Remuneration Shares.
- (e) The issue price of the Consultant Remuneration Shares will be equivalent to the 90 day VWAP for Shares at the end of each quarter in which Mr Freeman's consultancy fees fall due and payable in the period 1 June 2020 to 31 May 2021.
- (f) The Consultant Remuneration Shares will be issued for nil cash consideration in lieu of consultancy fees comprising a maximum dollar amount of \$33,250 as set out in Section 8.1 above. Accordingly, no funds will be raised from the issue of the Consultant Remuneration Shares.
- (g) A voting exclusion statement is included in the Notice.

9. Resolution 9 – Adoption of Calima Employee Securities Incentive Plan

The Company currently has a performance rights plan. However, the Company considers that it is desirable to establish a securities incentive plan pursuant to which the Company can issue Securities to eligible Directors, employees and consultants in order to attract, motivate and retain such persons and to provide them with an incentive to deliver growth and value to all Shareholders.

Accordingly, Resolution 9 seeks Shareholder approval for the adoption of the Calima Employee Incentive Securities Plan (**Plan**) in accordance with Listing Rule 7.2 Exception 13.

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of which is set out in Schedule 1.

In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

A summary of Listing Rule 7.1 is in Section 8.2.

Listing Rule 7.2, Exception 13 provides an exception to Listing Rule 7.1 by which equity securities issued under an employee incentive scheme are exempt for a period of three years from the date on which shareholders approve the issue of equity securities under the scheme as an exception to Listing Rule 7.1.

If Resolution 9 is passed, the Company will be able to issue Securities under the Plan to eligible participants over a period of three years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

If Resolution 9 is not passed, the Company will not adopt the Plan and will not be able to issue Securities to eligible participants under the Plan.

No Securities have been issued under the current Plan as it is a new employee incentive plan and has not previously been approved by Shareholders.

The maximum number of Securities that the Company proposes to issue under the Plan following Shareholder approval of the adoption of the Plan is 200,000,000.

Prior Shareholder approval will be required under Listing Rule 10.14 before any Director or associate of a Director can participate in the Plan.

Pursuant to the Listing Rules, Shareholders must re-approve the Plan and all unissued Securities issuable pursuant thereto every three years.

A voting exclusion statement is included in the Notice.

Resolution 9 is an ordinary resolution.

10. Resolutions 10 and 11 – Ratification of July Placement

10.1 General

On 1 July 2019, the Company announced a placement of 222,222,222 Shares (**July Placement Shares**) each at an issue price of \$0.018 to raise \$4,000,000 before costs (**July Placement**).

The Company completed the July Placement on 5 July 2019. The July Placement Shares were issued to the July Placement Participants using the Company's annual limit permitted under Listing Rule 7.1 and its additional 10% annual limit approved by Shareholders under Listing Rule 7.1A at the Company's 2019 annual general meeting, without the need for Shareholder approval.

Funds raised from the issue of the July Placement Shares were used for the Company's general working capital purposes and to support the Company in undertaking preliminary planning and feasibility work required to bring the Company's existing wells into production through a proposed tie-in pipeline.

A summary of Listing Rule 7.1 is provided in Section 8.2.

Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting at which shareholders approve the 10% placement facility. The 10% placement facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made (pursuant to Listing Rule 7.1 or the

additional 10% capacity under Listing Rule 7.1A). If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

Accordingly, Resolution 10 seeks Shareholder ratification of the issue of 216,732,760 of the July Placement Shares (which were issued pursuant to the Company's 15% capacity under Listing Rule 7.1) under and for the purposes of Listing Rule 7.4. Resolution 11 seeks Shareholder ratification of the issue of 5,489,462 of the July Placement Shares (which were issued pursuant to the Company's additional 10% capacity under Listing Rule 7.1A) under and for the purposes of Listing Rule 7.4.

If Resolutions 10 and 11 are passed, the issue of the July Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 and additional 10% placement capacity under Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the date of issue of the July Placement Shares or during the balance of the 12 months from the date of the Company's 2019 Annual General Meeting (as applicable).

