March 11, 2021

ASX Code: CE1

Upcoming General Meeting

Dear Shareholder,

Calima Energy Limited (ASX: **CE1**, **Calima** or the **Company**) will be holding its general meeting at 10:00am (AWST) on 15 April 2021 at Suite 4, 246-250 Railway Parade, West Leederville, WA 6007 (the Meeting).

In accordance with subsection 5(f) of the Corporations (Coronavirus Economic Response) Determination (No. 3) 2020, the Company will not be dispatching physical copies of the Notice of General Meeting (Notice). Instead, a copy of the Notice is available at the following link https://calimaenergy.com/category/annoucements/ and has also been lodged on the Australian Securities Exchange (ASX) and should be read in its entirety prior to voting. You may vote by attending the Meeting in person, by proxy or by appointing an authorised representative.

VOTING IN PERSON
To vote in person, attend the Meeting at the time, date and place set out above.

VOTING BY PROXY
As you have not elected to receive notice by email, a copy of your personalized proxy form is enclosed for your convenience. Please complete and return the proxy form to the Company's share registry, Computershare Investor Services, using any of the following methods:

Online	at www.investorvote.com.au
By mobile	follow the instructions outlined on your proxy form attached
By fax	1800 783 447 within Australia +61 3 9473 2555 outside Australia
By mail	Computershare Investor Services Pty Limited GPO Box 242, Melbourne VIC 3001, Australia

In accordance with section 249L of the Corporations Act, shareholders are advised that:

- each shareholder has a right to appoint a proxy;
- the proxy need not be a shareholder of the Company; and
- a shareholder who is 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. If the shareholder appoints two proxies and the appointment does not specify the proportion or number of the shareholder's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Proxy Forms must be received by 10:00am (WST) 13 April 2021.
Should you wish to discuss the matters in the Notice of Meeting, please contact the Company Secretary by telephone at +61 8 6500 3270.

If COVID-19 social distancing restrictions change prior to the Meeting, the Company will advise via an ASX announcement as to any changes in the manner in which the Meeting will be held and as to whether shareholders will still be able to attend in person and participate in the usual way.

CALIMA ENERGY LIMITED

ACN 117 227 086

NOTICE OF GENERAL MEETING

A general meeting of the Company will be held at Suite 4, 246-250 Railway Parade, West Leederville, WA 6007 on 15 April 2021 at 10AM (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 GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Calima Energy Limited (**Company**) will be held at Suite 4, 246-250 Railway Parade, West Leederville, WA 6007 on 15 April 2021 at 10AM (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 15 April 2021 at 10AM (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 5.

AGENDA

1. Resolution 1 – Approval of acquisition of Blackspur

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

"That, subject to each of the other Merger Resolutions being passed, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of such number of Shares to the Blackspur Shareholders (or their nominees) as consideration for the Merger as determined pursuant to the Consideration Share Formula and otherwise 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 Blackspur Shareholders and their 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.

2. Resolution 2 – Approval to issue Capital Raising Shares

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

*"That, subject to each of the other Merger Resolutions being passed, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of up to 5,428,571,429 Shares (**Capital Raising Shares**) to the Capital Raising Participants 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 Capital Raising Participants and their 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.

3. Resolution 3 – Approval for Director Related Party to participate in the Capital Raising

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

"That, subject to each of the other Merger Resolutions being passed, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise Lagral (or its nominees) to participate in the Capital Raising to the extent of up to 285,714,286 Shares 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 Lagral and its 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.

(iii)

4. Resolution 4 – Approval to issue Shares to the Lender in satisfaction of Loan

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 10.11 and for all other purposes, Shareholders approve and authorise the issue of up to 127,000,000 Shares to the Lender (or its nominees) in satisfaction of the Loan 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 Lender and its 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.

5. Resolution 5 – Approval to issue Shares to Consultants as Fees

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

"That, subject to each of the other Merger Resolutions being passed, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of up to 38,571,429 Shares as part of the Transaction Fee payable in relation to the Merger 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 Consultants and their 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.

6. Resolution 6 – Authorisation to increase maximum Securities under the 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 to increase the maximum number of Securities that may be issued under the Calima Employee Securities Incentive Plan from the present maximum of 200,000,000 Securities to a maximum of 600,000,000 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, 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.

7. Resolution 7 – Approval to grant Plan Performance Rights to Glenn Whiddon

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 10.14 and for all other purposes, Shareholders approve and authorise the grant of 20,000,000 Plan Performance Rights (comprising 10,000,000 Class A Plan Performance Rights and 10,000,000 Class B Plan Performance Rights) to Glenn Whiddon (or his nominees) under the Calima Employee Securities Incentive 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 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 grant Plan Performance Rights to Alan Stein

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 10.14 and for all other purposes, Shareholders approve and authorise the grant of 10,000,000 Plan Performance Rights (comprising 5,000,000 Class A Plan Performance Rights and 5,000,000 Class B Plan Performance Rights) to Alan Stein (or his nominees) under the Calima Employee Securities Incentive 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 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.

9. Resolution 9 – Approval to grant Plan Performance Rights to Brett Lawrence

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 10.14 and for all other purposes, Shareholders approve and authorise the grant of 6,000,000 Plan Performance Rights (comprising 3,000,000 Class A Plan Performance Rights and 3,000,000 Class B Plan Performance Rights) to Brett Lawrence (or his nominees) under the Calima Employee Securities Incentive 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 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.

10. Resolution 10 – Approval to grant Broker Options

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

"That, subject to each of the other Merger Resolutions being passed, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of up to 50,000,000 Broker Options (each exercisable at $0.01 on or before the date that is three years

from the date of grant) to Evolution (or their nominees) 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 Evolution and its 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.

Dated 11 March 2021

BY ORDER OF THE BOARD

Mark Freeman
Company Secretary

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 Suite 4, 246-250 Railway Parade, West Leederville, WA 6007 on 15 April 2021 at 10am (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 7, 8 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 Resolutions.

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 Resolutions are connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

3. Overview of Merger of Blackspur

3.1 Background

The Company's principal activity is investing in oil and gas exploration and production projects internationally.

The Company's core assets are:

(a) a 100% interest in more than 60,000 acres of drilling and production rights in the liquids rich gas sweet-spot of the Montney Formation in British Columbia, Canada;

(b) the recently acquired compression facilities, associated pipelines and infrastructure in the Tommy Lakes Field which lies 20kms immediately north of the Calima lands above; and

(c) the Paradise Well which is located 40kms to the northeast of Fort St John and 250km to the southeast of the Calima lands. This well produces approximately 24 barrels of oil per day.

The Company has entered into a conditional binding agreement (**Merger Agreement**) to acquire 100% of the issued capital of Blackspur Oil Corp, a corporation existing under the laws of the Province of Alberta, Canada which owns producing oil and gas assets in two core areas, Brooks and Thorsby (**Merger**). Further information on Blackspur and its assets is set out in Section 3.2.

The material terms of the Merger are set out in Section 3.3.

The Company has undertaken a due diligence process prior to entering into the Merger. While this process is undertaken to identify any material risks specific to the Mergers, it should be noted that the usual risks associated with a company with a small market capitalization undertaking business in any industries, including the resource industry, are expected to remain after the completion of due diligence.

Shareholders and investors should also be aware that the Merger is conditional on a number of events (refer to Section 3.3(f) below). Accordingly, there is a risk that the Merger may not be completed.

3.2 Overview of Blackspur and its Assets

Blackspur was formed in 2012 and followed through with acquisitions of $74 million and drilled 59 oil wells funded via a combination of equity and debt. 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. The Brooks asset averaged production of a net ~1,860 boe/d in Q4 2020 with a 94% working interest. 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 per well) delivering economic rates of return. Blackspur's existing infrastructure can process up to 7,000 bbl/d oil.

