



8 July 2021

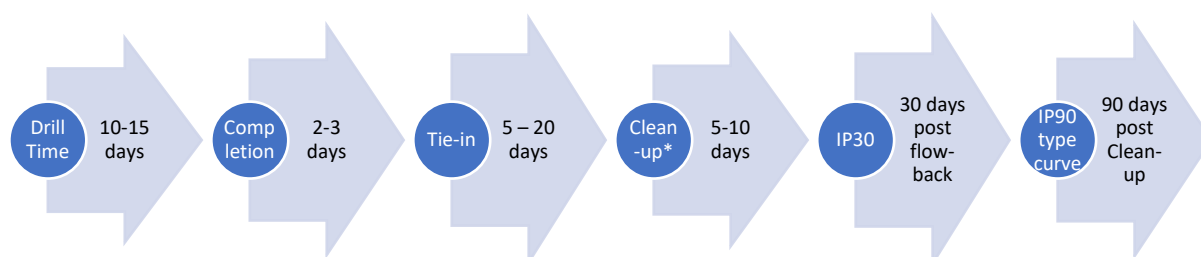
Drilling Update – Gemini 1, 2, 3 and 4 Wells Sunburst, Brooks

Highlights:

- Gemini #4 has finished drilling and expected to be on production by 28 July 2021
- Calima has drilled 4 Gemini Brooks Sunburst wells – Revenues from these wells will be recognized partially in July and from August onwards. The table below summarises the status of all wells
- 3 Thorsby development wells (designated Leo #1, #2, and #3 wells) are scheduled for drilling, completion and tie-in in Q3
- Drilling campaign designed to achieve year end production guidance of 4,500 boep/d and the generation of sustainable free cash flow

Well	Spud Date	Drill days	Production Date	Status	Horizontal legs
Gemini #4	27/6/21	9	28/7/21	Drilled	#1: 1,004m #2: 860m
Gemini #3	19/6/21	7	16/7/21	Drilled	622m
Gemini #2	8/6/21	5	24/6/21	Producing	482m
Gemini #1	31/5/21	10	26/6/21	Producing	#1: 442m #2: 395m

Typical wellbore drilling and production timeframes



* Clean-up is the period that water and drilling fluids are recovered from the completion and at after which time commercial hydrocarbons begin to flow from the reservoir.

Jordan Kevol, CEO and President:

"The Company has finished drilling its 4-well Brooks Alberta program. We are very pleased with the efficiency and expediency that the Calima Operations Team executed on this program. The drill program costs (drilling, completion and tie-in) to date are on budget. The rig has been released, and we are now preparing for our next drilling program at Thorsby Alberta which is anticipated to commence



in late August pending nearby drilling rig scheduling. Three multi-stage fractured horizontal wells are planned for the Thorsby program. Initial production results from the recent Brooks program will become available later this quarter.”

Calima Energy Limited ("**Calima**" or the "Company") (ASX: **CE1**) is pleased to confirm that Gemini #4 well has been drilled and the rig has been released. The downhole pressure recorders will be pulled in ~7 days at which time completions will begin. The gas will be tied into a nearby third-party facility, and the fluid trucked to a Blackspur oil processing facility. This well was drilled in the Alderson strike area, near Brooks Alberta, and is a new area of focus for the Company. The well is anticipated to be on production on 28 July 2020, at which time the clean-up period will commence. Clean-up typically lasts 5-10 days following which the 30-day initial production period ("IP30") will begin.

4 Brooks Sunburst well have now been drilled. Gemini 1-3 wells were drilled within the existing known reserves, whilst Gemini #4 is a step out well and if successful has potential to add reserves to the Company's P1 and P2 reserves.



