28 March 2022

Montney Resource Update 2022

Highlights:

- Montney activity has ramped up materially in the vicinity of Calima's land with very encouraging results.
- The Company's Contingent Resources remain in the Development Pending category which would be categorised as 2P Reserves upon securing funding. Additionally, these Resources lie within the acreage which was secured in 2019 under a **10-year Continuation Lease.**
- The best estimate gross un-risked Contingent Resources (2C) Development on Hold and Development Pending is **748 MMcfg** and **35.8 MMbbl (net of royalties)**.
- The total best estimate of gross un-risked Prospective Resources (2U) is **588 MMcfg** and **28.2 MMbbl (net of royalties)**.
- Estimated Ultimate Recovery (EUR) per type curve well increased to **9BCFG and 131 MMbbls of condensate** on average between the upper and middle Montney (2020: 8.4 BCFG 168 MMbbls) due to positive results on gas from offsetting operators.

(Net of Royalties)	Prospective Resource (2U)	Contingent Resource (2C)		
		Dev on hold	Dev Pending	Total Contingent
Natural Gas (mmcf)	**588,109**	535,193	213,295	**748,488**
Total Liquids (mbbl)	**28,240**	25,644	10,137	**35,780**
Total BOE (Mboe)	126,258	114,842	45,686	160,528

Calima Energy Limited (ASX:CE1 / OTCQB: RLTOF) (Calima or Company) currently operates more than 34,000 acres of drilling rights (Calima Lands) in British Columbia, Canada. McDaniel & Associates (McDaniel) have completed their resource reports for the period ending 31 December 2021.

The Company is pleased to confirm that a slightly higher **213.3 MMCFG & 10.1 million barrels of light oil and natural gas liquids** (2020: 212.8 MMCFG & 10.8 MMBO) of Contingent Resources is continuing to be defined as Development Pending, reconfirming a significant portion its Montney acreage as being development ready subject only to securing the necessary funding to construct a tie-in pipeline.

Once the Company secures funding then according to the reporting standards these Development Pending resources could be classified as 2P reserves. Note the prospective resources were down approximately 58% due to land expiries resulting in 68 locations removed from each of the Upper and Middle Montney benches. This was somewhat offset by positive gas technical revisions based on recent successful area operator activity. The following maps highlight the material activity from offsetting operators in 2021.

The estimated quantities of hydrocarbons that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

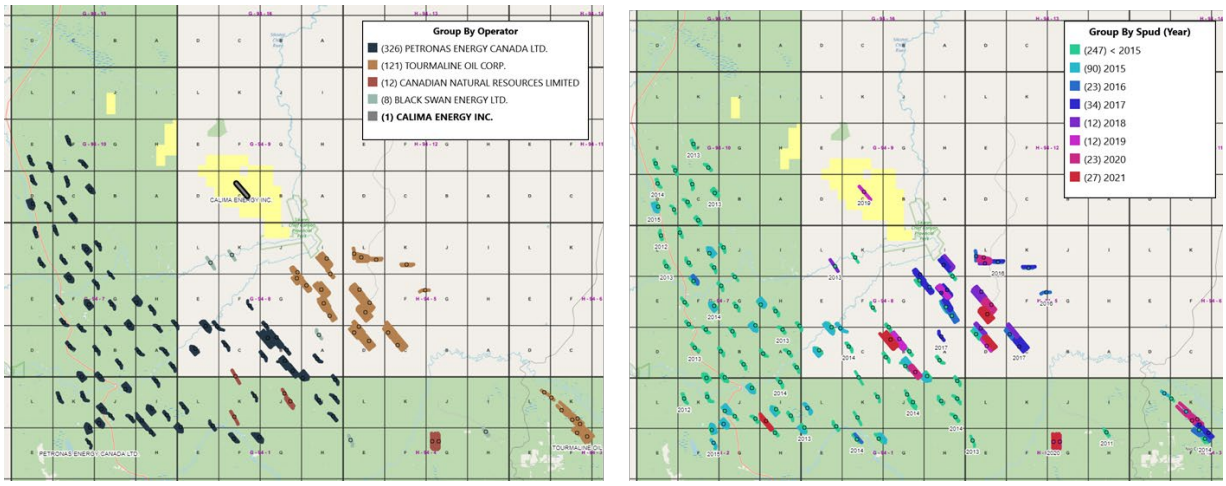

Figure 1 – Offsetting Activity

McDaniel & Associates (McDaniel) have evaluated crude oil, natural gas and natural gas products prospective resources of the Calima Lands according to PRMS standards. McDaniel's Best Estimates of total un-risked contingent and prospective resources within the Calima Lands are summarised in Tables 1A/1B and Figure 2.

