

# **CALIMA ENERGY LIMITED**

**ACN 117 227 086**

## **PROSPECTUS**

**THIS PROSPECTUS IS BEING ISSUED UNDER SECTION 708A(11) OF THE CORPORATIONS ACT FOR THE PURPOSE OF FACILITATING SECONDARY TRADING OF THE PLACEMENT SHARES**

**THE OFFER CLOSES AT 5.00PM AWST ON FRIDAY, 18 FEBRUARY 2022**

**VALID APPLICATION FORMS MUST BE RECEIVED BEFORE THAT TIME.**

**Please read the instructions in this Prospectus and on the accompanying Application Form prior to applying for Shares under the Offer.**

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.**

**THE SHARES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.**

## IMPORTANT INFORMATION

This Prospectus is dated 16 February 2022 and was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Suite 4, 246-250 Railway Parade, West Leederville, WA Australia 6007, Australia during normal business hours. The Company will also provide copies of other documents on request (see Section 4.3).

The Company will apply to ASX within 7 days of the date of this Prospectus for Official Quotation by ASX of the Shares offered by this Prospectus.

The Shares offered by this Prospectus should be considered speculative. Please refer to Section 2 for details relating to investment risks.

The Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the Application Form (free of charge) from the Company's principal place of business by contacting the Company. The Offer contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus within Australia.

Applications for Shares will only be accepted on an Application Form which is attached to, or provided by the Company with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

No action has been taken to permit the offer of Shares under this Prospectus in any jurisdiction other than Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offer. This document does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 2.

By returning an Application Form, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offer detailed in this Prospectus.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to WST, unless otherwise indicated. Revenues and expenditures

disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

## CORPORATE DIRECTORY

### Directors

Mr Glenn Whiddon (Exec. Chairman)  
Mr Jordan Kevol (Executive Director and Chief Executive Officer)  
Mr Mark Freeman (Finance Director)  
Mr P.L. (Lonny) Tetley (Non Exec. Director)  
Mr Brett Lawrence (Non Exec. Director)

### Share Registry\*

Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace  
Perth WA 6000

Telephone: 1300 850 505 (within Australia)  
+61 8 9323 2000 (outside Australia)

### Proposed Directors

### Company Secretary

Mr Mark Freeman

### Registered Office

Suite 4, 246-250 Railway Parade  
West Leederville WA 6007

Telephone: +61 8 6500 3270

Facsimile: +61 8 6500 3275

### ASX Code:

CE1

### Website:

[www.calimaenergy.com](http://www.calimaenergy.com)

\*This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.

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## **1. Details of the Offer**

### **1.1 The Offer**

The Company is offering pursuant to this Prospectus 1,000 Shares each at an issue price of \$0.20 (**Offer**).

The Offer is not underwritten.

Refer to Section 4.1 for a summary of the rights attaching to the Shares.

### **1.2 Background to the Offer**

The Company has agreed to issue the Placement Shares as detailed below.

#### **(a) Placement**

The Company is conducting a placement to professional and sophisticated investors of up to 100,000,000 Shares (**Placement Shares**) each at an issue price of \$0.20 per Share to raise up to \$20 million (before costs) (**Placement**).

Canaccord Genuity (Australia) Limited has acted as lead manager of the Placement and will receive a fee of 6% of the total amount raised under the Placement.

The Company is proposing to complete the Placement on or about the date of this Prospectus.

### **1.3 Purpose of the Offer**

This Prospectus has been issued to facilitate secondary trading of the Placement Shares as these Shares will be issued without disclosure to investors under Part 6D.2 of the Corporations Act. A prospectus is required under the Corporations Act to enable persons who will be issued the Placement Shares to on-sell such Shares within 12 months of their issue.

The Company did not issue the Placement Shares with the purpose of the persons to whom they were issued selling or transferring their securities, or granting, issuing or transferring interests in those securities within 12 months of the issue but this Prospectus provides them the ability to do so should they wish (subject to the escrow restrictions noted above).

Accordingly, the purpose of this Prospectus is to:

- (a)** make the Offer; and
- (b)** ensure that the on-sale of the Placement Shares does not breach Section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in Section 708A(11) of the Corporations Act.

### **1.4 Opening and Closing Dates**

The Offer will be open for acceptance from the date of this Prospectus, being 16 February 2022, until 5.00pm AWST on the Closing Date, being 19 February 2022, or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

## **1.5 Minimum subscription**

There is no minimum amount sought to be raised by the Offer. If the Offer is fully subscribed, the Offer will raise approximately \$200 (before costs of the Offer). The Company will proceed to issue the Shares if a lesser amount is raised and irrespective of the amount raised. The Company intends to issue the Shares progressively as Applications are received and in any event, will issue all Shares as soon as possible after the Closing Date. There is no provision for oversubscriptions under the Offer.

## **1.6 Application Forms**

If you wish to subscribe for Shares pursuant to the Offer, you should complete and return the Application Form, which will be provided with a copy of this Prospectus by the Company at the Board's discretion, in accordance with the instructions in the Application Form. Completed Application Forms and Application Monies must be received by the Company prior to 5.00pm AWST on the Closing Date. Cheques must be made payable to "Calima Energy Limited" and crossed "Not Negotiable". All cheques must be in Australian currency. Application Forms must be received by the Company prior to 5.00pm (AWST) on the Closing Date. Application Forms should be mailed or delivered to Calima Energy Limited, Suite 4, 246-250 Railway Parade, West Leederville.