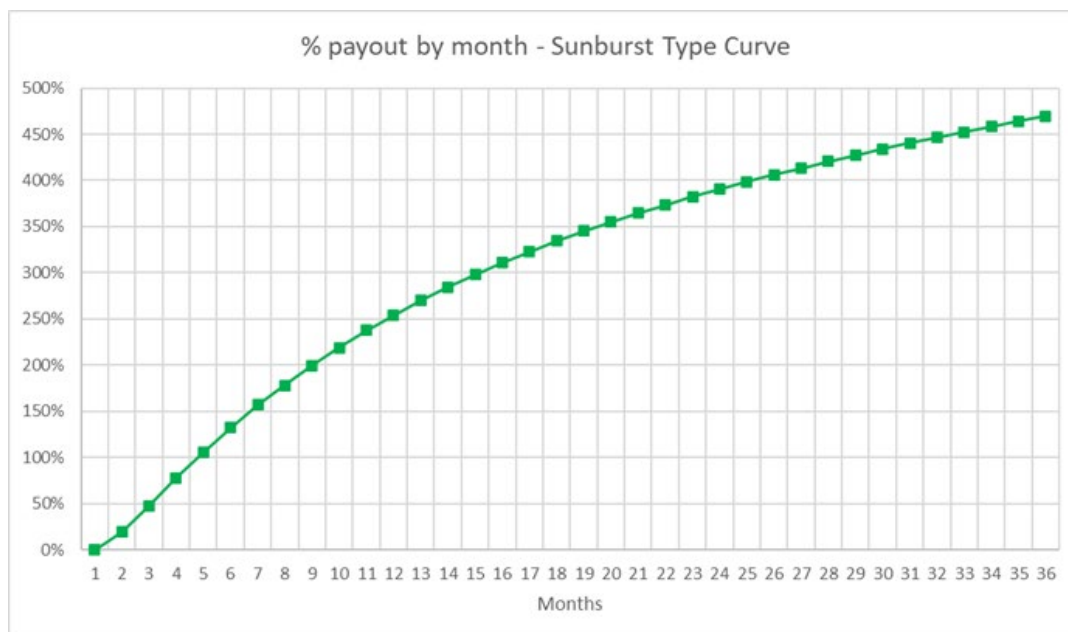
Bantry Oil Processing Plant 2-29



Bantry 10-20 Oil Battery

Sunburst Wells

The Sunburst wells being drilled are conventional, open hole horizontal wells, meaning they require no stimulation such as hydraulic fracturing. The true vertical depth (TVD) of the target Sunburst zone is ~1,000m and the average lateral length of the horizontal section is typically 775 meters. The combination of the shallow target depth, relatively short horizontal length, lack of need for stimulation, and short tie-in, results in an all-in cost estimate for each well to be ~C\$1 million on average. At US\$70WTI, -\$14.5 WCS differential, 1.23 CAD/USD and \$3.00 AECO, the Sunburst type curve achieves 50% payback by day 90, and 100% payback by month 5. By month 36, the type-curve well has paid out more than 4.5X.



The new wells will be processed at existing Blackspur oil facilities. Well economics are summarised below:

Table 1: Sunburst Type Curve Economics

			Sunburst US\$60 WTI Type Curve	Sunburst US\$70 WTI Type Curve
RESOURCE	EUR – Oil & Liquids/Well	Mbbl	168	168
	EUR – Gas/Well	MMcf	301	306
	Total EUR	Mboe	218	222
	% Liquids (Oil & NGLs)	%	77%	77%
ECONOMICS	Avg. Royalty Rate	%	17%	19%
	CAPEX/Well	\$M	C\$1,000	C\$1,000
	F&D	\$/boe	C\$4.59	C\$4.50
	BTAX IRR	%	>500%	>500%
	BTAX NPV10	\$M	C\$3,245	C\$4,264
	Payout	Mths	6	5
	IP90 Oil (Wellhead)	bbl/d	139	139
	Netback (Year 1)	\$/boe	C\$33.90	C\$40.70
	Recycle Ratio	x	7.4	9.0
	Break-even to WTI	US\$/bbl	US\$30.82	US\$30.82

¹ Shows the average of the 22 wells Blackspur drilled compared to the type curve and Insite's weighted average PUD location. The type curve is based on our 2P Insite EUR for all the Sunburst wells drilled to date that have produced.

² Refer to the Reserve Evaluation – Blackspur Oil Corp. Acquisition announcement dated 25 February 2021 (pages 15-24). The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

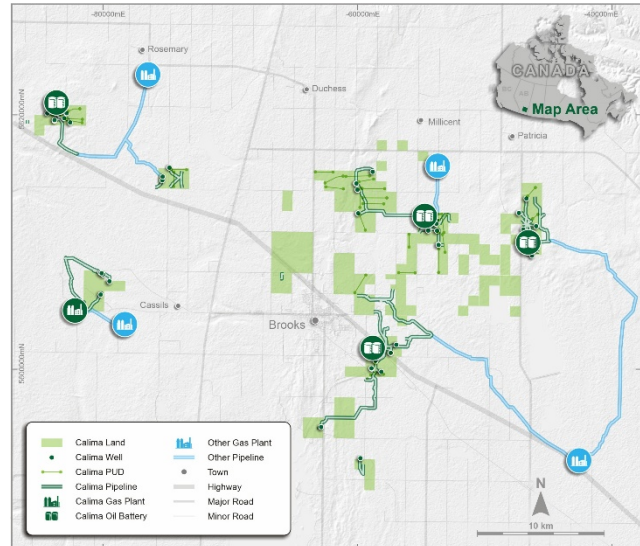
³ Flat pricing: US\$60/bbl WTI and US\$70/bbl WTI respectively, C\$2.50/GJ AEEO, US\$12.00/bbl WCS differential and 1.25 CAD or AUS/USD.

⁴ Break-even prices include DCET and the point at which IRR is zero and it is no longer economic to drill that play type. They are calculated by sensitizing WTI while maintaining other price streams constant.



