



December 10, 2020

CALIMA GAS AND LIQUIDS SHOWS STRONG IN THE MONTNEY

Highlights:

- Canadian Discovery Ltd have agreed to the release of their preliminary findings from the in-depth industry study of the three wells drilled by Calima in 2019.
 - The study confirms the presence of **high productivity zones** in the sections tested by the Calima-2 and Calima-3 wells.
 - Core data from Calima-1 indicates a **resource potential** in the **Lower Montney** that is under-developed in the basin and currently not incorporated in the Company's resource statement, delivering future upside.
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Calima Energy Limited (ASX:CE1) (Calima or Company) currently operates more than 60,000 acres of drilling rights (Calima Lands) in British Columbia, Canada.

The Company previously reported¹ on the initial flow rates of its 2019 winter Montney drilling campaign confirming the condensate-gas-ratio on Calima-2 which led to a significant increase in estimated reserves² on the Calima Lands. Canadian Discovery Ltd (CDL) has now completed a detailed study of the data collected from the three wells, including the 230 meters of core obtained from Calima-1. CDL is a leading expert in the Western Canadian basin with extensive proprietary technologies and databases.

The Calima wells confirmed the liquids rich Montney fairway extends further north than previously thought and CDL have requested permission to publish the results of their preliminary findings (a copy of which can be located at www.calimaenergy.com).

The Company will report on the full findings of the CDL report once it is complete. The CDL technical paper ⁽¹⁾ concludes as follows:

"Pressure and flow test results from the Upper Middle Montney in Calima-2 and the Upper Montney in Calima-3, in addition to core analysis from Calima-1, indicate the presence of high productivity Montney zones at the northern edge of the current Montney fairway. Regional mapping and the production history of analogue wells at Laprise and Birley Creek also point to

¹ 28 March 2019

² 8 July 2019



Calima’s wells becoming strong performers. While not tested, lower Montney intervals, based on core and log analysis from Calima-1, represent a potential resource that to date has been under-developed elsewhere in northeast BC.”

“As of November 2020, Calima holds approximately 26,000 ha (61,735 acres) of Montney rights, over half of which have been converted to leases with expiry dates no earlier than June 2029. Combining this land base with the company’s recent acquisition of infrastructure at Tommy Lakes, and receipt of approval to construct pipeline from its recent wells to that infrastructure, Calima is well positioned to build significantly on its current Montney development.

Micheal Dobovich, Calima’s Canada President commented:

“Calima is very pleased with the preliminary results provided by CDL’s technical evaluation confirming the productivity of the Upper and Middle Montney and provides us a glimpse of the substantial potential of the Lower Montney which currently is not included within our resource statement. We look forward to providing further details once the full study is completed.”

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

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Footnotes;
Podetz & Gibbs (2020) Canadian Discovery Article, Nov 30, 2020