



OTCQB



30 April 2022

Annual General Meeting

Dear Shareholder,

Calima Energy Limited (ASX: **CE1**, **Calima** or the **Company**) will be holding its Annual General Meeting at 10:00am (AWST) on 31 May 2022 at Suite 4, 246-250 Railway Parade, West Leederville, WA 6007 (the Meeting).

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

VOTING IN PERSON

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

VOTING BY PROXY

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

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

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

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

Proxy Forms must be received by 10:00am (WST) 29 May 2022.

Should you wish to discuss the matters in the Notice of Meeting, please contact the Company Secretary by telephone at +61 8 6500 3270.





OTCQB

CALIMA
ENERGY

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

This release has been approved by the Board.

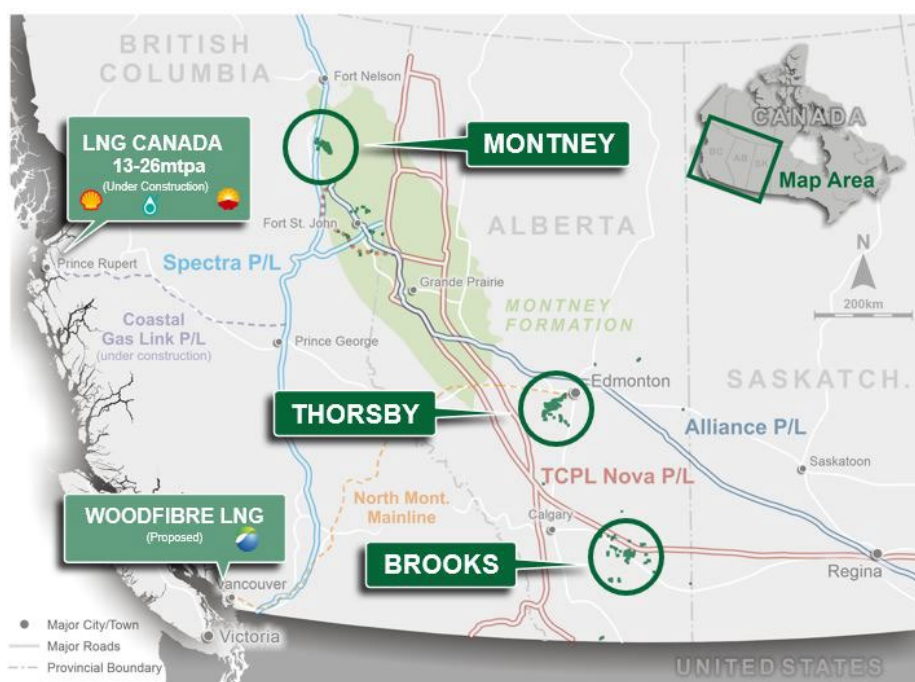
For further information visit www.calimaenergy.com or contact:

Jordan Kevol
CEO and President
E: jkevol@blackspurol.com
T: + 1 403 460 0031

Glenn Whiddon
Chairman
E: glenn@calimaenergy.com
T: + 61 410 612 920

Mark Freeman
Finance Director
E: mfreeman@calimaenergy.com
T: + 61 412 692 146

Calima Assets



Calima Energy Ltd ACN 117 227 086
Suite 4, 246-250 Railway Parade, West Leederville WA 6007: +61 8 6500 3270
Fax: + 61 8 6500 3275 Email: info@calimaenergy.com www.calimaenergy.com

FOLLOW US



CALIMA ENERGY LIMITED

ACN 117 227 086

NOTICE OF ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at Suite 4, 246-250 Railway Parade, West Leederville, Western Australia on Tuesday, 31 May 2022 at 10:00 am (WST).

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary on +61 (8) 6500 3270.

CALIMA ENERGY LIMITED

ACN 117 227 086

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Calima Energy Limited (**Company**) will be held at Suite 4, 246-250 Railway Parade, West Leederville, Western Australia on Tuesday, 31 May 2022 at 10:00am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Sunday, 29 May 2022 at 10:00am (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 9.

AGENDA

1. Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 31 December 2021, which includes the Financial Report, the declaration of the Directors, the Directors' Report and the Auditor's Report.

2. Resolution 1 – Adoption of Remuneration Report

To consider, and if thought fit, to pass with or without amendment, the following resolution as a non-binding resolution:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report, as contained in the Annual Report, be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Prohibition

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on this Resolution if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (c) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on this Resolution; or
- (d) the person is the Chair voting an undirected proxy which expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 – Election of Mark Freeman as a Director

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

“That, for the purposes of Articles 13.3 of the Constitution, Listing Rule 14.4 and for all other purposes, with effect from the passing of this Resolution, Mr Mark Freeman, a Director who was appointed casually on 23 June 2021, whose appointment as a Director ceases pursuant to Article 13.4 of the Constitution, being eligible and offering himself for election, is elected as a Director.”

4. Resolution 3 – Election of Karl DeMong as a Director

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

“That, for the purposes of Articles 13.3 of the Constitution, Listing Rule 14.4 and for all other purposes, with effect from the passing of this Resolution, Mr. Karl DeMong, a Director who was appointed casually on 1 April 2022, whose appointment as a Director ceases pursuant to Article 13.4 of the Constitution, being eligible and offering himself for election, is elected as a Director.”

5. Resolution 4 - Re-election of director – Lonny Tetley

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

“That, for the purpose of Articles 13.2 of the Constitution and for all other purposes, Mr. Lonny Tetley a Director, retires by rotation, and being eligible, is re-elected as a Director.”