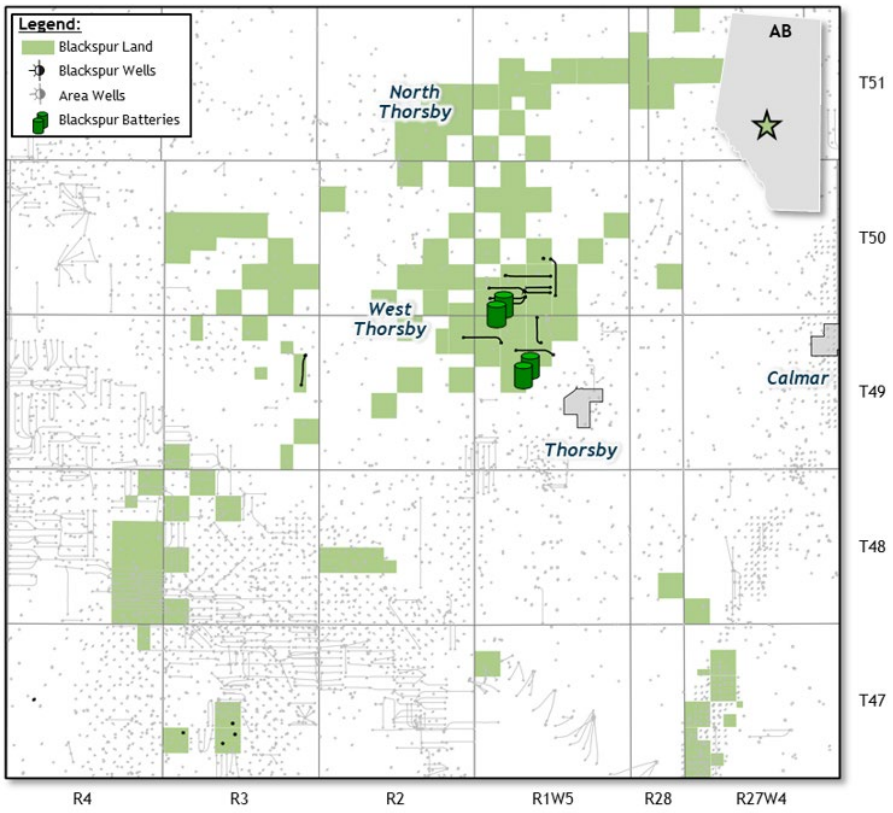
Future growth from the Brooks asset will come from the 147 net locations that have already been identified. These locations include the booked 16 Sunburst and 17 Glauconitic PUDs. Additional reserves are expected to be realized through implementation of enhanced oil recovery projects. Blackspur recently 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 averaged production of ~740 boe/d in Q4 2020 (100% WI) in the Sparky Formation. Blackspur has drilled 11 wells to date.

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.



Thorsby Area Land Map

3.3 Merger Terms

A summary of the key terms of the Merger is set out below:

(a) The total consideration payable to the Blackspur Shareholders for the Merger is CAD$17,000,000 to be adjusted in accordance with the Net Debt Adjustment (as defined below) (if any) (see Section 3.3(d) below) (**Consideration**).

(b) The Consideration will be payable to the Blackspur Shareholders at their election as either cash or Shares as follows:

(i) up to a maximum of CAD$4,900,000, being a maximum of approximately 29% of the Consideration (**Cash Consideration**) will be paid in cash; and

(ii) up to CAD$17,000,000, subject to the Net Debt Adjustment, through the issue of Shares at the Deemed Issue Price (as defined below) provided that no less than CAD$12,100,000 in value (approximately 71% of the Consideration) subject to the Net Debt Adjustment (see below) will be paid through the issue of Shares (**Consideration Shares**),

the Cash Consideration and Consideration Shares are together the **Consideration**.

(c) The deemed issue price of the Consideration Shares to be issued as all or part of the Consideration will be the same price per Share as the Capital Raising Shares are issued (being $0.007 per Share) (**Deemed Issue Price**). The Deemed Issue Price will be converted from AUD to CAD at the Exchange Rate for the purposes of determining the number of Shares to be issued in satisfaction for the Consideration.

(d) The parties have agreed a net debt adjustment such that on closing the net debt of Blackspur (**Net Debt**) will not exceed CAD$43,000,000 (pre-repayment of debt from the Capital Raising). To the extent that the Net Debt is less than or greater than CAD$43,000,000 (pre-repayment of debt from the Capital Raising), the Consideration will be increased or decreased, as applicable, by the amount that the Net Debt is less or greater than CAD$43,000,000 up to a maximum of CAD$3,000,000. Further, by way of separate payment, if the Net Debt is less than CAD$43,000,000, the Consideration will also be increased by an additional amount up to a maximum of CAD$1,500,000 (for each dollar that the Net Debt is below CAD$43,000,000 (together the **Net Debt Adjustment**). For example, if:

(i) Net Debt is CAD$42,500,000, then the Net Debt Adjustment will be an increase in the Consideration of CAD$1,000,000;

(ii) Net Debt is CAD$41,000,000, then the Net Debt Adjustment will be an increase in the Consideration of CAD$3,500,000; or

(iii) Net Debt is CAD$44,000,000 then the Net Debt Adjustment will be a decrease in the Consideration of CAD$1,000,000.

The Parties are currently expecting that the Net Debt will be approximately CAD$41,300,000 which will result in an increase in Consideration of CAD$3,200,000.

(e) Blackspur currently has a loan from its secured lender of approximately CAD$41,300,000 (but subject to change during the period between the date of this Notice and the date of the Meeting) (**Blackspur Loan**). On completion of the Merger (**Completion**), the Blackspur Loan will be paid down to CAD$13,000,000 with CAD$7,000,000 available to be redrawn (pursuant to a CAD$20,000,000 loan facility).

(f) Completion of the Merger is conditional upon the satisfaction or waiver of various conditions precedent including:

(i) the Company receiving firm commitments for the minimum amount to be raised pursuant to the Capital Raising of CAD$33,500,000 on or before 15 March 2021;

(ii) the board of directors of Blackspur unanimously approving the Merger and recommending that the Blackspur Shareholders vote in favour of the Merger and such recommendation not being withdrawn or modified;

(iii) holders of not less than 66.67% of Blackspur shares present (in person or by proxy), at the shareholder meeting at which the Blackspur Shareholders consider the Merger voting in favour of the Merger;

(iv) the net debt of Blackspur at Completion being no greater than CAD$46,000,000;

(v) any and all authorisations and approvals which may be required by law to implement the Merger being obtained on terms reasonably satisfactory to the Parties, including approval of the Blackspur Shareholders, court approval, approvals required under the Listing Rules, the Corporations Act and any provision of a Parties' associated documents or as may be required by ASIC or the ASX, including (without limitation) the approval of Shareholders for all relevant purposes, including passing of the Merger Resolutions;

(vi) written consent being obtained from Blackspur's secured lender permitting the change of control caused by the Merger; waiving any prepayment or default provisions pursuant to the Blackspur Loan; agreeing to make the Blackspur Loan a CAD$20,000,000 loan facility from Completion and agreeing to postpone any demand payment obligations pursuant to the Blackspur Loan until after 30 April 2021;

(vii) all of the directors of Blackspur executing customary resignations and mutual releases and the board of Blackspur being reconstituted to reflect the composition as directed by the Company;

(viii) no action or proceeding pending or being threatened by any person, company, firm, government authority, securities commission, regulatory body or agency to enjoin or prohibit the Merger or to suspend or stop trading securities of Blackspur;

(ix) no Material Adverse Change, (or any condition, event or development involving a prospective change) in Blackspur's or Calima's business, operations, assets, capitalization, financial condition, prospects, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise occurring;

(x) Blackspur obtaining all material third party consents, approvals or waivers to the Merger, including any required approvals by the Alberta Energy Regulator pursuant to Directive 067;

(xi) Blackspur not being in material breach of the Blackspur Loan as at Completion; and

(xii) Completion occurring by no later than 30 April 2021.

(g) The Merger Agreement contains standard commercial warranties and limits of liability as are usual for a transaction of this type.

(h) The Merger Agreement may be terminated:

(i) by mutual agreement between the parties;

(ii) by Blackspur if a Break Fee or Cost Reimbursement (see Sections 3.3(j) and (k) below) becomes payable by Calima;

(iii) by the Company if a Break Fee or Cost Reimbursement becomes payable by Blackspur;

(iv) by Blackspur if the Blackspur Board accepts or recommends a Superior Proposal (as defined in the Merger Agreement), Blackspur complied with its obligations under the Merger Agreement in respect of accepting or recommending a Superior Proposal and Blackspur has paid the Break Fee to the Company; or

(v) if any of the conditions are not satisfied or waived by the date provided for satisfaction.

(i) Pursuant to the Merger Agreement, Blackspur has the right to nominate two nominees to the Board of the Company. Upon completion of the Merger, the Company is

proposing to appoint Jordan Kevol and P.L. (Lonny) Tetley as directors of the Company as casual vacancies. See Section 3.9 for profiles of the proposed directors.