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Application Form does not need to be signed to be a binding application for Shares.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the application as valid and how to construe, amend or complete the Application Form is final.

## **1.7 Issue and dispatch**

The Company may issue the Shares progressively as Applications are received.

Shareholder statements will be dispatched as soon as possible after the issue of the Shares.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

## **1.8 Application Monies held on trust**

All Application Monies received for the Shares will be held in trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

## **1.9 ASX quotation**

Application will be made to ASX no later than 7 days after the date of this Prospectus for the Official Quotation of the Shares. If permission is not granted by ASX for the Official Quotation of the Shares offered by this Prospectus within 3 months after the date of this Prospectus (or such period as ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

#### **1.10 CHESS**

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASTC, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operation Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number and the participant identification number of the sponsor.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Share Registry and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

#### **1.11 Residents outside Australia**

This Prospectus, and the accompanying Application Form, do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Shares. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

#### **1.12 Risk factors**

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are in Section 2.

#### **1.13 Taxation implications**

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

#### **1.14 Major activities and financial information**

A summary of the major activities and financial information relating to the Company for the financial year ended 31 December 2020 is in the Annual Report which was lodged with ASX on 3 May 2021 and is available at [www.asx.com.au](http://www.asx.com.au).

The Company's continuous disclosure notices (i.e. ASX announcements) since 3 May 2021 are listed in Section 4.3.



Copies of these documents are available free of charge from the Company. Directors strongly recommend that Shareholders review these and all other announcements prior to deciding whether or not to participate in the Offer.

#### **1.15 Enquiries concerning Prospectus**

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 8 6500 3270.

#### **1.16 Privacy**

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the application and, if the application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

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## **2. Risk Factors**

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors associated with an investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

### **2.1 Specific Risks associated with the Company**

#### **(a) Commodity price volatility risk**

It is anticipated that any future revenues of the Company, other than sales of assets, will be derived from the sale of oil and/or natural gas. The demand for, and price of, oil and natural gas is dependent on a variety of factors beyond the control of the Company, including supply levels of the product, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments.

The market price of hydrocarbon products is volatile and outside the control of the Company. Oil and gas prices have fluctuated widely in recent years. If the price of hydrocarbons should drop significantly and remain depressed, the economic prospects of the projects which the Company has an interest in could be significantly reduced or rendered uneconomic. There is no assurance that, even if significant quantities of hydrocarbon products are discovered, a profitable market may exist for their sale.

The marketability of hydrocarbons is also affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of oil and gas and petroleum products, the effect of which cannot be accurately predicted. Restrictions on the Company's ability to market production from projects that the Company has an interest in may have a material adverse effect on the Company's overall financial performance.

#### **(b) Permit grant and maintenance risk**

The Company's exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences, concessions, leases, permits and regulatory consents. The grant or maintenance of licences and obtaining renewals often depends on the Company being successful in obtaining the required regulatory approvals for its proposed activities. There can be no assurances that the Company will be successful in obtaining renewals of existing acreage in the future.

#### **(c) Permit compliance risk**

The Company's leases, licences or permits might also contain conditions relating to operations including, but not limited to, environmental management issues, occupational health and safety, operating procedures and plant and equipment design specifications. Such conditions or regulations might be subject to change from time to time and might impact the cost base, and hence, profitability of a particular project. There is a risk that the lease, licence or permit could be terminated, or a renewal refused if the Company fails to meet the specific conditions of a lease, licence or permit. Termination or non-renewal of the Company's leases, licences or permits may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Brooks (Sunburst and Glauconitic intervals) and Thorsby (Sparky interval) drilling licences require the holder to meet certain drilling targets to retain the licences and/or convert them into production leases. The Company has licences for over 106,100 acres. The Montney Project drilling licences require the holder to meet certain drilling targets to retain the licences and/or convert them into production leases. The Company has licences for over 60,000 acres. The Company holds a 10-year Continuation Lease over 49 sections (33,643 acres) of land awarded as a result of the 2019 drilling campaign. The Company may be prevented from achieving further drilling targets for unforeseen reasons outside the control of the Company on these drilling licenses. If this were to occur, the applicable licences may expire before the Company is able to renew or convert them into production leases, which may have a material adverse effect on the Company's overall financial performance.

(d) Exploration and development risks

Oil and gas exploration involves significant risks, including the risk that drilling will result in dry holes or not result in commercially feasible oil or natural gas production. The selection of a drilling location is influenced by the interpretation of geological, and geophysical data, which is a subjective science and has varying degrees of success. Other factors, including land ownership and regulatory rules, may impact the Company's decisions with respect to well locations. Further, no known technologies provide conclusive evidence prior to drilling a well that oil or natural gas is present or may be produced economically. New wells drilled may not be productive or may not recover all or any portion of the Company's investment in such wells. Decisions to purchase, explore, develop or otherwise exploit prospects or properties will depend, in part, on the evaluation of production data, engineering studies, and geological and geophysical analyses, the results of which are typically inconclusive or subject to varying interpretations. The costs of drilling, completing, equipping and operating wells is typically uncertain before drilling commences.

The Montney, Brooks and Thorsby Project petroleum licences that the Company owns are at various stages of exploration and development. There can be no assurance that exploration on these licences, or any other licences that may be acquired in the future, will result in the discovery of an economic oil and gas deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.

The value of the Company's Shares will likely be affected by the results obtained by other companies conducting exploration activities within close proximity of its projects. If the results obtained by other companies are positive then this will likely increase the value of the Company's Shares. Conversely, if the results obtained by other companies are negative then this will likely decrease the value of the Company's Shares.

