24 March 2021

BLACKSPUR DRILLING / MERGER UPDATE

- Blackspur has completed the drilling portion of a three well Sunburst program at Brooks
- The new wells took on average 6 days to drill, and the re-entry was 4.5 days
- Completion and tie-in of the wells will be completed in April 2021
- Sunburst wells
    - C$1 million each to drill - pay-back ~ 6 months @ US$60/WTI at type curve production rates
    - Great leverage to rising oil prices due their low cost and high productivity

Calima Energy Limited (**ASX:CE1**) (**"Calima" or the "Company"**) is pleased to announce that Blackspur Oil Corp ("Blackspur") has completed the drilling portion of a three well program at its Brooks, Alberta asset. As previously announced, Blackspur is merging with Calima Energy in late April 2021 following the $37 million financing[1].

As part of Blackspur's strategic plan to increase production to 3,400 boe/d by year end, Blackspur has completed the drilling of a three well program (two new horizontal wells, and one horizontal re-entry well) targeting the Sunburst Formation in the Brooks area. The new wells were drilled to an average total depth of 2,021 m with an average horizontal leg length of 770 m.

The Sunburst Formation wells are typically drilled in 7 days due to the shallow nature of the target interval and the conventional nature of the wells. The first well was spudded on March 3, 2021 and drilling of the three wells was competed March 21, 2021. All wells were drilled under budgeted time and cost. As one well in the program was a re-entry, the three well budget was C$2.4 million.

[1] Refer Calima announcement 16 March 2021

Downhole pressure gauges have been placed in the wells, and over the coming weeks, Blackspur will perform completion procedures for the three wells which will be followed by the equipping and tie-in process. Due to the conventional nature of the interval with high porosity and permeability, the completion process for a Sunburst well does not require fracture stimulation, acidizing, or any stimulation.

Each of the wells is considered an “on lease tie-in”, meaning they have been drilled from existing well sites that are already tied into Blackspur’s extensive infrastructure with available capacity and thus do not require any long pipelines or any additional oil processing facilities.

As is customary, the three wells will be in the “clean up” stage when they are first brought on, producing water and drilling fluid at the beginning of the flow back period. Initial production rates after 45 days, (IP45) for the three wells will be known in early May 2021.

With current oil prices of ~US$60 WTI, Blackspur’s Sunburst wells are highly economic. At the budgeted cost per well; assuming standard type curve production; these wells are anticipated to pay-out in under 6 months.

The Company has a retail offer prospectus https://ce1offer.thereachagency.com/offer/ open to all investors until April 20, 2021. Calima is expected to re-list late April 2021.

Investors should consider the Prospectus (and any supplementary or replacement prospectus issued by the Company) carefully and seek independent professional advice, if necessary, before deciding whether to apply for Shares pursuant to the Prospectus.

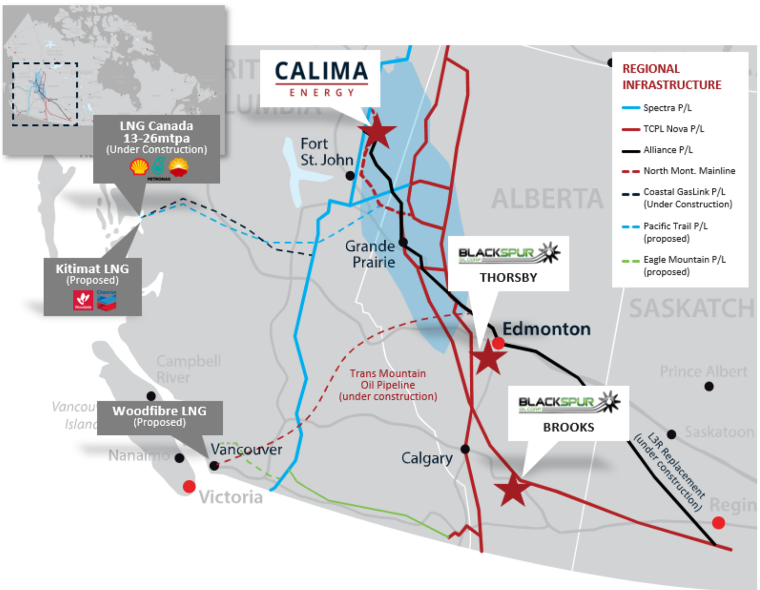
To apply for Shares in the Company pursuant to the Prospectus, you should visit the above link and follow the instructions to access the Prospectus, read it carefully, and complete an online application form that will accompany the Prospectus. Once you have completed your online application, you should make your application payment via BPAY®. Alternatively, you may contact the Company at info@calimaenergy.com to obtain a paper copy of the Prospectus and you may apply for Shares pursuant to the Prospectus by completing the paper application form that will accompany the Prospectus.

Jordan Kevol, CEO of the combined Company states:

"Blackspur is excited to be delivering 3 additional wells into the production profile prior to the Merger completing. There may be an opportunity to accelerate or exceed the projected target of a 3,000 boe/d average for 2021. Blackspur's Sunburst drilling inventory maintains positive economics down to ~$31 WTI (including all drilling costs); adding significant optionality on its 2021 drilling program.