(j) The parties have agreed a mutual break fee of CAD$1,000,000 (**Break Fee**) which will be payable in the following circumstances:

(i) The Break Fee is payable by a party in the event that that party:

(A) does not recommend the Merger or withdraws or changes its recommendation of the Merger;

(B) breaches any covenant in the Merger Agreement which breach causes or would reasonably be expected to cause a Material Adverse Change or would materially impede completion of the Merger and the breach is not remedied;

(C) breaches any warranty in the Merger Agreement which causes or would reasonably be expected to cause a Material Adverse Change or would materially impede completion of the Merger and the breach is not remedied.

(ii) The Break Fee is payable by Calima to Blackspur in the event that the condition in Section 3.3(f)(i) is not satisfied (Calima failing to obtain firm commitments for the Capital Raising for at least AUD$34million by 15 March 2021).

(iii) The Break Fee is payable by Blackspur to Calima in the event that:

(A) the Blackspur Board fails to publicly reaffirm any of its recommendations required under the Merger Agreement;

(B) the Blackspur Board accepts or recommends a Superior Proposal (as defined in the Merger Agreement);

(C) Blackspur is in breach of any of its covenants regarding non-solicitation in any material respect;

(k) The parties have agreed to a cost reimbursement of CAD$500,000 (**Cost Reimbursement**) which is payable by a party in the event that that party's shareholders do not approve the Merger or payable by Blackspur in the event that Blackspur's Net Debt is greater than CAD$46,000,000 at Completion.

(l) The Company has paid a deposit of CAD$1,000,000 held in escrow by Burnet, Duckworth and Palmer LLP which will be used to pay the Break Fees or Cost Reimbursement to the extent these fees are required to be paid and returned to the Company to the extent that these fees are not required to be paid by the Company and the Merger does not complete.

3.4 Capital Raising

The Company has announced that it is proposing, subject to Shareholder approval to undertake a capital raising of up to 5,428,571,429 Shares each at an issue price of $0.007 per Share to raise a minimum of AUD$34,000,000 and up to a maximum of AUD$38,000,000 (before costs) (**Capital Raising**). Resolutions 2 and 3 seek Shareholder approval for the issue of the Capital Raising Shares.

The Capital Raising will comprise:

(a) an offer to retail investors to raise up to $10,000,000 (before costs) (**Retail Offer**); and

(b) a placement to institutional and sophisticated investors to raise up to $38,000,000 (before costs) (**Institutional Placement**).

The maximum funds to be raised from both the Retail Offer and Institutional Placement will not exceed $38,000,000 (before costs).

The funds raised from the Capital Raising are intended to be used to pay the Cash Consideration for the Merger, repay such amount as required to decrease the Blackspur Loan to CAD$13,000,000, pay the costs of the Capital Raising and Merger and provide working capital for the combined group post Completion including to increase production from the Blackspur Assets and to fund the Company's existing assets.

The Company has received firm commitments from sophisticated and professional investors for $6,000,000 (**Firm Commitments**) which will be called upon by the Company to the extent that the Company does not receive contractual commitments under the Institutional Placement and applications under the Retail Offer for a combined minimum of $34,000,000. Evolution will pass on the whole 6% fee received in relation to the amount raised pursuant to the Firm Commitments to the parties that have given the Firm Commitments. The Firm Commitments are subject to the Company receiving contractual commitments to participate in the Institutional Placement and total applications under the Retail Offer for a combined minimum of $28,000,000. To the extent that the parties that have given the Firm Commitments do not receive the full amount of their Firm Commitments to ensure that the Capital Raising raises the minimum $34,000,000, such parties will have the right, but not the obligation, to subscribe under the Capital Raising, pro rata to the amount of their Firm Commitment with other parties that have provided Firm Commitments for such number of Shares as will provide them with the full amount of their Firm Commitments up to a maximum raising amount of $38,000,000.

Evolution has been appointed to act as lead manager of the Capital Raising on a reasonable endeavours basis and will receive a lead management fee of 6% of the total amount raised pursuant to the Capital Raising (plus GST). Evolution will pass on the whole 6% fee received in relation to the amount raised pursuant to the Firm Commitments to the parties that have given the Firm Commitments. Subject to Shareholder approval, the Company has also agreed to issue up to 50,000,000 Broker Options to Evolution (or its nominees) as part of its lead manager fee. Evolution may nominate other brokers participating in the Capital Raising to receive a portion of these Advisor Options. Resolution 10 seeks Shareholder approval for the issue of the Broker Options to Evolution or its nominees.

3.5 Effect of the Merger and Capital Raising on the Company

The effect of the Merger and Capital Raising on the capital structure of the Company is expected to be as set out in the table below:

	Shares	Options	Performance Rights
On issue as at the date of this Notice	2,207,124,112	20,750,000*	19,450,000
Consideration Shares	2,185,714,286**	Nil	Nil
Shares to be issued pursuant to the Capital Raising (being the Institutional Placement and Retail Offer)	4,857,142,857***	Nil	Nil
Shares to be issued as part of Transaction Fee	38,571,429	Nil	Nil
Shares to be issued in satisfaction of the Loan	120,464,799		

Broker Options to be issued to Evolution	Nil	50,000,000	Nil
Plan Performance Rights to be issued to the Directors and management	Nil	Nil	36,000,000****
On issue following completion of the Merger	9,980,446,053	70,750,000	55,450,000

Notes:

* Comprises 20,000,000 unlisted Options each exercisable at $0.09 or $0.12 on or before 25 August 2022; and 750,000 unlisted Options each exercisable at $0.07 on or before 6 November 2021.

** Assumes there is Net Debt Adjustment of CAD$3,200,000 payable and the Blackspur Shareholders elect to receive the maximum amount of Cash Consideration and accordingly CAD$15,300,000 of Shares are issued.

*** Assumes the minimum amount of the Capital Raising (being the Institutional Placement and Retail Offer) of AUD$34,000,000 is raised. If the maximum amount of the Capital Raising of AUD$38,000,000 is raised then the Company will issue 5,428,571,429 Shares pursuant to the Capital Raising.

**** See Section 10 for the terms of these Performance Rights.

3.6 Pro forma Balance Sheet and Accounts

A pro forma balance sheet of the Company on completion of the Merger and the Capital Raising is set out in Schedule 1. The pro forma balance sheet is based on 30 September 2020 reviewed accounts for the Company and management accounts for Blackspur.

3.7 Timetable

An indicative proposed timetable for completion of the Merger and Capital Raising is set out in the table below:

	Date
Lodgement of Prospectus for Retail Offer with ASIC	10 March 2021
Opening Date of Retail Offer	12 March 2021
Date of Meeting	15 April 2021
Closing Date of Retail Offer	20 April 2021
Issue of Shares under the Retail Offer and Institutional Placement	27 April 2021
Completion of the Merger	29 April 2021
Dispatch of holding statements	30 April 2021
Shares issued under Merger and Capital Raising commence trading on the ASX	30 April 2021

*Note this timetable is indicative only and may be subject to change at the discretion of the Company.

3.8 Recommendation of Directors

The Board of the Company unanimously:

(a) has determined that the Merger is in the best interests of the Company;

(b) has approved the Merger and entry into the Merger Agreement; and

(c) and recommends that Shareholders vote in favour of the Merger Resolutions.

3.9 Profiles of Proposed Directors

(a) Profile of Jordan Kevol

Mr Kevol was a founder of Blackspur and has been the President and CEO since 2012. Mr Kevol holds a BSc (Geology) with 16 years of public and private Canadian junior E&P experience. Jordan is also a Director of Source Rock Royalties. Jordan will take on the role of CEO of the merged Company.

(b) Profile of P.L. (Lonny) Tetley

Mr Tetley is a securities lawyer and partner at Burnet, Duckworth and Palmer LLP with over 15 years of experience in corporate finance and the oil and gas industry. Mr. Tetley serves on the Board of a number of companies including Certarus Ltd., Beyond Energy Services & Technology Corp. and Accelerate Financial Technologies Inc. He is also a member of the Private Funds Independent Review Committee of Deans Knight Capital Management Ltd.

4. Resolution 1 – Approval of acquisition of Blackspur

4.1 General

As detailed in Section 3.3 above, the Company has agreed, subject to Shareholder approval, to issue Shares to the Blackspur Shareholders (or their nominees) as the part of the consideration for the Merger.