Further, the Montney, Glauconitic and Sparky wells are unconventional projects that rely on horizontal drilling and fracture stimulation technologies to make hydrocarbons flow. There are additional complexities and risks with the development of these types of projects which do not exist with conventional oil and gas plays. These complexities can affect the flow rates achieved from operations and the costs of conducting such operations and thereby effect the viability or profitability of such operations.

(e) Production risks

The Company's assets include a number of producing wells. There can be no guarantee that these wells, or any new wells drilled, will continue to, produce at the expected rates and/or for the predicted durations. Production of oil and gas involves a variety of operating risks including but not limited to blowouts, fires, explosions, surface collapses, uncontrollable flows of underground natural gas, oil or formation water, natural disasters, pipe and cement failures, casing collapses, reservoir compaction, abnormal formation pressures, natural gas leaks, oil spills, pipeline and tank ruptures, unauthorised discharge of brine, toxic gases or well fluids, equipment malfunctions, other problems at third-party operated platforms, pipelines and processing plants over which the Company has no control, extreme weather events such as hurricanes, flooding and ice storms which all have the potential to cause substantial disruptions to hydrocarbon production. If any of such events occur, the Company's production facilities could suffer substantial damage and any related oil and gas production may be reduced or

interrupted entirely. As a result, the Company could incur substantial losses that could adversely affect the Company's ability to conduct operations and its future financial performance.

(f) Drilling risks

Oil and gas drilling activities are subject to numerous risks, many of which are beyond the Company's control. The Company's drilling operations may be curtailed, delayed or cancelled due to a number of factors including weather conditions, mechanical difficulties, shortage or delays in the availability of personnel or delivery of rigs and/or other equipment and compliance with governmental requirements. Hazards related to the exploration and development of oil and gas properties such as unusual or unexpected formations, pressures or other factors are inherent in drilling and operating wells and may be encountered by the Company.

Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. While drilling may yield some hydrocarbons there can be no guarantee that the discovery will be sufficiently productive to justify commercial development or cover operating costs.

(g) Hydraulic fracturing

Public debate exists regarding the potential sub surface and surface impact of hydraulic fracturing, including concern about the impacts of hydraulic fracturing on drinking water. There are many regulatory requirements to be adhered to. Hydraulic fracturing requires large volumes of water (the availability and regulation of which may change over time) and there are costs associated with water disposal that may be required should the Company produce water in its wells. As more impacts of hydraulic fracturing are fully understood, the Company may be subject to additional regulations or restrictions from governmental authorities, resulting in increased compliance costs. Any modification to the current requirements may adversely impact the value of the Company's assets and future financial performance.

(h) Infrastructure access

The Company's future performance is likely to be impacted by its ability to access infrastructure, including various equipment and facilities required for the production, processing and commercialisation of the Company's assets and product transportation routes, including access to pipelines and associated infrastructure. The ability of the Company to access infrastructure economically or at all is largely outside of the control of the Company and therefore may have an adverse impact on the Company's future performance. Further, there can be no guarantees that the Company will have continued access to the infrastructure needed for the Company's activities or that such infrastructure will not be subject to unexpected issues which could adversely affect the operations and financial performance of the Company.

(i) Commercialisation of Discoveries

It may not always be possible for the Company to participate in the exploitation of successful discoveries made in any areas in which the Company has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as the Company. Such further work may require the Company to meet or commit to financing obligations for which it may not have planned.

(j) Additional requirements for capital

Project expenditure estimates are based on certain assumptions with respect to the method and timing of these activities. By their nature, these estimates and assumptions are subject to significant uncertainties and accordingly, the actual costs may materially differ from these estimates. Additional

funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operational plans in the future or to take advantage of opportunities for acquisition, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

There can be no assurance that additional financing will be available when needed. Any additional equity financing may be dilutive to the Company's existing Shareholders and any additional debt financing, if available, may be on terms that are not favourable to the Company or involve restrictive covenants, which may limit the Company's operations and business strategy. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and/or indefinite postponement of the Company's activities and potential development programs.

(k) Exchange rate fluctuation risk

The Company's oil and gas projects are currently located in Canada. As a result, the majority of cash flows, expenses, capital expenditure and commitments will be denominated in Canadian dollars. To the extent the Company is involved in petroleum production, the revenue derived through the sale of commodities will expose the potential income of the Company to commodity price and exchange rate risks through the translation or repatriation of Canadian Dollars to Australian Dollars.

(l) Environmental risks

The Company's operations will be subject to environmental laws and regulations, including but not limited to, those governing the management of waste, the protection of water and air quality, the discharge of materials into the environment, and the preservation of natural resources which may impact and influence the Company's operations. The government and other authorities that administer and enforce environmental laws and regulations determine these requirements. The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable petroleum reserves.

If the Company fails to comply with environmental laws and regulations regarding the discharge of oil, gas, or other materials into the air, soil or water it may be subject to liabilities to the government and third parties, including civil and criminal penalties. The Company may also become liable for environmental damage caused by any previous owners of licence areas the Company will have an interest in.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment, including production activities. There is no assurance that such approvals will be obtained. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

The Company is unable to predict the effect of any new environmental laws, regulations or stricter enforcement policies once implemented, including whether any such laws or regulations would increase the Company's cost of doing business or affect its operations in any area.

(m) Potential acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies or assets. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

There are a number of uncertainties with the acquisition of interests in properties including the amount of recoverable reserves, development and operating costs and potential environmental and other liabilities. Even with careful due diligence, it may be impossible to ascertain certain environmental or

structural problems such as pipeline corrosion or hazardous spills. This risk could have a negative effect on future operations and the Company's financial position.

