31 January 2022

Quarterly Activities & Cash Flow Report
31 December 2021 (ASX:CE1)

Calima Energy Limited

ABN: 17 117 227 086

ASX Code: CE1

Calima is a free cash flow and growth focused Canadian Oil and Gas Producer and Explorer

Directors & Management

Glenn Whiddon (Chairman)
Jordan Kevol (Managing Director)
Mark Freeman (Finance Director)
Brett Lawrence (NED)
P.L. Tetley (NED)
Braydin Brosseau (CFO Canada)

Capital Structure

ASX Code	*CE1*
Share Price	*0.235 cents*
Shares	*514 million*
Market Cap	*A$120 million*
Cash	*$3.4 million*
Net debt (31/12/21)	*A$27.8 million*
Options	
$1.80 exp 25/8/22	*0.5 million*
$2.40 exp 25/8/22	*0.5 million*
0.20c exp 30/4/2024	*2.5 million*
0.20c exp 30/4/2026	*15.9 million*
Performance S/h	*8.3 million*

Upcoming conference call timing:

- Wed 2 Feb 2021 @ 10:30 am (Perth)
- Wed 2 Feb 2021 @ 1:30 pm (Sydney)
- Tues 1 Feb 2021 @ 8:30 pm (Calgary)

Join Zoom Meeting
https://us02web.zoom.us/j/85383631237?pwd=OGNXazFtRm0vWXJyN0VTMTAvbUVTdz09

Calima Energy Limited (**ASX: CE1**) ("**Calima**", "**Calima Group**", "**the Company**") is a production-focused energy company pursuing the exploration and development of oil and natural gas assets in the Western Canadian Sedimentary Basin. The Company is currently developing its oil plays at Brooks and Thorsby in southern and central Alberta. Additionally, Calima owns a significant undeveloped Montney acreage position at Tommy Lakes in north-eastern British Columbia.

Calima is dedicated to responsible corporate practices, and places high value on adhering to strong Environmental, Social and Governance ("ESG") principles.

HIGHLIGHTS

Growth in production and revenues 4th Quarter 2021

- **Production –** Production of **294,561 boe** (gross) of oil and natural gas, averaging **3,202 boe/d** was achieved. YTD, the Company produced 779,570 boe (gross) of oil and natural gas, averaging 3,182 boe/d, a **30%** increase compared to the average daily production during the year ended 31 December 2020.
- **Quarterly sales and earnings –** Oil and natural gas sales were **A$19.8 million** and the Company delivered Adjusted EBITDA[1] of approximately **A$9.4 million**. YTD oil and natural gas sales were **A$47.7 million** and Adjusted EBITDA[1] was approximately **A$21.6 million**.
- **Energy Prices –** In Q4, the benchmark price for oil averaged **US$77.19/bbl WTI, C$78.71/bbl WCS and C$4.41/GJ AECO**, reflective of improved demand fundamentals for both oil and natural gas in North America in response to recoveries from the COVID-19 pandemic.

Capital investments set to deliver strong free cash flow

- **2022 Forecast –** H1 2022 capital investment board approved program of **C$19 million** for development of the Company's Brooks core area. The Company's capital program includes three Glauconitic, four Sunburst wells, one Sparky well and the new Pipeline. For the six months ending 30 June 2022, the Company is targeting:
  - Average daily production of **4,000 – 5,000 boe/d; and**
  - **Adjusted EBITDA of C$28-33 million** based on current commodity price and production forecasts.
- **Strategic infrastructure development –** On 31 January 2022, the Company announced the **construction of a pipeline** connecting the Company's 02-29 battery in the northern portion of its Brooks, Alberta asset area to its wells, lands, and gathering system in the southern portion of the asset base. The pipeline is expected to be completed and brought on stream during the first quarter of 2022.
- **2021 Capital investments –** In Q4 21, the Company commenced flow back operations from **three Sparky Formation wells (Leo 1, 2 & 3)** in the Thorsby area. Production began in mid-November and oil and gas volumes from the wells continue to increase. As of 25 January 2022, combined production rates from the 3 new wells were ~1,100 boe/d, with corporate production at ~3,800 boe/d.
  The Company commenced its 2022 winter drilling program early in December 2021. Q4 investments include the drilling of the **first two Glauconitic Formation** wells at Brooks (Pisces #1 and #2) which contributed to increased Net Debt at year end. A third Glauconitic well (Pisces #3) and one vertical plus two horizontal **Sunburst wells** (Gemini #5-#7) were drilled in January. The wells are expected to be on production by the end of first quarter of 2022. An additional **step-out Sparky well** (Leo #4) was drilled in January.

(1) Refer to Advisories & Guidance for additional information regarding the Company's GAAP and non-GAAP financial measures.