If Resolutions 10 and 11 are not passed, the issue of the July Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1 and additional 10% placement capacity under Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the date of issue of the July Placement Shares or during the balance of the 12 months from the date of the Company's 2019 Annual General Meeting (as applicable).

Resolutions 10 and 11 are ordinary resolutions.

10.2 Information required by Listing Rule 7.5

The following information is provided for the purposes of Listing Rule 7.5:

- (a) On 5 July 2019, 222,222,222 Shares were issued pursuant to the July Placement as follows:
 - (i) 216,732,760 July Placement Shares were issued pursuant to the Company's 15% capacity under Listing Rule 7.1. Ratification of the issue of these Shares is being sought pursuant to Resolution 10; and
 - (ii) 5,489,462 July Placement Shares were issued pursuant to the Company's additional 10% capacity under Listing Rule 7.1A. Ratification of the issue of these Shares is being sought pursuant to Resolution 11.
- (b) The July Placement Shares were issued to various professional and sophisticated investors introduced to the Company by Petra Capital Pty Limited and Euroz Securities Limited, none of whom is a related party of the Company.
- (c) The July Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The July Placement Shares were issued at \$0.018 each.

- (e) The issue of the July Placement Shares raised \$4,000,000 (before costs). The funds raised from the issue of the July Placement Shares were used for the Company's general working capital purposes and to support the Company in undertaking preliminary planning and feasibility work required to bring the Company's existing wells into production through a proposed tie-in pipeline.
- (f) A voting exclusion statement is included in the Notice.

11. Resolution 12 – Approval of 10% Placement Facility

11.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**10% Placement Facility**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes. Based on the closing price of the Company's Shares on ASX on 28 April 2020, the Company's market capitalisation is \$10.8 million.

Resolution 12 seeks shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without shareholder approval.

If Resolution 12 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 12 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 11.2(c) below).

The Company intends to continue to develop its 63,000 acres of Montney Acreage in British Columbia, including the Tommy Lakes facilities. The Company may use the 10% Placement Facility for these purposes and for general working capital.

The Directors of the Company believe that Resolution 12 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 12.

11.2 Description of Listing Rule 7.1A

- (a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has one class of quoted Equity Securities, being the Shares.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may, during the period of approval, issue or agree to issue, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of Shares on issue at the commencement of the relevant period:

- plus the number of Shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- plus the number of Shares issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where the convertible securities were issued/agreed to be issued before the commencement of the relevant period; or the issues/agreement to issue the convertible securities was approved or taken under the Listing Rules to have been approved under Listing Rules 7.1 or 7.4;
- plus the number of Shares issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where the agreement was entered into before the commencement of the relevant period; or the agreement was approved or taken under the Listing Rules to have been approved under Listing Rules 7.1 or 7.4;
- plus the number of any other Shares issued in the relevant period with approval of holders of Shares under Listing Rule 7.1 or 7.4
- plus the number of partly paid shares that became fully paid in the relevant period;
- less the number of Shares cancelled in the relevant period.

Where the **relevant period** means the 12 month period preceding the date of the issue/agreement to issue the Equity Securities.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

11.3 Listing Rule 7.1A

The effect of Resolution 12 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 12 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

11.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

(a) Period for which 10% Placement Facility will be valid

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of the Meeting and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

(b) Minimum price

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in subparagraph (i) above, the date on which the Equity Securities are issued.

(c) Purpose of funds raised

The Company may only seek to issue the Equity Securities under the 10% Placement Facility for cash consideration. The Company intends to use the funds raised towards expanding or accelerating the Company's existing business activities including the development of its 63,000 acres of Montney Acreage in British Columbia including the Tommy Lakes facilities and for general working capital.