(n) Hydrocarbon reserve estimates

Hydrocarbon reserve estimates are expressions of judgment based on knowledge, experience, interpretation and industry practice. Estimates that were valid when made, may change significantly when new information becomes available.

In addition, reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may prove inaccurate. Should the Company encounter oil and/or gas deposits or formations different from those predicted by past drilling, sampling and similar examinations, then reserve estimates may have to be adjusted and production plans may have to be altered in a way which could adversely affect the Company's operations. Where possible, the Company will seek to have any such estimates verified or produced by an independent party with sufficient expertise in the subject matter.

(o) Reliance on key personnel and key contractors

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

(p) Regulation – General

There are a number of Canadian federal and provincial policies and regulations that, if changed, may have a material impact on the financial and operational performance of the Company.

The risks relating to these policies and regulations of the Company's business include:

- (i) changes to the nature and extent of the regulation or licensing systems could result in a change in industry structure, which could adversely impact the growth opportunities for and profitability of the Company's business;
- (ii) changes to federal or provincial taxes or royalty structure, such as a change to the Royalty Schemes;
- (iii) changes to the provincial government legislation about drilling, hydraulic fracturing, or environmental approvals.

In addition, the Company may become subject to other regulations in Canada, which could increase its regulatory and compliance obligations. Any new regulatory restrictions or changes in government attitudes or policies in relation to any or all of the existing regulatory areas may adversely impact the financial performance and position, and future prospects, of the Company.

(q) Regulation – Exploration and Production

Oil and natural gas exploration, production and related operations are subject to extensive rules and regulations promulgated by federal, provincial and local agencies. Failure to comply with such rules and regulations can result in substantial penalties. The regulatory burden on the oil and gas industry increases the cost of doing business and affects profitability. Because such rules and regulations are frequently amended or reinterpreted, the Company is unable to predict the future cost or impact of complying with such laws.

Permits are required in some of the areas in which the Company operates for drilling operations, drilling bonds and the filing of reports concerning operations and other requirements are imposed relating to the exploration and production of oil and gas. The Company will be required to comply with various federal and provincial regulations regarding plugging and abandonment of oil and natural gas wells, which will impose a substantial rehabilitation obligation on the Company, which may have a material adverse effect on the Company's financial performance.

(r) Insurance

Exploration, development and production operations on oil and gas properties involve a number of risks and hazards which are beyond the control of the Company including unexpected or unusual geological conditions, environmental hazards, technical and equipment failures, extended interruptions due to inclement or hazardous weather or other physical conditions, unavailability of drilling equipment, unexpected shortages of key personnel, labour, consumables or parts and equipment, fire, explosions and other incidents. It is not always possible to insure against all such risks or the Company may decide not to insure against certain risks because of high premiums or other reasons. Although the Company will have insurance in place at levels considered appropriate for its operations and in accordance with industry practice, in certain circumstances the Company's insurance may not cover, or be adequate to cover, the consequence of such events which could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company's Shares.

(s) Claims by Indigenous Inhabitants

The oil and gas assets of the Company may be subject to land claims by First Nations or indigenous people. Should this occur and be successful, the Company's ability to conduct exploration and/or development and production activities may be affected, which may have a material adverse effect on the Company's financial performance and the price at which its Securities trade.

The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the properties leased or owned by the Company cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the properties leased or purchased by the Corporation are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition the Company may, at some point, be required to negotiate with First Nations or other indigenous peoples in order to facilitate exploration and development work on the properties leased or owned by the Company.

Some of the Montney Project lands overlap Crown lands within the area claimed by the Treaty 8 First Nations. The Dene Tha' First Nation and Prophet River First Nation have advised that such areas are used for practicing their treaty rights. Practically speaking, this means that pre-engagement with those First Nations (such as a letter of introduction outlining development plans) should occur prior to developing the lands to ensure that any concerns they may have, are taken into account.

Other than as noted above, the Company is not currently aware of any land claims or potential claims by indigenous peoples in respect of its proposed exploration activities that could affect licence tenure or any future production operations.

(t) Competition

The Company operates in a competitive and dynamic market. The Company will compete with other companies, including major oil and gas companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities and respond to the introduction of new technologies or technological advancements relating to drilling or other relevant operations (common in the oil and gas industry).

Many of the Company's competitors not only explore for and produce oil and gas, but also carry out refining operations and market petroleum and other products on a worldwide basis. There can be no assurance that the Company will compete effectively with these companies and other industry participants and thereby be successful in acquiring additional oil and gas properties on reasonable commercial terms.

(u) Substitution of oil and gas products as energy sources

There are a number of alternative energy sources to energy sources from oil and gas products. These include renewable energy (i.e. wind, solar or hydroelectric, nuclear energy, geothermal and biomass). If the costs and commercial prices of such alternative energy sources fall or there is a significant shift in consumer sentiment towards such sources, this may have a significant effect upon the Company's overall financial performance and ability to operate in the oil and gas industry.

## 2.2 General Risks

(a) Economic and government risks

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the oil and gas industry including, but not limited to, the following:

- (i) general economic conditions in jurisdictions in which the Company operates;
- (ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- (iii) the interpretation of taxation laws by the relevant taxation authority differing from the Company's interpretation;
- (iv) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the oil and gas industry;
- (v) movement in, or outlook on, exchange rates, interest rates and inflation rates in jurisdictions in which the Company operates;
- (vi) natural disasters, industrial disputes, social upheaval or war in jurisdictions in which the Company operates; and

(b) Financial markets risks

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions may be affected by many factors including, but not limited to, the following:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and



- (vii) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general, and oil and gas securities in particular. Neither the Company, nor the directors warrant the future performance of the Company or any return on an investment in the Company.

