

# FREE CASH FLOW, GROWTH-FOCUSED CANADIAN OIL & GAS PRODUCER

Noosa Mining Conference  
15-17 November 2023



# CORPORATE SNAPSHOT

Strong base production complimented by significant production adds layered on through the Leo, Pisces, and Gemini programs

CORPORATE OVERVIEW	
Trading Bourses	ASX: CE1   OTC: CLMEF
Shares Outstanding (basic)	626 million
Current share price (A\$)	0.09
Market Cap on Close at 28 Feb 2023	A\$56 million
Sales Revenue FY2022	A\$122.5 million
Adjusted EBTDA FY2022	A\$66 million
Sales Rev SEPT Qtr 2023	A\$24 million
Adjusted EBTDA SEPT Qtr 2023	A\$10 million

RESERVES/RESOURCES (MMBOE) <sup>1</sup>	1P	2P	3P
Gross Reserves	16.1	20.5	24.4



## CALIMA HAS SUCCESSFULLY EXECUTED ITS STRATEGY AND IS CONTINUING TO GROW ITS PRODUCTION BASE

- Impressive Growth in Production Base – **Up ~40% since acquisition in 2021**
- 2023 Production forecasted at 4,000 boe/d for 2023
- Q3 drilling program to strengthen the production base, develop PDP reserves, and utilise recent infrastructure upgrades in Brooks with peak production rates to be achieved in Q4 2023

