
CALIMA ENERGY LIMITED
ACN 117 227 086

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00 am (WST)
DATE: 15 February 2024
PLACE: 246-250 Railway Parade
WEST LEEDERVILLE WA 6007

The business of the Meeting affects your shareholding and your vote is important.

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 professional advisers prior to voting.

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 Shareholders at 4:00 pm WST on 13 February 2024.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – DISPOSAL OF MAIN UNDERTAKING

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

"That, under and for the purposes of Listing Rule 11.2 and for all other purposes, approval is given for the sale by the Company of 100% of its equity interest in its wholly owned subsidiary, Blackspur Oil Corp., to Astara Energy Corp. on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

Voting Exclusion Statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 1 – Disposal of main undertaking

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Astara Energy Corp. (or any of its associates) or any other person who will obtain a material benefit as a result of the Transaction (except a benefit solely by reason of being a Shareholder) (each, an **Excluded Party**).

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

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

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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 (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

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

You may still attend the meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting but representatives of the Company will need to verify your identity. You can register from 9.45am on the day of the meeting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 (0) 8 6500 3270.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution which is the subject of the business of the Meeting.

ASX takes no responsibility for the contents of this Notice.

1. BACKGROUND TO DISPOSAL OF MAIN UNDERTAKING

1.1 Transaction

On 5 January 2024, the Company announced that it has entered into a conditional share sale agreement (**Share Sale Agreement**) with Astara Energy Corp. (a company incorporated under the laws of Alberta, Canada) (**Astara**), pursuant to which Astara agrees to purchase, and the Company agrees to sell, 100% of the Company's equity interest in its wholly owned Canadian subsidiary, Blackspur Oil Corp. (**BSO**) (the owner of the Blackspur Assets described below) for cash consideration of ~A\$83.3 million (C\$75 million); subject to customary adjustments for Net Debt (**Transaction**).

It is the Company's objective to distribute the majority of the funds received from the Transaction to Shareholders in the most tax effective form and the Company will seek an ATO ruling on this matter in a timely fashion.

A summary of the material terms and condition precedents of the Share Sale Agreement is set out in Schedule 1 to this Notice.

The purpose of Resolution 1 is to seek Shareholder approval for the Transaction for the purposes of Listing Rule 11.2 and, more generally, to provide Shareholders with an opportunity to vote in favour or against the Transaction.

Shareholders should refer to Section 2.1 for a summary of Listing Rule 11.2 and the implications for the Company if Shareholder approval for the Transaction is not obtained.

Further information in relation to the Transaction, including information on Astara, BSO and the Blackspur Assets is set out below.

1.2 Recommendation from the Board

None of the Directors have a material interest in the outcome of Resolution 1, other than as a result of their interest, if any, arising solely in their capacity as Shareholders.

The Directors unanimously recommend that Shareholders vote **IN FAVOUR OF** Resolution 1 in the absence of a superior proposal for the reasons set out in Section 1.8 below.

Please refer to Section 2.4 of this Explanatory Statement for further information with respect to the Directors' recommendations and interests in the securities of the Company.

1.3 Voting Intentions

The Directors comprising:

- (a) Mr Glenn Whiddon (and entities controlled by his wife);
- (b) Mr Karl DeMong;
- (c) Mr P.L. (Lonny) Tetley; and
- (d) Mr Mark Freeman,

have entered into voting commitment deeds with Astara indicating that, in the absence of a superior proposal, they will vote all Shares owned or controlled by them in favour of Resolution 1, in the number and percentages set out in Section 2.4 of this Explanatory Statement (representing an aggregate of 27,107,476 Shares and 4.34% of the issued capital of the Company as at 2 January 2024).

Further, certain other Shareholders have entered into voting commitment deeds with Astara indicating that, in the absence of a superior proposal, they will vote all Shares owned or controlled by them in favour of Resolution 1 (representing an aggregate of 74,630,786 Shares and 11.90% of the issued capital of the Company as at 2 January 2024).