(d) Risk of economic and voting dilution

If Resolution 12 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) the market price for the Company's Equity Securities in that class may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and

- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (iii) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (iv) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Potential Dilution		
		\$0.0025 50% decrease in Issue Price	\$0.005 Issue Price	\$0.010 100% increase in Issue Price
Current Variable A 2,155,572,225 Shares	10% voting dilution	215,557,223 Shares	215,557,223 Shares	215,557,223 Shares
	Funds raised	\$538,893	\$1,077,786	\$2,155,572
50% increase in current Variable A 3,233,358,338 Shares	10% voting dilution	323,335,834 Shares	323,335,834 Shares	323,335,834 Shares
	Funds raised	\$808,340	\$1,616,679	\$3,233,358
100% increase in current Variable A 4,311,144,450 Shares	10% voting dilution	431,114,445 Shares	431,114,445 Shares	431,114,445 Shares
	Funds raised	\$1,077,786	\$2,155,572	\$4,311,144

The table has been prepared on the following assumptions:

- (v) The Company issues/agrees to issue the maximum number of Equity Securities available under the 10% Placement Facility.

- (vi) The issue/agreement to issue Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes listed Options, it is assumed that those listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) No Options are exercised or Performance Rights converted into Shares before the date of the issue/agreement to issue the Equity Securities.
- (viii) At the date of this Notice, there are currently 2,155,572,225 Shares on issue.
- (ix) The current market price is \$0.005, being the closing price of Shares on ASX on 28 April 2020.
- (x) Shares are not able to trade at \$0.0025, this figure is provided as an example only.

Also note that in the table:

- (xi) The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue/agreement to issue. This is why the voting dilution is shown in each example as 10%.
- (xii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (xiii) The table shows only the effect of issues/agreements to issue Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(e) Allocation Policy

The Company's allocation policy for issues of Equity Securities under the 10% Placement Facility is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the recipients of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the purpose of the issue;
- (ii) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the financial situation and solvency of the Company; and
- (v) advice from corporate, financial and broking advisers (if applicable).

The recipients of Equity Securities issued under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets, technology or investments, it is likely that the recipients under the 10% Placement Facility will be the vendors of the new assets, technology or investments.

(f) Previous issues under the 10% Placement Facility

In the 12 months preceding the date of the Meeting, the Company has issued or agreed to issue a total of 5,489,462 Equity Securities under the 10% Placement Facility which represents 0.39% of the total number of Equity Securities on issue at the commencement of the 12 month period preceding the date of the Meeting.

The Equity Securities issued, or agreed to be issued, under the 10% Placement Facility in the 12 months preceding the date of the Meeting were as follows:

Date of Appendix 2A, 3B or 3G	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients were determined	Issue price of Equity Securities and discount to Closing Market Price ¹ on the date of the issue or agreement to issue	Total cash consideration, what it was spent on and the amount and intended use of any remaining funds
Appendix 3B dated 8 July 2019	5,489,462 Shares	Shares ²	Issued to the July Placement Participants	\$0.018 issue price being a 5.9% premium to the Closing Market Price of \$0.017 on 4 July 2019, being the last trading day prior to the date of issue (as there were no trades on the date of issue of 5 July 2019).	Approx. \$98,810. Total funds have been used to fund the Company's preliminary planning and feasibility work required to bring the Company's existing wells into production through a proposed tie-in pipeline.
Notes:					
1. Closing Market Price means the published closing price for those securities on ASX on the date of issue of the relevant Equity Securities.					
2. Fully paid ordinary shares in the capital of the Company (terms are set out in the Constitution).					

(g) Voting exclusion

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities under the 10% Placement Facility. Therefore, no existing Shareholder's votes will be excluded.

(h) Disclosure obligations

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4; 3.10.3 to 3.10.3C upon the issue of any Equity Securities.

12. Resolution 13 – Amendment to Constitution

12.1 General

The Company is currently governed by its Constitution.

Under section 136(2) of the Corporations Act, a company can modify its constitution, or a provision of its constitution, by special resolution. Accordingly, the Company seeks Shareholder approval to amend its Constitution by a special resolution of Shareholders as set out below.

A copy of the amended Constitution will be tabled at the Meeting and sent to Shareholders on request and will also be available for inspection at the registered office of the Company during normal business hours prior to the Meeting.

Changes to the Listing Rules that commenced on 1 December 2019 require an ASX-listed entity's constitution to contain certain provisions regarding Restricted Securities (as that term is defined in the Listing Rules) if the entity has any Restricted Securities on issue. Although the Company does not presently have any Restricted Securities on issue and does not have any present intentions to undertake a transaction which would result in the issue of Restricted Securities, the Board considers it prudent to take this opportunity to update the Constitution to ensure it complies with these new requirements for Restricted Securities.