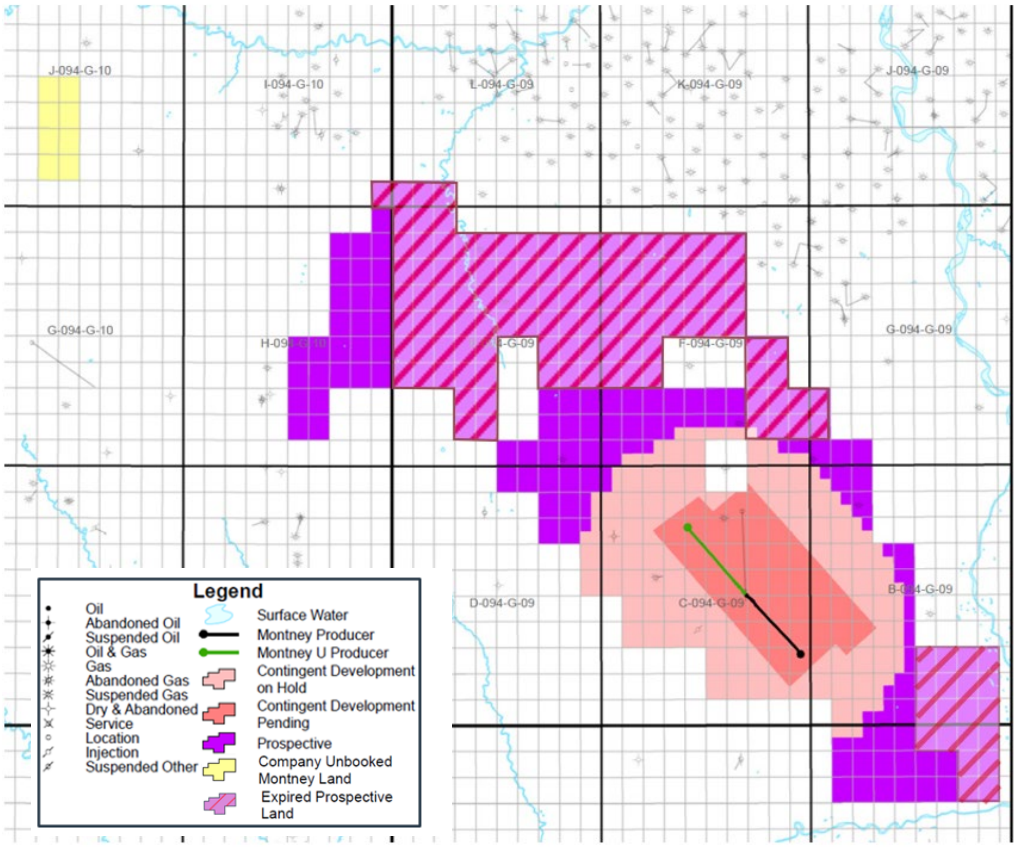

Figure 2 - Map of Calima Lands defining the areas of Prospective (purple) and Contingent Development on hold (light pink) and Contingent Development pending (dark pink) Resources.