As detailed in Section 3.3 above, the Company may issue no less than approximately 71% of the Consideration (being CAD$12,100,000 in value) and up to the maximum Consideration of CAD$21,500,000 (assuming the maximum Net Debt Adjustment of CAD$4,500,000 is payable) in Shares depending on the election of the Blackspur Shareholders.

The number of Shares (**Consideration Shares**) to be issued to the Blackspur Shareholders will be determined in accordance with the following formula (**Consideration Share Formula**):

$$\text{No. of Shares} = \frac{\text{Amount of Consideration (in CAD\$) the Blackspur Shareholders elect to receive as Shares}}{\text{(Deemed Issue Price) * (Exchange Rate)}}$$

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

The table below shows examples of the number of Consideration Shares that may be issued assuming different values for the amount of Consideration to be received as Shares and assuming the Exchange Rate is 1.000.

Amount of Consideration the Blackspur Shareholders elect to receive in Shares	No. of Shares
CAD$12,100,000 (being the min amount of Consideration to be issued in Shares and assuming there is no Net Debt Adjustment payable)	1,728,571,429
CAD$17,000,000 (being the max amount of Consideration with no Net Debt Adjustment payable)	2,428,571,429
CAD$21,500,000 (being the max amount of Consideration with the maximum amount of the Net Debt Adjustment payable)	3,071,428,571

The table below shows examples of the number of Consideration Shares that may be issued (assuming the maximum amount of Consideration is received as Shares with no Net Debt Adjustment payable) if the Exchange Rate increases and decreases by 1% and 2%.

Movements in Exchange Rate	Exchange Rate	No. of Shares
Exchange Rate at 24 Feb 2021	1.0000	2,428,571,429
Increase in Exchange rate by 1%	1.0100	2,404,526,167
Decrease in Exchange rate by 1%	0.9900	2,453,102,453
Increase in Exchange rate by 2%	1.0200	2,380,952,381
Decrease in Exchange rate by 2%	0.9800	2,478,134,111

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.

The issue of the Consideration Shares does not fall within any of the exceptions to Listing Rule 7.1 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires Shareholder approval under Listing Rule 7.1.

Resolution 1 seeks the required Shareholder approval to the issue of the Consideration Shares under and for the purposes of Listing Rule 7.1.

If Resolution 1 is passed, the Company will be able to proceed with the issue of the Consideration Shares as part of the consideration for the Merger. In addition, the issue of the Consideration Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 1 is not passed then the Company will not be able to proceed with the issue of the Consideration Shares and the consequently will not be able to complete the Merger.

Resolution 1 is an ordinary resolution and is subject to each of the other Merger Resolutions being passed.

4.2 Information required by Listing Rule 7.3

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

(a) The Consideration Shares will be issued to the Blackspur Shareholders (or their nominees) none of whom are a related party of the Company.

(b) The number of Shares the Company may issue under Resolution 1 will be determined at Completion based on the Consideration Share Formula, which will depend on the amount of Consideration to be issued in Shares and the exchange rate of Australian dollars and Canadian dollars on the date that is three business days prior to Completion. See the table in Section 4.1 for examples of the number of Consideration Shares that may be issued based on various amount of Consideration being paid in Shares assuming an exchange rate of 1, being the exchange rate on 24 February 2021.

(c) The Consideration 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) The Consideration Shares may be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).

(e) The Consideration Shares will be issued as part of the consideration for the Merger. Accordingly, no funds will be raised from the issue of the Consideration Shares.

(f) The material terms of the Merger Agreement are set out in Section 3.3.

(g) A voting exclusion statement is included in the Notice.

5. Resolution 2 – Approval to issue Capital Raising Shares

5.1 General

As detailed in Section 3.4 above, the Company is proposing to conduct a placement of up to 5,428,571,429 Shares each at an issue price of $0.007 to raise a minimum of AUD$34,000,000 and up to a maximum of AUD$38,000,000 before costs.

The funds raised from the Capital Raising will be used for the purposes set out in Section 3.4.

The table below shows the number of Shares that may be issued pursuant to the Capital Raising for the minimum and maximum amount of the Capital Raising.

Issue price of Shares	No. of Shares (min raising of AUD$34,000,000)	No. of Shares (max raising of AUD$38,000,000)
$0.007	4,857,142,857	5,428,571,428

A summary of Listing Rule 7.1 is provided in Section 4.1.

The issue of the Capital Raising Shares does not fall within any of the exceptions to Listing Rule 7.1 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires Shareholder approval under Listing Rule 7.1.

Resolution 2 seeks the required Shareholder approval to the issue of the Capital Raising Shares under and for the purposes of Listing Rule 7.1.

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Capital Raising Shares and will raise up to AUD$38,000,000 to be used for the purposes set out in Section 3.4. In addition, the issue of the Capital Raising Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed then the Company will not be able to proceed with the issue of the Capital Raising Shares and will not be able to proceed with the Merger as it will not have the funds to pay the Cash Consideration for the Merger.

Resolution 2 is an ordinary resolution and is subject to each of the other Merger Resolutions being passed.

5.2 Information required by Listing Rule 7.3

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

(a) The Capital Raising Shares will be issued to the Capital Raising Participants, who are clients of Evolution, clients of other brokers participating in the Capital Raising or investors who are otherwise participating in the Capital Raising none of whom are a related party of the Company.

(b) The maximum number of Shares the Company may issue under Resolution 2 is 5,428,571,429. See the table in Section 5.1 for examples of the number of Capital Raising Shares that may be issued based on the minimum and maximum amount of the Capital Raising being raised.

(c) The Capital Raising 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) The Capital Raising Shares may be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).

(e) The Capital Raising Shares will each be issued at $0.007.

(f) The funds raised from the issue of the Capital Raising Shares will be used for the purposes set out in Section 3.4.

(g) The Company has entered into contractual commitment agreements with the Capital Raising Participants to issue the Capital Raising Shares which confirms a contractual commitment for an agreed number of Shares under the Capital Raising. The Company has also entered into a mandate with Evolution in regards to the Capital Raising.

(h) A voting exclusion statement is included in the Notice.

6. Resolution 3 – Approval for Director Related Party to participate in the Capital Raising

6.1 General

An entity associated with Director, Glenn Whiddon, Lagral Strategies Pty Ltd ATF Lagral Family Trust (**Lagral**) (or its nominees) has given a Firm Commitment for $1,500,000 (on the same terms

and conditions as all other parties that have given a Firm Commitment (see earlier Sections of this Notice for a summary of the terms on which Firm Commitments have been given). Lagral is also intending to provide a contractual commitment for the Institutional Placement in the amount of $500,000 which will result in total participation in the Capital Raising of up to $2,000,000 (subject to Shareholder approval) by subscribing for up to 285,714,286 Shares (**Lagral Capital Raising Shares**). Lagral is a related party to Mr Whiddon as defined in the Corporations Act. However Mr. Whiddon does not control this entity nor has a relevant interest in Shares held by this entity. This entity is owned independently of Mr. Whiddon.

To the extent that Lagral does not receive the full amount of its Firm Commitment to ensure that the Capital Raising raises the minimum $34,000,000, Lagral will have the right, but not the obligation, to subscribe under the Capital Raising, pro rata to the amount of its Firm Commitment with other parties that have provided Firm Commitments for such number of Shares as will provide it with the full amount of its Firm Commitment up to a maximum raising amount of $34,000,000.

Further details of the Capital Raising are set out in Section 5.1.

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

(a) a related party;

(b) a person who is, or was at any time in the six months prior to the issue or agreement, a substantial (30%+) holder in the company;

(c) a person who is, or was at any time in the six months prior to the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them the right or expectation to do so;

(d) an associate of a person referred to in paragraphs (a) to (c) above; or

(e) a person whose relationship with the company or a person referred to in a Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Lagral Capital Raising Shares to Lagral falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires Shareholder approval under Listing Rule 10.11.

Resolution 3 seeks the required Shareholder approval to the issue of the Lagral Capital Raising Shares under and for the purposes of Listing Rule 10.11.

If Resolution 3 is passed, Lagral may subscribe for up to the maximum number of Lagral Capital Raising Shares, and the Company will issue such Shares to Lagral, pursuant to the Capital Raising.