6. Resolution 5 – Ratification of prior issue of Shares under Listing Rule 7.1 capacity

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue using the Company's placement capacity under Listing Rule 7.1 of 48,629,633 Placement Shares to the Placement Participants each at an issue price of \$0.20 pursuant to the Placement on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution by or on behalf of the Placement Participants or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. Resolution 6 – Ratification of prior issue of an issue of Shares under Listing Rule 7.1A capacity

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue using the Company's placement capacity under Listing Rule 7.1A of 51,370,367 Placement Shares to the Placement Participants each at an issue price of \$0.20 pursuant to the Placement on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution by or on behalf of the Placement Participants or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8. Resolution 7 - Approval to grant Incentive Performance Rights to Glenn Whiddon

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That, subject to the passing of Resolution 12, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve and authorise the grant of 750,000 Class D Performance Rights, 750,000 Class E Performance Rights and 300,000 Class F Performance Rights to Mr. Glenn Whiddon (or his nominees) under the Calima Employee Securities Incentive Plan on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director who is eligible to participate in the Calima Employee Securities Incentive Plan (including Glenn Whiddon) and their nominees or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 7 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 7 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. Resolution 8 – Approval to grant Incentive Performance Rights to Jordan Kevol

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

“That, subject to the passing of Resolution 12, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve and authorise the grant of 1,100,000 Class D Performance Rights, 1,100,000 Class E Performance Rights and 440,000 Class F Performance Rights to Mr. Jordan Kevol (or his nominees) under the

Calima Employee Securities Incentive Plan on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director who is eligible to participate in the Calima Employee Securities Incentive Plan and their nominees or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 8 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 8 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 8 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. Resolution 9 – Approval to grant Incentive Performance Rights to Mark Freeman

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

“That, subject to the passing of Resolution 12, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve and authorise the grant of 900,000 Class D Performance Rights, 900,000 Class E Performance Rights and 360,000 Class F Performance Rights to Mr. Mark Freeman (or his nominees) under the Calima Employee Securities Incentive Plan on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director who is eligible to participate in the Calima Employee Securities Incentive Plan and their nominees or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 9 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 9 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 9 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

11. Resolution 10 – Approval to grant Incentive Performance Rights to Karl DeMong

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

“That, subject to the passing of Resolution 12, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve and authorise the grant of 250,000 Class D Performance Rights, 250,000 Class E Performance Rights and 100,000 Class F Performance Rights to Mr. Karl DeMong (or his nominees) under the Calima Employee Securities Incentive Plan on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director who is eligible to participate in the Calima Employee Securities Incentive Plan and their nominees or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 10 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 10 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 10 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and

- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

12. Resolution 11 – Approval to grant Incentive Performance Rights to Lonny Tetley

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

“That, subject to the passing of Resolution 12, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve and authorise the grant of 250,000 Class D Performance Rights, 250,000 Class E Performance Rights and 100,000 Class F Performance Rights to Mr. Lonny Tetley (or his nominees) under the Calima Employee Securities Incentive Plan on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director who is eligible to participate in the Calima Employee Securities Incentive Plan and their nominees or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 11 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 11 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 11 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

13. Resolution 12 – Approval to increase maximum Securities under the Calima Employee Securities Incentive Plan

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

“That, for the purposes of Listing Rule 7.2 Exception 13(b), as an exception to Listing Rule 7.1, and for all other purposes, approval is given to increase the maximum number of Securities that may be issued under the Calima Employee Securities Incentive Plan from the present maximum of 30,000,000 Securities to a maximum of 70,000,000 Securities under that plan, on the terms and conditions set out in the Explanatory Memorandum.

14. Resolution 13 – Approval of 10% Placement Facility

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

15. Resolution 14 – Approval to Issue shares to Mr Tetley in Lieu of Directors Fees

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

“That, for the purposes of Listing Rule 10.14, and for all other purposes, Shareholders approve and authorise the issue of 180,000 Shares to Lonny Tetley (or his nominees) under the Calima Employee Securities Incentive Plan as compensation for his role as an independent director on the terms and conditions set out in our agreement with Mr. Tetley and in the Explanatory Memorandum.”

Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director who is eligible to participate in the Calima Employee Securities Incentive Plan and their nominees or any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 11 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 11 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (d) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (e) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 11 Excluded Party, the above prohibition does not apply if:

- (f) the proxy is the Chair; and
- (g) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated 30 April 2022

BY ORDER OF THE BOARD



Glenn Whiddon
Executive Chairman

CALIMA ENERGY LIMITED

ACN 117 227 086

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Suite 4, 246-250 Railway Parade, West Leederville, Western Australia on Tuesday, 31 May 2021 at 10:00am (WST).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy Holders

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment on Resolution 1, if:

- (a) the person is either:

- (i) a member of the Key Management Personnel of the Company; or
- (ii) a Closely Related Party of such a member, and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

3. Annual Report

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. Copies of the report can be found on the Company's website www.calimaenergy.com or by contacting the Company on +61 (8) 6500 3270.

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report;
- (b) ask questions about, or make comment on, the management of the Company;
- (c) ask questions about, or make comment on, the Remuneration Report;
- (d) ask the auditor questions about:
 - (i) the conduct of the audit;
 - (ii) the preparation and content of the Auditor's Report;
 - (iii) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - (iv) the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (e) the content of the Auditor's Report; and
- (f) the conduct of the audit of the Financial Report,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive and non-executive directors.

