

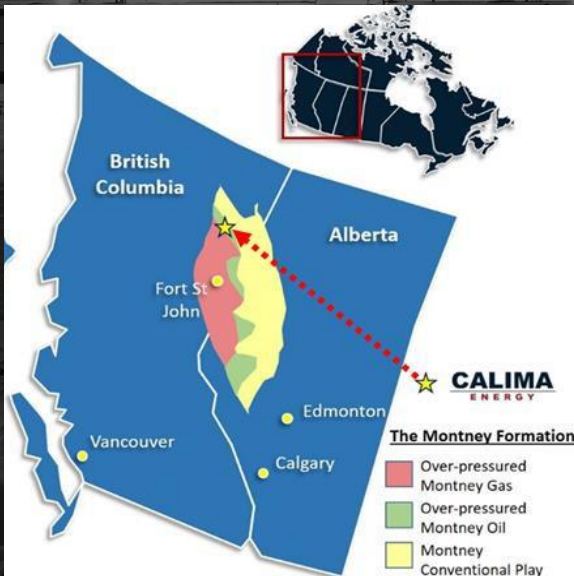
CALIMA
ENERGY

**Finance News Network
Investor Event**
OCTOBER 2019



Calima Energy

Calima Energy (CE1) is an ASX listed oil and gas company with its primary assets in the Montney Formation in British Columbia, Canada.



ABOUT CALIMA

- **Acreage** - CE1 owns and operates 100% interest in 72,000 acres of Montney drilling rights in British Columbia
- **2019 Resource Update⁽¹⁾** – McDaniel revises best estimate gross-unrisked **prospective resources of 497.3 Mmboe** plus maiden **contingent resources of 196.1 Mmboe**
- **Top Quartile** - Initial production test results rank in the top quartile of peer group Montney wells (1,640boe/d)

CAPITAL STRUCTURE

- Ordinary Shares 2,156M
- Perf. Related Securities⁽²⁾ 68.3 M
- Market Capitalisation⁽³⁾ \$21.5 M
- Cash & Securities⁽⁴⁾ \$5.6 M

SHAREHOLDERS

- Institutions 17%
- Board/Management/Founders 19%

⁽¹⁾ ASX Announcement 8th July 2019 and Appendix One

⁽²⁾ See the Appendix 3B announcement dated 5 July 2019. Includes performance shares, performance rights and options on issue of which Management own 81%

⁽³⁾ Based on the closing price on 9 Sept 2019

⁽⁴⁾ Includes completion of placement, rights issue, receipt of proceeds of Namibia interests and net of outstanding payables as outlined in the Rights Issue Offer document 1 July 2019



Calima-2 and -3 wells during testing operations

Board & Management

The Calima Board and Senior Management comprise a highly successful and experienced team with a history of generating shareholder value.

MANAGEMENT

Mike Dobovich
Country Manager (Canada)

Aaron Bauer
Operations Manager (Canada)

Ed Mason
Corporate Advisor

Mark Freeman
CFO/Business Development

BOARD OF DIRECTORS

Alan Stein
Managing Director

Dr Stein has more than 30 years' experience in the international oil and gas industry. He was one of the founding partners of the geoscience consultancy IKODA Limited based in London and Perth and was the founding Managing Director of Fusion Oil & Gas plc and Ophir Energy plc.

Glenn Whiddon
Chairman

Mr Whiddon has an extensive background in equity capital markets, banking and corporate advisory, with a specific focus on natural resources.. Formerly Executive Chairman of Grove Energy Limited. In 2002 Grove's Market capitalisation was less than C\$5 million. In April 2007, Grove was acquired by Stratic Energy Limited, a TSX-listed oil and gas company, for C\$150 million.

Jonathan Taylor
Technical Director

Mr Taylor has more than 30 years' experience in the international oil and gas industry. He started his career with Amerada Hess in the UK before moving to Clyde Petroleum plc. He relocated to Perth in 1998 to take up the role of Technical Director at Fusion Oil & Gas plc. Following the sale of Fusion, Mr Taylor, together with Dr Stein, was one of the two founding executive directors of Ophir Energy plc serving initially as its Technical Director.

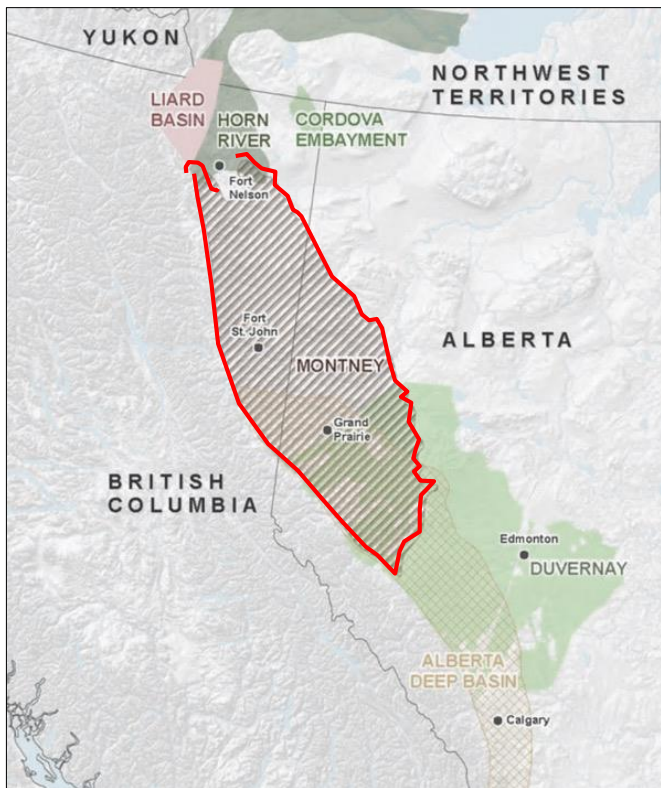
Neil Hackett
Non-Executive Director

Mr Hackett is currently Non-executive Chairman of Australian Securities Exchange listed entity Ardiden Ltd (ADV), NED of Hastings Technology Metals Ltd (HAS) and previous NED of African Chrome Fields Ltd (ACF), Modun Resources Ltd (MOU) and has held various ASX Company Secretary positions including Sundance Resources, Ampella Mining, and ThinkSmart.