The parties listed in this Section 1.3 and Schedule 3 have consented to their voting intentions being disclosed in this Notice.

The above shareholdings represent over 16.24% of the Shares which may be voted on Resolution 1.

1.4 Background on the Company and its existing assets

The Company is a junior oil and gas explorer and producer with its activities focused on developing its oil plays at Brooks and Thorsby in southern and central Alberta (**Blackspur Assets**), which are currently held by BSO, and the Paradise Well, which is held by the Company's wholly owned subsidiary, Calima Energy Inc., in northeast British Columbia.

On 25 August 2023, the Company announced completion of the sale of the Montney Project for A\$11.8 million, which was previously held by Calima Energy Inc.

Further details of the Company's recent activities at its assets and other business operations are available on the Company's ASX platform (ASX:CE1).

Blackspur Assets

Expenditure on exploration and production undertaken on the Blackspur Assets over the course of 2022 totalled approximately A\$50 million, with total expenditure for the year ended 31 December 2023 estimated at A\$35 million.

The Company made significant progress in developing the Blackspur Assets from 2021 to date; increasing production, sales and earnings, whilst maintaining reserves.

Following the 2022 drilling program, the Company group's independent reserve engineer¹ completed an updated evaluation of the Blackspur Assets as at 31 December 2022. The Company has confirmed 7.0 million boe of proved developed producing reserves and 20.5 million boe of proved plus probable reserves net of royalties.

During the fourth quarter of 2023:

- (a) production at the Blackspur Assets averaged 3,683 boe/d;
- (b) the Company's oil and natural gas sales equalled A\$23.7 million; and
- (c) the Company delivered an adjusted EBITDA of approximately A\$9.8 million.

The Company drilled and completed its 3 gross/net well drilling program. Below is a summary of the drilling programs that have been undertaken by the Company over the previous 12 months in the Brooks area.

Area	Well name & unique location identifier	Target formation	Spud Date	Drill days	Lateral length (m)	On Production	Status
Brooks	Pisces #4	Glaucconitic	22/06/22	9	1,727	15/08/22	Producing
Brooks	Pisces #5	Glaucconitic	02/07/22	7	1,369	12/08/22	Producing
Brooks	Pisces #6	Glaucconitic	10/11/22	10	1,325	31/12/22	Producing
Brooks	Pisces #7	Glaucconitic	19/11/22	11	1,498	31/12/22	Producing
Brooks	Pisces #8	Glaucconitic	06/01/23	13	2,750	14/03/23	Producing
Brooks	Pisces #9	Glaucconitic	19/01/23	16	2,750	14/03/23	Producing
Brooks	Pisces #10	Glaucconitic	08/09/23	6	1,420	29/09/23	Producing
Brooks	Pisces #11	Glaucconitic	14/09/23	5	1,390	11/10/23	Producing
Brooks	Pisces #12	Glaucconitic	20/09/23	9	2,067	20/11/23	Producing
Brooks	Gemini #10-02/14-23-18-14W4	Sunburst	05/10/22	11	1,253	31/10/22	Producing
Brooks	Gemini #11-02/11-18-19-13W4	Sunburst	15/10/22	12	927	23/11/22	Producing
Brooks	Gemini #12-02/06-19-19-13W4	Sunburst	26/10/22	15	423	29/11/22	Producing

1.5 Compliance statement

The petroleum resources information in this Notice that relates to petroleum reserves, contingent resources and prospective resources has been extracted from ASX announcements made by the Company on 20 March 2023 "Annual Report" and 30 March 2023 "37% PDP Growth in Brooks and Thorsby Reserves" which are available to view on the Company's website: www.calimaenergy.com/asx-announcements/. The Company confirms that it is

¹ Refer to Calima's announcement dated 30 March 2023 ("37% PDP Growth in Brooks and Thorsby Reserves") (www2.asx.com.au).

not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of petroleum reserves, contingent resource and prospective resource, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the qualified petroleum reserves and resources evaluator's statement are presented have not been materially modified from the original market announcements.