Section 250R(3) of the Corporations Act provides that this Resolution is advisory only and does not bind the Directors of the Company. Of itself, a failure of Shareholders to pass this Resolution will not require the Directors to alter any of the arrangements in the Remuneration Report.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

4.1 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

4.2 Previous voting results

At the Company's last annual general meeting, the Remuneration Report was approved by over 75% of Shareholders present and voting. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

5. Resolution 2 – Election of Mark Freeman as a Director

5.1 General

Article 13.4 of the Constitution gives the Directors authority to appoint other Directors either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to Article 13.4 of the Constitution and Listing Rule 14.4, any Director so appointed holds office until the next annual general meeting of the Company and is eligible for re-election at that meeting but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Pursuant to the above Articles, Mark Freeman, having been appointed by other directors on 23 June 2021, will retire in accordance with the Constitution and Listing Rule 14.4 and, being eligible, Mr Freeman seeks election as a Director with effect from the passing of this Resolution 2.

5.2 Qualifications and other material directorships

Mark Freeman is a Chartered Accountant with more than 20 years' experience in corporate finance and the resources industry. Mr Freeman has experience in strategic planning, business

development, mergers and acquisitions, North American gas commercialisation, and project development general management. Mr Freeman has worked with a number of successful public resource companies and since 2015 has been providing strategic advice to TSV Montney Limited. Mr Freeman is a graduate of the University of Western Australia with a Bachelor of Commerce. Mr Freeman also holds a Graduate Diploma in Applied Finance from the Securities Institute of Australia.

5.3 Independence

Mark Freeman has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board does not consider Mark Freeman will be an independent Director.

5.4 Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Mark Freeman.

Mark Freeman has confirmed that he considers he will have sufficient time to fulfil his responsibilities as an Executive Director of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as an Executive Director of the Company.

5.5 Board recommendation

The Board has reviewed Mark Freeman's performance since his appointment to the Board and considers that Mr Freeman's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Mark Freeman and recommends that Shareholders vote in favour of Resolution 2.

6. Resolution 3 – Election of Karl DeMong as a Director

Article 13.4 of the Constitution gives the Directors authority to appoint other Directors either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to Article 13.4 of the Constitution and Listing Rule 14.4, any Director so appointed holds office until the next general meeting of the Company and is eligible for re-election at that meeting but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Pursuant to the above Articles, Mr DeMong, having been appointed by other directors on 1 April 2022, will retire in accordance with the Constitution and Listing Rule 14.4 and, being eligible, Mr DeMong seeks election as a Director with effect from the passing of this Resolution 3.

6.1 Qualifications and other material directorships

Karl DeMong is a Canadian oil and gas engineer based in Calgary. He is an experienced technical advisor in unconventional and conventional fields both domestic (in the Brooks and Thorsby

areas) and international. He holds several patents in surface and downhole oil and gas technologies.

Mr DeMong will be focused on bringing his substantial well operations management expertise to bear on the Company's work program at Brooks and Thorsby, as well as assisting in the management of Montney assets. Mr DeMong's prior roles include Apache Corporation (NYSE:APA), QuickSilver Resources Canada, Inc, Quantum Reservoir Impact, Sabretooth Energy and Halliburton Drilling Services. Karl holds a BSc in Mechanical Engineering from University of Saskatchewan. He is an Alberta-registered Professional Engineer and a member of APEGA.

6.2 Independence

Karl DeMong has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board considers Karl DeMong will be an independent Director.

6.3 Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Karl DeMong.

Karl DeMong has confirmed that he considers he will have sufficient time to fulfil his responsibilities as a Non-Executive Director of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as a Non-Executive Director of the Company.

6.4 Board recommendation

The Board has reviewed Karl DeMong's performance since his appointment to the Board and considers that Mr DeMong's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Karl DeMong and recommends that Shareholders vote in favour of Resolution 3.

7. Resolution 4– Re-election of director – Lonny Tetley

7.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Lonny Tetley, who has served as a Director since 30 April 2021 and was elected on 31 May 2021, retires by rotation and seeks re-election.

7.2 Qualifications and other material directorships

Lonny Tetley is a securities lawyer and partner at Burnet, Duckworth and Palmer LLP with over 15 years of experience in corporate finance and the oil and gas industry. Mr. Tetley serves on the Board of a number of companies including Certarus Ltd., Durham Exploration Ltd., Astara Energy Corp., Beyond Energy Services & Technology Corp. and Accelerate Financial Technologies

Inc. He is also a member of the Private Funds Independent Review Committee of Deans Knight Capital Management Ltd.

7.3 Independence

If re-elected the Board considers Lonny Tetley will be an independent Director.

7.4 Board recommendation

The Board has reviewed Lonny Tetley's performance since his appointment to the Board and considers that Mr Tetley's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Lonny Tetley and recommends that Shareholders vote in favour of Resolution 4.

8. Resolution 5 and 6 – Ratification of prior issue of Shares under Listing Rule 7.1 capacity

8.1 General

To fund the Company's operations a placement to sophisticated and professional investors of 100,000,000 Shares at an issue price of \$0.20 (**Placement Shares**) to raise approximately \$20,000,000 (before costs) (**Placement**) was completed on 17 February 2022.

Funds raised under the Placement were used predominantly to reduce the amount drawn on the Company's revolving credit facility which also reduces hedging requirements under the facility and for the following short-term capital requirements:

- C\$2.1 million – Complete Q1 Wells – Stimulation and tie in Pisces 3; completion and tie-in of Gemini wells
- C\$1.6 million - Waterflood – facilitates the timing of investment vs. return (invest in slow decline production and increase reserves)
- C\$1.5 million - North Thorsby completion - Fracture stimulation, 3rd party gas tie-in, and single well battery. With success, considerable expansion of booked drilling inventory
- C\$2.0 million - Expansion to the Thorsby main battery to accommodate further H2 2022 development
- C\$2.0 million - Forward planning – supply chain management, getting ahead of logistics bottlenecks, committing to services, and pre-purchasing tangible equipment
- Strengthen the balance sheet to optimise capital management and reduce volatility in working capital drawdowns

8.2 Listing Rules 7.1 and 7.1A

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 13 being passed by the requisite majority at this Meeting.