- (c) Risk of litigation, claims and disputes

The Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of claims by joint venture partners, personal injury and property damage claims, environmental and indemnity claims, employee claims and other litigation and disputes. There is a risk that such litigation, claims and disputes could materially and adversely affect the Company's operating and financial performance due to the cost of defending and/or settling such claims, and could affect the Company's reputation.

- (d) Investment risk

An investment in the Shares to be issued pursuant to this Prospectus should be considered speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the price paid for the Securities. Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

- (e) Coronavirus (COVID-19) Risk

The outbreak and global spread of the Coronavirus disease (COVID-19) continues to impact global markets and society, including the restriction on movement of its citizens and limitations on the sale of non-essential goods and services. A number of aspects of the Company's business may also be directly or indirectly impacted by government, regulatory or health authority actions, work stoppages, lockdowns, quarantines and international travel restrictions associated with COVID-19.

The nature and extent of the effect of COVID-19 on the performance of the Company remains unknown. The Company's share price may be adversely affected in the short to medium term by the impact of COVID-19. Furthermore, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

## 2.3 General Risks

- (a) Economic and government risks

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the oil and gas industry including, but not limited to, the following:

- (i) general economic conditions in jurisdictions in which the Company operates;
- (ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- (iii) the interpretation of taxation laws by the relevant taxation authority differing from the Company's interpretation;
- (iv) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the oil and gas industry;
- (v) movement in, or outlook on, exchange rates, interest rates and inflation rates in jurisdictions in which the Company operates; and

- (vi) natural disasters, industrial disputes, social upheaval or war in jurisdictions in which the Company operates.
- (b) Financial markets risks

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions may be affected by many factors including, but not limited to, the following:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general, and oil and gas securities in particular. Neither the Company, nor the directors warrant the future performance of the Company or any return on an investment in the Company.

- (c) Risk of litigation, claims and disputes

The Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of claims by joint venture partners, personal injury and property damage claims, environmental and indemnity claims, employee claims and other litigation and disputes. There is a risk that such litigation, claims and disputes could materially and adversely affect the Company's operating and financial performance due to the cost of defending and/or settling such claims, and could affect the Company's reputation.

- (d) Investment risk

An investment in the Shares to be issued pursuant to this Prospectus should be considered speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the price paid for the Securities. Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

- (e) Coronavirus (COVID-19) Risk

The outbreak and global spread of the Coronavirus disease (COVID-19) continues to impact global markets and society, including the restriction on movement of its citizens and limitations on the sale of non-essential goods and services. A number of aspects of the Company's business may also be directly or indirectly impacted by government, regulatory or health authority actions, work stoppages, lockdowns, quarantines and international travel restrictions associated with COVID-19.

The nature and extent of the effect of COVID-19 on the performance of the Company remains unknown. The Company's share price may be adversely affected in the short to medium term by the impact of COVID-19. Furthermore, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

## **2.4 Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

### 3. Financial Information

#### 3.1 Capital Structure on completion of the Placement

The capital structure of the Company following completion of the Placement is expected to be as follows:

	Shares	Options	Performance Rights
Balance at the date of this Prospectus	515,084,228	19,100,000	7,272,501
Placement Shares	100,000,000	-	-
<b>Total</b>	<b>615,084,228</b>	<b>19,100,000</b>	<b>7,272,501</b>

#### 3.2 Pro forma statement of financial position at 30 September 2021

	CE1 \$	Adjustments \$	Total \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	1,920,769	18,749,494	20,670,263
Trade and other receivables	6,788,680	-	6,788,680
Repaid expenditures and deposits	596,631	-	596,631
<b>Total current assets</b>	<b>9,306,080</b>	<b>18,749,494</b>	<b>28,055,574</b>
<b>Non-Current Assets</b>			
Long-term deposits	613,671	-	613,671
Property, plant & equipment - gross	276,157,824	5,000,000	281,157,824
Property, plant & equipment - accum D&D	(171,172,473)	-	(171,172,473)
Exploration and evaluation assets	65,398,581	-	65,398,581
Right-of-use asset	576,031	-	576,031
Equity Investments	434,783	-	434,783
Deferred income tax asset (liability)	14,295,441	-	14,295,441
<b>Total non-current assets</b>	<b>186,303,858</b>	<b>5,000,000</b>	<b>191,303,858</b>
<b>TOTAL ASSETS</b>	<b>195,609,937</b>	<b>23,749,494</b>	<b>219,359,431</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	13,109,135	-	13,109,135
Credit Facility	17,931,882	-	17,931,882
Risk management contract liability (current portion)	7,773,563	5,000,000	12,773,563
<b>Total current liabilities</b>	<b>38,814,580</b>	<b>5,000,000</b>	<b>43,814,580</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	322,363	-	322,363
Asset retirement obligations	23,007,706	-	23,007,706
<b>Total Non-Current Liabilities</b>	<b>23,330,069</b>	<b>-</b>	<b>23,330,069</b>
<b>TOTAL LIABILITIES</b>	<b>62,144,649</b>	<b>5,000,000</b>	<b>67,144,649</b>
<b>NET ASSETS</b>	<b>133,465,288</b>	<b>18,749,494</b>	<b>152,214,782</b>

### **Pro forma Notes**

1. The adjustments include the following:
  - (a) Additional net A\$5m of additional capitalised expenditure and added to the working capital facility from \$22m to \$27m; and
  - (b) Issue of 100,000,000 Placement Shares to raise the full amount of \$18.75 million (net of costs).