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 hydrocarbon.

1.6 Overview of the Transaction and Astara

Astara is a private, Alberta-based oil and gas producer. Astara's asset base features proved developed producing reserves with half of its properties under various stages of enhanced recovery, and a reserve life index that ranges between 11 to 17 years, offering a runway for future development.

While focusing on the delivery of returns and value creation for its shareholders, Astara's long-term business strategy is to take a low-risk approach to the development of proven assets.

Astara is a private Canadian-owned company which will have ~8,500 boe of production in Alberta and Saskatchewan, Canada, following completion of the Blackspur Sale. For further information regarding Astara, please refer to Astara's website: <https://astaraenergy.ca/>.

Under the Share Sale Agreement, the Company has agreed to sell 100% of the Company's equity interest in BSO (which holds the Blackspur Assets) to Astara.

In consideration for the Transaction, Astara has agreed to pay to the Company C\$75,000,000 (subject to certain adjustments for Net Debt) and on the terms and conditions set out in the Share Sale Agreement and summarized in Schedule 1.

1.7 Financial effect, advantages and disadvantages of the Transaction

1.7.1 Financial effect and use of proceeds

The Company will receive C\$75,000,000 in cash consideration for the Transaction, subject to certain adjustments for Net Debt of BSO at closing. BSO's Net Debt is anticipated at closing to be approximately ~C\$2-2.5m. This is a best estimate as the date of this Notice of Meeting and is subject to fluctuations. The financial impact of the Transaction on the Company is set out in the unaudited, reviewed pro -forma balance sheet as at 30 June 2023, contained in Schedule 2 to this Notice, using a C\$/A\$ exchange rate of 1.11.

As a result of the Transaction, the Company will be disposing of its main business undertaking.

The Company is disposing of all of its equity interest in BSO which will result in a 'discontinued operation' being shown in the financial statements.

On closing of the Transaction, the Company will be in a favourable cash position to acquire a suite of additional oil and gas projects which the Directors believe are a suitable fit for the Company to accompany the Company's existing Paradise Well, and the Company intends to distribute no less than 85% of the sale proceeds to CE1 shareholders.

1.8 Advantages

The Directors consider that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Transaction:

- (a) the funds received in consideration for the Transaction will free up cash flow to return to Shareholders in excess of the current market capitalisation;
- (b) the Transaction will enable the Company to consider alternative asset acquisitions that the Directors believe will add value to Shareholders; and
- (c) the consideration from the Transaction will provide capital to the Company which will be used to review potential investment and acquisition opportunities and for general working capital purposes.

1.9 Disadvantages

The Directors believe that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Transaction:

- (a) the consequence of the Transaction is that the Company will sell its main producing assets, being the Blackspur Assets, which may not be consistent with the investment objectives of all Shareholders;
- (b) notwithstanding the unanimous recommendation by the Board that, in the absence of a superior proposal, the Transaction is in the best interests of Shareholders, you may believe that the Transaction is not in your best interests or believe that the Transaction consideration is inadequate; and
- (c) there is a risk that the Company may not be able to locate and acquire suitable investment opportunities in addition to the Paradise Well on closing of the Transaction, in which case the Company would look at the most appropriate method of returning the Company's available cash to Shareholders at that point in time.

1.10 The Company's intentions on closing of the Transaction

1.11 Direction and business model

Following the closing of the Transaction, the Company confirms that it intends to continue to pursue its business of oil and gas exploration and development. The Company is expected to have sufficient cash reserves to fund its activities at the Paradise Well and will continue to assess and identify new investment or acquisition proposals that the Board considers will have the potential to add value to Shareholders.

On closing of the Transaction, Calima will continue to be listed on the ASX and will focus on maintaining the production from the Paradise Well in British Columbia and consider acquisitions of further oil and gas assets to accompany the Paradise Well that are consistent with the natural gas and exploration and development focus of the Company.