The issue of the Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Placement Shares.

8.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

Resolutions 5 and 6 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

8.4 Technical information required by Listing Rule 14.1A

If Resolutions 5 and 6 are passed, the Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolutions 5 and 6 are not passed, the Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 13 being passed at this Meeting.

8.5 Information required by Listing Rule 7.5

The following information is provided for the purposes of Listing Rule 7.5:

- (a) the Placement Shares were issued to sophisticated and professional investors who are clients of Canaccord Genuity (Australia) Limited. The recipients were identified through a bookbuild process, which involved Canaccord Genuity (Australia) Limited seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:

- (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
- (ii) issued more than 1% of the issued capital of the Company;
- (c) 100,000,000 Placement Shares were issued on the following basis:
 - (i) 48,629,633 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 5); and
 - (ii) 51,370,367 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 6);
- (d) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (e) the Placement Shares were issued on 17 February 2022;
- (f) the Placement Shares were issued at \$0.20 each under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rules 7.1A. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (g) the purpose of the issue of the Placement Shares was to raise \$20,000,000, which will be applied in accordance with section 8.1; and
- (h) the Placement Shares were not issued under an agreement.

9. Resolutions 7 to 11 – Approval to grant Incentive Performance Rights to Directors

9.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue up to 7,800,000 Performance Rights to Directors, Glenn Whiddon, Jordan Kevol, Mark Freeman, Lonny Tetley and Karl DeMong (**Related Parties**) under the Calima Employee Securities Incentive Plan (**Incentive Plan**) on the terms and conditions set out below (**Incentive Performance Rights**) and as follows:

	Resolution	Class Performance Rights D	Class Performance Rights E	Class Performance Rights F
Glenn Whiddon	7	750,000	750,000	300,000
Jordan Kevol	8	1,100,000	1,100,000	440,000
Mark Freeman	9	900,000	900,000	360,000
Lonny Tetley	10	250,000	250,000	100,000
Karl DeMong	11	250,000	250,000	100,000

9.2 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

10.14.1 a director of the entity;

10.14.2 an associate of a director of the entity; or

10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of the Incentive Performance Rights to the Related Parties falls within Listing Rule 10.14.1 and therefore requires Shareholder approval under Listing Rule 10.14.

Resolutions 7 to 11 seek the required Shareholder approval to the issue of the Performance Rights to the Directors under Listing Rule 10.14.

Resolutions 7 to 11 seek the required Shareholder approval for the issue of the Incentive Performance Rights under and for the purposes of Listing Rule 10.14.

9.3 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Incentive Performance Rights to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

After a review of publicly available information relating to the remuneration structures of ASX listed companies, including those operating in the oil and gas industry, the Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the above Incentive Securities to the Directors because the grant of the Incentive Performance Rights is considered reasonable remuneration in the circumstances.

9.4 Section 195(4) of the Corporations Act

Section 195 of the Corporations Act provides that a Director of a public company may not vote or be present during meetings of Directors when matters in which that Director holds a "material personal interest" are being considered, except in certain limited circumstances. Section 195(4) relevantly provides that if there are not enough Directors to form a quorum for a Directors meeting because of this restriction, one or more of the Directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

It might be argued (but it is neither conceded nor, indeed, is it thought by the Board to be the case) that the Related Parties each have a material personal outcome in respect of each other's Resolution with respect of the issue of the Incentive Performance Rights. If each does have such an interest, then in accordance with Section 195(4) a quorum could not be formed to consider the matters contemplated by Resolutions 7 to 11 at Board level.

Accordingly, for the avoidance of any doubt, and for the purpose of transparency and best practice corporate governance, the Company also seeks Shareholder approval for the purposes of section 195(4) of the Corporations Act that the 'reasonable remuneration' exception in section 211 of the Corporations Act applies to Resolutions 6 to 11.

9.5 Technical information required by Listing Rule 14.1A

If Resolutions 7 to 11 are passed, the Company will be able to proceed with the issue of the Incentive Performance Rights to the Related Parties under the Incentive Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Incentive Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Incentive Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolutions 7 to 11 are not passed, the Company will not be able to proceed with the issue of the Incentive Performance Rights to the Related Parties under the Incentive Plan.

9.6 Information required by Listing Rule 10.15 and section 219 of the Corporations Act

The following information is provided in relation to Resolutions 7 to 11, for the purposes of Listing Rule 10.15 and section 219 of the Corporations Act:

- (a) The Incentive Securities will be granted to the following persons:
- (i) Glenn Whiddon (or his nominee) pursuant to Resolution 7;
 - (ii) Jordan Kevol (or his nominee) pursuant to Resolution 8;
 - (iii) Mark Freeman (or his nominee) pursuant to Resolution 9;
 - (iv) Lonny Tetley (or his nominee) pursuant to Resolution 10;
 - (v) Karl DeMong (or his nominee) pursuant to Resolution 11,

each of whom falls within the category of Listing Rule 10.14.1 by virtue of being a Director;

The maximum number of Incentive Performance Rights to be issued to the Related Parties is 7,800,000, comprising:

	Resolution	Class D Performance Rights	Class E Performance Rights	Class F Performance Rights
Glenn Whiddon	7	750,000	750,000	300,000
Jordan Kevol	8	1,100,000	1,100,000	440,000
Mark Freeman	9	900,000	900,000	360,000
Lonny Tetley	10	250,000	250,000	100,000
Karl DeMong	11	250,000	250,000	100,000

- (b) Performance Rights have previously been issued to Directors as set out below for nil cash consideration under the Incentive Plan;

