

4 September 2023

Hannah Yuan
Principal Adviser, Listings Compliance (Perth)
Australian Securities Exchange

Your ref: ODIN78888

By email: ListingsCompliancePerth@asx.com.au

Dear Hannah,

CALIMA ENERGY LIMITED (ASX:CE1): APPENDIX 3Y – CHANGE OF DIRECTOR'S INTEREST NOTICE QUERY

Calima Energy Limited (**CE1** or **Company**) refers to ASX's query letter dated 1 September 2023 and provides the following responses to the specific queries set out in that letter.

Capitalised terms which are defined in ASX's query letter have the same meaning where used in this letter.

1. Noting that the Director Share Acquisition occurred on 25 August 2023, being the same day as the Tommy Lakes and Montney Announcement, please confirm the following:

a) Did Mr Whiddon seek clearance to deal in CE1's securities before the on-market Director Share Acquisition occurred?

Yes, on 25 August 2023, prior to the on-market Director Share Acquisition, Mr Whiddon sought clearance to deal in CE1's securities with all directors via email along with a verbal confirmation from both Lonny Tetley and Karl DeMong.

b) Did the Disclosure Officer and at least one other director provide clearance for the Director Share Acquisition?

On 25 August 2023, Karl DeMong and Lonny Tetley provided verbal confirmations, additionally Mark Freeman replied to Glenn Whiddon's email, noting that Mr Whiddon was free to deal in the Company's securities but could not deal in the Company's securities on the day on which the Company has made, or is expected to make, an announcement to the ASX.

Mr Whiddon briefly reviewed the email response on his phone with limited screen viewing and incorrectly interpreted Mr Freeman's email and believed that clearance had been given for the Director Share Acquisition to occur on the day. The on-market Director Share Acquisition was an inadvertent oversight on behalf of Mr Whiddon and was in no way an attempt to circumvent the Company's Securities Trading Policy.

Further, the Board is satisfied that Mr Whiddon's actions were due to a genuine oversight and an honest mistake.



Mr Whiddon took the steps required of him under the Company's Securities Trading Policy by seeking clearance to deal in the Company's securities, a miscommunication led to the Director Share Acquisition rather than a disregard for the Policy. Nevertheless, Mr Whiddon has undertaken to fully comply with the Company's Securities Trading Policy in respect of any transactions involving the Company's securities in the future.

- c) Did the Disclosure Officer keep a written record of the clearance given to Mr Whiddon before the dealing in the securities occurred? If so, please provide ASX with a copy of the clearance.**

The email exchange between Mr Whiddon and the other directors referred to in paragraph 1(b) is attached to this letter.

- d) Did the Director Share Acquisition comply with paragraph 7 of CE1's Securities Trading Policy?**

No, the Director share Acquisition did not comply with paragraph 7.1.3 of CE1's Securities Trading Policy.

- e) Did the Director Share Acquisition comply with paragraph 10 of CE1's Securities Trading Policy?**

As evidenced by the attached email exchange, Mr Whiddon sought to comply with paragraph 10 of CE1's Securities Trading Policy.

However, as stated above in paragraph 1(b), despite all involved parties acting in good faith, the Director Share Acquisition did not comply with paragraph 10 of CE1's Securities Trading Policy due to a miscommunication.

- 2. If the answer to question 1.b) is 'yes', given paragraph 7.1.3 of CE1's Securities Trading Policy states a Designated Officer may not deal or procure another person to deal in Company Securities if it is the day on which the Company has made or is expected to make an announcement to the ASX, please explain why the clearance was provided.**

Not applicable.

- 3. If the answer to question 1.d) is 'yes', given paragraph 7.1.3 of the Securities Trading Policy, please explain why CE1 considers the Director Share Acquisition complies with paragraph 7 of CE1's Securities Trading Policy?**

Not applicable.

- 4. If the answer to question 1.e) is 'yes', please explain why CE1 considers the Director Share Acquisition complies with paragraph 10 of CE1's Securities Trading Policy?**

Not applicable.

- 5. If the Director Share Acquisition did not comply with CE1's Securities Trading Policy, and in particular paragraphs 7 and 10, please outline what disciplinary and/or**

remedial action CE1 intends to take as a result of this breach of the Securities Trading Policy.

As set out above, the Company notes that Mr Whiddon's actions were due to a genuine oversight and an honest mistake.

However, it has become apparent that more detailed instructions are required to be given to Key Management Personnel in respect of the authorisations to trade.