1A Gross Unrisked Contingent Resources [4] (2C) based upon 122 wells		Development on hold	Development Pending	Total 2C
Natural Gas (mmcf)	Gross	681,034	267,876	948,910
	Net after Royalties	535,193	213,295	748,488
Condensate (mbbl)	Gross	13,597	5,355	18,951
	Net after Royalties	11,399	4,506	15,906
Natural Gas Liquids[1] (mbbl)	Gross	16,990	6,691	23,682
	Net after Royalties	14,245	5,631	19,875
TOTAL LIQUIDS[2] (mbbl)	Gross	30,587	12,046	42,633
	Net after Royalties	25,644	10,137	35,780
TOTAL mboe[3]	Gross	144,093	56,692	200,785
	Net after Royalties	114,842	45,686	160,528

1B Gross Unrisked Prospective Resources[5] (2U) based upon 98 wells		
Natural Gas (mmcf)	Gross	749,854
	Net after Royalties	588,109
Condensate (mbbl)	Gross	14,977
	Net after Royalties	12,553
Natural Gas Liquids[1] (mbbl)	Gross	18,714
	Net after Royalties	15,687
TOTAL LIQUIDS[2] (mbbl)	Gross	33,691
	Net after Royalties	28,240
TOTAL mboe[3]	Gross	158,667
	Net after Royalties	126,258

Table 1A – Best estimate Unrisked Contingent (2C) Resources and Table 1B - Prospective (2U) Resources of the Calima Lands as estimated by McDaniel & Associates effective March 31, 2022

Notes to accompany Tables 1A & 1B

(1) Natural Gas Liquids refers to the product recovered after processing. Approximately 10 bbl/MMcf of the product recovered after processing is also condensate (C5) see also Note 2.

(2) Sum of Condensate and Natural Gas Liquids. Based on Company drilling results public domain data and the results of wells drilled on adjacent land McDaniel estimate that the average condensate to gas ratio for wells in the Calima Lands would be 16 bbl/MMcf (wellhead condensate/gas ratio) for the Middle Montney and 13 bbl/MMcf for the Upper Montney. Additional liquids 25bbl/MMCF would be stripped from the gas upon processing comprising 6 bbl/MMcf of C3, 9 bbl/MMcf of C4, and 10 bbl/MMcf of C5+ (Condensate). Plant yields of six bbl/MMcf of C3, nine bbl/MMcf of C4, and 10 bbl/MMcf of C5+ have been assigned based off Saguaro's/Tourmaline's presentation material and are in line with typical recoveries in the area. An average shrinkage of 10 percent was applied to raw gas to obtain sales gas estimates.

(3) Barrels of Oil Equivalent based on 6:1 for Natural Gas, 1:1 for Condensate and C5+, 1:1 for Ethane,1:1 for Propane, 1:1 for Butanes. BOE's may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

(4) Contingent Resources (2C) - Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more

contingencies. Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters, or a lack of markets. Contingent resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by the economic status. The Contingent Resources (2C) in Tommy Lakes have been sub-classified as a "Development on Hold" and "Development Pending" as the accumulation is well defined and does represent a viable drilling target. The Contingent Resources have been classified using a deterministic method of estimation having an effective date of 31 December 2022

(5) Prospective resources (2U) are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbon. The Prospective Resources (2U) in Tommy Lakes have been sub-classified as a "Prospect" as the accumulation is well defined and does represent a viable drilling target. The prospective resources have also been classified using a deterministic method having an evaluation date of 31 December 2021.

(6) Pre-Development – A pre-development study is an intermediate step in the development of a project scenario. The amount of information that is available for the reservoir of interest is greater than for a conceptual study. In particular, the petroleum initially in place has been reasonably well defined and the remaining uncertainty lies largely in the recovery factor and the economic viability.

(7) The resources have been calculated on a reduced land position of ~34,000 acres in which Calima Energy holds a 100% working interest. This includes 33,643 acres (49 sections) held under a 10-year Continuation Lease (valid to 2029).

The below tables shows the comparison between the year-end 2020 and the 2021 resources (Tables 2A, 2B).