	Class A Performance Rights ¹	Class B Performance Rights ¹	Class C Performance Rights ²	Options ^{1,3}
Glenn Whiddon	500,000	500,000	1,500,000	
Jordan Kevol				2,500,000
Mark Freeman	500,000	500,000	1,000,000	
Lonny Tetley				300,000

1. These securities have vested
 2. The VWAP of Shares trading on the ASX being at least 30 cents over 20 consecutive trading days (on which Shares have actually traded).
 3. The Options are each exercisable at \$0.20 post-Consolidation on or before 5:00pm on 30 April 2026 and vest equally over three years from 30 April 2021.
- (c) a summary of the material terms and conditions of the Incentive Performance Rights is set out in Schedule 1;
- (d) the Incentive Performance Rights are unquoted securities. The Company has chosen to issue Incentive Performance Rights to the Related Parties for the following reasons:
- (i) the Incentive Performance Rights are unquoted; therefore, the issue of the Incentive Performance Rights has no immediate dilutionary impact on Shareholders;
 - (ii) the milestones attaching to the Incentive Performance Rights will align the interests of the Related Parties with those of Shareholders; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Performance Rights on the terms proposed;
- (e) the number of Incentive Performance Rights to be issued to each of the Related Parties has been determined based upon a consideration of:
- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the Related Parties; and
 - (iii) incentives to attract and ensure continuity of service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves; Shares issued on exercise or conversion (as applicable) of the Incentive Securities will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (f) the Incentive Performance Rights may be granted to the Related Parties no later than three years after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Incentive Performance Rights will be issued on one date;

- (g) the Incentive Performance Rights will be granted for nil consideration as they are being issued as incentive based remuneration. Accordingly, no funds will be raised from the grant of the Incentive Performance Rights.
- (h) The Directors each receive the following total annual remuneration packages:
- (i) Mr Kevol receives annual remuneration of C\$225,000 (approx. \$242,000) plus employee group and health benefits of C\$7,000 (approx. \$7,500) for his appointment and services as Managing Director of the Company;
 - (ii) Mr Tetley and Mr DeMong receive \$36,000 per annum in Director's fees; Mr. Tetley's compensation is payable in shares and Mr. DeMong's compensation is payable in cash;
 - (iii) Mr Whiddon receives \$36,000 per annum in Director's fees and a day rate of \$1,600 per day for any services provided in addition to the services expected to be provided by him as a non-executive Director. In financial year 2021 (ending 31 December 2021) Mr Whiddon, as directors fees and consulting services, received \$218,400 in cash consideration and a further \$100,000 relating specifically to services provided in relation to the acquisition of Blackspur Oil Corp. and \$171,338 in performance rights valuation in accordance with shareholder approvals; and
 - (iv) Mr Freeman receives \$180,000 per annum in Director's and Executive fees. In financial year 2021 (ending 31 December 2021) Mr Freeman, as directors fees and consulting services, received \$176,476 in cash consideration and a further \$75,000 (in cash and shares) relating specifically to services provided in relation to the acquisition of Blackspur Oil Corp and \$200,906 in performance rights valuations.
- (i) the value of the Incentive Performance Rights and the pricing methodology is set out in Schedule 2;
- (j) a summary of the material terms and conditions of the Performance Rights Plan is set out in Schedule 3;
- (k) no loans are being made to the Related Parties in connection with the acquisition of the Incentive Performance Rights;
- (l) Details of any Securities issued under the Incentive Plan will be published in the annual report of the Company relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (m) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Incentive Plan after Resolutions 7 to 11 are approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14;
- (n) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares ¹	Options	Performance Rights
Glenn Whiddon ³	16,475,974	Nil	2,500,000

Jordan Kevol	4,138,768	2,500,000 ²	Nil
Mark Freeman	338,492	Nil	2,000,000
Lonny Tetley	Nil	300,000 ²	Nil
Karl DeMong	Nil	Nil	Nil

Notes:

1. Fully paid ordinary shares in the capital of the Company (ASX: GE1).
2. Exercisable at \$0.20 on or before 30 June 2026.
3. Glenn Whiddon has no relevant interest in the 15,090,132 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.

- (o) if the milestones attaching to the Incentive Performance Rights issued to the Related Parties are met and the Incentive Performance Rights are converted, a total of 7,800,000 Shares would be issued. This will increase the number of Shares on issue from 615,084,228 (being the total number of Shares on issue as at the date of this Notice) to 622,884,228 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.25%, comprising 0.29% by Glenn Whiddon, 0.42% by Jordan Kevol, 0.35% by Mark Freeman, 0.10% by Lonny Tetley and 0.10% by Karl DeMong;

- (p) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.275	19 October 2021
Lowest	\$0.14	3 and 12 May 2021 and 17 June 2021
Last	\$0.185	28 April 2022

- (q) each Director has a material personal interest in the outcome of Resolutions 7 to 11 on the basis that all of the Directors (or their nominees) are to be issued Incentive Performance Rights should Resolutions 7 to 11 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 7 to 11 of this Notice; and
- (r) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 7 to 11.

10. Resolution 12 – Approval to increase maximum securities under the Calima Employee Securities Incentive Plan

10.1 General

Resolution 12 seeks Shareholder approval to increase the maximum number of securities proposed to be issued under the employee incentive scheme titled “Calima Employee Securities Incentive Plan”, adopted by Shareholders on 29 May 2020, and for the issue of securities under the Incentive Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Incentive Plan is to attract, motivate and retain key employees and the Company considers the future issue of securities under the Incentive Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

10.2 Listing Rule 7.1 and Listing Rule 7.2 Exception 13(b)

As summarised in Section 8.2 above, and subject to a number of exceptions set out in Listing Rule 7.2, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 12 is passed, the Company will be able to issue an increased number of securities under the Incentive Plan to eligible participants over a period of 3 years from the date of the Meeting. The issue of any securities to eligible participants under the Incentive Plan (up to the proposed maximum number of securities stated in below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 12 is not passed, the Company will not be able to issue an increased number of securities under the Incentive Plan to eligible participants, but any issues of securities will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of those securities.