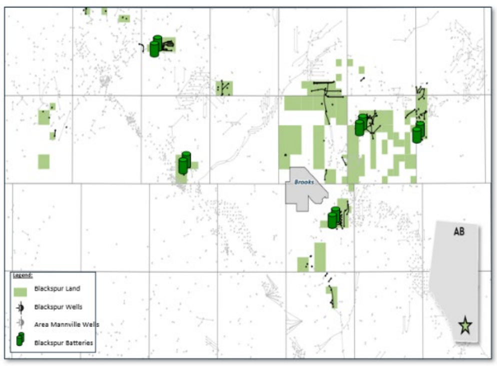
Overview of Blackspur and its Assets

Blackspur was formed in 2012 and has since drilled 59 oil wells on its asset base. In Q3 2018, Blackspur reached peak production of over 5,000 boe/d. Blackspur has two core production areas in Southern Alberta; Thorsby and Brooks. The Brooks asset produced in Q4 2020 ~1,860 boe/d and Thorsby ~740 boe/d. The combined assets have a liquids ratio of 70% and has a peer leading Liability Management Ratio (LMR) rating of ~4.63 with undiscounted ARO estimated at ~$14.2 million.



Brooks

Blackspur has established a core position of land (~83 net sections) and significant infrastructure that creates a foundation for growth and expansion with year-round access. Blackspur has drilled 48 wells to date.



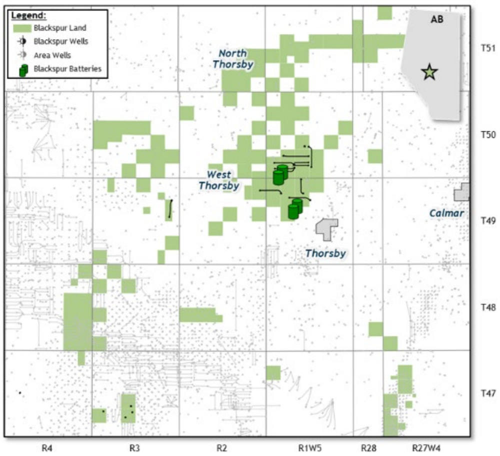
Brooks production comes from the Sunburst and Glauconitic formations. The Sunburst Formation can be developed at low cost (<C$1m/well) delivering economic rates of return. Blackspur's existing infrastructure can process up to 7,000 bbl/d oil.

Future growth from the Brooks asset will come from the 147 net locations that have already been identified. These locations include the booked 16 Sunburst and 17

Glauconitic PUDs. Additional reserves are expected to be realized through implementation of enhanced oil recovery projects. Blackspur recently initiated a waterflood in the Countess J2J Pool which is expected to show results in the near term.

Thorsby

Thorsby provides a consolidated land base of ~108 net sections that will be efficiently developed through a network of multi-well pads. The Thorsby asset has year-round access and Blackspur has drilled 11 wells to date in the Sparky Formation.



Blackspur has spent over C$5 million building infrastructure in the Thorsby area and has existing oil processing capacity of 3,000 bbl/d oil.

Thorsby has a large inventory of wells to drill with 89 Sparky Formation and 12 Nisku Formation wells identified, which includes 28 Sparky PUD locations. Additionally, upside exists in 66 net sections of Duvernay Formation lands that are included in the merger.

Indicative Timetable*

Merger announcement released on ASX	February 25, 2021
Calima General Meeting	April 15, 2021
Blackspur Shareholder Approval and Court Approval for Merger	April 23, 2021
Completion	late April 2021

*Note, this timetable is indicative only and may be subject to change.

This release has been approved by the Board.

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

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Forward Looking Statements

This release may contain forward-looking statements. These statements relate to the Company's expectations, beliefs, intentions or strategies regarding the future. These statements can be identified by the use of words like "anticipate", "believe", "intend", "estimate", "expect", "may", "plan", "project", "will", "should", "seek" and similar words or expressions containing same. These forward-looking statements reflect the Company's views and assumptions with respect to future events as of the date of this release and are subject to a variety of unpredictable risks, uncertainties, and other unknowns. Actual and future results and trends could differ materially from those set forth in such statements due to various factors, many of which are beyond our ability to control or predict. These include, but are not limited to, risks or uncertainties associated with the discovery and development of oil and natural gas reserves, cash flows and liquidity, business and financial strategy, budget, projections and operating results, oil and natural gas prices, amount, nature and timing of capital expenditures, including future development costs, availability and *terms of capital and general economic and business conditions. Given these uncertainties, no one should place undue reliance on any forward-looking statements attributable to Calima, or any of its affiliates or persons acting on its behalf. Although every effort has been made to ensure this release sets forth a fair and accurate view, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

Oil and Gas Glossary

B or b	Prefix – Billions	BBL, BO, bbl or bo	Barrel of oil
MM or mm	Prefix – Millions	BOE or boe	Barrel of oil equivalent (1 bbl = 6 mscf)
M or m	Prefix – Thousands	CF or cf	Standard cubic feet
/ D	Suffix – per day	BCF or bcf	Billion cubic feet
G	Gas	O or o	Oil
Pj	Petajoule	E or e	Equivalent
EUR	Estimated Ultimate recovery	C	Contingent Resources – 1C/2C/3C – low/most likely/high
WI	Working Interest	NRI	Net Revenue Interest (after royalty)
PDP	Proved Developed Producing	1P	Proved reserves
PUD	Proved Undeveloped Producing	2P	Proved plus Probable reserves
IP24	The peak oil rate over 24 hrs	3P	Proved plus Probable plus Possible reserves
WTI	West Texas Intermediate	OCF	Operating Cash Flow, ex Capex
E	Estimate	YE	Year End 31 December
CY	Calendar Year	tCO_2	Tonnes of Carbon Dioxide