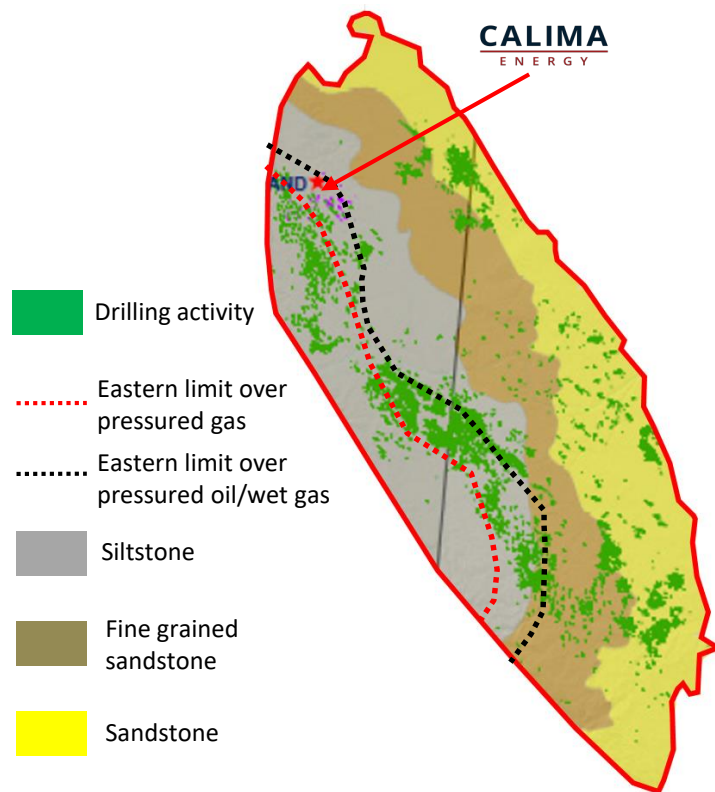


Montney 1-0-1

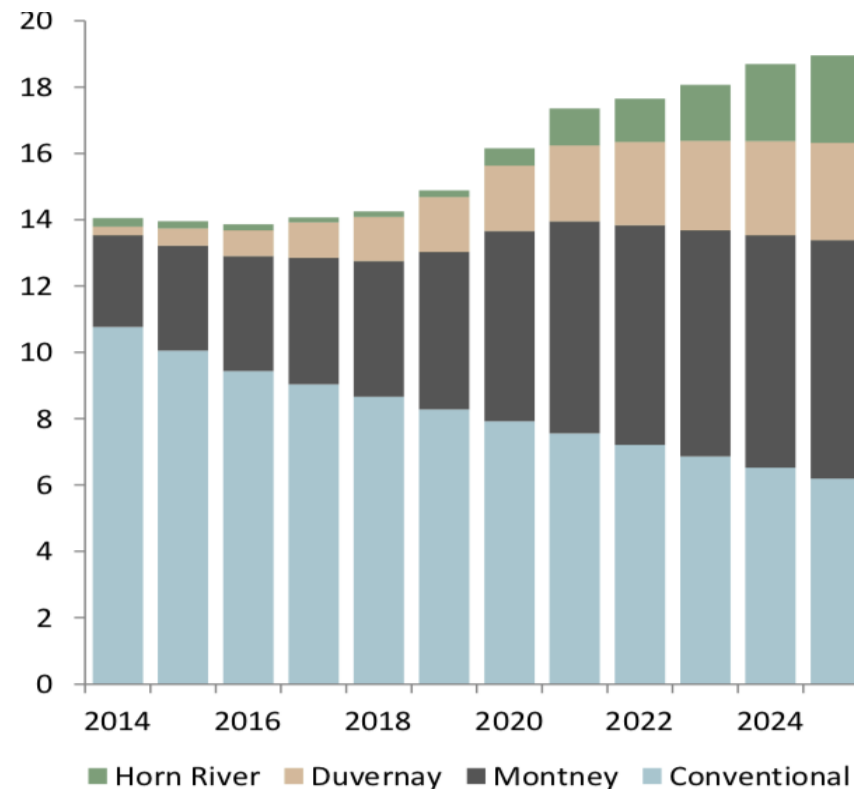
Western Canada Oil & Gas Basins



The Montney (same size as Tasmania)



Western Canada Gas Production

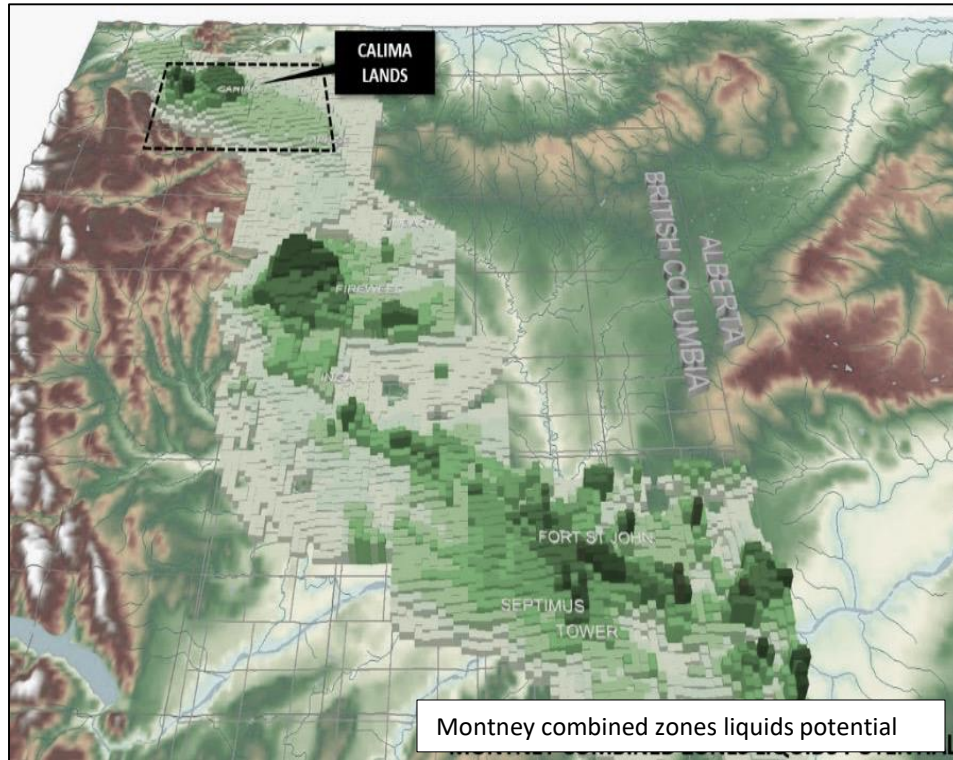


- Most active and fastest growing oil and gas play in Canada.
- Reservoirs are siltstones encased in shale source rocks – not a “shale” play.
- Mineralogy predisposed to excellent ‘fracability’ allowing hydrocarbons to flow at greater quantities delivering **some of the best single well economics in North America.**
- Thicker than most other unconventional plays (200-300m) - allows for multi-layer completions from one surface location.

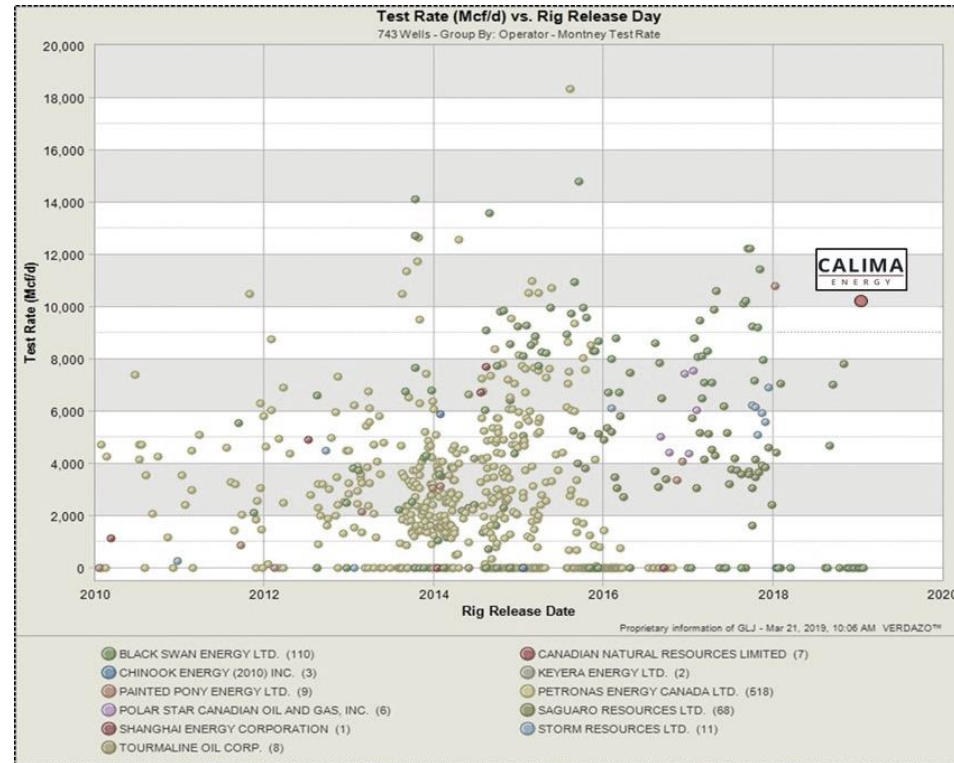
- Estimated remaining reserves **449 tcf of gas, 14.4 Billion bbls** of condensate and **1.1 Billion bbls** of oil (whole of Australia is only 257 Tcf).
- Almost 8,000 horizontal producing wells delivering 7 bcf/d and c. 400,000 bbl/d of condensate and natural gas liquids.
- Calima has established an acreage position within the over pressured oil or wet gas zone.