10.3 Technical information

The following information is provided in relation to Resolution 12:

- (a) a summary of the key terms and conditions of the Plan is set out in Schedule 3;
- (b) the Company has issued a net 14,800,000 securities under the Plan; and
- (c) the maximum number of securities proposed to be issued under the Plan in reliance on Listing Rule 7.2 (Exception 13(b)), will increase from 30,000,000 Securities to a maximum of 70,000,000 securities. It is not envisaged that the maximum number of securities for which approval is sought will be issued immediately.

11. Resolution 13 – Approval of 10% Placement Facility

11.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over

any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**10% Placement Facility**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes. Based on the closing price of the Company's Shares on ASX on 28 April 2022, the Company's market capitalisation is \$114 million.

Resolution 13 seeks shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without shareholder approval.

If Resolution 13 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 13 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

11.2 Specific information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to Resolution 13 as follows:

(a) Period for which 10% Placement Facility will be valid

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of the Meeting and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(b) Minimum price

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in subparagraph (i) above, the date on which the Equity Securities are issued.

(c) Purpose of funds raised

The Company may only seek to issue the Equity Securities under the 10% Placement Facility for cash consideration. The Company intends to use the funds raised towards expanding or accelerating the Company's existing business activities including the development of additional wells within the new Blackspur Asset Portfolio (assuming

the recent acquisition is completed) or its development of it Montney Acreage in British Colombia including the Tommy Lakes facilities and for general working capital.

(d) **Risk of economic and voting dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 13 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The tables below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

		Dilution			
Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Issue Price		
			\$0.09	\$0.18	\$0.36
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	615,084,228 Shares	61,508,423 Shares	\$5,535,758	\$11,071,516	\$22,143,032
50% increase	922,626,342 Shares	92,262,634 Shares	\$8,303,637	\$16,607,274	\$33,214,548
100% increase	1,230,168,456 Shares	123,016,846 Shares	\$11,071,516	\$22,143,032	\$44,286,064

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

- (i) There are currently 615,084,228 Shares on issue.
- (ii) The issue price set out above is the closing market price of the Shares on the ASX on 28/04/2022 (being \$0.185).
- (iii) The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
- (iv) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- (v) The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options or performance rights are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

- (vi) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (vii) This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
- (viii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (ix) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation Policy**

The Company's allocation policy for issues of Equity Securities under the 10% Placement Facility is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the recipients of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the purpose of the issue;
- (ii) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the financial situation and solvency of the Company; and
- (v) advice from corporate, financial and broking advisers (if applicable).

The recipients of Equity Securities issued under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 28 May 2021 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 28 May 2021, the Company issued 51,370,367 Shares pursuant to the Previous Approval (**Previous Issue**), which represent approximately 0.5% of the total diluted number of Equity Securities on issue in the Company on 31 May 2021, which was 10,274,055,901 (pre consolidation, the shares on issue post consolidation were ~513,702,795). The Company completed a 20:1 consolidation of its securities on 30 August 2021.

Further details of the issues of Equity Securities by the Company pursuant to Listing Rule 7.1A.2 during the 12-month period preceding the date of the Meeting are set out below.

The following information is provided in accordance with Listing Rule 7.3A.6(b) in respect of the Previous Issue:

Date of Issue and Appendix 2A	Date of Issue: 17 February 2022 Date of Appendix 2A: 17 February 2022
Recipients	Professional and sophisticated investors as part of a placement announced on 9 February 2022. The placement participants were identified through a bookbuild process, which involved Canaccord Genuity (Australia) Limited seeking expressions of interest to participate in the placement from non-related parties of the Company.
Number and Class of Equity Securities Issued	51,370,367 Shares ¹
Issue Price and discount to Market Price¹ (if any)	\$0.20 per Share (at a premium of 5.26% to Market Price ²).
Total Cash Consideration and Use of Funds	Amount raised: \$10,274,073 Amount spent: \$10,274,073 Use of funds: repay debt facility Amount remaining: \$nil Proposed use of remaining funds: n/a

Notes:

1. Fully paid ordinary shares in the capital of the Company, ASX Code: CE1 (terms are set out in the Constitution).]
2. Market Price means the closing price of Shares on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.

11.3 Voting exclusion

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities under the 10% Placement Facility. Therefore, no existing Shareholder's votes will be excluded.

12. Resolution 14 – Approval to issue Shares to Lonny Tetley in lieu of Director's fees

12.1 General

The Company is seeking approval to issue to Mr Lonny Tetley (or his nominee) 180,000 shares in the Company. Pursuant to our agreement with Mr. Tetley, his compensation as an independent director (\$36,000) is payable in shares. This is based on the shares being issued at the last raising price of 20 cents per share (**Director Shares**).

12.2 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

10.14.1 a director of the entity;

10.14.2 an associate of a director of the entity; or

10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules to is such that, in ASX's opinion, the acquisition should be approved by security holders,

unless it obtains the approval of its shareholders.

The issue of the 180,000 Shares falls within Listing Rule 10.14.1 and therefore requires Shareholder approval under Listing Rule 10.14.

Resolution 14 seeks Shareholder approval to issue the 180,000 Shares to Mr Tetley (or his nominees) respectively under and for the purposes of Listing Rule 10.14.