	Natural Gas[1] (mmcf)	Condensate (mbbl)	Natural Gas Liquids (mbbl)	TOTAL LIQUIDS[2] (mbbl)	TOTAL[3] mboe
2A – 2021 Contingent Resource Dev on Hold (2C)	681,034	13,597	16,990	30,587	144,093
2A – 2021 Contingent Resource Dev Pending (2C)	267,876	5,355	6,691	12,046	56,692
TOTAL 2A – 2021 Contingent Resource (2C)	**948,910**	**18,951**	**23,682**	**42,633**	**200,785**
2A – 2020 Contingent Resource Dev on Hold (2C)	638,220	14,179	17,718	31,897	138,267
2A – 2020 Contingent Resource Dev Pending (2C)	248,401	5,530	6,912	12,442	53,842
TOTAL 2A – 2021 Contingent Resource (2C)	**886,621**	**19,709**	**24,630**	**44,339**	**192,109**

	Natural Gas[1] (mmcf)	Condensate (mbbl)	Natural Gas Liquids (mbbl)	TOTAL LIQUIDS[2] (mbbl)	TOTAL[3] mboe
2B - 2021 Prospective Resource (2U)	749,854	14,977	**18,714**	**33,691**	**158,667**
2B - 2020 Prospective Resource (2U)	1,677,610	37,294	**46,602**	**83,896**	**363,498**

Table 2A – McDaniel 2020 and 2021 Best Estimate Gross Unrisked Contingent Resource and 2B Gross Unrisked Prospective Resource (refer Table 1 footnotes and see Figure 1 for areal distribution)

Method of Preparation

The resource estimates have been prepared and presented in accordance with the Canadian standards set out in the Canadian Oil and Gas Evaluation Handbook (COGEH) and National Instrument 51-101 (NI 51-101), and have been classified in accordance with the Society of Petroleum Engineers' Petroleum Resources Management System (SPE-PRMS) and reported in the most specific resource class in which the prospective resource can be classified under SPE-PRMS.

In accordance with the applicable guidelines the volumes presented in the McDaniel's report were risked for the chance of commerciality. The chance of commerciality is the product of the chance of discovery and the chance of development. The chance of discovery in an unconventional resource such as the Montney is associated with the likelihood that commercially viable concentrations of hydrocarbon within a given region exist (i.e. sufficient thickness and porosity), and not necessarily whether hydrocarbons of any concentration will be found. The presence of hydrocarbons within the Montney resource is considered broadly mappable; however, area specific thicknesses and differences in reservoir quality will ultimately determine commercial viability.

Resource Classification

The Contingent Resources (2C) in Tommy Lakes have been sub-classified as a "Development on Hold" as the accumulation is well defined and does represent a viable drilling target and "Development Pending" on the basis that the Company acquired the Tommy Lakes facilities which provides Calima with processing capacity and access to the NorthRiver Jedney pipelines and facilities to get product to market. The drilling target is further confirmed by the level of Montney development in the area by offsetting producers. For the Montney Upper and Middle zones, a chance of development of 70% have been assigned to the Development on Hold Resources and 90% to the Development Pending Resources as the Company is in relatively early stages of development at this point. A technology status of "established" (meaning existing well drilling and completion practices) and a project evaluation scenario of Pre-Development[6] also apply as the amount of petroleum initially in place has been reasonably well defined but there is uncertainty around actual performance of the wells and future processing capacity[4].

The Prospective Resources (2U) in Tommy Lakes have been sub-classified as a "Prospect" as the accumulation is well defined and does represent a viable drilling target. This project maturity status sub-classification is further confirmed by the Montney development in the area by offsetting producers. For the Montney Upper, Middle and Lower zones, a chance of discovery factor of 90% (previously 90%) and a chance of development of 70% have been assigned as the Company is in relatively early stages of development at this point.

Qualified petroleum reserves and resources evaluator statement

The petroleum resources information in this announcement is based on, and fairly represents, information and supporting documentation in a report compiled by technical employees of McDaniel and Associates Ltd, a leading independent Canadian petroleum consulting firm registered with the Association of Professional Engineers and Geoscientists of Alberta (APEGA) and was subsequently reviewed by Graham Veale who is the VP Engineering with Blackspur Oil Corp. 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 26 years of experience in petroleum and reservoir engineering, reserve evaluation, exploitation, corporate and business strategy, and drilling and completions. McDaniel 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.

This release has been approved by the Board.