### **Basis of Preparation**

The above pro forma statement of financial position has been prepared in accordance with the ASIC Regulatory Guide to Disclosing Pro-Forma Financial Information.

The statement of financial position as at 30 September 2021 has been prepared using audited accounts for the Company for 30 September 2021. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

### **3.3 Market price of Shares**

The highest and lowest market sale prices of the Company's Shares during the three-month period prior to 16 February 2021 (being the last date that Shares were traded on the ASX prior to the Company being suspended from trading) were:

Highest: \$0.26 per Share on 20 January 2022

Lowest: \$0.18 per Share on 10 December 2021

The latest available market price is \$0.19 being the closing price of Shares on ASX on 15 February 2022 (being the last available market price of Shares on ASX before the Company was suspended from trading).

### **3.4 Dividend policy**

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

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## **4. Additional information**

### **4.1 Rights attaching to Shares**

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution will be provided by the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in specific circumstances, the Shareholder should seek legal advice.

**(a) Voting**

At a general meeting, on a show of hands every Shareholder present in person has one vote. At the taking of a poll, every Shareholder present in person or by proxy and whose Shares are fully paid has one vote for each of his or her Shares. On a poll, the holder of a partly paid share has a fraction of a vote with respect to the Share. The fraction is equivalent to the proportion which the amount paid (not credited) bears to the total amount paid and payable (excluding amounts credited).

**(b) General Meetings**

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, financial statements and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the Listing Rules.

**(c) Dividends**

Subject to the Corporations Act, the Directors may pay to Shareholders any interim and final dividends as the Directors resolve. The Directors may fix the amount, the record date for determining eligibility and the method of payment. All dividends must be paid to the Shareholders in proportion to the number of, and the amount paid on (no credited), the Shares held.

**(d) Transfer of Shares**

Generally, all Shares in the Company are freely transferable subject to the procedural requirements of the Constitution, and to the provisions of the Corporations Act, the Listing Rules and the ASX Operating Rules. The Directors may decline to register an instrument of transfer received where the transfer is not in registrable form or where refusal is permitted under the Listing Rules or the ASX Operating Rules. If the Directors decline to register a transfer the Company must give reasons for the refusal. The Directors must decline to register a transfer when required by the Corporations Act, the Listing Rules or the ASX Operating Rules.

**(e) Variation of Rights**

The Company may only modify or vary the rights attaching to any class of shares with the prior approval by a special resolution of the shareholders of the shares of that class, or with the written consent of the holders of at least three-quarters of the issued shares of that class.

**(f) Directors**

The minimum number of Directors is three. Currently, there are four Directors. Directors, other than the managing Director, must retire on a rotational basis so that one-third of Directors must

retire at each annual general meeting. No Director except a Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment. The Directors may appoint a director either in addition to existing Directors or to fill a casual vacancy, who then holds office until the next annual general meeting.

(g) Decisions of Directors

Questions arising at a meeting of Directors are decided by a majority of votes. The Chairman has a casting vote.

(h) Issue of Further Shares

Subject to the Constitution, the Corporations Act and the Listing Rules, the Directors may issue, or grant options in respect of, Shares to such persons on such terms as they think fit. In addition, the Company may issue preference shares, including redeemable preference shares on such terms as are approved by Shareholders in accordance with the Corporations Act.

(i) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at a general meeting. At least 28 days' notice of the intention to propose the special resolution must be given.

(j) ASX Listing Rules Prevail

To the extent that there are any inconsistencies between the Constitution and the Listing Rules, the Listing Rules prevail.

## 4.2 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.3 below).

## 4.3 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the issue, a copy of:

- (a) the Annual Report of the Company for the year ended 31 December 2020, being the last financial year for which an annual financial report has been lodged with ASIC in relation to the Company before the issue of this Prospectus; and

- (b) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus are as follows.

<b>Date</b>	<b>Announcement</b>
16/02/2022	Application for quotation of securities - CE1
16/02/2022	Notification regarding unquoted securities - CE1
16/02/2022	Change of Director's Interest Notice x 2
16/02/2022	Notification of cessation of securities - CE1
10/02/2022	Change of Director's Interest Notice
09/02/2022	Investor Update Presentation
09/02/2022	Proposed issue of securities - CE1
09/02/2022	A\$20 million Equity Raising Completed
07/02/2022	Trading Halt
2/02/2022	Investor Webinar Presentation
2/02/2022	January Production Exit at 4,300 boe/d
31/01/2022	Q4 Quarterly Activities and Cash Flow Report
31/01/2022	Expansion of Key Infrastructure at Brooks Alberta
28/01/2022	Drilling Update Brooks and Thorsby Campaigns
24/01/2022	North Thorsby Well step out for growth
18/01/2022	Commencement of 2 Sunburst Horizontal Wells
14/01/2022	Exploration success on Gemini 5
11/01/2022	Drilling Completed on Pisces 3
6/01/2022	Calima Begins 2022 Drilling Campaign
5/01/2022	Leo Program Production Update
16/12/2021	Brooks Pisces 2 Drilling Completed
9/12/2021	Brooks Pisces drilling campaign 1 down 1 to go
2/12/2021	Brooks 2 well Drilling Program to Commence
17/11/2021	Thorsby Leo wells Production Commenced
3/11/2021	QUARTERLY UPDATE ZOOM WEBINAR AND PRESENTATION
1/11/2021	Three well Leo frac program completed flowback to commence
29/10/2021	Sept 2021 Quarterly Activity and Cash Flow Reports
25/10/2021	Dividend and ESG Strategy
22/10/2021	Issue of Securities and 708A Notice
22/10/2021	Application for quotation of securities - CE1
12/10/2021	Three Well Thorsby Leo Frac Program Commenced
27/09/2021	Thorsby Drilling Update Leo 3 finished drilling
20/09/2021	August 2021 Production and Operational Update
17/09/2021	Change in substantial holding
16/09/2021	Calima Initiates Process to Maximize Montney Assets
13/09/2021	Thorsby Drilling Update Leo 2 Spudded
10/09/2021	2021 Half Year Accounts
7/09/2021	Good Oil Conference Presentation
7/09/2021	Issue of Securities
7/09/2021	Notification regarding unquoted securities - CE1
3/09/2021	Gemini 4 Well Campaign IP30 Production on Target