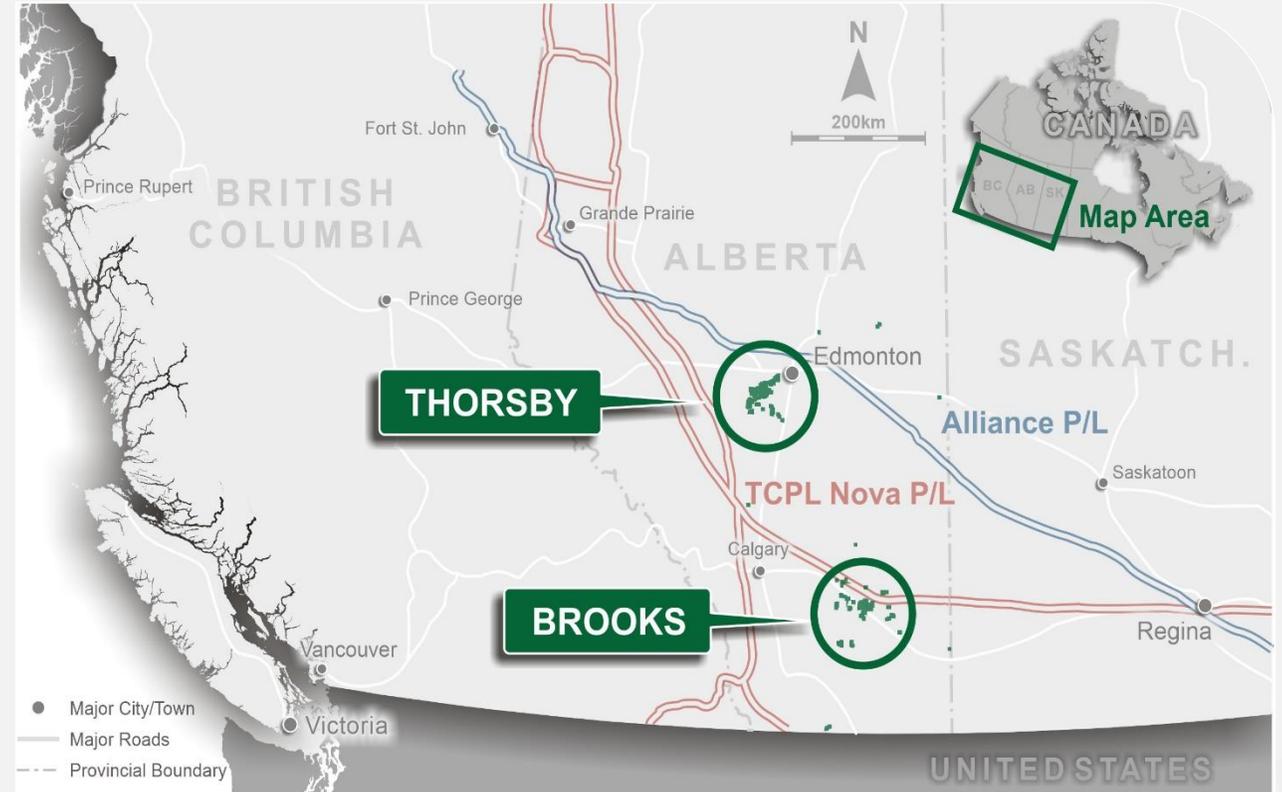
# CONVENTIONAL OIL & GAS PRODUCER

Focused on responsible development of top-tier assets in Western Canada

- **Stable, low decline base production from Brooks and Thorsby provides significant growth opportunities**
  - ~103 wells on production
- **Responsible capital allocation:**
  - **2021:** Drilled 7 wells (4 Brooks & 3 Thorsby)
  - **2022:** Drilled 16 wells (15 Brooks, 1 Thorsby) and constructed 19 KM of pipeline at Brooks
  - **Q1 2023:** 2 Brooks wells, Montney testing program
  - **Q3/Q4 2023:** 3 Brooks wells
  - **2023 production average >4,000 boe/d (63% oil)**

**A\$26.9 MILLION**  
Q4 SALES REVENUE  
FORECAST

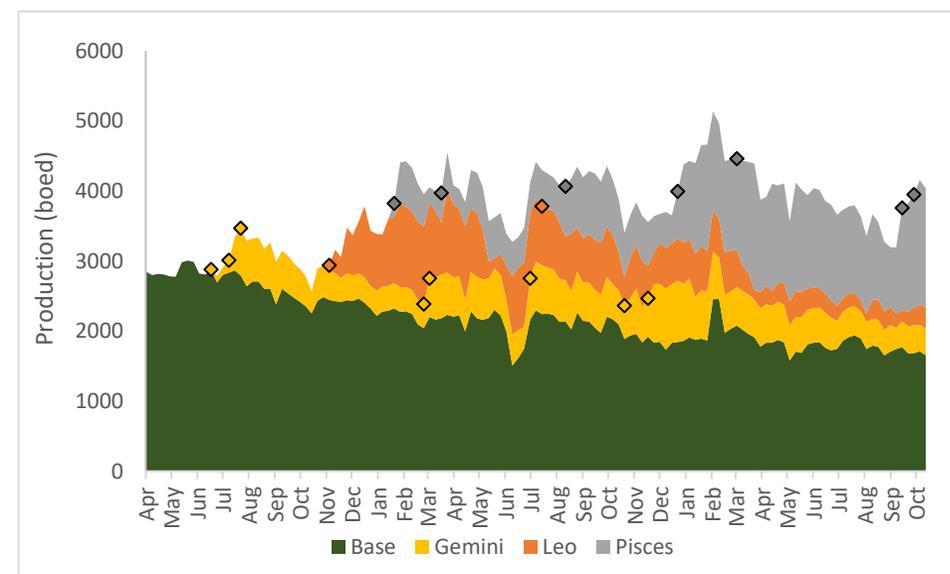
**A\$11.9 MILLION**  
Q4 EBTDA  
FORECAST



# PRODUCTION GROWTH STORY

	Q3 23	Q4 23
<b>Production Sales</b>		
Oil (bbl)	192,326	218,239
Natural gas (Mcf)	826,501	861,939
Natural gas liquids (bbl)	8,710	8,684
Sales volumes (gross boe)	338,786	370,580
Sales volumes (boe/d)	3,683	4,028
Liquids percentage	60%	61%
<b>Financial (A\$ million)</b>		
Sales Revenue	\$23.7	\$26.9
Royalties	(4.5)	(5.6)
Operating Costs	(7.0)	(8.1)
G&A and Interest	(1.9)	(1.3)
<b>Adjusted EBTDA</b>	<b>10.3</b>	11.9
Realized Hedge Gains (Losses)	(0.5)	(0.2)
<b>Cash Flow from Operations</b>	<b>9.8</b>	11.7
Capital Expenditures	(9.0)	(6.5)
Proceeds from property dispositions	11.5	-
<b>Free Cash Flow</b>	<b>12.3</b>	<b>5.2</b>
Free Cash Flow without Hedge Gains/Losses	12.8	5.4
<b>Realised Commodity/FX prices</b>		
Oil (A\$/bbl)	106.73	107.46
Natural gas (A\$/Mcf)	3.24	3.36
Natural gas liquids (A\$/bbl)	61.67	62.37
AUD / CAD	0.88	0.87