12.3 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Director Shares to Mr Tetley (or his nominees) pursuant to Resolution 14 constitutes the giving of a financial benefit and Mr Tetley is a related party of the Company by virtue of being a Director.

After a review of publicly available information relating to the remuneration structures of ASX listed companies, including those operating in the oil and gas industry, the Directors (other than Mr Tetley) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of issue of the Director Shares because the issue is considered reasonable remuneration in the circumstances.

12.4 Information required by Listing Rule 10.15

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

(a) The 180,000 Shares will be issued to Mr Lonny Tetley (or his nominees).

(b) Approval is required to issue the Director Shares to Mr Tetley as they fall within Listing Rule 10.14.1 by virtue of being a Director.

(c) The number of securities the Company may issue under Resolution 14 is 180,000 Shares.

- (d) Details of the issue of the Director Shares will be published in the annual report of the Company, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (e) The Director Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (f) The Director Shares may be issued no later than three years after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules). It is intended that the Director Remuneration Shares be issued no later than 10 business days after the meeting.
- (g) the current annual retainer remuneration package for Mr Tetley is \$36,000 of shares, comprising of the value of the Director Shares;
- (h) The 180,000 Shares will be issued for nil cash consideration in lieu of Director's fees and consultancy fees comprising an aggregate maximum dollar amount of \$36,000. Accordingly, no funds will be raised from the issue of the Director Shares.
- (i) A summary of the terms of the Calima Employee Securities Incentive Plan is set out in Schedule 3.
- (j) Nil Shares have previously been issued to Mr Tetley for nil cash consideration under the Incentive Plan.
- (k) no loan is being made to Mr Tetley in connection with the acquisition of the Incentive Options.
- (l) Details of any securities issued under the Calima Employee Securities Incentive Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

13. Definitions

\$ means Australian Dollars.

10% Placement Facility has the meaning in Section 11.1.

10% Placement Period has the meaning in Section 11.2(a).

Annual Report means the declaration of the Directors, the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 31 December 2021.

ASIC means Australian Securities and Investments Commission.

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

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Chair means the chair of this Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

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

Constitution means the current constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Directors' Report means the annual directors report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly,

including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the listing rules of ASX.

Meeting or **AGM** has the meaning in the introductory paragraph of the Notice.

Non-Executive Director means a non-executive director of the Company.

Notice means this notice of meeting.

Option means an option to acquire a Share.

Performance Right means a right to acquire a Share on the satisfaction of certain performance milestones.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

Securities means Shares, Options and Performance Rights.

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

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means volume weighted average price.

WST means Western Standard Time, being the time in Perth, Australia.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 1 – Terms And Conditions Of The Incentive Performance Rights

- (a) The Incentive Performance Rights will vest following continued service of the holder as a Director, consultant or **employee** of the Company for a period of at least 6 months and subject to achievement of the following vesting conditions:

Class	Vesting Condition	Expiry Date
Class D	The VWAP of Shares trading on the ASX being at least 25 cents over 20 consecutive trading days (on which Shares have actually traded)	18 months from the date of issue
Class E	Performance Rights will vest following the Company achieving average production greater than 4,300 boe/d for a total of 30 days (non-consecutive) over a 6 month period up until 30 April 2023	18 months from the date of issue
Class F	40% of the Class F Performance Rights will time vest following continued service of the holder as a consultant or employee of the Company for 12 months from the issuance date; 40% of the Class F Performance Rights will time vest following continued service of the holder as a consultant or employee of the Company for 24 months from the issuance date; and 20% of the Class F Performance Rights will time vest following continued service of the holder as a consultant or employee of the Company for 36 months from the issuance date.	4 years from date of issue

- (b) The Performance Rights will each convert into a Share for no consideration on exercise by the holder once vested.
- (c) If a vesting condition of a Performance Right is not achieved by 5:00pm on the Expiry Date then the Performance Right will expire. An unvested Performance Rights will also expire if the Participant ceases to be an Eligible Participant for the purposes of the Incentive Plan, unless otherwise determined by the Board in its discretion.
- (d) If a Change of Control Event occurs prior to the expiry or conversion of a Performance Right, then the Performance Right will automatically convert into a Share.

Schedule 2 – Valuation of the Incentive Performance Rights

The Incentive Performance Rights to be issued to the Related Parties pursuant to Resolutions 7 to 11 have been independently valued.

Using the Black & Scholes model and a pricing model that incorporates a Monte Carlo simulation and based on the assumptions set out below, the Incentive Performance Rights were ascribed the following value:

Item	Class D Performance Rights	Class E Performance Rights	Class F Performance Rights
Methodology	Monte Carlo	Black Scholes	Black Scholes
Iterations	100,000	N/A	N/A
Assumed grant date	28 April 2022	28 April 2022	28 April 2022
Assumed expiry date	28 October 2023	28 October 2023	28 April 2026
Share price at assumed grant date (\$)	0.180	0.180	0.180
VWAP hurdle (\$)	0.250	N/A	N/A
Volatility (5)	90	90	90
Risk-free interest rate	2.4034	2.4034	2.9013
Undiscounted Total Value of Incentive Performance Rights	\$474,226	\$585,000	\$234,000
Glenn Whiddon (Resolution 7)	\$109,437	\$135,000	\$54,000
Jordan Kevol (Resolution 8)	\$160,507	\$198,000	\$79,200
Mark Freeman (Resolution 9)	\$131,324	\$162,000	\$64,800
Lonny Tetley (Resolution 10)	\$36,479	\$45,000	\$18,000
Karl DeMong (Resolution 11)	\$36,479	\$45,000	\$18,000

Note: The valuation noted above is not necessarily the market price that the Incentive Performance Rights could be traded at and is not automatically the market price for taxation purposes.

