



Market Announcements Platform
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

CALIMA
ENERGY

ASX Code: CE1

July 16, 2018

Calima Energy Limited – Compulsory Acquisition of Remaining Shares in TSV Montney Ltd

The Board of **Calima Energy Limited (ASX:CE1)** ("**Calima**" or the "**Company**") refers to its:

- (a) Bidders statement dated 15 May 2018 ("Bidder's Statement") in connection with the Company's off-market takeover to acquire 100% of the issued voting shares in TSV Montney Ltd ("TSVM") ("Offer"), which was announcement to the market on 2 May 2018;
- (b) Notice of fulfilment of a defeating condition on 7 June 2018 (in relation to the Condition in Section 9(a)(iv) (Private Treaty Offer) of Annexure A of the Bidder's Statement);
- (c) First supplementary bidder's statement dated 12 June 2018 in relation to the extension of the offer period under the Offer;
- (d) Second supplementary bidder's statement dated 26 June 2018 in relation to the further extension of the offer period under the Offer;
- (e) Notice of fulfilment of a defeating condition on 4 July 2018 (in relation to the Condition in Section 9(a)(iii) (Minimum Acceptance) of Annexure A of the Bidder's Statement);
- (f) Notice under section 650F(1) of the Corporations Act on 9 July 2018 that the Offer is free from all other Conditions as defined in the Bidder's Statement; and
- (g) Notice under section 630(3) of the Corporations Act on 10 July 2018 stating the status of the defeating conditions of the Offer.

As at the date of this announcement, the Company has a relevant interest in 91.20% of TSVM's shares. The Company advises that, as it has acquired a relevant interest in more than 90% of TSVM's shares and has acquired more than 75% of the TSVM shares that it offered to acquire under the Offer, the Company is exercising its rights under section 661A (1) of the Corporations Act to compulsorily acquire the remaining shares in TSVM it does not already have a relevant interest in.

Attached, in accordance with section 661B(1)(d) of the Corporations Act, is a copy of an ASIC Form 6021: Notice of Compulsory Acquisition Following Takeover Bid ("Compulsory Acquisition Notice"), together with a copy of the Company's covering letter to the remaining TSVM shareholders concerning the compulsory acquisition of their shares.

The Compulsory Acquisition Notice sets out the compulsory acquisition procedure and the rights of the remaining TSVM shareholders. The Compulsory Actions Notice and covering letter to TSVM shareholders were lodged at the Australian Securities and Investment Commission and will be despatched to the remaining TSVM shareholders tomorrow.

ENDS



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About Calima Energy

Calima Energy Limited (ASX:CE1) is an international oil and gas company with over 72,000 acres of drilling rights in the Montney, British Columbia, the most active oil and gas play in Canada.

Calima, which features a board and management made up of some of the most successful oil and gas executives of recent years, is fast-tracking a major oil and gas opportunity in one of the world's most successful and sought after plays.

The Company is preparing to drill at the Calima project, which is close to existing infrastructure, including pipelines and processing facilities.

Calima's neighbours in the Montney include international operators Shell, ConocoPhillips and PETRONAS, as well as Canadian producers Black Swan Energy, Saguaro Resources and Painted Pony Energy. The region's liquids-rich hydrocarbon reserves are being targeted for LNG export alongside domestic and international oil market opportunities.

16 July 2018

[Name of TSVM shareholder]

[Address Line 1]

[Address Line 2]

[Address Line 3]

Dear TSV Montney Ltd Shareholder,

Calima Energy Limited – Compulsory Acquisition of TSV Montney Ltd Shares

We refer to Calima Energy Limited's (**Company**) off-market takeover bid to acquire 100% of the issued voting shares in TSV Montney Ltd ACN 607 451 310 (**TSVM**) (**Offer**), as announced by the Company on 2 May 2018.

The terms of the Offer are contained in the Company's bidder's statement dated 15 May 2018 (**Bidder's Statement**), as supplemented by the Company's first supplementary bidder's statement dated 12 June 2018 and second supplementary bidder's statement dated 26 June 2018 (extending the offer period under the Offer).

As noted in TSVM's target statement dated 15 May 2018, the TSVM board unanimously recommends that you accept the Company's Offer for your TSVM shares in the absence of a superior proposal being received. As at the date of this letter, a superior proposal to the Offer has not been received.

The Company has become entitled under section 661A(1) the *Corporations Act 2001* (Cth) (**Corporations Act**) to compulsorily acquire all of the TSVM shares it does not already hold, as it has acquired a relevant interest in more than 90% of all TSVM shares and has acquired more than 75% of the TSVM shares that it offered to acquire under the Offer as at the date of this letter. The Company is exercising its right to compulsorily acquire your TSVM shares.

This letter is being sent to you because you are currently registered as a holder of TSVM shares and you either did not accept the Offer before the date of this letter or your acceptance was not valid. If you have accepted the Offer recently please disregard this letter.

Compulsory acquisition procedures

Enclosed with this Letter is an ASIC Form 6021: Notice of Compulsory Acquisition Following Takeover Bid (**Notice**), which the Company is required to give to you under the Corporations Act to exercise its rights to compulsory acquisition.

The compulsory acquisition process, which is subject to the Corporations Act, is likely to take approximately 4 to 6 weeks, but it may take longer in some circumstances. Compulsory acquisition will be on the same terms as the Offer, which means you will receive 3.33 fully paid ordinary shares in the Company for every one TSVM share you own (**Offer Consideration**).