**CALIMA IS A RETURNS-FOCUSED  
GROWTH PRODUCER WITH TOP TIER  
ASSETS, POSITIVE CASH FLOW AND IS  
ESG GOAL ORIENTATED**



# MANAGEMENT & BOARD

## CANADIAN LEADERSHIP



**KARL DEMONG**  
President & CEO

- Commercial and petroleum engineering based in Canada > 30 years in domestic and international E&P
- Well operations management and technical experience in unconventional and conventional fields



**GRAHAM VEALE**  
COO & VP Engineering

- 9 years at Blackspur, 3 years Calima
- 25+ years Canadian E&P experience
- Ex Milestone Exploration, Devon Energy, Anderson Exploration & Mobil Oil



**ROD MONDEN**  
CFO

- Chartered professional accountant
- 25 years of senior progressive financial experience in the energy sector
- Positions include Manager Financial Reporting, Controller, VP Finance and CFO, with private and publicly traded companies.



**KEVIN SAIZEW**  
VP Production

- 5 years at Blackspur, 2 years Calima
- 11+ years Canadian E&P experience
- Ex Lightstream Resources, Petrobakken Energy



**SHAUN JAMES**  
Business Development - Canada

- Reservoir Engineer
- 26 years Canadian E&P experience
- Ex Caltec, West Valley Energy, Encana

**Long track record of Western Canadian asset development**

## DIRECTORS

**GLENN WHIDDON**  
Chairman

- Commercial >30 years in equity capital markets, banking and corporate advisory
- Bank of New York, Grove Energy and various ASX listed companies

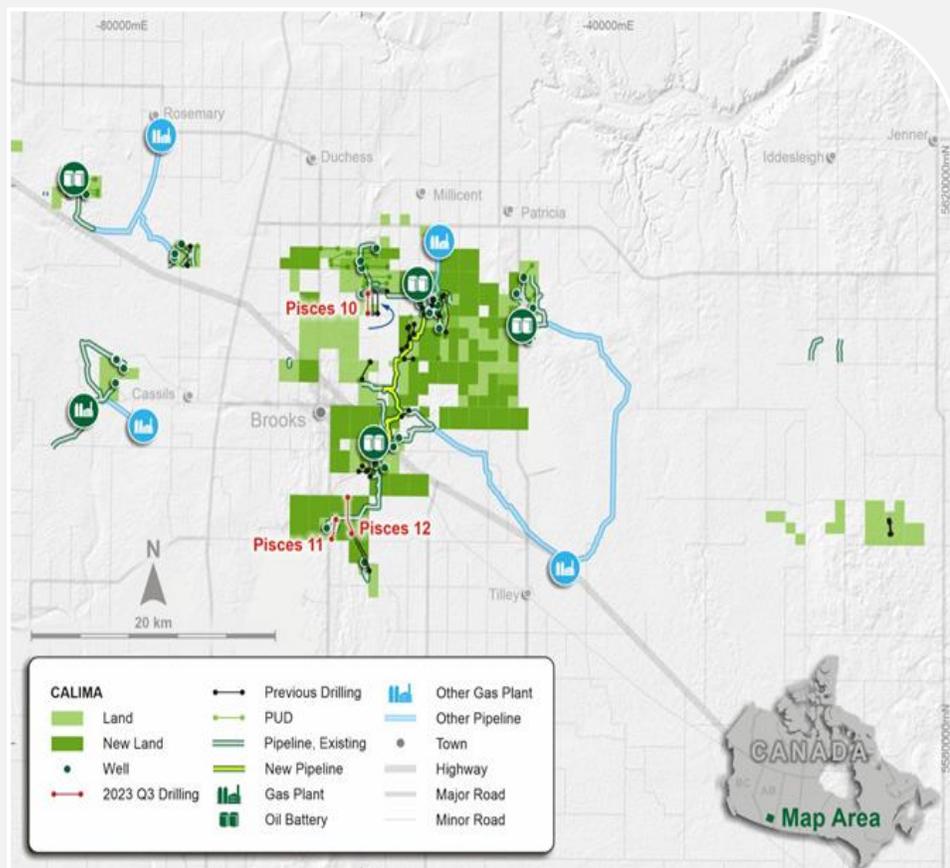
**MARK FREEMAN**  
Finance Director - Australia

- >25 years oil and gas development and corporate finance expertise
- Grand Gulf Energy, Golden Gate Petroleum, Quest Petroleum

**LONNY TETLEY**  
Non-Exec Director

- Partner at Burnet, Duckworth and Palmer LLP
- Currently serves on the Board of Certarus, Beyond Energy Services & Accelerate Financial Technologies Inc.