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KEY PERFORMANCE METRICS

		3 months ended		12 months ended
(A$ thousands except boe amounts)		31 Dec 2021		31 Dec 2021
Sales volumes (gross boe)(1)		294,561		779,570
Sales volumes (boe/d)(1)		3,202		3,182
Oil and natural gas sales	$	19,814	$	47,713
Adjusted EBITDA(2)	$	9,383	$	21,558
Capital investments	$	11,017	$	26,830
Net debt(2)	$	27,806	$	27,806

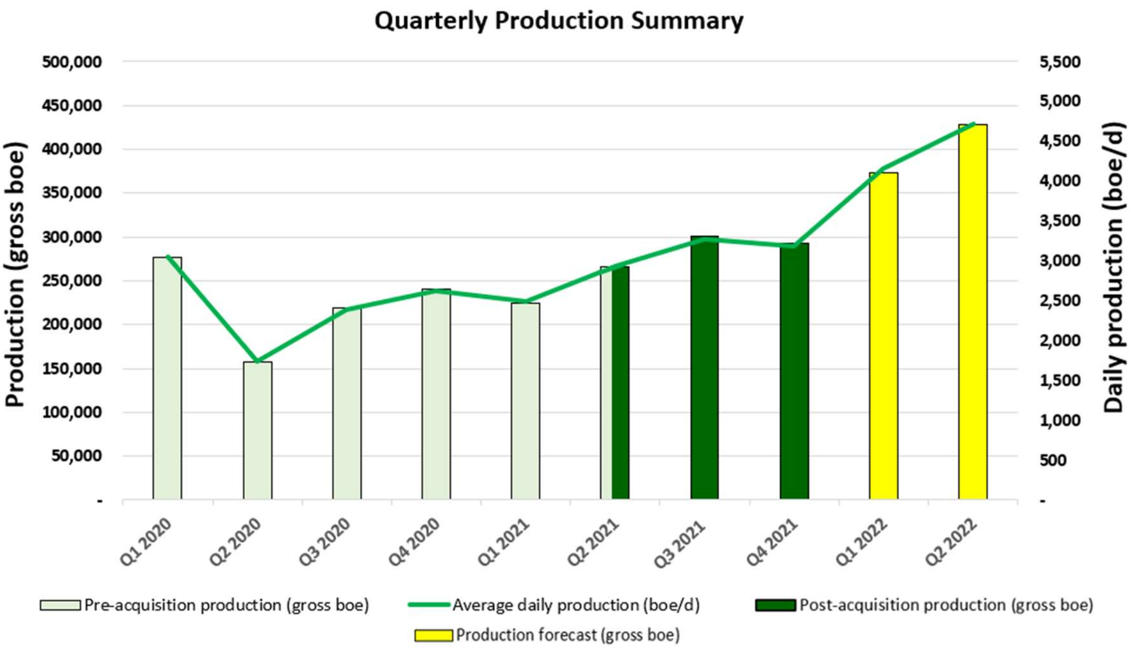
(1) Sales volumes for the 12 months ended 31 December 2021 primarily reflects 245 days of production from Blackspur following the acquisition on 30 April 2021. Blackspur sales volumes reported on a boe/d basis in the table above have been averaged over 245 days.
(2) Refer to Advisories and Guidance for additional information regarding the Company's GAAP and non-GAAP financial measures.

PRODUCTION, SALES & COMMODITY PRICING

Gross Production (before royalties)

	3 months ended	12 months ended
	31 Dec 2021	31 Dec 2021
Oil (bbl)	193,425	497,195
Natural gas (Mcf)	571,942	1,597,906
Natural gas liquids (bbl)	5,813	16,058
Total sales volume (boe)	294,561	779,570
Average daily sales volume (boe/d)(1)	3,202	3,182
Liquids percentage	68%	66%

(1) Sales volumes for the 12 months ended 31 December 2021 primarily reflects 245 days of contributions from Blackspur following the acquisition on 30 April 2021. Blackspur sales volumes reported on a boe/d basis have been averaged over 245 days.



Calima's fourth quarter production of 3,202 boe/d was in line with average daily production for the year, as preliminary volume contributions from the three Leo wells at Thorsby late in the quarter were offset by production shut-ins of existing Thorsby wells during the Leo program completion activities and natural declines on base production. In addition, extremely cold weather in December (minus 35°C and colder), together with holiday periods and limited-service availability, restricted well and facility operations during the month which impacted the Company's fourth quarter volumes.

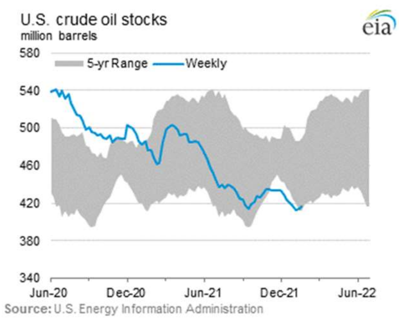
During the fourth quarter, the Company began ramping up production from the three Leo wells. Compared to previous exit guidance of 4,500 boe/d, the Calima Group exited the fourth quarter of 2021 with average December production of ~3,500 boe/d. Early production contributions from the Leo wells were impeded by downhole operational challenges which led to production delays and intermittent run-times on the wells. Two of the three Leo wells experienced downhole pump complications that arose due to high initial flowback of load recoveries that included frac sand.