If Resolution 3 is not passed, Lagral will not participate in the Capital Raising and the Company will not issue the Lagral Capital Raising Shares to Lagral.

Resolution 3 is an ordinary resolution and is subject to each of the other Merger Resolutions being passed.

6.2 Information required by Listing Rule 10.13

The following information is provided for the purposes of Listing Rule 10.13:

(a) The Lagral Capital Raising Shares will be issued to Lagral (or its nominees).

(b) Lagral is a related party of the Company within the category of LR 10.11.1 by virtue of being a related party of a Director.

(c) The maximum number of Shares the Company may issue under Resolution 3 is 285,714,286. To the extent that Lagral does not receive the full amount of its Firm Commitment to ensure that the Capital Raising raises the minimum $34,000,000, Lagral will have the right, but not the obligation, to subscribe under the Capital Raising, pro rata to the amount of its Firm Commitment with other parties that have provided Firm Commitments for such number of Shares as will provide it with the full amount of its Firm Commitment up to a maximum raising amount of $38,000,000.

(d) The Lagral Capital Raising 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.

(e) The Lagral Capital Raising Shares may be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).

(f) The Lagral Capital Raising Shares will each be issued at $0.007.

(g) The funds raised from the issue of the Lagral Capital Raising Shares will be aggregated with the other funds raised pursuant to the Capital Raising and used for the purposes set out in Section 3.4.

(h) Lagral has entered into a contractual commitment agreement with the Company for the Institutional Placement in the amount of $500,000 on the same terms and conditions as the other Capital Raising Participants. See Section 5.2(g) for further details. Lagral has also given a Firm Commitment for $1,500,000 on the same terms and conditions as all other parites that have given a Firm Commitment (see earlier Sections of this Notice for a summary of the terms on which Firm Commitments have been given.

(i) A voting exclusion statement is included in the Notice.

7. Resolution 4 – Approval to issue Shares to the Lender in satisfaction of Loan

7.1 General

On 15 March 2019 the Lender (being Arrochar Pty Ltd an entity associated with Craig Burton) and the Company entered into a loan agreement (**Loan Agreement**) for the Lender to provide a loan of CAD$1,000,000 to provide additional working capital to the Company (**Loan**).

The Loan matures on 1 April 2022 and the Loan amount (plus interest of $200,000) is either repayable on maturity or convertible into Shares at the Lender's election. All cash receipts from production net of lifting costs will be paid to the Lender in repayment of the Loan. The Company

has a negative covenant to not grant any lien or encumbrance against the Paradise Well without the prior written consent of the Lender.

Pursuant to the original terms of the Loan Agreement, at any time after October 2021 until 1 April 2022, the Lender had the right to:

(a) convert the entire outstanding Loan amount into Shares at the volume weighted average price of Shares over the 20 trading days prior to the date the election is made, subject to Shareholder approval; or

(b) acquire the 00/11-01-086-15W6/0 well (the **Paradise Well**) from the Company with a purchase price equal to the outstanding amount owing under the Loan Agreement.

By recent variation the Company and the Lender have agreed that the Lender will convert all of the outstanding balance of the Loan into Shares at the same price per Share as under the Capital Raising in full and final satisfaction of the Loan.

It is expected that up to $860,000 will be required to settle the loan, although this amount may reduce between now and the time that the Loan converts. However the outstanding amount under the Loan will vary with the relevant exchange rate at the time of issue as the Loan is in CAD$. Accordingly, approval is being sort for conversion of a Loan of up to $889,000 at $0.007 per Share (being a total of up to 127,000,000 Shares to allow for exchange rate fluctuations.

A summary of Listing Rule 10.11 is set out in Section 6.1.

The issue of the Lender Shares to the Lender falls within Listing Rule 10.11.3, by virtue of the Lender being controlled by a party that held greater than 10% of the Company in the six months prior to the date of the issue of the Lender Shares and having a nominee on the Board, and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires Shareholder approval under Listing Rule 10.11.

Resolution 4 seeks the required Shareholder approval to the issue of the Lender Shares under and for the purposes of Listing Rule 10.11.

If Resolution 4 is passed, the Company will issue the Lender Shares to the Lender in full and final satisfaction of the Paradise Well Loan.

If Resolution 4 is not passed, the Company will not issue the Lender Shares to the Lender and the Loan will remain in place on the current terms.

Resolution 4 is an ordinary resolution.

7.2 Information required by Listing Rule 10.13

The following information is provided for the purposes of Listing Rule 10.13:

(a) The Lender Shares will be issued to the Lender (or its nominees).

(b) The Lender falls within the category of LR 10.11.3 by virtue of being controlled by a party that held greater than 10% of the Company in the six months prior to the date of the issue of the Lender Shares and having a nominee on the Board. However the controlling party does not currently hold greater than 10% of the Company.

(c) The maximum number of Shares the Company may issue under Resolution 4 is 127,000,000.

(d) The Lender 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.

(e) The Lender Shares may be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).

(f) The Lender Shares will each be issued at $0.007.

(g) The Shares will be issued for nil cash consideration in satisfaction of the outstanding balance of the Loan as set out in Section 7.1, and accordingly no funds will be raised from the issue of the Shares although the Company's liabilities will be reduced by the amount of the outstanding balance of the Loan. The Shares will be issued for a deemed issue price of $0.007 per Share (being the issue price pursuant to the Capital Raising).

(h) A voting exclusion statement is included in the Notice.

8. Resolution 5 – Approval to issue Shares to Consultants as Fees

8.1 General

The Company has entered into a consultancy agreement with each of the Consultants (**Consultancy Agreements**) pursuant to which the Consultants are engaged to identify, review and negotiate an acquisition or sales transaction for the Company.

The Consultancy Agreements commenced on 1 March 2020 and pursuant to those agreements, the Consultants work approximately 6 days a month for the Company and receive a fee of $1,600 per day (up to a maximum of $10,000 per calendar month). The Consultancy Agreements provide that upon the Company completing an acquisition of any business or assets whether directly or indirectly, each Consultant will be entitled to a transaction fee equivalent to $350,000 less any fees paid pursuant to their Consultancy Agreement, which will be payable as a combination of 50% cash and 50% Shares with the Shares to be issued at the Deemed Issue Price.

Ed Mason has received $60,000 in consulting fees pursuant to his Consultancy Agreement and Chase Edgelow has received $100,000 in consulting fees pursuant to his Consultancy Agreement since the Consultancy Agreements commenced. Accordingly, the Consultants will each be entitled to payments of $290,000 and $250,000 respectively (a total of $540,000) which will be satisfied by the payment of $270,000 in cash and $270,000 in Shares (**Fee Shares**) as follows:

(a) Ed Mason – 20,714,286 Shares (being $145,000 of the fee in Shares); and

(b) Chase Edgelow – 17,857,143 Shares being $125,000 of the fee in Shares).

The Consultancy Agreements will terminate on Completion of the Merger. The Company agreed to issue the Fee Shares to the Consultants subject to Shareholder approval. The issue of the Fee Shares to the Consultants (or their nominees) therefore requires Shareholder approval under Listing Rule 7.1.

A summary of Listing Rule 7.1 is in Section 4.1.

Resolution 5 seeks the required Shareholder approval to issue the Fee Shares to the Consultants (or their nominee) under and for the purposes of Listing Rule 7.1.

If Resolution 5 is passed, the Company will issue the Fee Shares to the Consultants (or their nominees) as part of the payment of the transaction fees pursuant to the Consultancy Agreements.

If Resolution 5 is not passed, the Company will not issue the Fee Shares to the Consultants (or their nominees) and the Company will need to negotiate an alternative arrangement with the Consultants.

Resolution 5 is an ordinary resolution and is subject to each of the other Merger Resolutions being passed.

8.2 Information required by Listing Rule 7.3

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

(a) The Fee Shares will be issued to the Consultants (or their nominees) neither of whom are a related party of the Company.

(b) The maximum number of Shares the Company may issue under Resolution 5 will be as follows:

(i) Ed Mason (or his nominees) – 20,714,286 Shares; and

(ii) Chase Edgelow (or his nominees) – 17,857,143 Shares.

(c) The Fee 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) The Fee Shares may be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).

(e) The Fee Shares will be issued for nil cash consideration as part of the transaction fee payable to the Consultants pursuant to the Consultancy Agreements on Completion of the Merger and accordingly no funds will be raised from the issue of the Fee Shares. The Fee Shares will each be issued at a deemed issue price of the Deemed Issue Price.