2019 Drilling - Exceeded Expectations

Calima's 2014 Common Recovery Segment Mapping



Calima's 2019 Top Quartile Test Results



- **Top quartile** performance relative to peer group
- Maximum gas rate **10.2 mmcf/d**
- After the initial clean out, Calima-2 condensate gas ratio (CGR) had **exceeded 40 bbl/mmcf⁽¹⁾** and was climbing
- Confirmed predictions from early mapping in 2014
- Opened up an extension of the liquids rich Montney

In an independent review of Calima's drilling results GLJ Petroleum Consultants noted;

"...Calima-2 well is likely to meet or exceed the performance of adjacent wells. This is true both in terms of overall production performance (such as gas production rate) and in terms of liquid yield."

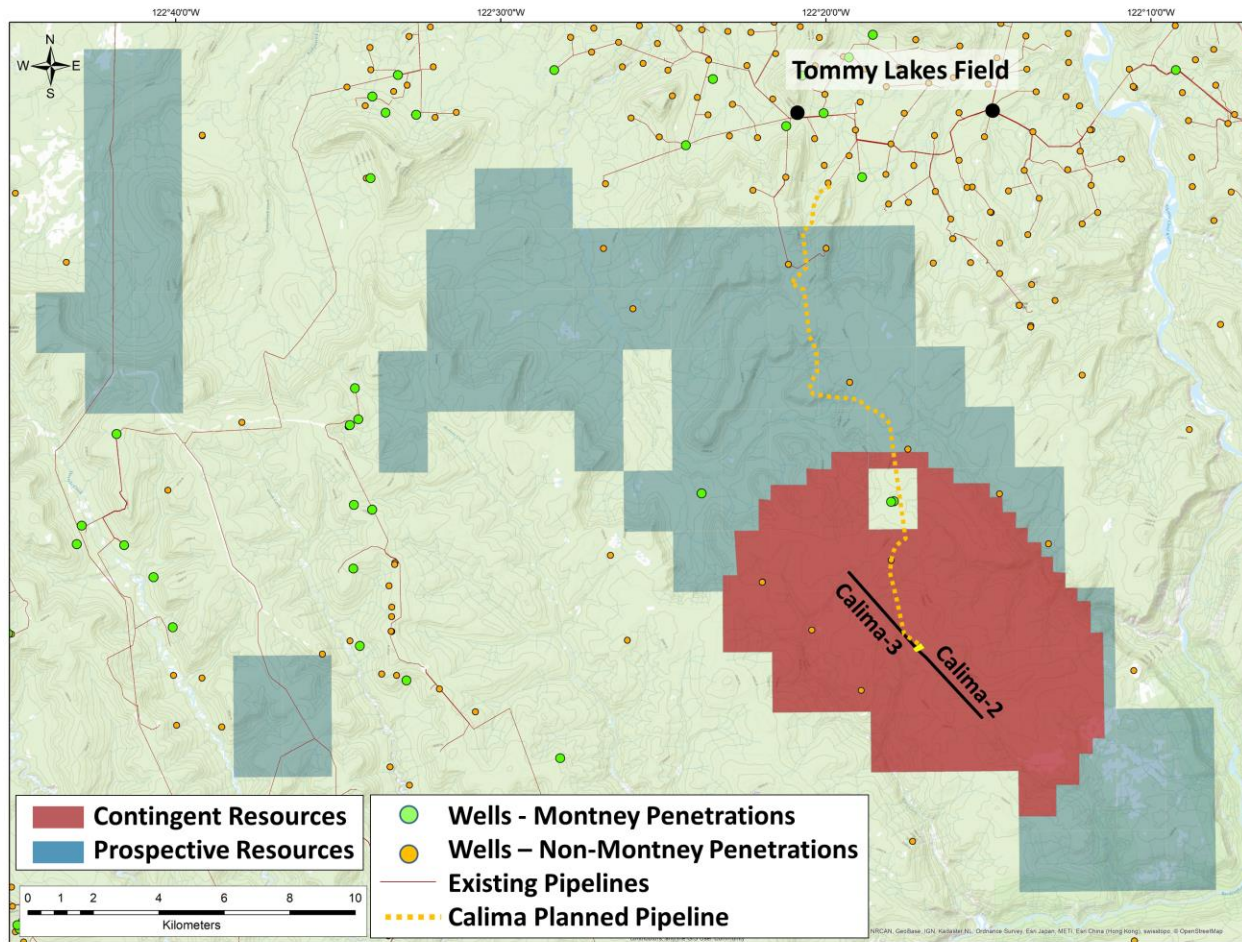
"...from the Calima-2 well, one can see that the total gas test rate from the Calima well compares favourably to other liquids-rich wells."

"...One can see that Calima's focus on intense simulation helped the Calima-2 well to achieve above-average performance..."

(1) Drilling results ASX Announcement 30 May 2019

July 2019 Independent Resource Update (1)

2019 McDANIEL & ASSOCIATES BEST ESTIMATE GROSS UNRISKED CONTINGENT and PROSPECTIVE RESOURCES



	Natural Gas (mmcf)	Condensate (mmbbl)	Natural Gas Liquids ³ (mmbbl)	TOTAL LIQUIDS ⁴ (mmbbl)	TOTAL ⁵ mmboe
Contingent Resource 2C	904,897	20,115	25,136	45,251	196.1

	Natural Gas (mmcf)	Condensate (mmbbl)	Natural Gas Liquids ³ (mmbbl)	TOTAL LIQUIDS ⁴ (mmbbl)	TOTAL ⁵ mmboe
Prospective Resource 2U	2,295,070	51,017	63,752	114,769	497.3

- Independent July 2019 Resource assessment delivered a **significant increase** in total resources including the classification of maiden Contingent Resources.
- Best estimate gross un-risked **prospective resources (2U)** of **497.3 Mmboe** plus the addition of Best estimate gross un-risked **contingent resources (2C)** of **196.1 Mmboe**.
- Estimated Ultimate Recovery (EUR) – 8.4 Bcf** and **420,000 bbl** per well.
- Implied average liquid yield of **50bbl/mmcf** comprised of;

66% C5+ (condensate)

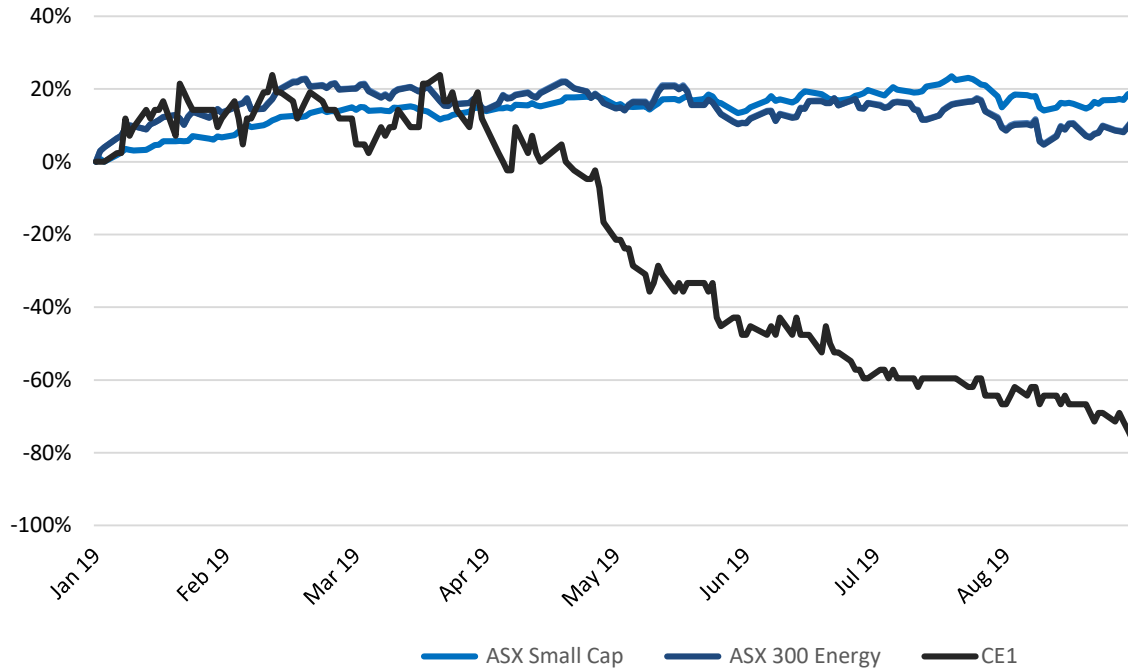
20% C4 (butane)