The estimated expenditure required over the next 12 months post-closing is approximately A\$1.5 million, subject to any project expenditure requirements.

1.12 Listing Rule matters

The Company notes that Listing Rule 12.3 provides:

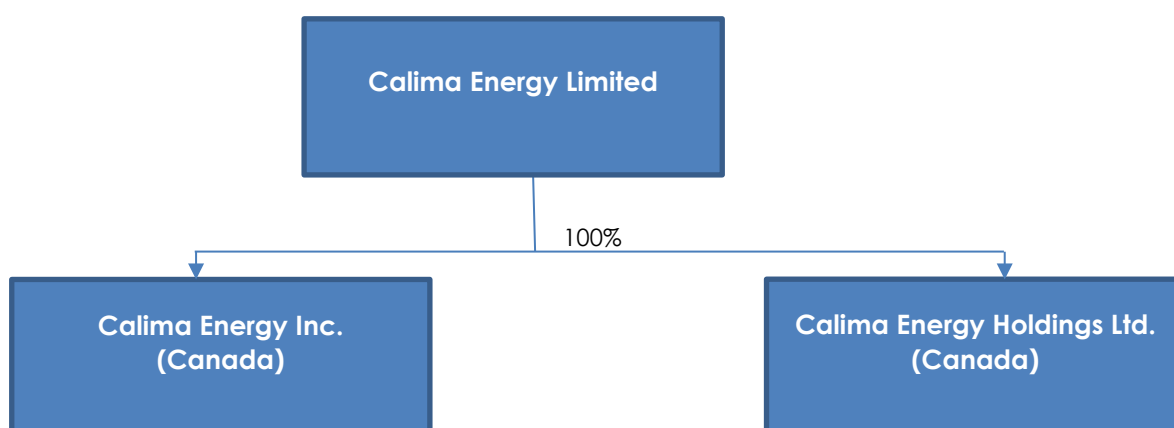
"If half or more of an entity's total assets is cash or in a form readily convertible into cash, ASX may suspend quotation of the entity's securities until it invests those assets or uses them in the entity's business. The entity must give holders of ordinary securities in writing details of the investment or use..."

Notwithstanding Listing Rule 12.3, ASX will generally continue quotation of a listed entity's securities for six months from the date of announcement of the Transaction. Following closing of the Transaction, it may be necessary for the Company to satisfy ASX that it has sufficient operations to continue quotation of its securities or, if not, re-comply with the Listing Rules.

The Company may be suspended six months after the date announcement of the Transaction if ASX is not satisfied that it has sufficient operations or is in a sufficient financial condition to continue quotation of its securities for the purposes of Listing Rules 12.1 or 12.2 respectively, or, if required, whilst it undertakes a re-compliance.

1.13 Group structure

On closing of the Transaction, the Company's group structure will be as follows:



1.14 Proposed changes to the Company's board and management

There will be no changes to the Board and the majority of operational staff responsible for Brooks and Thorsby are likely to move with the Blackspur Assets to Astara as a result of the Transaction.

1.15 Effect on capital structure

The Transaction will have no effect on the capital structure of the Company.

1.16 Indicative timetable

Subject to the Listing Rules and Corporations Act requirements, the Company anticipates closing of the Transaction will be in accordance with the following timetable:

Event	Date*
ASX announcement of Transaction	5 January 2024
Notice of Meeting for the Transaction sent to Shareholders	15 January 2024
General Meeting to approve the Transaction	15 February 2024
Closing of Transaction (no later than)	30 March 2024

*Please note this timetable is indicative only and the Directors reserve the right to amend the timetable as required

2. RESOLUTION 1 – DISPOSAL OF MAIN UNDERTAKING

2.1 General

This Notice has been prepared to seek Shareholder approval for the matters required to complete the Transaction for the purposes of Listing Rule 11.2. ASX takes no responsibility for the contents of the Notice.

2.2 Listing Rule 11.2

Listing Rule 11.2 provides that if a significant change involves the entity disposing of its main undertaking, the entity must get the approval of holders of its ordinary securities prior to completing such disposition.