## Large reserves with multiple oil pools identified, delineated and developed

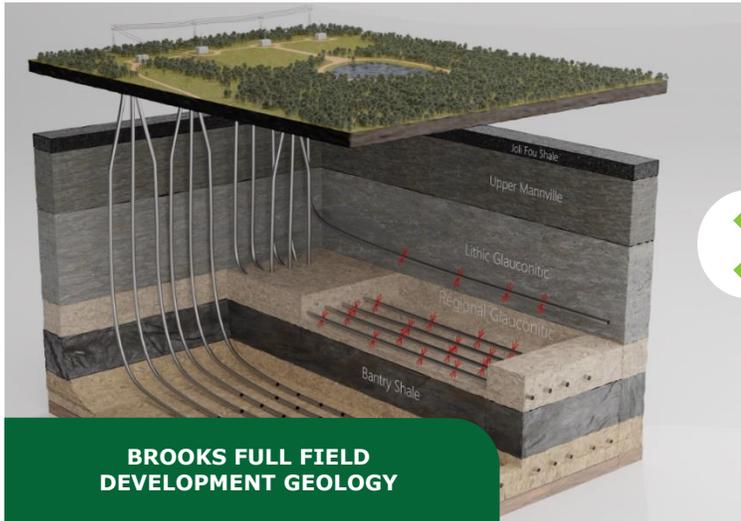


- Brooks production average for 2023 **~3,200 boe/d<sup>2</sup>**
- **~107** net sections, **~69,000** net acres in total inclusive of option lands
- Year-round access and **>80** wells drilled to-date
- Owned and operated infrastructure; large development capacity
- **~140** net locations identified; 24.75 net booked
  - **6** wells (**3** Sunburst and **3** Glauconitic) drilled in Dec/Jan 22
  - **4** wells (**2** Sunburst and **2** Glauconitic) drilled in June/July 22
  - **5** wells (**3** Sunburst and **2** Glauconitic) drilled Oct/November 22
  - **5** wells (5 Glauconitic) drilled in 23
- Waterflood initiated in 2020 at the Brooks Sunburst J2J pool; continuing to improve production and re-pressure pool.

### Reserves Detail (mmboe)<sup>1</sup>

PDP	<b>4.6</b>
Proved Undeveloped	<b>3.9</b>
Total 1P	<b>8.4</b>
Total 2P	<b>10.2</b>
Total 3P	<b>12.2</b>