14% C3 (propane)

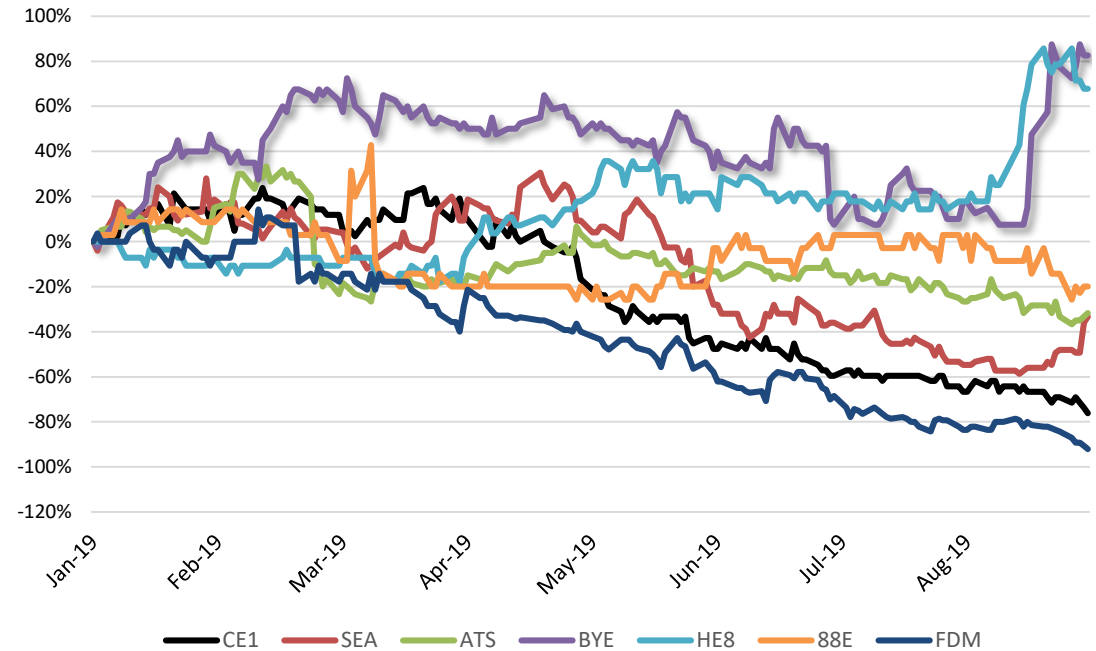
(1) Refer to Appendix 1 for notes.

Calima Share Price

CE1 (black) vs ASX Index's



CE1 (red) Vs ASX listed US peers



- Drilling results exceeded expectations.
- Top quartile production performance relative to peer group.
- Significant increase in resource numbers.

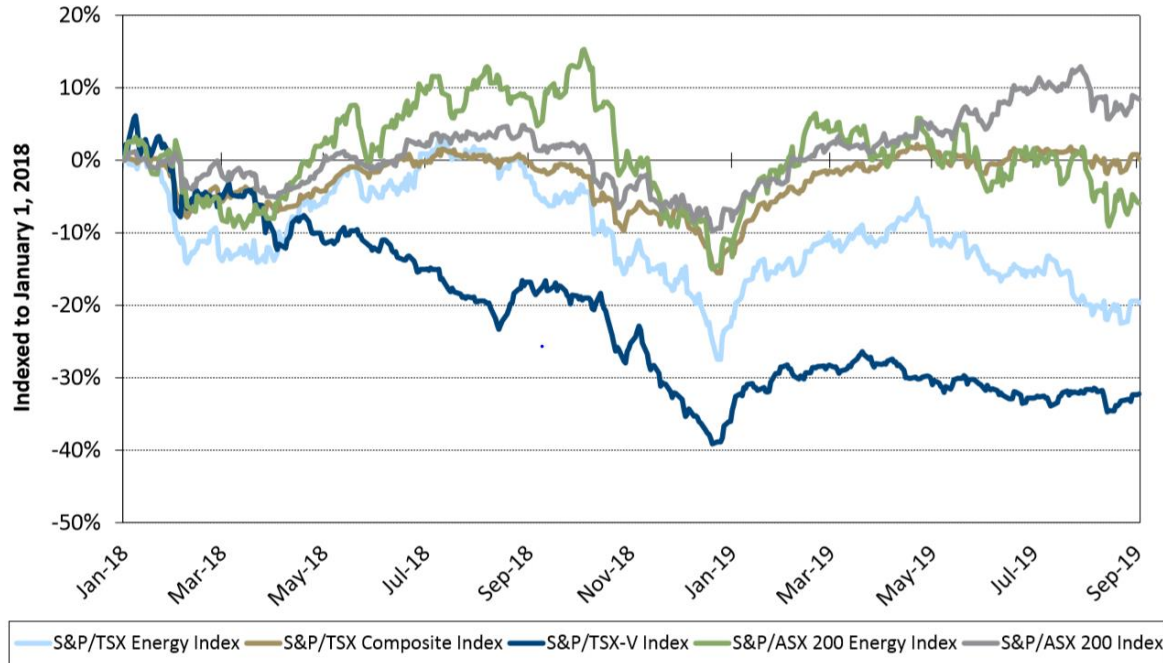
- Rich in condensate (WTI pricing).
- World class resource play in one of the worlds most prolific basins.
- 60% of core acreage position secured with 10 year production licenses and no drilling required on the balance until 2021.

So Calima's share price performance requires some explanations.