(f) A summary of the material terms of the Consultancy Agreements is provided in Section 8.

(g) A voting exclusion statement is included in the Notice.

9. Resolution 6 – Authorisation to increase maximum Securities under the Calima Employee Securities Incentive Plan

At the Company's 2020 Annual General Meeting held on 29 May 2020, Shareholders approved the adoption of the Calima Employee Securities Incentive Plan (**Plan**). 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. As part of the approval of the Plan, the Company stated that the maximum number of Securities that the Company proposes to issue under the Plan following Shareholder approval of the adoptions of the Plan is 200,000,000.

In light of the Merger and the resulting increase in the number of Directors and employees of the Company the Company is seeking approval to increase the maximum number of Securities that the Company proposes to issue under the Plan from 200,000,000 to 600,000,000.

Resolution 6 seeks the required Shareholder approval to increase the maximum number of Securities that the Company proposes to issue under the Plan from 200,000,000 to 600,000,000 for the purposes of Listing Rule 7.2, Exception 13(b) as an exception to Listing Rule 7.1.

Resolution 6 is an ordinary resolution.

10. Resolutions 7 to 9 – Approval to grant Plan Performance Rights to Related Parties

10.1 General

The Company is proposing to grant 36,000,000 Plan Performance Rights (comprising 18,000,000 Class A Plan Performance Rights and 18,000,000 Class B Plan Performance Rights) to Directors, Glenn Whiddon, Alan Stein and Brett Lawrence, under the Plan as follows:

(a) Glenn Whiddon - 20,000,000 Plan Performance Rights (comprising 10,000,000 Class A Plan Performance Rights and 10,000,000 Class B Plan Performance Rights;

(b) Alan Stein - 10,000,000 Plan Performance Rights (comprising 5,000,000 Class A Plan Performance Rights and 5,000,000 Class B Plan Performance Rights); and

(c) Brett Lawrence - 6,000,000 Plan Performance Rights (comprising 3,000,000 Class A Plan Performance Rights and 3,000,000 Class B Plan Performance Rights).

The Plan Performance Rights are to be issued to the Directors for nil cash consideration as incentive based remuneration in connection with their role as directors of the Company. The Board considers that the incentives provided to the Directors represented by the grant of the Plan Performance Rights is a cost effective and efficient way for the Company to appropriately incentivise and reward the Directors' performance and assist with retaining and motivating the Directors in their current roles, as opposed to alternative forms of incentive such as the payment of cash compensation.

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:

(d) a director of the company;

(e) an associate of a director of the company; or

(f) 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 Plan Performance Rights the Directors falls within Listing Rule 10.14.1 and therefore requires Shareholder approval under Listing Rule 10.14.

Resolutions 7 to 9 seek the required Shareholder approval to the issue of the Plan Performance Rights to the Directors under Listing Rule 10.14.

If Resolutions 7 to 9 are passed, the Company will issue the Plan Performance Rights to the Directors following the Meeting.

If Resolutions 7 to 9 are not passed, the Company will not issue the Plan Performance Rights to the Directors and the Company will need to determine an alternative form of incentive for the Directors.

Resolutions 7 to 9 are ordinary resolutions.

10.2 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 grant of Plan Performance Rights to the Directors pursuant to Resolutions 7 to 9 constitutes giving a financial benefit and the Directors are related parties 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 the grant of the above Plan Performance Rights to the Directors because the grant of these Plan Performance Rights is considered reasonable remuneration in the circumstances.

10.3 Information required by Listing Rule 10.15

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

(a) The Plan Performance Rights will be granted to the Directors, Messrs Whiddon, Stein and Lawrence (or their nominees).

(b) The Directors fall within the category of Listing Rule 10.14.1 by virtue of being Directors.

(c) The maximum number of Plan Performance Rights the Company may issue under Resolutions 7 to 9 is 36,000,000 Plan Performance Rights (comprising 18,000,000 Class A Plan Performance Rights and 18,000,000 Class B Plan Performance Rights) to the Directors as set out in Section 10.1.

(d) The Plan Performance Rights will vest following continued service of the holder as a consultant or employee of the Company for a period of 2 years from the date of their appointment but to the extent that this vesting condition is not achieved the Incentive Performance Rights will vest as follows:

Class	**Vesting Condition**	**Expiry Date**

Class A	The VWAP of Shares trading on the ASX being at least 1.0 cent over 20 consecutive trading days (on which Shares have actually traded).	5 years from the date of issue
Class B	The VWAP of Shares trading on the ASX being at least 1.5 cents over 20 consecutive trading days (on which Shares have actually traded).	5 years from the date of issue

As at the date of this Notice, Messrs Whiddon and Stein have been engaged by the Company for more than 2 years and accordingly, the Plan Performance Shares to be issued to them will vest upon grant. Mr Lawrence was appointed a Director on 29 October 2019 and accordingly his Plan Performance Rights will vest on 29 October 2021 provided he remains engaged by the Company until this date.

The above Plan Performance Rights will each convert into a Share for no consideration on exercise by the holder once vested.

If a vesting condition of a Performance Right is not achieved by the Expiry Date then the Performance Right will expire. An unexercised Performance Right will also expire if the Participant ceases to be an Eligible Participant for the purposes of the Plan.

If a Change of Control Event occurs prior to the expiry or conversion of a Performance Right, then the Performance Right will convert.

Further terms and conditions of the Plan Performance Rights are set out in the terms and conditions of the Plan Performance Rights in Schedule 3.

Shares issued on exercise of the Plan Performance Rights 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.

(e) The Plan Performance Rights may be granted 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).

(f) The Plan Performance Rights will be granted for nil consideration as they are being issued as incentive based remuneration. Accordingly, no funds will be raised from the grant of the Plan Performance Rights.

(g) The Directors each receive a total annual remuneration package of $36,000 per annum in Director's fees and a day rate of $1,600 per day for any services provided in addition to the services expected to be provided by them as non-executive Directors. In financial year 2021 (ending 31 December 2020) Mr Whiddon, as directors fees and consulting services, received $36,214 in cash consideration and $114,646 in ordinary fully paid shares in lieu of cash remuneration in accordance with shareholder approval dated 29 May 2020. Mr Stein, as directors fees and consulting services, received $54,804 in cash consideration and $49,955 in ordinary fully paid shares in lieu of cash remuneration in accordance with shareholder approval dated 29 May 2020. In

financial year 2021 (ending 31 December 2020) Mr Lawrence, as directors fees and consulting services, received 47,880.

(h) Details of any Securities issued under the Plan will be published in the annual report of the Company relating to a 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 Plan after Resolutions 7 to 9 are approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.

(i) A voting exclusion statement is included in the Notice.

11. Resolution 10 – Approval to grant Broker Options

As set out in Section 3.4 the Company is proposing to grant up to 50,000,000 Broker Options to Evolution or its nominees as part of its fee for acting as lead manager to the Capital Raising. Evolution may nominate other brokers who assist with the Capital Raising to receive some of the Broker Options.

A summary of Listing Rule 7.1 is provided in Section 5.

The Company agreed to grant the Broker Options to Evolution subject to Shareholder approval. The grant of the Broker Options therefore requires Shareholder approval under Listing Rule 7.1.

Resolution 10 seeks the required Shareholder approval to the grant of the Broker Options under and for the purposes of Listing Rule 7.1.

If Resolution 10 is passed, the Company will be able to proceed with the grant of the Broker Options. In addition, the grant of the Broker Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 10 is not passed then the Company will not be able to proceed with the grant of the Broker Options and will need to make alternative arrangements with Evolution or the Merger and Capital Raising will not proceed.

Resolution 10 is an ordinary resolution and is subject to each of the other Merger Resolutions being passed.

11.1 Information required by Listing Rule 7.3

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

(a) The Broker Options will be granted to Evolution (or its nominees).

(b) The maximum number of securities the Company may grant under Resolution 10 is 50,000,000 Broker Options.

(c) The Broker Options are each exercisable at $0.01 on or before the date that is three years from the date of grant. Full terms and conditions of the Broker Options are set out in Schedule 2. Shares issued on exercise of the Broker Options 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) The Broker Options may be granted no later than three months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).

(e) The Broker Options will be granted for nil consideration as they are being granted as part of the capital raising fees for the Capital Raising. Accordingly, no funds will be raised from the grant of the Broker Options.