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

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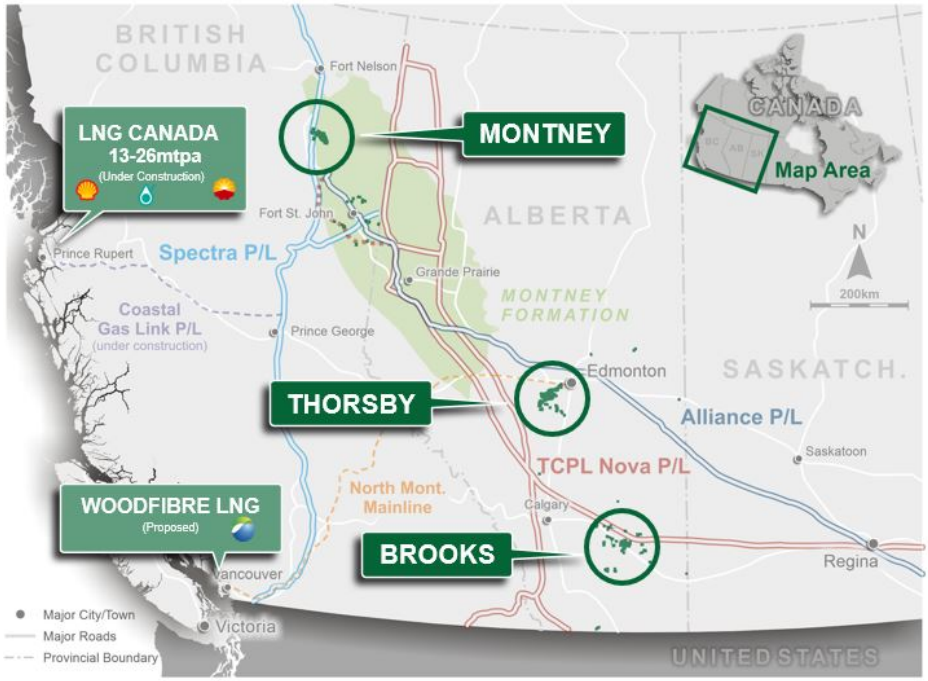
Calima Assets



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 and Definitions

Term	Meaning
Adjusted EBITDA:	Adjusted EBITDA is calculated as net income (loss) before interest and financing expenses, income taxes, depletion, depreciation and amortisation, and adjusted to exclude certain non-cash, extraordinary and non-recurring items primarily relating to bargain purchase gains, gains and losses on financial instruments, transaction and advisory costs and impairment losses. Calima utilises adjusted EBITDA as a measure of operational performance and cash flow generating capability. Adjusted EBITDA impacts the level and extent of funding for capital projects investments or returning capital to shareholders.