2/09/2021	July 2021 Production & Operational Update
1/09/2021	2021 RESERVE EVALUATION BLACKSPUR OIL CORP
31/08/2021	Consolidation/Split - CE1
30/08/2021	Results of Meeting
26/08/2021	Thorsby Drilling Update Leo 2 to be Spudded
23/08/2021	Change of Auditor
19/08/2021	Thorsby Sparky 3 Well Drilling Update Leo 1 2 and 3
10/08/2021	Becoming a substantial holder
28/07/2021	Correction to Notice of Meeting
28/07/2021	Consolidation Notice of Meeting
27/07/2021	June Quarterly Zoom Investor Presentation
27/07/2021	June 2021 Quarter Activities and Cash Flow Report
21/07/2021	Investor Webinar Presentation
8/07/2021	Drilling Update Gemini 1 2 3 and 4 Wells Sunburst Brooks
29/06/2021	Release of Escrow
28/06/2021	Multi well Brooks Sunburst Drilling Campaign Update
24/06/2021	Appendix 3Y
23/06/2021	Management Changes
17/06/2021	Drilling Update Gemini 1 & 2 Sunburst Brooks
16/06/2021	Notification regarding unquoted securities - CE1
9/06/2021	Replacement May 21 Operational Update and Revised Guidance
9/06/2021	Calima June 2021 Investor Presentation
9/06/2021	May 2021 Operational Update and Revised Guidance
4/06/2021	Appendix 3Y
1/06/2021	3 Well Sunburst Drilling Campaign Commenced
28/05/2021	AGM results
11/05/2021	Appendix 2A and 3G
7/05/2021	Production increased to 2,818 boe/d
6/05/2021	Ceasing to be a substantial holder
3/05/2021	Ceasing to be a substantial holder
3/05/2021	Reinstatement to Official Quotation
3/05/2021	Merger Update and Appendix 3Xs
3/05/2021	Investor Presentation April 2021
3/05/2021	Proposed issue of Securities - CE1
3/05/2021	Annual Report 2020

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company at Suite 4, 246-250 Railway parade, West Leederville, WA 6007.

- (a) this Prospectus;
- (b) Constitution; and
- (c) the consents referred to in Section 4.10 and the consents provided by the Directors to the issue of this Prospectus.

#### 4.4 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

#### 4.5 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

#### 4.6 Directors' interests

(a) Interests

Other than as set out in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
- (iii) the Offer,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any Director, either to induce that Director to become, or to qualify them as a director of the Company, or otherwise, for services rendered by them in connection with the formation or promotion of the Company or the Offer.

(b) Directors' Holdings and other interests

Set out in the table below are details of Directors' relevant interests in the securities of the Company at the date of this Prospectus and assuming completion of the Placement:

Director	Relevant interest in No. of Shares <sup>1</sup>	No. of Options Held <sup>2</sup>	No. of Performance Rights Held <sup>3</sup>
Mr Jordan Kevol	3,888,768	2,500,000	-
Mr Glenn Whiddon <sup>4</sup>	16,175,974	-	2,500,000
Mr Mark Freeman	130,598	-	2,000,000
Mr Brett Lawrence	436,993	-	300,000
Mr P.L. (Lonny) Tetley	-	300,000	-

1. Held directly or indirectly by the Director or a related party of the Director.

2. The Options are exercisable at 20c each on or before 20/6/2026

3. The performance rights will convert into Shares on a one-for-one basis upon achievement of certain performance milestones. See the Company's Annual Report for details.

4. Glenn Whiddon has no relevant interest in the 13,690,132 shares held by 6466 Investments Pty Ltd, MIMO Strategies Pty Ltd, Lagral Strategies Pty Ltd, Nautical Holdings WA Pty Ltd. Jane Whiddon is the controller of these entities and Mr Whiddon is not a beneficiary.

(c) Remuneration of Directors

In accordance with the Constitution, the Shareholders have approved an aggregate amount of up to \$350,000 per annum to be paid as non-executive Directors' fees. It is currently resolved that each non-executive Director is entitled to receive fees of \$36,000 per annum (excluding superannuation).

Executive Directors Receive the current remuneration:

Jordan Kevol receives a salary of C\$225,000 per annum as an Executive Director and Chief Executive Officer of the Company.

Mark Freeman receives consulting fees of A\$180,000 per annum for his role as Finance Director.