Resolution 1 seeks the required Shareholder approval to the Transaction under and for the purposes of Listing Rule 11.2.

On 17 December 2023, the Company received confirmation from ASX that Listing Rule 11.2 would apply to the Transaction, as the Transaction would constitute a disposal of the Company's main undertaking. Consequently, Resolution 1 seeks the required Shareholder approval to undertake the Transaction on the terms set out in this Notice and for the purposes of Listing Rule 11.2.

If Resolution 1 is passed, the Company will be able to proceed with the Transaction, following which, the Company will continue to develop the Paradise Well and look to review and identify new investment and acquisition opportunities which the Directors believe will have the potential to create value for Shareholders.

If Resolution 1 is not passed, the Company will not be able to proceed with the Transaction, which may result in the Company being unable to address the capital requirements of the Company going forward and may result in the Company seeking alternative means to finance working capital requirements.

All items required to be disclosed to Shareholders to obtain approval under ASX Listing Rule 11.2 are set out in this Notice. The Directors are not aware of any other commercial information that is material to the question of whether Shareholders should approve the Resolution.

2.3 Listing Rule 10.1

The Company confirms that:

- (a) none of the shareholders, directors or officers of Astara are parties to whom Listing Rule 10.1 applies; and

(b) the Transaction has been negotiated on an arms' length basis.

2.4 Board recommendation

None of the Directors have a material personal interest in the outcome of Resolution 1, other than as a result of their interest, if any, arising solely in their capacity as Shareholders.

However, P.L. (Lonny) Tetley, a non-executive independent director of Calima, was excluded from all board deliberations in respect of the Transaction and any voting thereon due to his role as Chairman of Astara.

As noted above, the Directors have entered into commitment deeds with Astara, indicating that, in the absence of a superior proposal and subject to the Board continuing to unanimously recommend that Shareholders vote in favour of the Transaction, they will vote all Shares owned or controlled by them (in the number and percentage set out in the table below) in favour of Resolution 1. Please refer to Section 1.3 for further information.

The Directors have a relevant interest in the securities of the Company as set out in the following table:

Director	Shares	Options	Performance Rights	Percentage of issued capital held (undiluted basis) ⁷
Glenn Whiddon	9,047,391 ¹	Nil	1,680,000 ²	1.45%
Karl DeMong	700,000	Nil	60,000 ³	0.11%
P.L. (Lonny) Tetley	470,000	300,000 ⁴	60,000 ⁵	0.08%
Mark Freeman	3,132,492	Nil	1,216,000 ⁶	0.50%

Notes:

1. Comprising 3,255,842 Shares held directly and 5,791,549 Shares held indirectly via Getmeoutofhere Pty Ltd. Glenn Whiddon has no relevant interest in the 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.
2. Comprising 1,500,000 Class C Performance Rights and 180,000 Class F Performance Rights.
3. Comprising 60,000 Class F Performance Rights.
4. Exercisable at A\$0.20 each on or before 30 June 2026.
5. Comprising 60,000 Class F Performance Rights.
6. Comprising 1,000,000 Class C Performance Rights and 216,000 Class F Performance Rights.
7. Based on the number of Shares on issue as at 28 December 2023.

Based on the information set out above, each of the Directors consider that the Transaction proceeding on the basis of Shareholder approval under Listing Rule 11.2 is in the best interests of the Company and Shareholders.

Consequently, the Directors unanimously recommend Shareholders vote **IN FAVOUR OF** Resolution 1, in the absence of a superior proposal.

2.5 Other Material Information

There is no information material to the making of a decision by a Shareholder in the Company whether or not to approve Resolution 1 (being information that is known to any of the Directors, and which has not been previously disclosed to

Shareholders) other than as disclosed in this Explanatory Statement and the Schedules.

GLOSSARY

A\$ means Australian Dollar.