Term	Meaning
Adjusted working capital:	Adjusted working capital is comprised of current assets less current liabilities on the Company's balance sheet and excludes the current portions of risk management contracts and credit facility draws. Adjusted working capital is utilised by Management and others as a measure of liquidity because a surplus of adjusted working capital will result in a future net cash inflow to the business which can be used for future funding, and a deficiency of adjusted working capital will result in a future net cash outflow which will require a future draw from Calima's existing funding capacity.
ARO / Asset Retirement Obligation:	the process of permanently closing and relinquishing a well by using cement to create plugs at specific intervals within a well bore
Available funding:	Available funding is comprised of adjusted working capital and the undrawn component of Blackspur's credit facility. The available funding measure allows Management and other users to evaluate the Company's liquidity.
Credit Facility Interest:	Borrowings under the Credit Facility incur interest at a market-based interest rate plus an applicable margin which varies depending on Blackspur's net debt to cash flow ratio. Interest charges are between 150 bps to 350 bps on Canadian bank prime borrowings and between 275 bps and 475 bps on Canadian dollar bankers' acceptances. Any undrawn portion of the demand facility is subject to a standby fee in the range of 20 bps to 45 bps. Security for the credit facility is provided by a C$150 million demand debenture
CO2e:	carbon dioxide equivalent
Conventional Well:	a well that produces gas or oil from a conventional underground reservoir or formation, typically without the need for horizontal drilling or modern completion techniques
Compression:	a device or facility located along a natural gas pipeline that raises the pressure of the natural gas flowing in the pipeline, which in turn compresses the natural gas, thereby both increasing the effective capacity of the pipeline and allowing the natural gas to travel longer distances
Corporate Decline:	consolidated, average rate decline for net production from the Company's assets
Exit Production:	Exit production is defined as the average daily volume on the last week of the period
Operating Income:	Oil and gas sales net of royalties, transportation and operating expenses
Financial Hedge:	a financial arrangement which allows the Company to protect against adverse commodity price movements, the gains or losses of which flow through the Company's derivative settlements on its financial statements
Free Cash Flow (FCF):	represents Hedged Adjusted EBITDA less recurring capital expenditures, asset retirement costs and cash interest expense
Free Cash Flow Yield:	represents free cash flow as a percentage of the Company's total market capitalisation at a certain point in time
Funds Flow:	Funds flow is comprised of cash provided by operating activities, excluding the impact of changes in non-cash working capital. Calima utilises funds flow as a measure of operational performance and cash flow generating capability. Funds flow also impacts the level and extent of funding for investment in capital projects, returning capital to shareholders and repaying debt. By excluding changes in non-cash working capital from cash provided by operating activities, the funds flow measure provides a meaningful metric for Management and others by establishing a clear link between the Company's cash flows, income statement and operating netbacks from the business by isolating the impact of changes in the timing between accrual and cash settlement dates.
Gathering & Compression (G&C):	owned midstream expenses; the costs incurred to transport hydrocarbons across owned midstream assets
Gathering & Transportation (G&T):	third-party gathering and transportation expense; the cost incurred to transport hydrocarbons across third-party midstream assets
G&A:	general and administrative expenses; may be represented by recurring expenses or non-recurring expense
Hedged Adjusted EBITDA:	EBITDA including adjustments for non-recurring and non-cash items such as gain on the sale of assets, acquisition related expenses and integration costs, mark-to-market adjustments related to the Company's hedge portfolio, non-cash equity compensation charges and items of a similar nature;
Hyperbolic Decline:	non-exponential with subtle multiple decline rates; hyperbolic curves decline faster early in the life of the well and slower as time increases
LMR:	The LMR (Liability Management Ratio) is determined by the Alberta Energy Regulator ("AER") and is calculated by dividing Blackspur's deemed assets by its deemed liabilities, both values of which are determined by the AER.
LOE:	lease operating expense, including base LOE, production taxes and gathering & transportation expense
Midstream:	a segment of the oil and gas industry that focuses on the processing, storing, transporting and marketing of oil, natural gas, and natural gas liquids
Net Debt:	Net debt is calculated as the current and long-term portions of Calima's credit facility draws, lease liabilities and other borrowings net of adjusted working capital. The credit facility draws are calculated as the principal amount outstanding converted to Australian dollars at the closing exchange rate for the period. Net debt is an important measure used by Management and others to assess the Company's liquidity by aggregating long-term debt, lease liabilities and working capital.
NGL / Natural Gas Liquids:	hydrocarbon components of natural gas that can be separated from the gas state in the form of liquids
Net Debt/Adjusted EBITDA (Leverage)	a measure of financial liquidity and flexibility calculated as Net Debt divided by Hedged Adjusted EBITDA
Net Revenue Interest:	a share of production after all burdens, such as royalty and overriding royalty, have been deducted from the working interest. It is the percentage of production that each party actually receives
Operating Costs:	total lease operating expense (LOE) plus gathering & compression expense
Operating Netback:	Operating netback is calculated on a per boe basis and is determined by deducting royalties, operating and transportation from oil and natural gas sales, after adjusting for realised hedging gains or losses. Operating netback is utilised by Calima and others to assess the profitability of the Company's oil and natural gas assets on a standalone basis, before the inclusion of corporate overhead related costs. Operating netback is also utilised to compare current results to prior periods or to peers by isolating for the impact of changes in production volumes.
Physical Contract:	a marketing contract between buyer and seller of a physical commodity which locks in commodity pricing for a specific index or location and that is reflected in the Company's commodity revenues Production Taxes: state taxes imposed upon the value or quantity of oil and gas produced
Promote:	an additional economic ownership interest in the jointly-owned properties that is conveyed cost-free to the operator in consideration for operating the assets
PDP/ Proved Developed Producing:	a reserve classification for proved reserves that can be expected to be recovered through existing wells with existing equipment and operating methods
PV10:	a standard metric utilised in SEC filings for the valuation of the Company's oil and gas reserves; the present value of the estimated future oil and gas revenues, reduced by direct expenses, and discounted at an annual rate of 10%
RBL / Reserve Based Lending	a revolving credit facility available to a borrower based on (secured by) the value of the borrower's oil and gas reserves