(f) The Company has entered into a mandate with Evolution to act as lead manager to the Company in relation to the Capital Raising. Under the Evolution mandate the Company has agreed to pay Evolution a fee of 6% of the total amount raised under the Capital Raising (all selling fees to third parties will be met from this fee by Evolution), and subject to Shareholder approval, issue the Broker Options to Evolution (or its nominees, other brokers participating in the Capital Raising) as part of the fees in relation the Capital Raising. The mandate contains covenants, warranties, representations and indemnities that are customary for an agreement of this nature.

(g) A voting exclusion statement is included in the Notice.

12. Definitions

$ means Australian Dollars.

Broker Option means an Option exercisable at $0.01 on or before the date that is three years from the date of grant and otherwise on the terms and conditions in Schedule 2.

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

Blackspur means Blackspur Oil Corp, a corporation existing under the laws of the Province of Alberta.

Blackspur Assets has the meaning given in Section 3.2.

Blackspur Loan has the meaning given in Section 3.3(d).

Blackspur Shareholders means the current shareholders of Blackspur, none of whom are a related party of the Company.

Board means the board of Directors.

Break Fee has the meaning given in Section 3.3(j).

Calima Employee Securities Incentive Plan or **Plan** means the employee incentive scheme adopted by the Company at the Company's 2020 annual general meeting.

Capital Raising has the meaning given in Section 3.4.

Capital Raising Participants means participants in the Capital Raising who are clients of Evolution, clients of other brokers participating in the Capital Raising or other investors who are participating in the Capital Raising, none of whom are a related party of the Company.

Capital Raising Shares has the meaning given in Resolution 2.

Cash Consideration has the meaning given in Section 3.3(a).

Chair means the chair of this Meeting.

Class A Plan Performance Right means a Performance Right issued under the Plan on the terms and conditions summarised in Schedule 3.

Class B Plan Performance Right means a Performance Right issued under the Plan on the terms and conditions summarised in Schedule 3.

Company means Calima Energy Limited ACN 117 227 086.

Consideration has the meaning given in Section 3.3(a).

Consideration Share Formula has the meaning given in Section 4.1.

Consideration Shares has the meaning given in Section 4.1.

Constitution means the existing constitution of the Company.

Consultancy Agreements has the meaning given in Section 9.1.

Consultants means Chase Edgelow and Ed Mason.

Corporations Act means the Corporations Act 2001 (Cth).

Cost Reimbursement has the meaning given in Section 3.3(k).

Deemed Issue Price has the meaning given in Section 3.3(c).

Director means a director of the Company.

Evolution means Evolution Capital Advisors Pty Ltd (ACN 603 930 418).

Exchange Rate means the exchange rate of Australian dollars to Canadian dollars at the Canadian foreign exchange rate posted by the Bank of Canada on the date that is three business days immediately preceding the date of Completion of the Merger.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Fee Shares has the meaning given in Section 8.1.

Firm Commitments has the meaning given in Section 3.4.

Institutional Placement has the meaning given in Section 3.4.

Lagral means Lagral Strategies Pty Ltd atf Lagral Family Trust an entity which is a related party of Director, Glenn Whiddon as defined in the Corporations Act. However this entity is owned independently of Mr Whiddon and Mr Whiddon does not control this entity nor have any relevant interest in Shares held by Lagral.

Lagral Capital Raising Shares has the meaning given in Section 6.1.

Lender means Arrochar Pty Ltd an entity associated with Craig Burton.

Listing Rules means the listing rules of ASX.

Loan has the meaning given in Section 7.1.

Loan Agreement has the meaning given in Section 7.1.

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

Material Adverse Change has the meaning given to that term in the Merger Agreement.

Merger has the meaning given in Section 3.1

Merger Agreement has the meaning given in Section 3.1.

Merger Resolutions means Resolutions 1 to 5 and 10.

Net Debt has the meaning given in Section 3.3(d).

Net Debt Adjustment has the meaning given in Section 3.3(d).

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**.**

Plan Performance Right means a Class A Plan Performance Right or a Class B Plan Performance Right.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in this Notice.

Retail Offer has the meaning given in Section 3.4.

Section means a section contained in this Explanatory Memorandum.

Security means a Share, Option or Performance Right.

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

Shareholder means a shareholder of the Company.

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 – Pro Forma Balance Sheet

CALIMA ENERGY LIMITED
Consolidated Statement of Financial Position As at 30 September 2020

	Notes	CE1 $	Blackspur $	Proforma ADJ	TOTAL $
ASSETS					
Current assets					
Cash and cash equivalents		2,316,128		(2,000,079)	316,049
Trade and other receivables		129,586	3,737,000	0	3,866,586
Repaid expenditures and deposits			115,000	0	115,000
Risk management assets			821,000	0	821,000
Total current assets		2,445,714	4,673,000	(2,000,079)	5,118,635
Non-Current Assets					
Other assets		550,543		0	550,543
Property, plant and equipment		495,823	138,317,000	0	138,812,823
Right of use asset		725,191		0	725,191
Exploration and evaluation expenditure		61,762,612	1,153,000	0	62,915,612
Investments		0	356000	0	356,000
Total non-current assets		63,534,169	139,826,000	0	203,360,169
TOTAL ASSETS		65,979,883	144,499,000	(2,000,079)	208,478,804
LIABILITIES					
Current liabilities					
Bank indebtedness			44,971,000	(31,971,000)	13,000,000
Trade and other payables		208,993	2,213,000	477,881	2,899,874
Other Liabilities		38,429		0	38,429
Total current liabilities		247,422	47,184,000	(31,493,119)	15,938,303
Non-Current Liabilities					
Decommissioning obligation			9,733,000	0	9,733,000
Deferred income tax liability			1,699,000	0	1,699,000
Restoration provision		4,816,063		0	4,816,063
Lease liabilities		741,854		0	741,854
Loan		757,404		(757,404)	0
Total Non-Current Liabilities		6,315,321	11,432,000	(757,404)	16,989,917
TOTAL LIABILITIES		6,562,743	58,616,000	(32,250,523)	32,928,220
NET ASSETS		59,417,140	85,883,000	(30,250,444)	175,550,584
EQUITY					
Issued capital		296,329,242	101,626,000	(51,212,746)	346,742,496
Options/Mgmt Rights				105,663	105,663
Fundraising Costs				(3,063,461)	(3,063,461)
Contributed surplus			8,157,000	(8,157,000)	0
Reserves		17,401,172		920,160	18,321,332
Accumulated losses		(254,313,274)	(23,900,000)	91,657,828	(186,555,446)
TOTAL EQUITY		59,417,140	85,883,000	30,250,444	175,550,584

Pro forma Notes

1. Calima's 30 September 2020 financial statements are reviewed by the auditor.

2. Blackspur's 30 September financial statements are unaudited.

3. Transaction is treated as a Business Combination under Australian Accounting Standards. The Fair Value of net identifiable assets acquired are provisionally accounted for. All expenses in relation to the business combination will be expensed.

4. CAD$1:AUD$1

5. Consideration is based on an issue price of $0.007 per share, in accordance with the acquisition agreement consideration will be the same price as the placement price. Consideration of C$17 million with a maximum of C$4.9 million in cash and C$12.1 million ins shares plus estimated Net Debt Adjustment of C$3.2 million converted at an exchange rate of AUS$1.00:C$1.00. The Pro forma assumes C$4.9 million in cash is paid out.

6. Capital Raising price is at $0.007 per share with minimum funds raised of A$34,000,000.

7. A total of A$270,000 of transaction costs will be converted to ordinary shares in lieu of payment of those shares.

8. Costs of the acquisition are summarised as follows:
    i. Brokerage of 6% on $34 million, being $2,040,000
    ii. Advisor Fees of $270,000
    iii. Legal and ASX Fees of $450,000

9. The remaining loan outstanding for the Paradise well (currently circa C$843,254 – but subject to change due to debt repayments made prior to conversion and currency movements) will be converted to equity subject to the transaction proceeding and will be converted at placement price of $0.007.

10. As part of the mandate with Evolution the Company will issue 50,000,000 broker options exercisable within 3 years of issue subject to a 3-month vesting clause and exercisable at $0.01 each. These securities have been valued at $0.0021 each.