Calima Vs Canadian Market

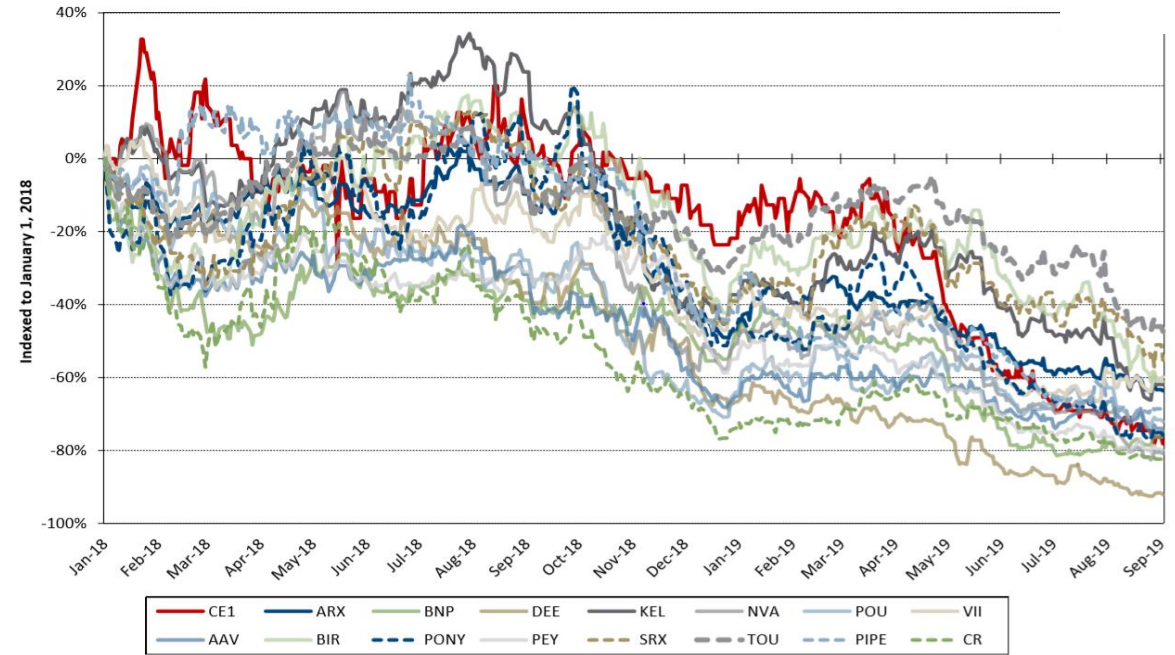
Canada Vs Australia Index Performance

January 1, 1918 - Present



Calima (red) Vs Montney Peer Group Share Prices

January 1, 1918 - Present



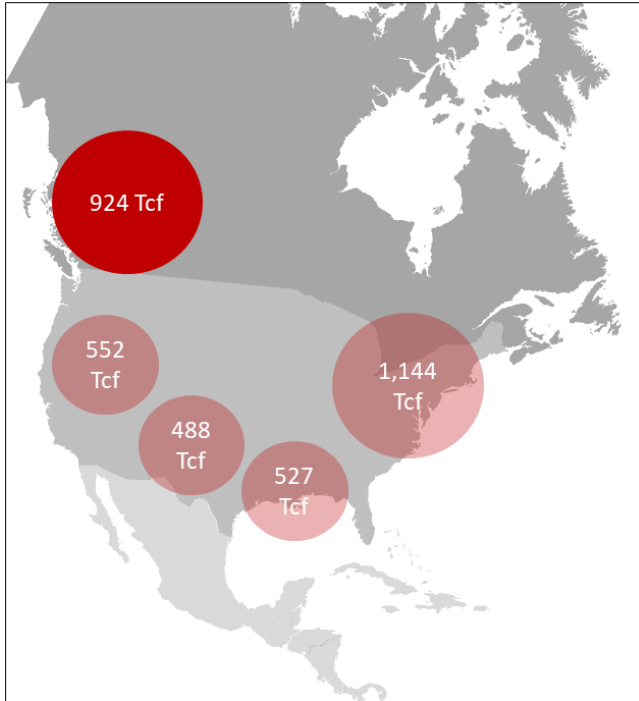
- Canadian E&P stocks in decline due to lack of egress (pipeline) capacity resulting in discounted oil and gas prices.
- Canadian Government policies and US vested interest lobbying contributing to market weakness.
- Canadian E&P equities touching 20 year lows.
- 2019 M&A activity now touching 30 year lows.

- Calima share price performance in line with Montney peer group.
- The Montney compares favourably against all the big US resource plays in terms of productivity and drilling cost but production has overtaken egress capacity.

What happens next?

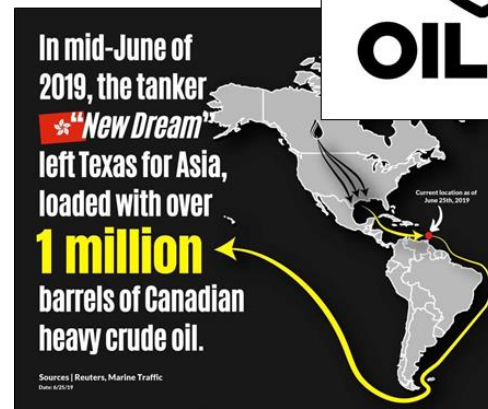
Public Awareness – Catalyst For Political Change?

North American Gas Reserves



Canada Vs Australia

	WCSB	Australia
Gas Resources (tcf)	924 ⁽¹⁾	257 ⁽²⁾
Gas Pricing (AUD)	\$1.50 ⁽³⁾	\$8.65 ⁽⁴⁾
Condensate Pricing	WTI	Brent
LNG Cost To Asia (USD mBtu) ⁽⁵⁾	\$7	\$12
LNG Emission Intensity (t-CO ₂ E/t-LNG) ⁽⁶⁾	0.1	0.3



Images from www.canadaaction.ca

Canadian Energy Sector Quick Facts

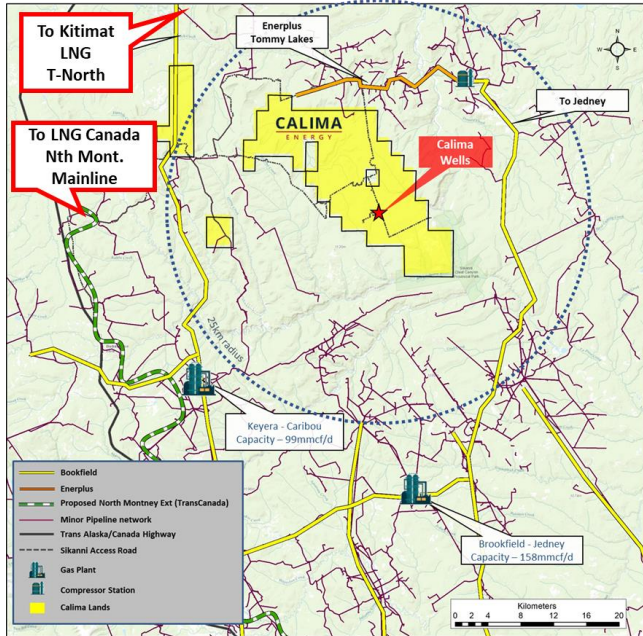
- ✓ direct employment 269,000
- ✓ indirect employment 550,000.
- ✓ 11% of nominal GDP.
- ✓ Government revenue \$14.1 Bn.
- ✓ 4th largest global gas production, 5th largest gas exporter.
- ✓ 4th largest oil production and 4th largest oil exporter.

Growing public awareness that Gov't policy and US lobby groups are damaging Canada's oil and gas industry.

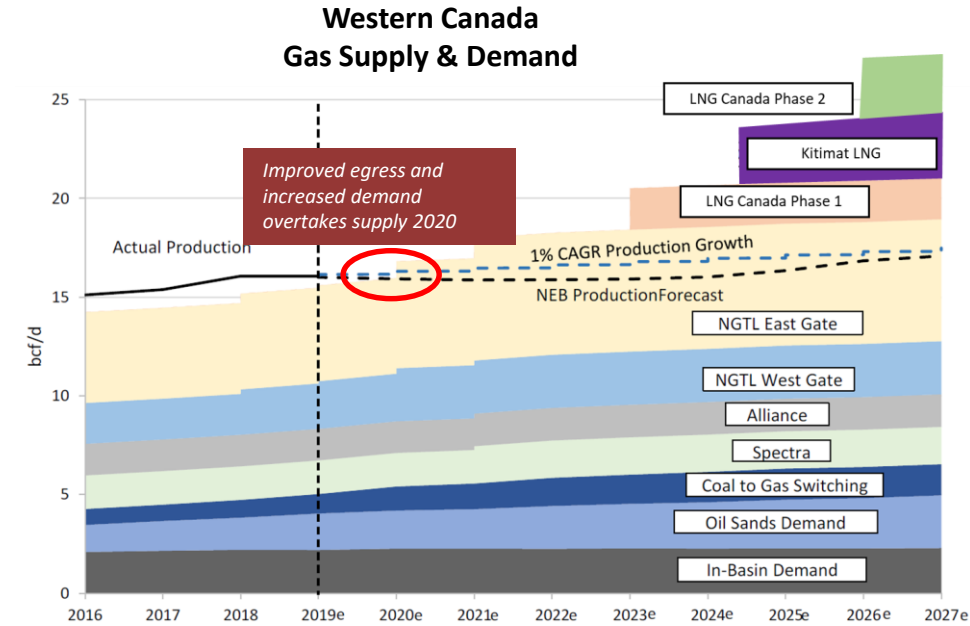
Federal election in October 2019 is a potential growth catalyst.

Parallels with 2019 Australian federal election.