# 2022 BROOKS FIELD ACTIVITY - Typical Drilling Through Production Timeline



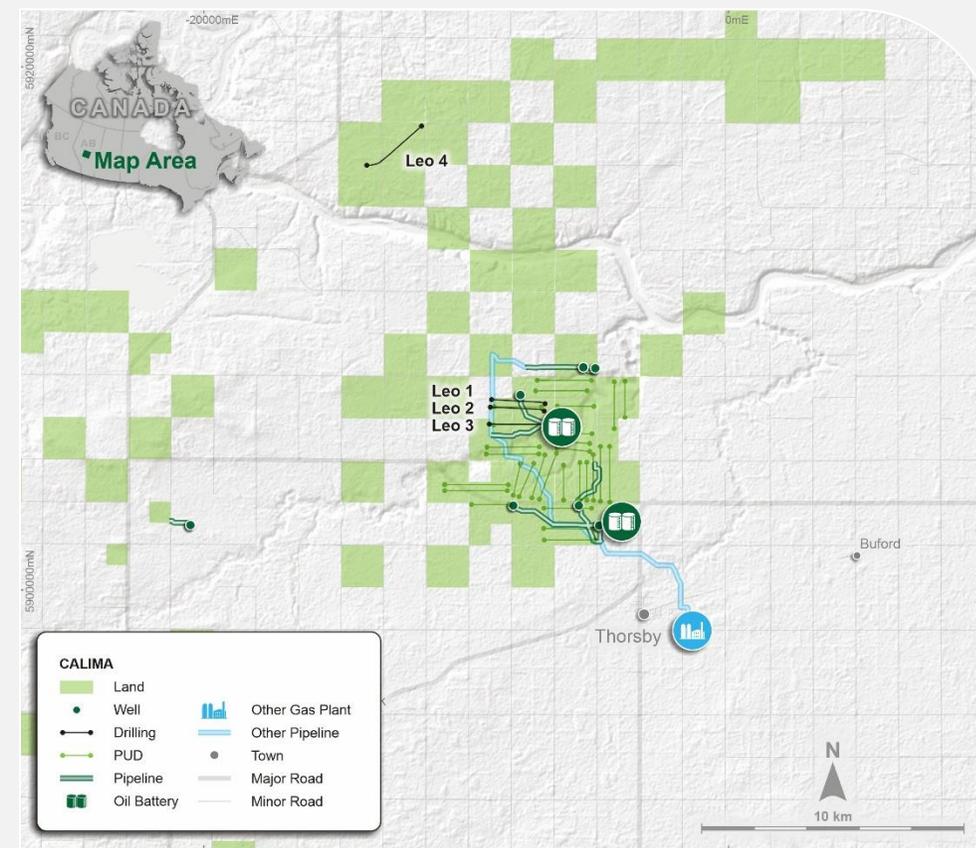
\* Clean-up is the period where drilling and completion fluids are produced along with reservoir fluids prior to the well producing at the true reservoir characteristics.

## Consolidated land base of ~37 sections that will be efficiently developed through a network of multi-well pads

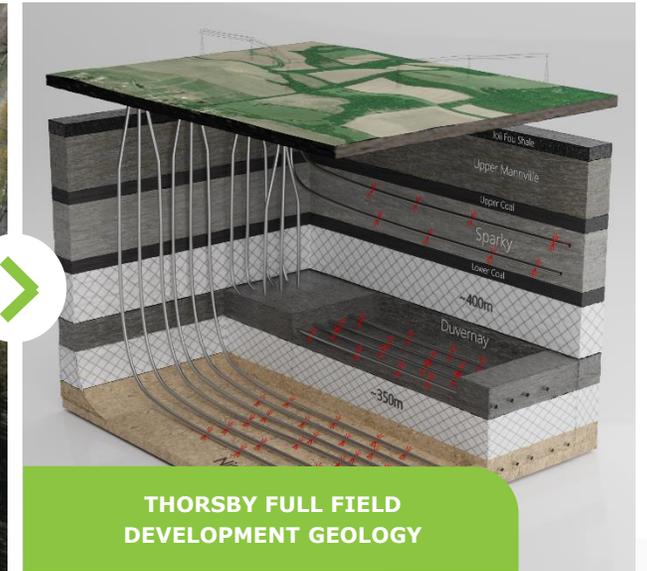
- Thorsby production average for 2023 ~**800 boe/d**<sup>2</sup>
- ~**24,000** net acres total
- **15** wells drilled since 2014
- Multi-well pads reduce overall capital costs
- ~**63** net Sparky; **12** net Nisku inventory identified with multiple pools to be delineated (**24** booked Sparky locations)

### Reserves Detail (mmboe)<sup>1</sup>

PDP	<b>2.4</b>
Proved Undeveloped	<b>5.2</b>
Total 1P	<b>7.6</b>
Total 2P	<b>10.2</b>
Total 3P	<b>12.2</b>



# THORSBY FIELD ACTIVITY - Typical Drilling Through Production Timeline



\* Clean-up is the period where drilling and completion fluids are produced along with reservoir fluids prior to the well producing at the true reservoir characteristics.

# PRODUCTION GROWTH STORY

**Calima has a proven track record of generating free cash flow and investing in projects that will drive future revenue and earnings growth**



**Bonanza Rig on Pisces Program**



**DE-RISKED  
ASSET BASE**

Brooks & Thorsby produced over 1.4 million boe in 2022.

YTD production averaged above 4,000 boe/d, production growth of ~40% since acquiring in 2021.

Active self-funding drilling program - Drilled 16 wells in 2022; 5 wells drilled YTD in 2023.

Existing infrastructure provides the foundation for growth strategy in all areas:

- Brooks + Thorsby have multiple oil batteries with water disposal and connection to gas processing and sales



**SHAREHOLDER  
RETURNS CASH FLOW  
GENERATION**

Production growth story with strong balance sheet.