With effect from 1 December 2019, the ASX has applied a two-tier escrow regime where ASX will require certain more significant holders of Restricted Securities and their controllers to execute a formal restriction deed in the form of Appendix 9A of the Listing Rules, as was previously the case. However, for less significant holders of Restricted Securities, ASX instead will permit an entity to rely on a provision in its constitution imposing appropriate escrow restrictions on holders of Restricted Securities and to simply give a restriction notice to such holders in the form set out in Appendix 9C of the Listing Rules, advising them of those restrictions.

To facilitate the operation of the ASX's new two-tier escrow regime, certain changes are required to the customary provisions of constitutions of ASX-listed entities regarding Restricted Securities.

12.2 Proposed amendment

Clause 2.11 of the Constitution currently provide as follows:

"2.11 Restricted Securities

The Company shall comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities. Without limiting the generality of the above:

- (a) Restricted Securities cannot be disposed of during the escrow period except as permitted by the Listing Rules or the ASX;*
- (b) the Company will refuse to acknowledge a disposal (including registering a transfer), assignment or transfer of Restricted Securities during the escrow period except as permitted by the Listing Rules or the ASX; and*
- (c) during a breach of the Listing Rules relating to Restricted Securities or a breach of a restricted agreement the holder of the Restricted Securities is not entitled to any dividend or distribution, or voting rights, in respect of the Restricted Securities."*

Pursuant to Resolution 13, the Company seeks Shareholder approval to:

- (a) delete Clause 2.11 of the Constitution in its entirety and replace it with the following:

"2.11 Restricted Securities

The Company must comply with the Listing Rules in respect of restricted securities. Without limiting the Company's obligations to comply with the Listing Rules:

- (a) a holder of Restricted Securities must not Dispose of, or agree to offer to Dispose of, the Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;*
- (b) if the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities;*
- (c) the Company will refuse to acknowledge any Disposal (including, without limitation, to register any transfer), of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;*
- (d) a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX; and*
- (e) if a holder of Restricted Securities breaches a restriction deed or a provision of this Constitution restricting a Disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.*

For the purposes of this Clause 2.11, "Dispose" has the meaning given to that term in the Listing Rules and Disposal has a corresponding meaning."

- (b) add a new clause 2.11A as follows:*

"2.11A Holding Locks

Without limiting Article 2.11, the Company may apply, or may ask ASTC to apply, a holding lock (including to prevent a transfer, or to refuse to register a paper-based transfer document) where the Applicable Law permits the Company to do so."

Resolution 13 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the cast of a corporate Shareholder, by a corporate representative).

13. Resolution 14 – Renewal of Proportional Takeover Provisions in Constitution

13.1 General

Clause 36 of the Constitution contains provisions dealing with proportional takeover bids for the Company's securities in accordance with the Corporations Act.

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of that Shareholder's securities.

The Corporations Act permits a company's constitution to include provisions that enable it to refuse to register the transfer of securities acquired under a proportional takeover bid, unless shareholders approve the takeover bid. The provisions are designed to assist Shareholders to receive proper value for their securities if a proportional takeover bid is made for the Company.

Under the Corporations Act, the provisions must be renewed every three years or they will cease to have effect. Clause 36 of the Constitution was last approved by Shareholders at the Company's 2017 annual general meeting on 20 July 2017, but that approval (and therefore Clause 36) will cease to have effect on 20 July 2020.

If Resolution 14 is approved by Shareholders, the proportional takeover provisions will be in exactly the same terms as the existing proportional takeover provisions and will have effect until 29 May 2023.

The Directors consider it is in the interests of Shareholders to continue to have proportional takeover provisions in the Constitution and, accordingly, Shareholders are requested to approve the renewal of the proportional takeover provisions contained in Clause 36 of the Constitution with effect from the date of this Meeting for a further period of three years.

13.2 Information required by section 648G of the Corporations Act

For the purposes of section 648G of the Corporations Act, information regarding the proportional takeover bid provisions is provided as follows:

(a) Proportional takeover bid

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of that Shareholder's securities (i.e. less than 100%).