Western Canada Supply & Demand



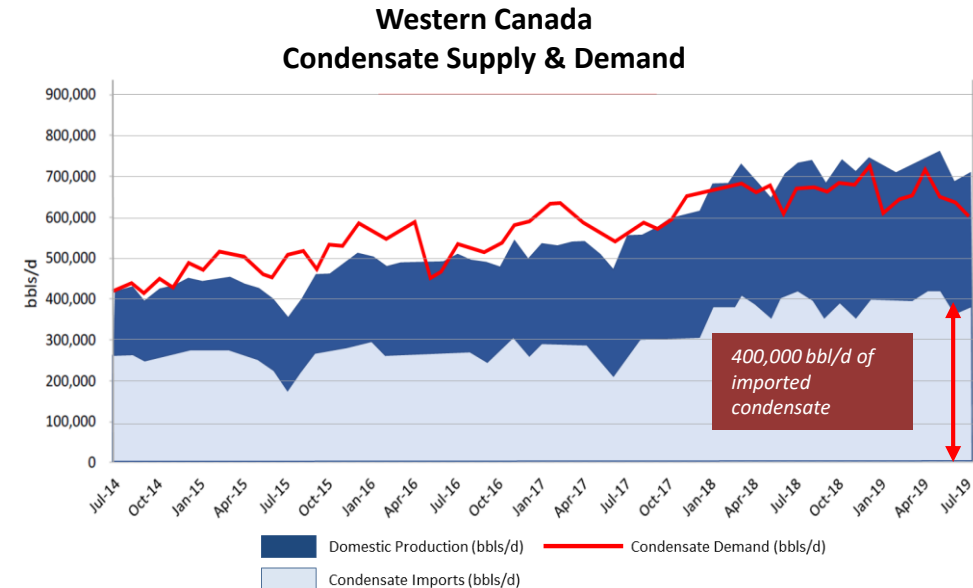
- Montney production currently **7bcf/d** and c. **400,000 bbl/d** of condensate and NGL.
- New projects and pipelines will create demand and capacity for an additional **12-13bcf/d** over the next 7 years.
- LNG Canada (Shell and Petronas) and Kitimat LNG (Chevron and Woodside) provide most of the growth.
- Calima located next to the pipelines for LNG Canada and Kitimat LNG
- **Egress capacity and domestic gas demand overtakes supply sometime between Q4 2019 and Q1 2021⁽²⁾**



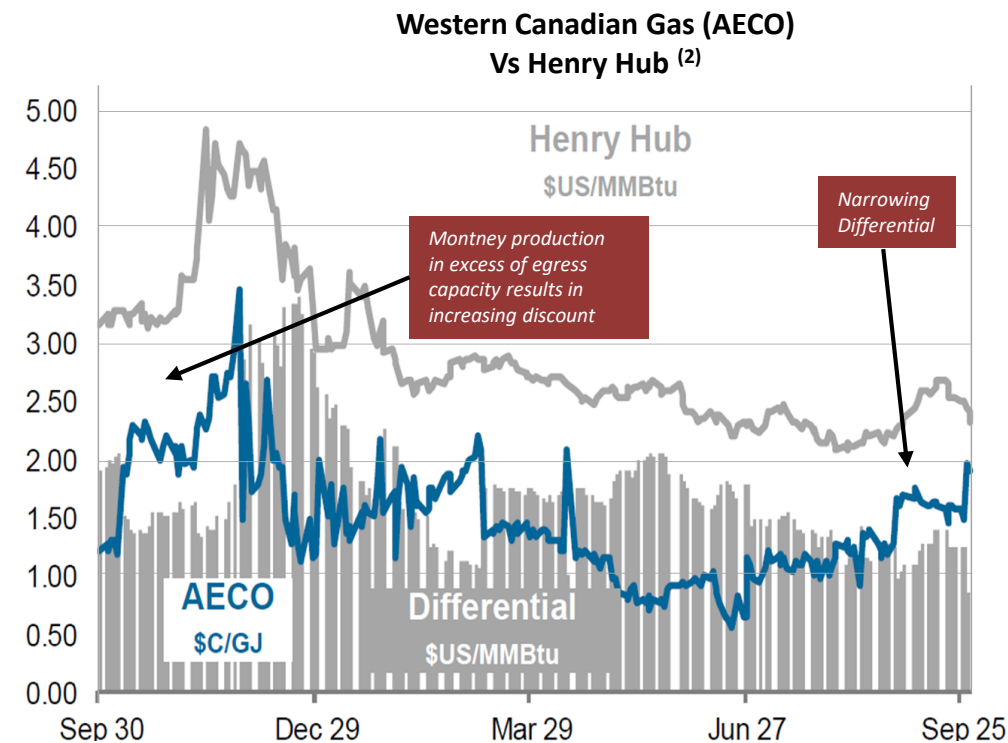
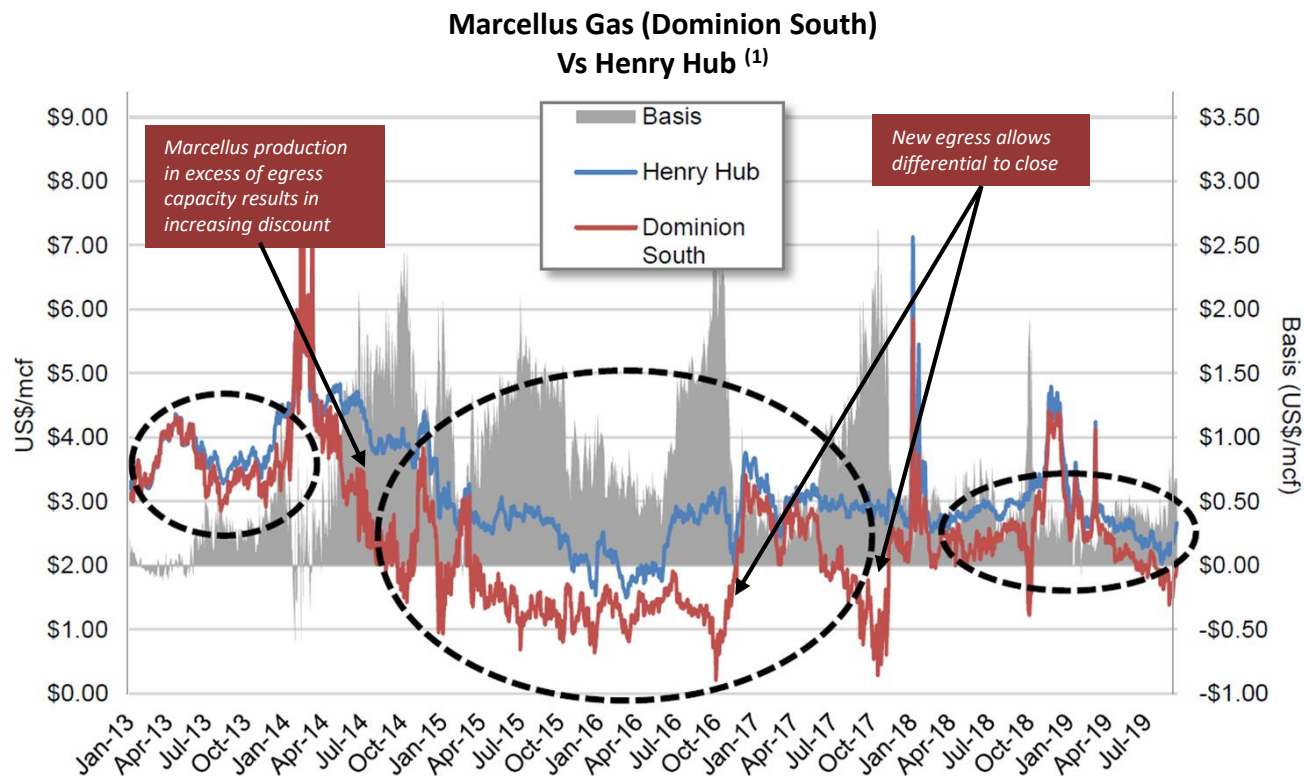
Western Canadian LNG

- ✓ Unit cost almost 50% of Australia average⁽¹⁾.
- ✓ CO₂ footprint <50% of global average.
- ✓ Highly competitive as supply shortfall opens from 2025.