- 6. If the Director Share Acquisition did not comply with CE1's Securities Trading Policy, please confirm in the opinion of CE1's board, the current arrangements are adequate and being enforced. Please provide the basis for the opinion. If it is the case that the current arrangements are inadequate or not being enforced, having regards to section 10 of Guidance Note 27, what additional steps does CE1 intend to take to ensure compliance with Listing Rule 3.19B.**

In the opinion of the Board, the current arrangements are adequate and being enforced. The Company:

- (a) incorporates a requirement in contractual arrangements with its Key Management Personnel that they must comply with its Securities Trading Policy;
 - (b) ensures that the Company Secretary circulates email reminders to Key Management Personnel of the start and finish dates for black out periods; and
 - (c) requires periodic sign offs by Key Management Personnel that they are aware of, and understand, the Securities Trading Policy and are in compliance with it.
- 7. In respect of the question as set out in part 3 of the Appendix 3Y lodged with ASX on 28 August 2023, that "Were the interests in the securities or contracts detailed above traded during a closed period where prior written clearance was required?" Please explain why the answer 'No' was provided to that question.**

Mr Whiddon responded 'no' as he was of the honest understanding that he had obtained clearance to deal in CE1's securities before the on-market Director Share Acquisition.

As set out in item 1(b), Mr Whiddon's response in the Appendix 3Y was based on an inadvertent oversight.

- 8. Please confirm that CE1's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CE1 with delegated authority from the board to respond to ASX on disclosure matters.**

CE1's responses to the questions above have been authorised and approved for release by its Board.

Should you require any further clarification, please do not hesitate to contact us.



OTCQB

CALIMA
ENERGY

Yours sincerely,

Mark Freeman
Company Secretary
Calima Energy Limited



1 September 2023

Reference: ODIN78888

Mr Mark Freeman
Company Secretary
Calima Energy Limited
Suite 4, 246-250 Railway Parade
WEST LEEDERVILLE
WA, AUSTRALIA, 6007

By email

Dear Mr Freeman

Calima Energy Limited ('CE1'): Appendix 3Y – Change of Director's Interest Notice Query

ASX refers to the following:

- A. CE1's Appendix 3Y lodged on the ASX Market Announcements Platform ('MAP') on 28 August 2023 for Mr Glenn Whiddon disclosing an on-market acquisition of 1,100,000 ordinary shares for a cash consideration of \$94,860.15 that occurred on 25 August 2023 ('Director Share Acquisition').
- B. Part 3 of the Appendix 3Y which states the following:

Part 3 – ⁺Closed period

| | |
|---|-----|
| Were the interests in the securities or contracts detailed above traded during a ⁺ closed period where prior written clearance was required? | No |
| If so, was prior written clearance provided to allow the trade to proceed during this period? | N/A |
| If prior written clearance was provided, on what date was it provided? | N/A |

- C. Listing Rule 3.19A.2 which requires an entity to tell ASX the following:

3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

- D. Listing Rule 3.19B which states that:

'An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.'

- E. Paragraph 2.3 of CE1's securities trading policy as set out in the corporate governance section of CE1's website ('Securities Trading Policy') which states:

Designated Officer means a director or person engaged in the management of the Company, whether as an employee or consultant.

F. Paragraph 6 of CE1's Securities Trading Policy which states:

6.1. Subject to paragraph 7, a Designated Officer may only deal in Company Securities if he or she:

6.1.1. does not have information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities; and

6.1.2. has complied with paragraph 10.

G. Paragraph 7.1. of CE1's Securities Trading Policy which states:

7.1. A Designated Officer may not deal or procure another person to deal in Company Securities if:

7.1.1. he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities; or

7.1.2. the Disclosure Officer has issued an instruction prohibiting dealing in Company Securities by a Designated Officer; or

7.1.3. it is the day on which, the Company has made or is expected to make an announcement to the ASX; or

7.1.4. he or she has not complied with paragraph 10.

H. Paragraph 10 of CE1's Securities Trading Policy which states:

10.1. Before dealing in Company Securities, a Designated Officer must first inform the Disclosure Officer and obtain clearance from the Disclosure Officer and at least one director of the Company (other than the Disclosure Officer).

10.2. The Disclosure Officer may not give clearance if:

10.2.1. there is a matter about which there is inside information in relation to Company Securities (whether or not the Designated Officer knows about the matter) when the Designated Officer requests clearance or proposes to deal in Company Securities; and

10.2.2. the Disclosure Officer has any other reason to believe that the proposed dealing will breach this policy.