Acquisition Proposal means, other than the Transaction and the other transactions contemplated by the Share Sale Agreement, any written or oral offer, proposal, inquiry or request for discussions or negotiations from any person or group of persons "acting jointly or in concert" (within the meaning of National Instrument 62-104, Take-over Bids and Issuer Bids) (other than Astara and its affiliates) which contemplates, relates to or could reasonably be expected to lead to (in either case in one transaction or a series of transactions):

- (a) any direct or indirect acquisition or purchase (or any lease, long-term supply agreement or other arrangement having the same economic effect as a purchase) of: (a) any material assets of BSO (other than production in the ordinary course); or (b) any voting or equity securities of BSO (or rights or interests therein or thereto);
- (b) any direct or indirect take-over bid, issuer bid, exchange offer, treasury issuance or similar transaction that, if consummated, would result in a person or joint actors beneficially owning any class of voting or equity securities or any other equity interests (including securities convertible into or exercisable or exchangeable for equity interests) of BSO;
- (c) a plan of arrangement, merger, amalgamation, consolidation, joint venture (other than in the ordinary course), partnership (other than in the ordinary course), share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving BSO;
- (d) any other transaction or series of related transactions, the consummation of which could reasonably be expected to materially: (a) impede, interfere with, prevent, impair or delay the transactions contemplated by the Share Sale Agreement or the Transaction; or (b) reduce the benefits to Astara under the Share Sale Agreement or the Transaction; or
- (e) any announcement or other disclosure of an intention to do any of the foregoing.

Astara means Astara Energy Corp.

Astara Requested Costs means drilling and completion and any other capital costs incurred by BSO at the request of Astara during the period between the execution the Share Sale Agreement and closing of the Transaction.

ATO means Australian Taxation Office.

Blackspur Note means a non-interest-bearing demand promissory note issued by BSO with a principal amount equal to the amount of C\$74 million.

Blackspur Shares means the shares in BSO held by the Company.

Board means the current board of directors of the Company.

BSO means Blackspur Oil Corp.

C\$ means Canadian Dollars.

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

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

GAAP means generally accepted accounting principles.

General Meeting or **Meeting** means the meeting convened by the Notice.

Listing Rules means the Listing Rules of ASX.

Net Debt means , collectively, all indebtedness (including bank indebtedness), liabilities (including, but not limited to, estimated amounts outstanding under the term loan entered into in connection with the Pivotal Pipeline Agreement, estimated cash taxes payable by BSO as at closing or the Transaction as well as transaction costs and employee obligations), certain expenditures set out in a disclosure letter exchanged between the parties as being included in the calculation of Net Debt, carbon taxes payable, minimum retirement obligation annual expenditures and obligations of BSO of any kind other than, lease liabilities (other than amounts payable for rent under the BSO office lease from the period of January 1, 2024 to December 31, 2024) and deferred tax liabilities less the sum of all current assets (excluding any accounts receivable over 90 days and any other amounts that Astara does not believe to be reasonably collectible or supportable), but shall exclude all Astara Requested Costs and the Blackspur Note.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Pivotal Pipeline Agreement means the project agreement for the construction, ownership and operation of the blend facility unit and pipeline dated January 28, 2022, between BSO and Pivotal Energy Partners Inc.

Resolution means a resolution set out in the Notice.

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

Shareholder means a registered holder of a Share.

Transaction means the proposed sale and purchase of 100% of the Company's equity interest in BSO by Astara.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – MATERIAL TERMS OF SHARE SALE AGREEMENT

The material terms of the Share Sale Agreement are as follows:

- (a) **(Purchase Price):** In consideration for the Transaction, the Company will receive C\$75,000,000 in cash, subject to certain adjustments made for Net Debt, with such amount being allocated as follows:
 - (i) an amount equal to C\$74,000,000 towards the Blackspur Note, such amount being equal to a reduction of the stated capital maintained in respect of the Blackspur Shares; and
 - (ii) the balance of the Purchase Price to the Blackspur Shares.
- (b) **(Deposit):** Concurrent with the execution of the Share Sale Agreement, Astara delivered to Calima the sum of C\$5,000,000 by way of a wire transfer to an interest bearing account specified in writing by Calima in accordance with the terms of a deposit escrow agreement executed by Calima, as a good faith deposit to be applied against the Purchase Price on Closing (as defined below).
- (c) **(Conditions Precedent):** Closing of the Transaction (**Closing**) is subject to and conditional upon customary conditions precedent, including the following:
 - (i) **Calima compliance:** Calima not breaching any warranties or covenants in the Share Sale Agreement, in any material respect;
 - (ii) **No material adverse effect:** there being no material adverse effect in respect of BSO prior to Closing;
 - (iii) **Approvals:** the Company obtaining all necessary regulatory, Shareholder and third-party approvals to allow the Company to lawfully complete the Transaction; and
 - (iv) **Competition Act Approval:** the required approvals under the *Competition Act*, RSC 1985, c C-34 having been obtained for the Transaction.
- (d) **(Net Debt Adjustments):**
 - (i) No less than 10 business days prior to Closing, Calima shall prepare and deliver to Astara a statement (the **Net Debt Statement**) setting forth its determination (with reasonable supporting detail) of Net Debt. The Net Debt Statement shall be prepared in accordance with GAAP.
 - (ii) The Purchase Price shall be decreased, on a dollar for dollar basis, by the amount of the Net Debt.
- (e) **Non-Solicitation**

The Company has agreed to not solicit any alternative Acquisition Proposals prior to Closing.

(f) **Break Fee**

If a bona fide competing Acquisition Proposal is made prior to the Meeting and the Transaction does not proceed, any of the supporting Shareholders do not vote in favour of the Transaction, Resolution 1 to approve Transaction is not passed by Shareholders, the Board accepts or recommends a superior proposal or Calima breaches any of its non-solicitation covenants in the Share Sale Agreement, the Company agrees to pay Astara a cash payment of C\$1,750,000.

The Share Sale Agreement otherwise contains terms and conditions considered standard for an agreement of its type, including representations and warranties of both parties (and BSO), customary confidentiality obligations for both parties and termination provisions.

SCHEDULE 2 – PRO FORMA BALANCE SHEET

Pro-forma balance sheet

	Reviewed 30 June 2023 A\$ ('000)	Pro Forma Changes A\$ ('000)	Pro Forma A\$ ('000)
Assets			
Current assets			
Cash and cash equivalents	764	80,445	81,209
Accounts receivable	8,485	(8,485)	-
Deposits and prepaid expenses	1,293	(899)	394
Risk management contracts	16	(16)	-
Assets Held for sale	15,039	(15,039)	-
Total Current Assets	25,597	56,006	81,603
Oil and natural gas assets	147,251	(147,031)	220
Long-term deposits	705	(705)	
Investments	135	(135)	
Deferred income tax asset	3,027	(3,027)	
Total Assets	176,715	(94,892)	81,823
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10,093	(10,093)	-
Lease liabilities	341	(341)	-
Credit facility	2,663	(2,663)	-
Current restoration provisions	237	(237)	-
Liabilities associated with assets held for sale	3,764	(3,764)	-
Total Current Liabilities	17,098	(17,098)	-
Term loan	3,408	(3,408)	-
Restoration provisions	21,683	(21,463)	220
Total Liabilities	42,189	(40,640)	220
Shareholders' equity			
Share capital	366,185	7,500	358,685
Contributed surplus	20,658		20,658
Foreign currency translations	10,363	(10,363)	-
Accumulated losses	(262,680)	(35,060)	(297,740)
Total Equity	134,526	(52,923)	81,603
Total Equity and Liabilities	176,715	(94,892)	81,823

Notes:

- Pro forma reflects sale net cash movement of A\$81.9 million which reflects the sale of the Blackspur Assets and the Montney Project generating an aggregate of A\$92.9 million and the elimination of all receivable, payables and the payment of the capital return of A\$7.5 million on 27 October 2023.