- Alberta is structurally short of condensate for heavy oil diluent for the foreseeable future resulting in strong demand for local condensate over imports.
- Calima Lands are rich in condensate.
- **Near term outlook is positive.**



Open up a basin to egress? - Marcellus

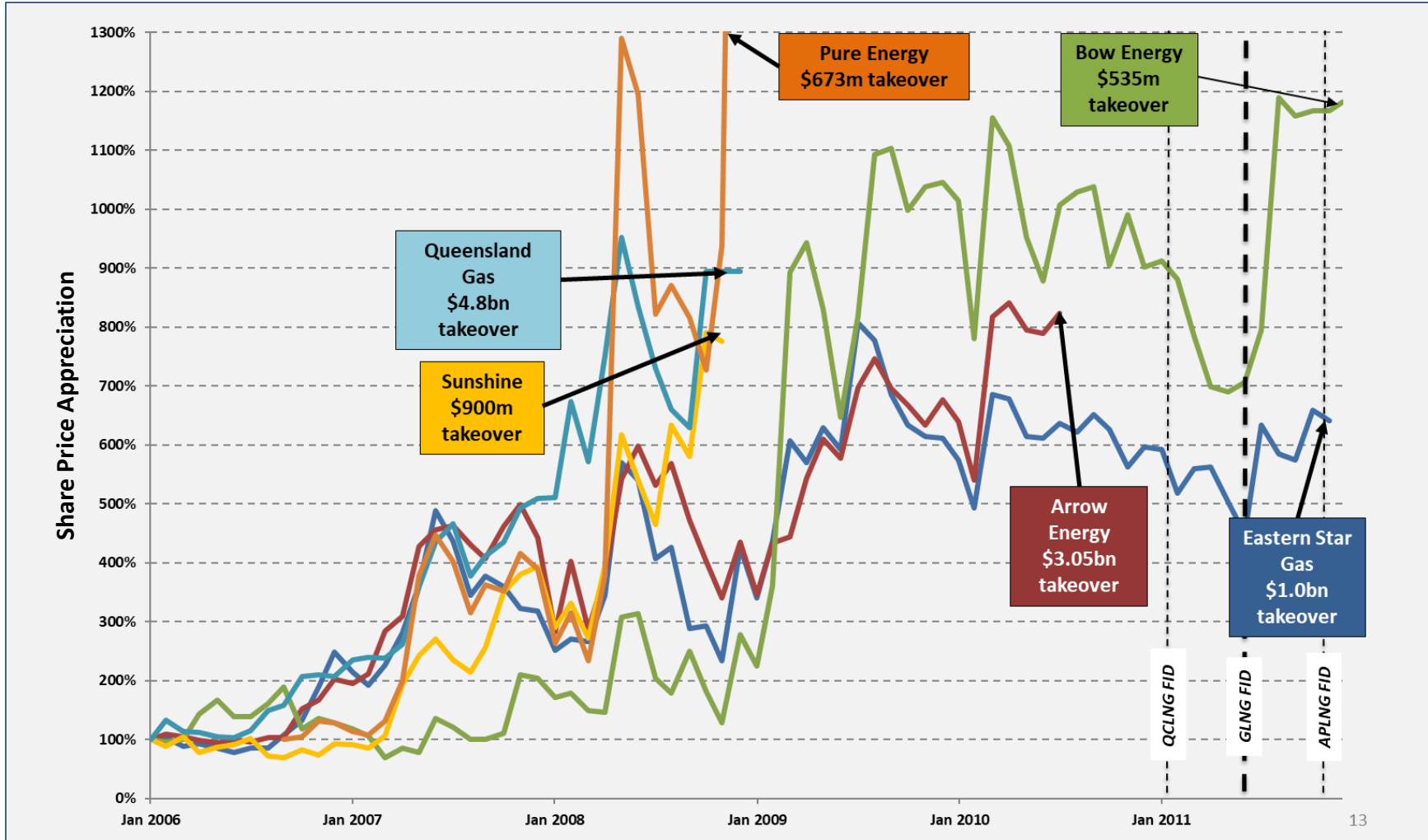


- Dominion South is the price reference for gas production out of the Marcellus in the US.
- As gas production exceeded egress capacity the price discount on Dominion South versus Henry Hub increased.
- Additional egress capacity in 2016 and 2017/18 resulted in a dramatic decrease in the discount.

- Gas prices in the Montney are currently deeply discounted because production has overtaken egress capacity.
- The basin is predicted to go long on egress during 2020.
- The discount to Henry Hub is predicted to decrease.
- The Montney is very profitable at Henry Hub prices.

Open up a basin to LNG? - Queensland

Share Price Appreciation of Queensland Gas Resource Companies
January 2006 – January 2012



- The value of Queensland gas producers and resource owners increased dramatically as the introduction of LNG terminals created demand.
- LNG on the west coast of Canada will open up Montney gas to new international markets and international pricing for the first time.
- Demand from the LNG projects will also reduce pressure on egress routes into North American markets.

Calima Poised for Growth

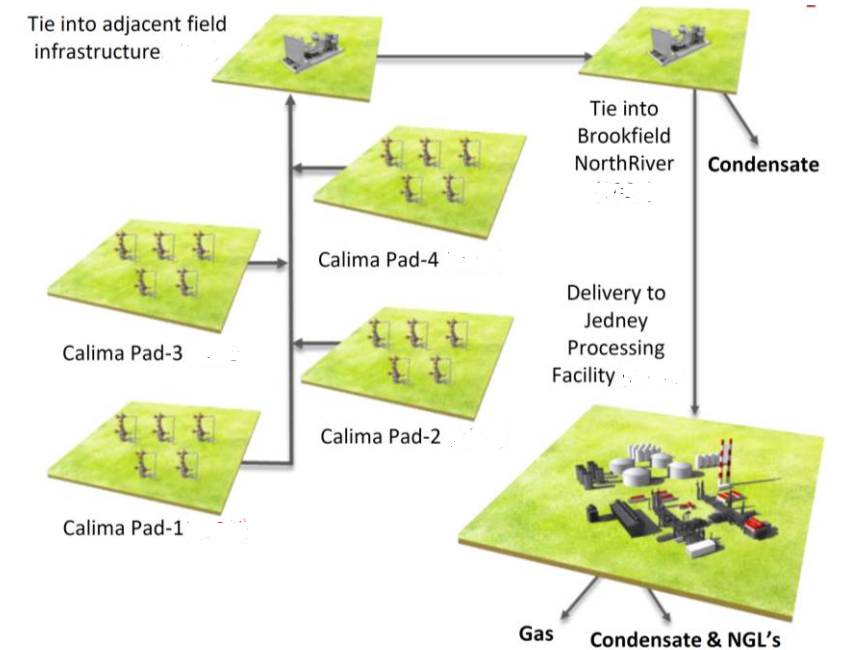
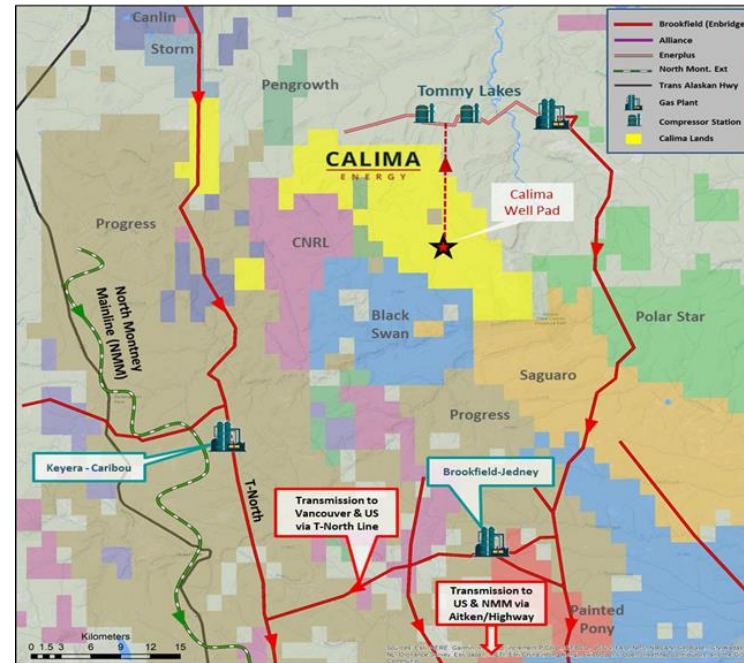
Option play on the Canadian LNG industry.