10.3. The Disclosure Officer must keep a written record of:

10.3.1. any information received from a Designated Officer in connection with this policy; and

10.3.2. any clearance given under this policy.

Where a Designated Officer is also the Disclosure Officer, that Designated Officer may not act for self as Disclosure Officer for the purpose of this rule but rather must confer with another Designated Officer who shall perform the function of the Disclosure Officer for first mentioned Designated Officer.

I. CE1' announcement released on the MAP at 9:12am on 25 August 2023 entitled "Tommy Lakes and Montney acreage sold for A\$12 million", followed by an updated announcement in relation to the same subject at 11:25am ('Tommy Lakes and Montney Announcement').

J. Section 10 of Guidance Note 27 which states the following:

'Implicit in the requirement for an entity to have a trading policy is that it should also have appropriate measures to ensure that its KMP are aware of, and understand, their obligations under the policy and to

monitor and enforce compliance with the policy. For it not to do so would be a failure to comply with its obligation under Listing Rule 19.2 to honour the spirit, intention and purpose of the Listing Rules.'

K. Listing Rules 12.9, 12.10 and 12.12 which states the following with regards to trading policy:

12.9 *An entity must have a +trading policy that complies with the requirements of ASX listing rule 12.12. An entity must give its +trading policy to the +market announcements office for release to the market.*

12.10 *Where an entity makes a material change to their +trading policy such entity must give the amended +trading policy to the +market announcements office for release to the market within 5 +business days of the material changes taking effect.*

12.12 *At a minimum, an entity's +trading policy must include the following information:*

12.12.1 The entity's +closed periods.

12.12.2 The restrictions on trading that apply to the entity's +key management personnel.

12.12.3 Any trading which is not subject to the entity's +trading policy.

12.12.4 Any exceptional circumstances in which the entity's +key management personnel may be permitted to trade during a +prohibited period with prior written clearance.

12.12.5 The procedures for obtaining prior written clearance for trading under rule 12.12.4.

Request for Information

Under Listing Rule 18.7, we ask that you answer each of the following questions having regard to the above:

1. Noting that the Director Share Acquisition occurred on 25 August 2023, being the same day as the Tommy Lakes and Montney Announcement, please confirm the following:
 - a) Did Mr Whiddon seek clearance to deal in CE1's securities before the on-market Director Share Acquisition occurred?
 - b) Did the Disclosure Officer and at least one other director provide clearance for the Director Share Acquisition?
 - c) Did the Disclosure Officer keep a written record of the clearance given to Mr Whiddon before the dealing in the securities occurred? If so, please provide ASX with a copy of the clearance.
 - d) Did the Director Share Acquisition comply with paragraph 7 of CE1's Securities Trading Policy?
 - e) Did the Director Share Acquisition comply with paragraph 10 of CE1's Securities Trading Policy?
2. If the answer to question 1.b) is 'yes', given paragraph 7.1.3 of CE1's Securities Trading Policy states a Designated Officer may not deal or procure another person to deal in Company Securities if it is the day on which the Company has made or is expected to make an announcement to the ASX, please explain why the clearance was provided.
3. If the answer to question 1.d) is 'yes', given paragraph 7.1.3 of the Securities Trading Policy, please explain why CE1 considers the Director Share Acquisition complies with paragraph 7 of CE1's Securities Trading Policy?
4. If the answer to question 1.e) is 'yes', please explain why CE1 considers the Director Share Acquisition complies with paragraph 10 of CE1's Securities Trading Policy?

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5. If the Director Share Acquisition did not comply with CE1's Securities Trading Policy, and in particular paragraphs 7 and 10, please outline what disciplinary and/or remedial action CE1 intends to take as a result of this breach of the Securities Trading Policy.
 6. If the Director Share Acquisition did not comply with CE1's Securities Trading Policy, please confirm in the opinion of CE1's board, the current arrangements are adequate and being enforced. Please provide the basis for the opinion. If it is the case that the current arrangements are inadequate or not being enforced, having regards to section 10 of Guidance Note 27, what additional steps does CE1 intend to take to ensure compliance with Listing Rule 3.19B.
 7. In respect of the question as set out in part 3 of the Appendix 3Y lodged with ASX on 28 August 2023, that "Were the interests in the securities or contracts detailed above traded during a +closed period where prior written clearance was required?" Please explain why the answer 'No' was provided to that question.
 8. Please confirm that CE1's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CE1 with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2 PM AWST Tuesday, 5 September 2023**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CE1's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require CE1 to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in CE1's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in CE1's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CE1's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that CE1's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Hannah Yuan
Principal Adviser, Listings Compliance