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 ~2,215 boe/d in May 2021 with a 94% working interest. Blackspur has drilled >50 wells to date. Brooks production comes from the Sunburst and Glauconitic Formations. Blackspur's existing infrastructure can process up to 7,000 bbl/d oil. Brooks reservoirs contain a low CO₂ in reservoir at 2%, and our multi-well pad drilling reduces our environmental footprint.



Blackspur continues to add more locations to its robust count of ~140 locations in the Greater Brooks Area, through continued mineral leasing, and participation in Crown land sales, with an aim to always add more locations than are drilled every year. These ~140 locations include ~35 booked PUDs. Although the current program is solely focussed on Sunburst drilling, at current oil prices the Company is excited to begin adding Glauconitic Formation horizontal locations to its upcoming drilling plans. These Glauconitic wells can be very impactful to corporate production levels and reserve bookings. Additional reserves are also expected to be realized through implementation of enhanced oil recovery projects. The below figure 1 shows a full field development in all formations.

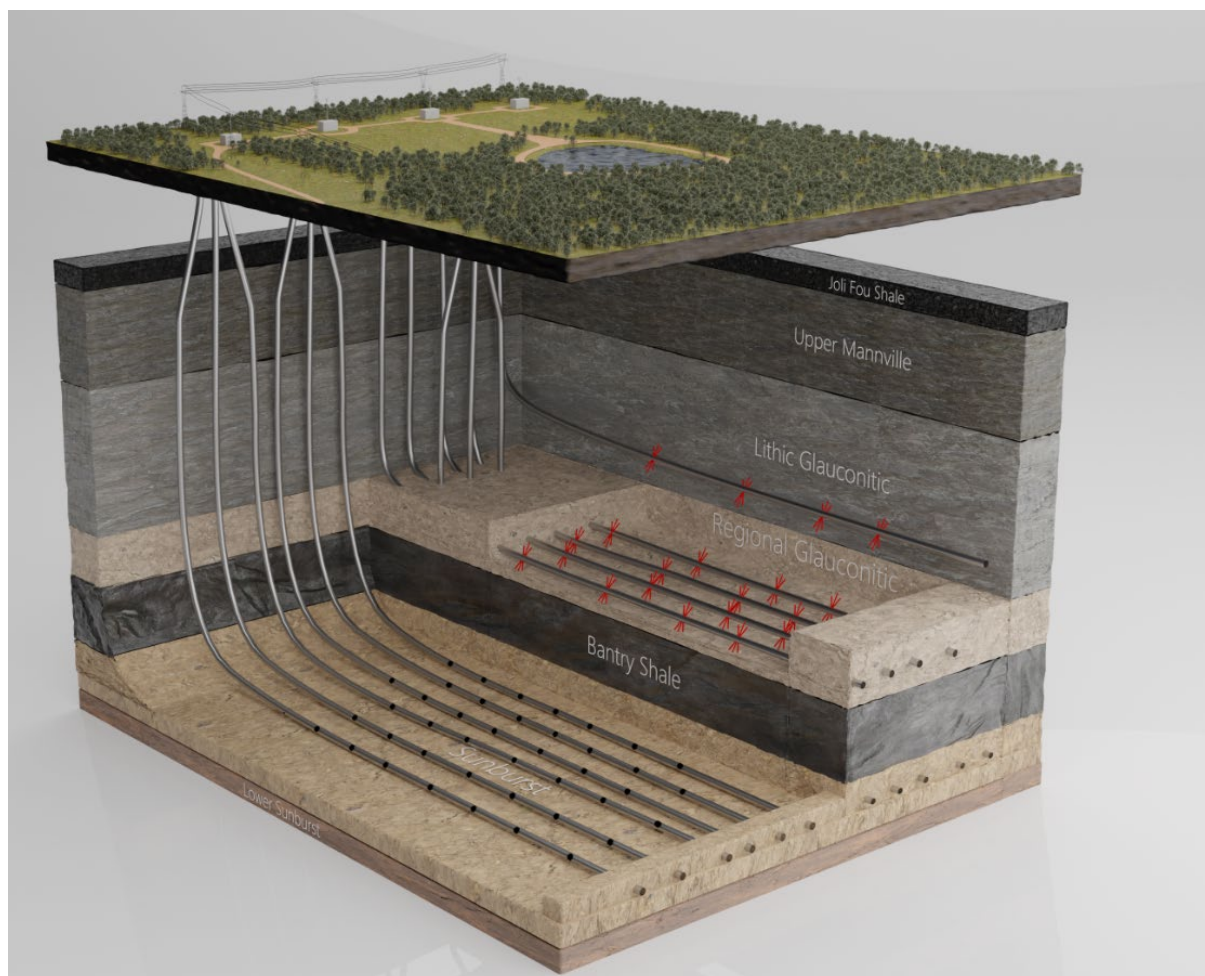


Figure 1: Full Brooks Development

This release has been approved by the Board.