Please note that TSVM shareholders that attempted to accept the Offer but failed to do so validly before the end of the Offer period will be treated as shareholders whose TSVM shares may be compulsorily acquired by the Company pursuant to the Notice.

If your TSVM shares are compulsorily acquired by the Company, the Offer Consideration will be paid by the Company to TSVM as your trustee upon completion of the compulsory acquisition procedure. You will then be entitled to claim the Offer Consideration from TSVM.

You do not need to sign or return the Notice. In due course, the Company will send TSVM shareholders who remain on the register at the end of the compulsory acquisition process a written notice setting out details on how to claim the Offer Consideration. Subject to the Corporations Act, this is likely to occur approximately 4 to 6 weeks after the date of this letter.

Your choices

You now have the following choices:

1. ***ACCEPT the Offer***

By accepting the Offer, which has been unanimously recommended by the TSVM board, you will receive the Offer Consideration.

On 26 June 2018, the Company extended the Offer period to 5pm (WST) on 20 July 2018. On 9 July 2018, the Company gave notice declaring the Offer free from all outstanding Conditions (as defined in the Bidder's Statement). Accordingly, if you accept the Offer, the Offer Consideration will be paid on or before 6 August 2018. However, if your TSVM shares are compulsorily acquired, you will likely have to wait at least 4 to 6 weeks to receive the Offer Consideration.

Instructions on how to accept the Offer are set out in the Bidder's Statement (as supplemented) and in the Acceptance Form that have been sent to you. Your ability to accept the Offer only applies until 5pm (WST) on 20 July 2018.

2. ***Do NOTHING***

You are not required to do anything in response to this letter. If you decide to do nothing your TSVM shares will be compulsorily acquired by the Company and you will likely have to wait at least 4 to 6 weeks to receive the Offer Consideration.

Further information

If you have any questions about this letter, the Notice or the compulsory acquisition procedure generally, or if you have any other questions, please contact Computershare on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 9am and 5pm AEDT Monday to Friday or consult your financial or other professional adviser.

Yours sincerely



Alan Stein
Director
Calima Energy Limited

Notice of compulsory acquisition following takeover bid

Notice

Description of class of securities to which the bid relates

To each holder of:

FULLY PAID ORDINARY SHARES

('Bid Class Securities')

in

Name of target company or body

Name ('the Company')

TSV MONTNEY LTD

ACN/ABN/ARSN

607 451 310

Tick applicable box(es)

- ☐ and each holder of securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related.
- ☐ and each holder of non-transferable securities issued under an employee incentive scheme referred to in paragraph 2.

1. Under a takeover bid offers were made by

Name of bidder

CALIMA ENERGY LIMITED

in respect of the acquisition of Bid Class Securities in the company.

The offers

Tick one box

- ☐ closed
- ☒ are scheduled to close

Date offers closed or are scheduled to close

on

Date

20 / 07 / 18
[D] [M] [Y]

2. You are, as at the date of this notice, the holder of one or more of the following

Tick applicable box(es).
(See subsection 661A(4) and (4A))

- ☒ securities in respect of which the takeover offer was made, but have not accepted the offer. (If you have accepted the offer but have received this notice you do not need to do anything in response to this notice—the bidder will acquire your securities under the offer.)
- ☐ securities to which the bid related issued after the end of the offer period and before the date of this notice
- ☐ securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related
- ☐ securities issued under an employee incentive scheme to which restrictions on transfer apply under the company's constitution or the terms of issue, being

Description of securities

Description of securities

☐ the following securities in the bid class in which the bidder has a relevant interest

3. The bidder gives you notice under subsection 661B(1) of the Corporations Act 2001 ('the Act') that the bidder has become entitled pursuant to subsection

Tick one box

- ☒ 661A(1)
- ☐ 661A(3)

of the Act to compulsorily acquire your securities and desires to acquire those securities.

Continued... Notice

- 4 Under section 661D of the Act, you have the right, by notice in writing given to the bidder within one month after this notice is lodged with ASIC, to ask the bidder for a written statement of the names and addresses of everyone else the bidder has given this notice to.

This notice was lodged with ASIC on

Date

1	6	/	0	7	/	1	8
[D]	[D]		[M]	[M]		[Y]	[Y]

Date of lodgement

Insert paragraph 4A only where alternative forms of consideration were offered under the bid.

- 4A. You are entitled, within one month after being given this notice (see paragraph 8), or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, by notice in writing to the bidder, to elect which of the following forms of consideration will apply to the acquisition of your securities:

Details of alternative terms.

N/A

If you do not elect which of the alternative forms of consideration will apply to the acquisition of your securities, the form of consideration that will apply will be:

Set out the terms that will apply

N/A

5. Under section 661E of the Act, you have the right, within one month after being given this notice (see paragraph 8) or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is later, to apply to the Court for an order that the securities not be compulsorily acquired.
6. The bidder is entitled and bound to acquire the securities on the terms that applied under the takeover bid immediately before
7. Unless the Court otherwise orders, on application made by you under section 661E of the Act within one month after being given this notice (see paragraph 8) or within 14 days after being given a statement under section 661D (as referred to in paragraph 4 of this notice), whichever is the later, the bidder must comply with paragraph 6 of this notice.
8. A notice sent by post to you is taken to be given to you 3 days after it is posted.

Tick one box



this notice was given.



the end of the offer period.

Signature

Name of person signing

Alan Stein

Capacity

Director

Signature



Date signed

1	6	/	0	7	/	1	8
[D]	[D]		[M]	[M]		[Y]	[Y]