11. 96,000,000 performance rights (comprising 48,000,000 Class A performance rights and 48,000,000 Class B performance rights) under the Calima Employee Incentive Securities Plan (Plan Performance Rights) will be issued to Calima Management. It is proposed that the current directors of the Company will, subject to shareholder approval, be issued 36,000,000 performance rights (comprising 18,000,000 Class A performance rights and 18,000,000 Class B performance rights). If within 5 years of issue the below vesting conditions are met then the performance rights may be converted to shares: Class A performance rights vesting condition - the VWAP of the Company shares trading on the ASX being at least 1.0 cents over 20 consecutive trading days (on which shares have actually traded); and Class B performance rights vesting condition - the VWAP of the Company shares trading on the ASX being at least 1.5 cents over 20 consecutive trading days (on which shares have actually traded). These securities have been valued at $0.00977 and 0.0094 respectively.

Other than in the ordinary course of business or as described above, there have been no other material changes to the Company's financial position between 30 September 2020 and the date of this Notice.

Schedule 2 – Terms and conditions of Broker Options

1. Entitlement

   The Options entitle the holder to subscribe for one Share upon the exercise of each Option.

2. Exercise price

   The exercise price of each Option is $0.01.

3. Expiry date

   The expiry date of each Option is the date that is three years from the date of grant (**Expiry Date**).

4. Exercise period and vesting dates

   The Options issued to a holder vest on the date that is three months from the date of grant (**Vesting Date**).

   The Options are exercisable at any time after the Vesting Date and on or prior to the Expiry Date.

5. Notice of exercise

   The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

6. Shares issued on exercise

   Shares issued on exercise of the Options will rank equally with the then issued Shares of the Company.

7. Options not quoted

   The Company will not apply to ASX for quotation of the Options.

8. Quotation of Shares on exercise

   Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.

9. Timing of issue of Shares

   After an Option is validly exercised, the Company must, within 15 Business days of receiving the Notice of Exercise and receipt of cleared funds equal to the sum payable on the exercise of the Option, issue the Shares and do all such acts, matters and things to obtain the grant of official quotation of the Shares on ASX no later than 5 Business Days after issuing the Shares.

10. Participation in new issues

There are no participation rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

11. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

(a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the option holder would have received if the option holder had exercised the Option before the record date for the bonus issue; and

(b) no change will be made to the Exercise Price.

12. Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of an Option.

13. Adjustments for reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the option holder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.

14. Options not transferable

The Options are not transferable, except with the prior written approval of the Board of directors of the Company and subject to compliance with the Corporations Act.

15. Lodgment instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

Schedule 3 – Terms and conditions of Plan Performance Rights

Definitions

In these terms and conditions, unless the context otherwise requires:

ASX means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.

Board means the board of directors of the Company.

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth, Australia.

Change of Control Event has the meaning given in condition 14(b).

Company means Calima Energy Limited ACN 117 227 086.

Corporations Act means the Corporations Act 2001 (Cth).

Expiry Date means 5pm (WST) on the date which is 5 years from the date of issue of a Performance Right.

Holder means a holder of a Performance Right.

Listing Rules means the official Listing Rules of the ASX as they apply to the Company from time to time.

Performance Right means the right to acquire a Share on these terms and conditions.

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

Vesting Condition has the meaning given in condition 2.

VWAP means volume weighted average price.

Terms and Conditions of Performance Rights

1. Performance Rights

Each Performance Right is a right of the Holder (and/or its nominees) to acquire a Share subject to these terms and conditions.

2. Vesting Condition

100% of the Performance Rights will vest following continued service of the holder as a consultant or employee of the Company for a period of 2 years from the date of their appointment, but to the extent that has not been achieved the Incentive Performance Rights will vest as follows:

Tranche	**Vesting Conditions**

Class A Performance Rights	The VWAP of Shares trading on the ASX being at least 1.0 cent over 20 consecutive trading days (on which Shares have actually traded).
Class B Performance Rights	The VWAP of Shares trading on the ASX being at least 1.5 cents over 20 consecutive trading days (on which Shares have actually traded).

3. Exercise

Upon the Vesting Condition being satisfied, the Holder may exercise a Performance Right by delivering a written notice of exercise (**Notice of Exercise**) to the Company Secretary at any time prior to the Expiry Date. The Holder is not required to pay a fee in order to exercise Performance Rights.

4. Expiry

Any Performance Rights that have not been exercised prior to the Expiry Date will automatically expire on the Expiry Date or upon the Holder leaving the Company.

5. Transfer

A Performance Right is not transferable, other than to a trust or superannuation fund of which the Holder is a beneficiary.

6. Entitlements and bonus issues

The Holder of a Performance Right will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

7. Reorganisation of capital

In the event that the issued capital of the Company is reconstructed, all the Holder's rights will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the Holder's economic and other rights are not diminished or terminated.

8. Right to receive Notices and attend general meetings

Each Performance Right confers on the Holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. A Holder has the right to attend general meetings of the Company.

9. Voting rights

A Performance Right does not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.

10. Dividend rights

A Performance Right does not entitle the Holder to any dividends.

11. Return of capital rights

The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

12. Rights on winding up

The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.

13. Change in control

(a) If prior to the earlier of the conversion or the Expiry Date a Change in Control Event occurs, then each Performance Right will automatically and immediately convert into a Share. However, if the number of Shares to be issued as a result of the conversion of the Performance Rights is in excess of 10% of the total fully diluted share capital of the Company at the time of the conversion, then the number of Performance Rights to be converted will be reduced so that the aggregate number of Shares to be issued on conversion of the Performance Rights is equal to 10% of the entire fully diluted share capital of the Company.

(b) A Change of Control Event occurs when:

(i) takeover bid: the occurrence of the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of more than 50.1% of shares and that takeover bid has become unconditional; or

(ii) scheme of arrangement: the announcement by the Company that the Shareholders have at a Court-convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Company securities are to be either cancelled transferred to a third party, and the Court, by order, approves the proposed scheme of arrangement.

(c) The Company must ensure the allocation of shares issued under sub-paragraph (a) is on a pro rata basis to all Holders in respect of their respective holdings of Performance Rights and all remaining Performance Rights held by each Holder will remain on issue until conversion or expiry in accordance with the terms and conditions set out herein.

14. Timing of issue of Shares on exercise

Within 10 Business Days of receiving an Exercise Notice, the Company will:

(a) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights specified in the Notice of Exercise;

(b) if required, give ASX a notice that complies with section 708A(5) (e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Rights.

15. Compliance with law

The conversion of the Performance Rights is subject to compliance at all times with the Corporations Act and the Listing Rules.

16. Application to ASX

Performance Rights will not be quoted on ASX. On conversion of Performance Rights into Shares, the Company will within five (5) Business Days after the conversion, apply for official quotation on ASX of the Shares issued upon such conversion.

17. Ranking of Shares

Shares into which the Performance Rights will convert will rank parri passu in all respects with existing Shares.

18. No other rights

A Performance Right does not give a Holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

CALIMA
ENERGY
ABN 17 117 227 086

Need assistance?

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

Online:
www.investorcentre.com/contact

CE1
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00 AM (AWST) on Tuesday, 13 April 2021.**

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.

PARTICIPATING IN THE MEETING

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

Lodge your Proxy Form: XX

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: I9999999999
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.

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Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

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 General Meeting of Calima Energy Limited to be held at Suite 4, 246-250 Railway Parade, West Leederville, WA 6007 on Thursday, 15 April 2021 at 10:00 AM (AWST) 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 Items 7, 8 & 9 (except where I/we have indicated a different voting intention in step 2) even though Items 7, 8 & 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 Items 7, 8 & 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
1	Approval of acquisition of Blackspur	☐	☐	☐
2	Approval to issue Capital Raising Shares	☐	☐	☐
3	Approval for Director Related Party to participate in the Capital Raising	☐	☐	☐
4	Approval to issue Shares to the Lender in satisfaction of the Loan	☐	☐	☐
5	Approval to issue Shares to Consultants as Fees	☐	☐	☐
6	Authorisation to increase maximum Securities under the Calima Employee Securities Incentive Plan	☐	☐	☐
7	Approval to grant Plan Performance Rights to Glenn Whiddon	☐	☐	☐
8	Approval to grant Plan Performance Rights to Alan Stein	☐	☐	☐
9	Approval to grant Plan Performance Rights to Brett Lawrence	☐	☐	☐
10	Approval to grant Broker Options	☐	☐	☐

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

Computershare