2022 generated total revenue of \$A122.5m with adjusted earnings before hedges of \$A66.4 million.

Nil drawdown on C\$20.0 million facility at September 30, 2023.

Capital management program includes share buybacks, return of capital and dividends.

September 2023 capital return of \$7.5 million with an expectation of an additional \$2.5 million in Jan 2024.

Minimal Hedging upside restrictions.

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## **Qualified petroleum reserves and resources evaluator statement**

The petroleum reserves and resources information in this announcement in relation to Blackspur Oil Corp is based on, and fairly represents, information and supporting documentation in a report compiled by InSite Petroleum Consultants Ltd. (InSite) for the December 31, 2021 Reserves Report. InSite is a leading independent Canadian petroleum consulting firm registered with the Association of Professional Engineers and Geoscientists of Alberta. These reserves were subsequently reviewed by Mr. Graham Veale who is the VP Engineering with Blackspur Oil Corp. The InSite December 31, 2021 Reserves Report and the values contained therein are based on InSite's December 31, 2021 price deck (<https://www.insitepc.com/pricing-forecasts>). Mr. Veale holds a BSc. in Mechanical Engineering from the University of Calgary (1995) and is a registered member of the Alberta Association of Professional Engineers and Geoscientists of Alberta (APEGA). He has over 25 years of experience in petroleum and reservoir engineering, reserve evaluation, exploitation, corporate and business strategy, and drilling and completions. InSite and Mr. Veale have consented to the inclusion of the petroleum reserves and resources information in this announcement in the form and context in which it appears.

## CONTACT US

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# COMMITMENT TO RESPONSIBLE OPERATIONS



## ENVIRONMENTAL

- Brooks and Thorsby assets have very low CO<sub>2</sub> in reservoir with the average less than 2%, minimizing the potential future costs or need to purchase carbon credits in becoming a net zero emitter
- Lower water use due to the Sunburst open hole wells requiring no fracturing in the key Brooks asset
- Multi-well pad drilling reduces environmental footprint
- Clean asset base with ~6.5 corporate LMR and \$A23.6 million net undiscounted ARO
- Since May 2020, grants totalling C\$1.3m have been utilised to decommission 42 wells in Alberta core areas
- The Company plans are to decommission ~10 wells in 2023



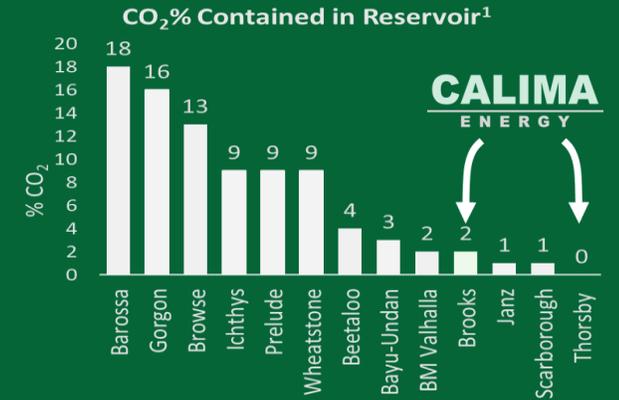
## SOCIAL

- Continue to target zero lost time incidents and exceed regulatory requirements to minimize environmental impacts and provide all employees and contractors a safe place to work
- Long history of active involvement in all communities where Calima works, particularly with First Nations
- History of making meaningful donations to a variety of non-profit organizations



## GOVERNANCE

- Majority independent board with diversity of skillset, backgrounds and experience including both Canadian and Australian expertise
- Appropriate policies and procedures impart rigour around financial reporting, audit oversight and overall risk mitigation
- Key risk management practices in place governing hedging and financial controls