Term	Meaning
Royalty Interest or Royalty:	Interest in a leasehold area providing the holder with the right to receive a share of production associated with the leasehold area
Terminal decline:	represents the steady state decline rate after early (initial) flush production
Unconventional Well:	a well that produces gas or oil from an unconventional underground reservoir formation, such as shale, which typically requires hydraulic fracturing to allow the gas or oil to flow out of the reservoir
Upstream:	a segment of the oil and gas industry that focuses on the exploration and production of oil and natural gas
Working Capital Ratio:	The working capital ratio as the ratio of (i) current assets plus any undrawn availability under the facility to (ii) current liabilities less any amount drawn under the facilities. For the purposes of the covenant calculation, risk management contract assets and liabilities are excluded.
WI/ Working Interest:	a type of interest in an oil and gas property that obligates the holder thereof to bear and pay a portion of all the property's maintenance, development, and operational costs and expenses, without giving effect to any burdens applicable to the property

Abbreviation	Abbreviation meaning	Abbreviation	Abbreviation meaning
1P	proved reserves	**A$ or AUD**	Australian dollars
2P	proved plus Probable reserves	**C$ or CAD**	Canadian dollars
3P	proved plus Probable plus Possible reserves	**US$ or USD**	United states dollars
bbl or bbls	barrel of oil	**($ thousands)**	figures are divided by 1,000
boe	barrel of oil equivalent (1 bbl = 6 Mcf)	**($ 000s)**	figures are divided by 1,000
d	suffix – per day	**Q1**	first quarter ended March 31st
GJ	gigajoules	**Q2**	second quarter ended June 30th
mbbl	thousands of barrels	**Q3**	third quarter ended September 30th
mboe	thousands of barrels of oil equivalent	**Q4**	fourth quarter ended December 31st
Mcf	thousand cubic feet	**YTD**	year-to-date
MMcf	million cubic feet	**YE**	year-end
PDP	proved developed producing reserves	**H1**	six months ended June 30th
PUD	Proved Undeveloped Producing	**H2**	six months ended December 31st
C	Contingent Resources – 1C/2C/3C – low/most likely/high	**B**	Prefix – Billions
Net	Working Interest after Deduction of Royalty Interests	**MM**	Prefix - Millions
NPV (10)	Net Present Value (discount rate), before income tax	**M**	Prefix - Thousands
EUR	Estimated Ultimate Recovery per well	**/d**	Suffix – per day
WTI	West Texas Intermediate Oil Benchmark Price	**bbl**	Barrel of Oil
WCS	Western Canadian Select Oil Benchmark Price	**boe**	Barrel of Oil Equivalent (1bbl = 6 mscf)
1P or TP	Total Proved	**scf**	Standard Cubic Foot of Gas
2P or TPP	Total Proved plus Probable Reserves	**Bcf**	Billion Standard Cubic Foot of Gas
3P	Total Proved plus Probable plus Possible Reserves	**tCO_2**	Tonnes of Carbon Dioxide
EBITDA	Earnings before interest, tax, depreciation, depletion and amortisation	**OCF**	Operating Cash Flow, ex Capex
Net Acres	Working Interest	**E**	Estimate
IP24	The peak oil production rate over 24 hours of production	**CY**	Calendar Year
IP30/90	Average oil production rate over the first 30/90 days	**WTI**	West Texas Intermediate
WCS	Western Canada Select	**OOIP**	Original Oil in Place