Schedule 3 – Summary of the Calima Employee Securities Incentive Plan

Summary of the Calima Employee Securities Incentive Plan ("**Plan**") and terms on which offers may be made:

1. **Eligible Participant**

"**Eligible Participant**" means a person who is a full-time or part-time employee, officer, or contractor of the Company, or an Associated Body Corporate (as defined in ASIC Class Order 14/1000), or such other person who has been determined by the Board to be eligible to participate in the Plan from time to time.

The Company will seek Shareholder approval for Director and related party participation in accordance with ASX Listing Rule 10.14.

2. **Purpose**

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

3. **Plan administration**

The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

4. **Eligibility, invitation and application**

The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

5. **Grant of Securities**

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

6. **Terms of Convertible Securities**

Each "**Convertible Security**" represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

7. Vesting of Convertible Securities

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

8. Exercise of Convertible Securities and cashless exercise

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

9. Delivery of Shares on exercise of Convertible Securities

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

10. Forfeiture of Convertible Securities

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly; committed

an act which has brought the Company, the Group or any entity within the Group into disrepute, or wilfully breached his or her duties to the Group or where a Participant is convicted of an offence in connection with the affairs of the Group; or has a judgment entered against him or her in any civil proceedings in respect of the contravention by the Participant of his or her duties at law, in equity or under statute, in his or her capacity as an employee, consultant or officer of the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (d) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (e) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation or vesting notice.

11. Change of control

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event provided that, in respect of Convertible Securities, the maximum number of Convertible Securities (that have not yet been exercised) that the Board may determine will vest and be exercisable into Shares under this Rule is that number of Convertible Securities that is equal to 10% of the Shares on issue immediately following vesting under this Rule, which as far as practicable will be allocated between holders on a pro-rata basis on the basis of their holdings of Convertible Securities on the date of determination of vesting.

12. Rights attaching to Plan Shares

All Shares issued or transferred under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, ("**Plan Shares**") will rank *pari passu* in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

13. Disposal restrictions on Plan Shares

If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

14. Adjustment of Convertible Securities

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the ASX Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

15. Participation in new issues

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

16. Compliance with applicable law

No Security may be offered, granted, vested or exercised if to do so would contravene any applicable law. In particular, the Company must have reasonable grounds to believe, when making an invitation, that the total number of Plan Shares that may be issued upon exercise of Convertible Securities offer when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous three year period under:

- (c) an employee incentive scheme of the Company covered by ASIC Class Order 14/1000; or
- (d) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,

but disregarding any offer made or securities issued in the capital of the Company by way of or as a result of:

- (e) an offer to a person situated at the time of receipt of the offer outside Australia;
- (f) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (exempts the requirement for a disclosure document for the issue of securities in certain circumstances to investors who are deemed to have sufficient investment knowledge to make informed decisions, including professional investors, sophisticated investors and senior managers of the Company); or
- (g) an offer made under a disclosure document,

would exceed 5% (or such other maximum permitted under any applicable law) of the total number of Shares on issue at the date of the invitation.

17. Maximum number of Securities

The Company will not make an invitation under the Plan if the number of Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan, will exceed 15% of the total number of issued Shares at the date of the invitation.

18. Amendment of Plan

Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

19. Plan duration

The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

20. Income Tax Assessment Act

The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in that Act).

CALIMA ENERGY LIMITED

ACN 117 227 086

PROXY FORM

The Company Secretary
Calima Energy Limited

By delivery or by post:

Suite 4, 246-250 Railway Parade, WEST LEEDERVILLE WA 6007

By facsimile:

(08) 6500 3275

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/We¹ _____

of _____

being a Shareholder/Shareholders of the Company and entitled to _____
votes in the Company, hereby appoint:

**The Chair of the
Meeting (mark box)**

☐

OR if you are **NOT** appointing the Chair of the Meeting
as your proxy, please write the name and address of the
person or body corporate (excluding the registered
shareholder) you are appointing as your proxy

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair, as my/our proxy to act generally on my/our behalf at the annual general meeting to be held at Suite 4, 246-250 Railway Parade, West Leederville on Friday, 28 May 2021 at 10:00am (WST) (**Meeting**) and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit, except for as set out below).

The Chair of the Meeting intends to vote all available proxies in favour of Resolution 1. If the Chairman of the Meeting is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolution 1, you will be authorising the Chairman to vote in accordance with the Chairman's voting intentions on Resolution 1 even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

Step 2 – Instructions as to Voting on Resolutions

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Election of Mr Mark Freeman as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Election of Mr Karl Demong as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – re-election of Mr Lonny Tetley as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Ratification of prior issue of Shares under Listing Rule 7.1 capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Ratification of prior issue of an issue of Shares under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Approval to grant Incentive Performance Rights to Glenn Whiddon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Approval to grant Incentive Performance Rights to Jordan Kevol	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 - Approval to grant Incentive Performance Rights to Mark Freeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 – Approval to grant Incentive Performance Rights to Karl DeMong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 11 – Approval to grant Incentive Performance Rights to Lonny Tetley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12 - Approval to increase maximum Securities under the Calima Employee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13 – Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14 – Approval to Issue shares to Mr Tetley in Lieu of Directors Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

The Chair of the Meeting intends to vote undirected proxies in favour of each Resolution.

¹ Insert name and address of Shareholder

Authorised signature/s

This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders should sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the address below no later than 48 hours prior to the time of commencement of the Meeting (WST).

Hand deliveries: Suite 4, 246-250 Railway Parade, WEST LEEDERVILLE WA 6007
Postal address: Suite 4, 246-250 Railway Parade, WEST LEEDERVILLE WA 6007
Facsimile: (08) 6500 3275
Email address: info@calimaenergy.com