# GLOSSARY

Abbreviation	Description
<b>WI</b>	Working Interest
<b>C</b>	Contingent Resources – 1C/2C/3C – low/most likely/high
<b>NRI</b>	Net Revenue Interest (after royalty)
<b>Net</b>	Working Interest after Deduction of Royalty Interests
<b>NPV (10)</b>	Net Present Value (discount rate), before income tax
<b>EUR</b>	Estimated Ultimate Recovery per well
<b>WTI</b>	West Texas Intermediate Oil Benchmark Price
<b>WCS</b>	Western Canadian Select Oil Benchmark Price
<b>PDP</b>	Proved Developed Producing
<b>PUD</b>	Proved Undeveloped
<b>1P or TP</b>	Total Proved
<b>2P or TPP</b>	Total Proved plus Probable Reserves
<b>3P</b>	Total Proved plus Probable plus Possible Reserves
<b>EBITDA</b>	Earnings before interest, tax, depreciation, depletion and amortization
<b>Net Acres</b>	Working Interest
<b>IP24</b>	The peak oil production rate over 24 hours of production
<b>IP30/90</b>	The average oil production rate over the first 30/90 days of production

Abbreviation	Description
<b>B</b>	Prefix – Billions
<b>MM</b>	Prefix - Millions
<b>M</b>	Prefix - Thousands
<b>/d</b>	Suffix – per day
<b>bbl</b>	Barrel of Oil
<b>boe</b>	Barrel of Oil Equivalent (1bbl = 6 mscf)
<b>scf</b>	Standard Cubic Foot of Gas
<b>Bcf</b>	Billion Standard Cubic Foot of Gas
<b>tCO<sub>2</sub></b>	Tonnes of Carbon Dioxide
<b>OCF</b>	Operating Cash Flow, ex Capex
<b>E</b>	Estimate
<b>YE</b>	Year End 31 December
<b>CY</b>	Calendar Year
<b>LMR</b>	Liability Management Ratio



TERMS	DESCRIPTION
<b>Adjusted EBITDA</b>	Adjusted EBITDA is calculated as net income (loss) before interest and financing expenses, income taxes, depletion, depreciation and amortisation, and adjusted to exclude certain non-cash, extraordinary and non-recurring items primarily relating to bargain purchase gains, gains and losses on financial instruments, transaction and advisory costs and impairment losses. Calima utilises adjusted EBITDA as a measure of operational performance and cash flow generating capability. Adjusted EBITDA impacts the level and extent of funding for capital projects investments or returning capital to shareholders.
<b>ARO / Asset Retirement Obligation</b>	the process of permanently closing and relinquishing a well by using cement to create plugs at specific intervals within a well bore.
<b>CO2e:</b>	carbon dioxide equivalent
<b>Conventional Well:</b>	a well that produces gas or oil from a conventional underground reservoir or formation, typically without the need for horizontal drilling or modern completion techniques
<b>Compression:</b>	a device or facility located along a natural gas pipeline that raises the pressure of the natural gas flowing in the pipeline, which in turn compresses the natural gas, thereby both increasing the effective capacity of the pipeline and allowing the natural gas to travel longer distances
<b>Corporate Decline:</b>	consolidated, average rate decline for net production from the Company's assets
<b>Exit Production</b>	Exit production is defined as the average daily volume on the last week of the period
<b>Operating Netback</b>	Oil and gas sales net of royalties, transportation and operating expenses
<b>Financial Hedge:</b>	a financial arrangement which allows the Company to protect against adverse commodity price movements, the gains or losses of which flow through the Company's derivative settlements on its financial statements
<b>Free Cash Flow (FCF):</b>	represents Hedged Adjusted EBITDA less recurring capital expenditures, asset retirement costs and cash interest expense
<b>Free Cash Flow Yield:</b>	represents free cash flow as a percentage of the Company's total market capitalisation at a certain point in time
<b>Funds Flow</b>	Funds flow from operations is a non-IFRS measure calculated based on operating netback, less general & administrative expenses, and interest and other financing costs
<b>Gathering &amp; Compression (G&amp;C):</b>	owned midstream expenses; the costs incurred to transport hydrocarbons across owned midstream assets
<b>Gathering &amp; Transportation (G&amp;T):</b>	third-party gathering and transportation expense; the cost incurred to transport hydrocarbons across third-party midstream assets
<b>G&amp;A:</b>	general and administrative expenses; may be represented by recurring expenses or non-recurring expense
<b>Hyperbolic Decline:</b>	non-exponential with subtle multiple decline rates; hyperbolic curves decline faster early in the life of the well and slower as time increases
<b>LOE:</b>	lease operating expense, including base LOE, production taxes and gathering & transportation expense
<b>Midstream:</b>	a segment of the oil and gas industry that focuses on the processing, storing, transporting and marketing of oil, natural gas, and natural gas liquids