SCHEDULE 3 – VOTING INTENTION SHAREHOLDERS

Directors and related entities

Shareholder	Shares held	% ¹
GETMEOUTOFHERE PTY LTD <SINKING SHIP SUPER FUND A/C>	5,791,549	0.92
6466 INVESTMENTS PTY LTD	5,330,215	0.85
LAGRAL STRATEGIES PTY LTD <THE LAGRAL FAMILY A/C>	3,307,975	0.53
MR GLENN ROSS WHIDDON	3,255,842	0.52
NAUTICAL HOLDINGS WA PTY LTD <ABANDON SHIP S/F A/C>	2,850,000	0.45
MIMO STRATEGIES PTY LTD <MIMO A/C>	2,379,403	0.38
KARL DE MONG	700,000	0.11
LONNY TETLEY	470,000	0.07
MARK FREEMAN <MARK FREEMAN FAMILY A/C>	3,132,492	0.5
TOTAL	27,217,476	4.34%

* Glenn Whiddon has no relevant interest in the shares held by 6466 Investments Pty Ltd, Mimo Strategies Pty Ltd, Lagral Strategies Pty Ltd and Nautical Holdings WA Pty Ltd. Jane Whiddon is the controller of these entities and Mr Whiddon is not a beneficiary.

Other shareholders

Shareholder	Shares held	% ^{1,2}
BART SUPERANNUATION PTY LIMITED <4F INVESTMENTS SUPERFUND A/C>	19,640,000	3.13%
MR CRAIG IAN BURTON <CI BURTON FAMILY A/C>	10,127,503	1.62%
ARROCHAR PTY LTD	6,241,063	1.00%
4F INVESTMENTS PTY LTD	4,331,488	0.69%
WESTLAND GROUP HOLDINGS PTY LTD	3,891,483	0.62%
MR FREDERICK BART	3,765,559	0.60%
BLU BONE PTY LTD <THE SHARE TRADING A/C>	3,571,429	0.57%
WILHENLU PTY LTD	3,500,000	0.56%
JUTLAND NOMINEES PTY LTD <ROBERT BROWN FAMILY A/C>	2,717,304	0.43%
MR MARK JOHN BAHEN & MRS MARGARET PATRICIA BAHEN <SUPERANNUATION ACCOUNT>	2,700,000	0.43%
NINETY35 PTY LTD <2GEN FAMILY A/C>	2,200,000	0.35%
ALBA CAPITAL PTY LTD	2,000,000	0.32%
LONGREACH 52 PTY LTD	2,000,000	0.32%
KOBIA HOLDINGS PTY LTD	1,986,374	0.32%
JORDAN KEVOL	1,276,000	0.20%
OJVM PTY LTD <MAX JABBA A/C>	1,110,000	0.18%
MAHARO PTY LTD <MAHARO SUPER FUND A/C>	1,072,583	0.17%
HAMMERHEAD HOLDINGS PTY LTD <HHH S/F A/C>	1,000,000	0.16%
MR VINCENT FABIAN PISANI	1,000,000	0.16%
MR JOSHUA AIDEN COOK & MS SARAH ELIZABETH PISANI-COOK	500,000	0.08%
TOTAL	74,630,786	11.90%

Notes:

1. Percentage of issued capital held (undiluted basis)
2. Based on the number of Shares on issue as at 2 January 2024.

CE1RM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SUBURB
SAMPLETOWN VIC 3030

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AWST) on Tuesday, 13 February 2024.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SURBURB
SAMPLETOWN VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



IND

■ Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Calima Energy Limited hereby appoint

☐

the Chairman
of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Calima Energy Limited to be held at 246-250 Railway Parade, West Leederville, WA 6007 on Thursday, 15 February 2024 at 10:00am (AWST) and at any adjournment or postponement of that meeting.

Step 2 Item of Business

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

	For	Against	Abstain
Resolution 1 Disposal of main undertaking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of the item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) This section must be completed.

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