Glenn Whiddon receives consulting fees of A\$36,000 per annum and a daily rate of \$1,000 per day for consulting services which average 10-15 days per month in his role as Executive Chairman.

Amounts paid to each of the Directors in the previous financial year ended 31 December 2020, 31 December 2021 and to the period from 31 December 2021 until the lodgement of this Prospectus are as follows:

Following is the table of remuneration for the year ended 31 December 2020:

Name	Short-term benefits (salaries & fees) <sup>(e)</sup>	Share-based payments <sup>(b)</sup> (options)	Share-based payments <sup>(b)</sup> (performance rights)	Total \$	Performance Related %
<b>Directors</b>					
G Whiddon <sup>(a)</sup>	150,860	-	-	150,860	-
N Hackett <sup>(c)</sup>	32,940	-	-	32,940	-
A Stein	104,759	8,599	8,118	121,476	13.8
B Lawrence	48,410	-	-	48,410	-
J Taylor <sup>(d)</sup>	25,919	8,599	24,804	59,322	56.3
<b>Executives</b>					
M Freeman	159,421	-	-	159,421	
<b>Total</b>	<b>522,309</b>	<b>17,198</b>	<b>32,922</b>	<b>572,429</b>	

(a) Mr Whiddon received \$36,000 for Director's fees and \$114,860 for consulting fees.

(b) Vesting expense for the fair value of share-based payment awards determined at grant date in accordance with Australian Accounting Standards.

(c) Mr Hackett resigned 11 November 2020

(d) Mr Taylor resigned 20 January 2020

Following is the table of remuneration for the year ended 31 December 2021:

Name	Short-term benefits (salaries & fees)	Share-based payments <sup>(a)</sup> (options/shares)	Share-based payments <sup>(a)</sup> (performance rights)	Total \$	Performance Related %
<b>Directors</b>					
G Whiddon	318,400	-	164,530	482,930	34%
J Kevol	165,534	41,506	-	207,040	20%
L Tetley	24,000	4,981	-	28,981	17%
A Stein	9,000	8,575	78,095	95,670	91%
B Lawrence	36,000	-	42,000	78,000	54%
M Freeman	215,000	15,000	148,541	378,541	43%
<b>Total</b>	<b>767,934</b>	<b>70,062</b>	<b>433,166</b>	<b>1,271,162</b>	<b>40%</b>

Following is the table of remuneration for the period 1 January 2022 to the lodgement of the Prospectus:

Name	Short-term benefits (salaries & fees)	Share-based payments (options)	Share-based payments (performance rights)	Total \$	Performance Related %
<b>Directors</b>					
G Whiddon	15,000	-	3,066	18,066	17%
J Kevol	21,307	5,188	-	26,495	20%
L Tetley	3,000	623	-	3,623	17%
B Lawrence	3,000	-	-	3,000	0%
M Freeman	15,000	-	1,068	16,068	7%
<b>Total</b>	<b>57,307</b>	<b>5,811</b>	<b>4,134</b>	<b>67,252</b>	<b>15%</b>

#### 4.7 Substantial Holders

Following completion of the Placement, the following Shareholders are expected to be substantial shareholders of the Company.

Substantial Shareholder	Relevant Interest in No. of Shares	Voting power in Company
Credit Suisse	31,751,161	6.18%

#### 4.8 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

#### 4.9 Expenses of issue

The estimated expenses of the issue are as follows:

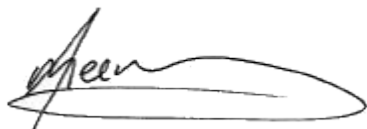
	Offer \$
ASIC lodgement fee	3,206
ASX Fees	30,506
Brokerage	1,200,000
Legal and advisory expenses	20,000
<b>Total</b>	<u>1,250,506</u>

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## 5. Authorisation

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:

A handwritten signature in black ink, appearing to read 'Mark Freeman', is written over a horizontal line.

Mark Freeman  
Director

Dated: 16 February 2022

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## 6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**\$** means Australian dollars.

**AWST** means Australian Western Standard Time.

**Annual Report** means the financial report lodged by the Company with ASIC in respect to the year ended 31 December 2020 and includes the corporate directory, chairman's report, review of activities, Shareholder information, financial report of the Company and its controlled entities for the year ended 31 December 2020, together with a Directors' report in relation to that financial year and the auditor's report for the year to 31 December 2020.

**Applicant** means a person who submits an Application Form.

**Application** means a valid application for Shares made pursuant to this Prospectus on an Application Form.

**Application Form** or **Form** means the application form sent with this Prospectus.

**Application Monies** means application monies for Shares received by the Company.

**ASIC** means Australian Securities and Investments Commission.

**ASTC** means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.

**ASX** means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**Board** means the Directors meeting as a board.

**Business Day** means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

**CHESS** means ASX Clearing House Electronic Subregister System.

**Closing Date** means the date set out in Section 1.4 or such later date as the Directors may determine.

**Company** means Calima Energy Limited ACN 117 227 086.

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means Corporations Act (Cth) 2001.

**Directors** mean the directors of the Company as at the date of this Prospectus.

**Issuer Sponsored** means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

**Listing Rules** means the Listing Rules of ASX.

**Offer** has the meaning in Section 1.1.

**Official List** means the official list of ASX.

**Official Quotation** means quotation of Shares on the Official List.

**Option** means the right to acquire one Share.

**Placement** has the meaning in Section 1.2.

**Placement Shares** has the meaning in Section 1.2.

**Prospectus** means this prospectus.

**Section** means a section of this Prospectus.

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

**Shareholder** means a holder of Shares.