(b) Effect of proportional takeover bid provisions

If a proportional takeover bid is made, the Directors must ensure that a general meeting to approve the takeover bid is held more than 14 days before the last day of the bid period, at which Shareholders will consider a resolution to approve the takeover bid. Each Shareholder will have one vote for each fully paid Share held, with the vote to be decided on a simple majority. The bidder and its associates are not allowed to vote.

(c) Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are then potentially exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. The proportional takeover provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

(d) Knowledge of any acquisition proposals

As at the date of this Notice, no Director is aware of any proposal to acquire or to increase the extent of a substantial interest in the Company.

(e) Potential advantages and disadvantages

The Directors consider that during the period in which the proportional takeover provisions have been in effect, the proportional takeover provisions have had no potential particular advantages or disadvantages for them or for Shareholders. During the time that the existing proportional takeover provisions have been in effect, there have been no takeover bids for the Company. The Directors are not aware of any potential bid that was discouraged by Clause 36 of the Constitution.

The Directors consider that the proportional takeover approval provisions proposed to be renewed have no potential advantages for the Directors, but do have some for Shareholders including:

- (i) Shareholders will be given the right to decide by majority vote whether to accept a proportional takeover bid;
- (ii) the provisions may help Shareholders avoid being locked in as a minority and may prevent a bidder acquiring control of the Company without paying an adequate control premium;
- (iii) the provisions may increase Shareholders' bargaining power and may help ensure that any proportional takeover bid is adequately priced; and
- (iv) knowing the view of the majority of Shareholders may help each individual Shareholder to decide whether to accept or reject the proportional offer.

The Directors consider that the proportional takeover approval provisions proposed to be renewed have no potential disadvantages for the Directors, but do have some for Shareholders including:

- (v) they may discourage proportional takeover bids being made for Shares in the Company;
- (vi) Shareholders may lose an opportunity to sell some of their Shares at a premium; and
- (vii) the likelihood of a proportional takeover succeeding may be reduced.

The Directors do not believe the potential disadvantages outweigh the potential advantages of renewing the proportional takeover provisions and as a result consider that the renewal of the proportional takeover provision is in the interest of Shareholders. The Directors consider that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The Board unanimously recommends the renewal of the proportional takeover provisions in the Constitution.

Resolution 14 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

14. Definitions

\$ means Australian Dollars.

10% Placement Facility has the meaning in Section 11.1.

10% Placement Period has the meaning in Section 11.4(a).

Annual Report means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 31 December 2019.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Calima Employee Securities Incentive Plan means the employee incentive scheme proposed to be adopted by the Company under Resolution 9, the terms of which are summarised in Schedule 1.

Chair means the chair of this Meeting.

Closely Related Party has the meaning in section 9 of the Corporations Act.

Company or **Calima** means Calima Energy Limited

Constitution means the current constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Consultant Remuneration Shares has the meaning in Section 8.1.

Director means a director of the Company.

Director Remuneration Shares has the meaning in Section 7.1.

Directors' Report means the annual directors report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

July Placement has the meaning in Section 10.1.

July Placement Participants means various professional and sophisticated investors introduced by Petra Capital Pty Limited and Euroz Securities Limited, none of whom is a related party of the Company.

July Placement Shares has the meaning in Section 10.1.

Key Management Personnel means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting or AGM has the meaning in the introductory paragraph of the Notice.

Non-Executive Director means a non-executive director of the Company.

Notice means this notice of meeting.

Option means an option to acquire a Share.

Performance Right means a right to acquire a Share on the satisfaction of certain performance milestones.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

Securities means Shares, Options and Performance Rights.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Two Strikes Rule has the meaning in Section 4.

VWAP means volume weighted average price.

WST means Western Standard Time, being the time in Perth, Australia.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 1 – Summary of Calima Employee Securities Incentive Plan

Summary of the Calima Employee Securities Incentive Plan ("**Plan**") and terms on which offers may be made:

1. Eligible Participant

"**Eligible Participant**" means a person who is a full-time or part-time employee, officer, or contractor of the Company, or an Associated Body Corporate (as defined in ASIC Class Order 14/1000), or such other person who has been determined by the Board to be eligible to participate in the Plan from time to time.