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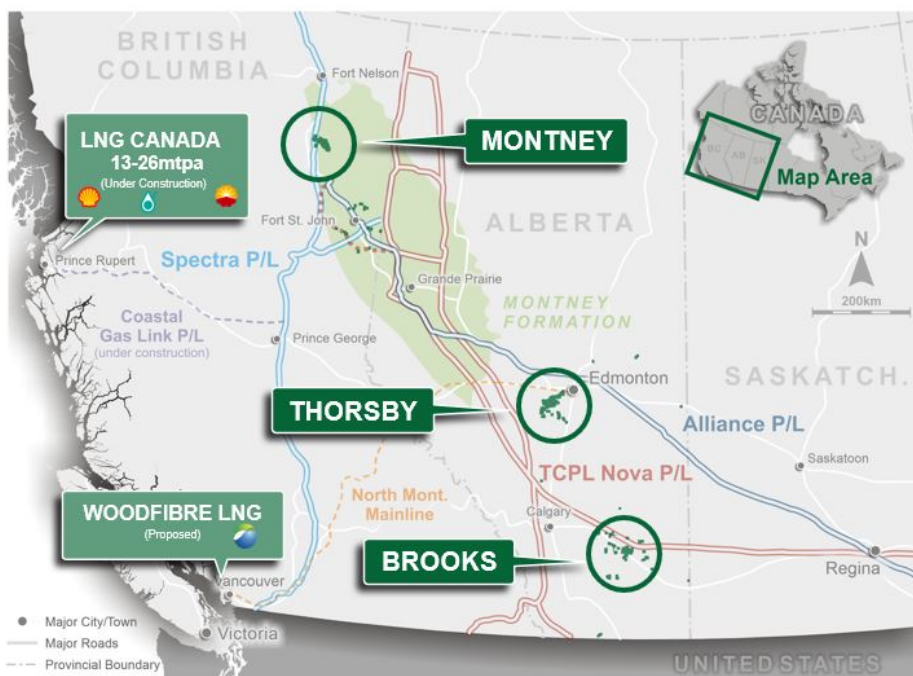
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Calima Assets



Qualified petroleum reserves and resources evaluator statement

The petroleum reserves and resources information in this announcement in relation to Blackspur Oil Corp is based on, and fairly represents, information and supporting documentation in a report compiled by InSite Petroleum Consultants Ltd. (InSite) for the 2019YE Reserves Report (December 31, 2019). InSite is a leading independent Canadian petroleum consulting firm registered with the Association of Professional Engineers and Geoscientists of Alberta. These reserves were subsequently reviewed by Mr. Graham Veale who is the VP Engineering with Blackspur Oil Corp. The InSite 2019YE Reserves Report and the values contained therein are based on InSite's December 31, 2019 price deck (<https://www.insitepc.com/pricing-forecasts>). Production (net of royalties) for the year ended December 31, 2020 was ~793 mboe. Mr. Veale holds a BSc. in Mechanical Engineering from the University of Calgary (1995) and is a registered member of the Alberta Association of Professional Engineers and Geoscientists of Alberta (APEGA). He has over 25 years of experience in petroleum and reservoir engineering, reserve evaluation, exploitation, corporate and business strategy, and drilling and completions. InSite and Mr. Veale have consented to the inclusion of the petroleum reserves and resources information in this announcement in the form and context in which it appears.

Forward Looking Statements

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



Oil and Gas Glossary

B or b	Prefix – Billions	BBL, BO, bbl or bo	Barrel of oil
MM or mm	Prefix – Millions	BOE or boe	Barrel of oil equivalent (1 bbl = 6 mscf)
M or m	Prefix – Thousands	CF or cf	Standard cubic feet
/ D	Suffix – per day	BCF or bcf	Billion cubic feet
G	Gas	O or o	Oil
PJ	Petajoule	E or e	Equivalent
EUR	Estimated Ultimate recovery	C	Contingent Resources – 1C/2C/3C – low/most likely/high
WI	Working Interest	NRI	Net Revenue Interest (after royalty)
PDP	Proved Developed Producing	1P	Proved reserves
PUD	Proved Undeveloped Producing	2P	Proved plus Probable reserves
IP30	The average production rate over the first 30 producing days	3P	Proved plus Probable plus Possible reserves
WTI	West Texas Intermediate	OCF	Operating Cash Flow, ex Capex
E	Estimate	YE	Year End 31 December
CY	Calendar Year	tCO ₂	Tonnes of Carbon Dioxide
Recycle Ratio	Profitability Ratio which divides the profit per barrel of oil by the cost of finding and developing that barrel of oil.	F&D	Finding and development costs