Calima assembling the building blocks of a profitable development.

Exploring the re-use of existing infrastructure to reduce capex.

Field development plan for pilot project at 50 mmcf/d and 2,500 bbl/d ready-to-go.

Capacity to upscale to full field development.



- Existing infrastructure 20km to the north has capability to handle a pilot development plan of up to 50mmcf/d and 2,500bbl/d (10,000 boe/d).
- Connected to North River's Jedney processing plant, which offers multiple options to connect with the U.S. and LNG export markets.

- Create a project which works at current prices with optionality to expand or transact into anticipated increases in future demand.
- A pilot development plan producing 50mmcf/d for eight years would consume less than 5% of the total gross resource based on the 2019 resource estimate.

Building Blocks

CE1 - Near Term Activity

- ✓ Roads and pipeline access
- ✓ Tie-in pipeline approval
- ✓ Pad facility approval
- ✓ Gas processing agreement
- ✓ Offtake agreements
- ✓ Reserves booking
- ✓ Debt finance facility

CE1 - Mid Term Activity

- ✓ Strategic Partnership/JV
- ✓ Production start-up
- ✓ Project upscaling plan
- ✓ Corporate transactions

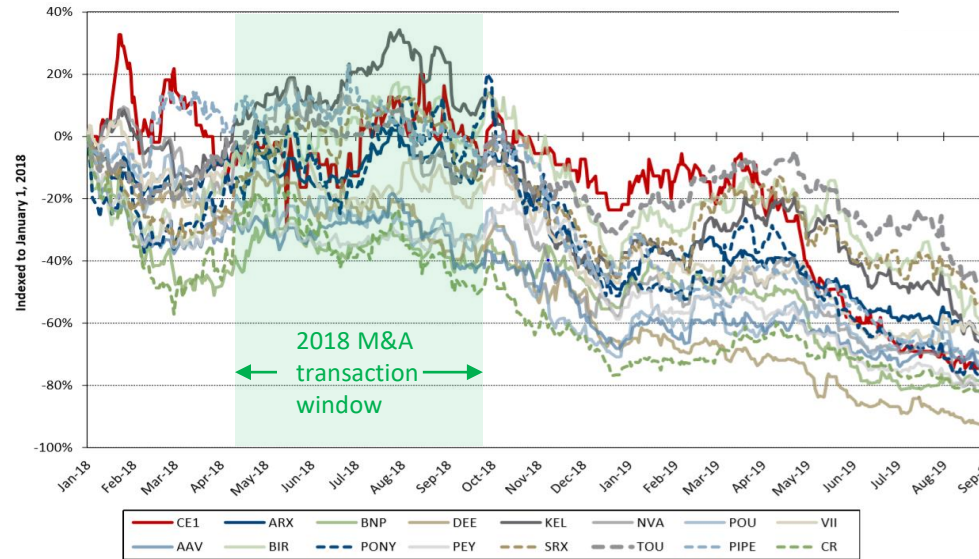
External Catalysts

- ✓ Election results
- ✓ Kitimat LNG FID
- ✓ LNG Canada Phase 2 FID
- ✓ Keystone XL and Line 3 approvals
- ✓ NGTL Protocol Changes

Forward Path

Montney Peer Group Share Performance

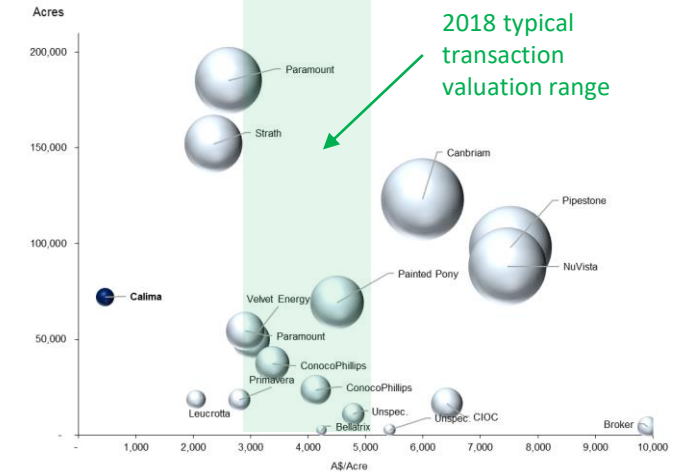
January 1, 1918 - Present



- The most recent pulse of Montney M&A activity occurred during 2018.
- Coincided with external catalysts re pipeline approvals (egress) and announcements anticipating the LNG Canada FID (egress and demand).
- Implied valuations for undeveloped Montney land were in the range C\$3,000-C\$5,000

Montney Undeveloped Land Values 2017/18

Acres vs C\$ (bubbles deal size)



- Very few transactions during 2019 other than Pacific Oil & Gas, owners of the planned Woodfibre LNG facility, buying mid-tier producer Cambriam for c. C\$1 billion to secure upstream supply ahead of anticipated gas price increases.
- Calima's acreage position is currently valued at A\$300/acre.

ROADMAP FOR OUR BUSINESS

STICKING TO
THE PLAN

1

Create

- Built a 72,000 acre Montney land position in B.C.
- Drilling programme met or exceeded expectations.
- World class resource play in one of the most prolific basins in North America. poised for LNG Development.

2

Build

- Putting in place the building blocks for a 10,000 boe/d pilot development project.
- Field development plan ready-to-go as gas prices recover.

3

Realise

- Option play on the Canadian gas and LNG sector.
- Underpinned by the strength of condensate demand.
- When market conditions permit ready to implement a structured process to evaluate and progress investment interest and/or partnerships to create a pathway to shareholder value.

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ASX:CE1

Disclaimer

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The petroleum resources information in presentation is based on, and fairly represents, information and supporting documentation in a report compiled by technical employees of McDaniel and Associates Ltd, a leading independent Canadian petroleum consulting firm registered with the Association of Professional Engineers and Geoscientists of Alberta, and was subsequently reviewed by Mr Mark Sofield, a consultant to the Company. Mr Sofield holds a BSc. Geology (Hons), is a Geologist with more than 20 years of experience in petroleum geology, geophysics, prospect generation and evaluations, prospect and project level resource and risk estimation and is a member of the American Association of Petroleum Geologists. Mr Sofield has consented to the inclusion of the petroleum resources information in this announcement in the form and context in which it appears.

Prospective resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. The prospective resources have also been classified using a deterministic method of petroleum reserves estimation having an evaluation date of 1 July 2019.

Print date 10/10/19

Appendix One – Resource Statement Footnotes

For details please see ASX Announcement 8 July 2019.

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

Sum of Condensate and Natural Gas Liquids. Based on Company drilling results public domain data and the results of wells drilled on adjacent land McDaniel estimate that the average condensate to gas ratio for wells in the Calima Lands would be 22.5 bbl/MMcf (wellhead condensate/gas ratio) for the Middle Montney and 17.5bbl/MMcf for the Upper Montney. Additional liquids 25bbl/MMCF would be stripped from the gas upon processing comprising 6 bbl/MMcf of C3, 9 bbl/MMcf of C4, and 10 bbl/MMcf of C5+ (Condensate).

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

Contingent Resources (2C) - Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters, or a lack of markets. Contingent resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by the economic status. The Contingent Resources (2C) in Tommy Lakes have been sub-classified as a "Development on Hold" as the accumulation is well defined and does represent a viable drilling target. The Contingent Resources have been classified using a deterministic method of estimation having an evaluation date of 1 July 2019.

Prospective resources (2U) are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbon. The Prospective Resources (2U) in Tommy Lakes have been sub-classified as a "Prospect" as the accumulation is well defined and does represent a viable drilling target. The prospective resources have also been classified using a deterministic method having an evaluation date of 1 July 2019.