The Company will seek Shareholder approval for Director and related party participation in accordance with ASX Listing Rule 10.14.

2. Purpose

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

3. Plan administration

The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

4. Eligibility, invitation and application

The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

5. Grant of Securities

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

6. Terms of Convertible Securities

Each "**Convertible Security**" represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

7. Vesting of Convertible Securities

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance

of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

8. Exercise of Convertible Securities and cashless exercise

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

9. Delivery of Shares on exercise of Convertible Securities

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

10. Forfeiture of Convertible Securities

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly; committed an act which has brought the Company, the Group or any entity within the Group into disrepute, or wilfully breached his or her duties to the Group or where a Participant is convicted of an offence in connection with the affairs of the Group; or has a judgment entered against him or her in any civil proceedings in respect of the contravention by the Participant of his or her duties at law, in equity or under statute, in his or her capacity as an employee, consultant or officer of the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation or vesting notice.

11. Change of control

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event provided that, in respect of Convertible Securities, the maximum number of Convertible Securities (that have not yet been exercised) that the Board may determine will vest and be exercisable into Shares under this Rule is that number of Convertible Securities that is equal to 10% of the Shares on issue immediately following vesting under this Rule, which as far as practicable will be allocated between holders on a pro-rata basis on the basis of their holdings of Convertible Securities on the date of determination of vesting.

12. Rights attaching to Plan Shares

All Shares issued or transferred under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, ("Plan Shares") will rank pari passu in all respects with the Shares of the same class. A

Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

13. Disposal restrictions on Plan Shares

If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

14. Adjustment of Convertible Securities

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the ASX Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

15. Participation in new issues

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

16. Compliance with applicable law

No Security may be offered, granted, vested or exercised if to do so would contravene any applicable law. In particular, the Company must have reasonable grounds to believe, when making an invitation, that the total number of Plan Shares that may be issued upon exercise of Convertible Securities offer when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous three year period under:

- (i) an employee incentive scheme of the Company covered by ASIC Class Order 14/1000; or
- (ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,

but disregarding any offer made or securities issued in the capital of the Company by way of or as a result of:

- (iii) an offer to a person situated at the time of receipt of the offer outside Australia;
- (iv) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (exempts the requirement for a disclosure document for the issue of securities in certain circumstances to investors who are deemed to have sufficient investment knowledge to make informed decisions, including professional investors, sophisticated investors and senior managers of the Company); or
- (v) an offer made under a disclosure document,

would exceed 5% (or such other maximum permitted under any applicable law) of the total number of Shares on issue at the date of the invitation.

17. Maximum number of Securities

The Company will not make an invitation under the Plan if the number of Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares

issued or that may be issued as a result of all invitations under the Plan, will exceed 15% of the total number of issued Shares at the date of the invitation.

18. Amendment of Plan

Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

19. Plan duration

The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

20. Income Tax Assessment Act

The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in that Act).

CALIMA

E N E R G Y

ABN 17 117 227 086

CE1

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00 am (WST)** **Wednesday, 27 May 2020**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

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Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Calima Energy Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Calima Energy Limited to be held at Unit 1A, 1 Alvan Street, Subiaco, Western Australia on Friday, 29 May 2020 at 10:00am (WST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 4 to 7 and 9 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 4 to 7 and 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 4 to 7 and 9 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain		For	Against	Abstain	
1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8	Approval to issue Shares to Mark Freeman in lieu of consultancy fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Alan Stein as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	Adoption of Calima Employee Securities Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Election of Brett Lawrence as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	Ratification of July Placement under Listing Rule 7.1 Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Approval to issue Shares to Glenn Whiddon in lieu of Director's fees and consultancy fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	Ratification of July Placement under Listing Rule 7.1A Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Approval to issue Shares to Neil Hackett in lieu of Director's fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Approval to issue Shares to Brett Lawrence in lieu of Director's fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13	Amendment to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Approval to issue Shares to Alan Stein in lieu of Director's fees and consultancy fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14	Renewal of Proportional Takeover Provisions in Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