Despite constrained service rig availability, extreme cold weather conditions and a resurgence of COVID-19, the Company was able to successfully complete workover activities on the wells in December and early January with all three wells back on stream by mid-January, however production was lost over this period. The Company expects run-times on the three Leo wells to improve in 2022 as they continue to clean up from their fracture stimulations and as of 25 January 2022, combined production rates from the Leo wells was ~1,100 boe/d and corporate production was ~3,800 boe/d.

Commodity prices

Average benchmark commodity prices & FX rates	3 months ended 31 Dec 2021	8 months ended 31 Dec 2021
WTI (US$/bbl) – US Dollars	$ 77.19	$ 72.47
WTI (C$/bbl) – Canadian Dollars	$ 97.20	$ 90.56
WCS (C$/bbl) - Canadian Dollars	$ 78.71	$ 73.67
AECO (C$/Mcf) - Canadian Dollars	$ 4.41	$ 3.73
Foreign exchange (USD/CAD)	1.26	1.25
Foreign exchange (AUD/CAD)	1.09	1.08

During the fourth quarter of 2021, WCS pricing averaged C$78.71/bbl, compared to C$71.79/bbl during the third quarter of 2021 and C$66.99/bbl during the second quarter. Crude oil prices continued to strengthen throughout 2021 driven by the global rollout of COVID-19 vaccines. Northern American crude oil inventories were drawn down for much of the year, particularly in the second and third quarters, as a result of higher demand for oil as government restrictions were lifted and economies re-opened. The foreign oil supply policy applied by OPEC+ has resulted in strengthening oil prices during the year. Despite these improvements, the oil markets continued to experience volatility late in the year from the continued spread of COVID-19 variant strains and rising tensions in the Middle East and Eastern Europe.



Average natural gas prices increased to C$4.41/Mcf during the fourth quarter of 2021, compared to C$3.41/Mcf during the third quarter, primarily due to colder seasonal weather which led to higher demand for heating. Natural gas fundamentals have remained strong with prices averaging C$3.73/Mcf during the eight months ended 31 December 2021. Increasing oil sands production and the phase-out of coal energy in the Western Canada has led to higher local demand for natural gas. Lower gas supply as a result of curtailed North American investments in natural gas developments in response to COVID-19 are expected to be beneficial for natural gas benchmark prices in the near term.

Oil and natural gas sales

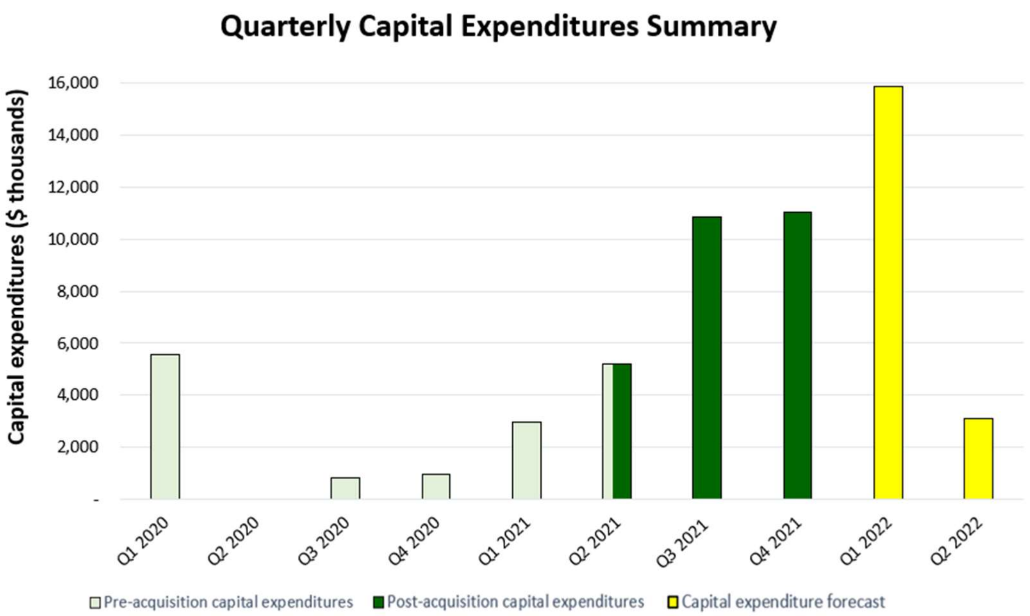
(A$ thousands)	3 months ended 31 Dec 2021	12 months ended 31 Dec 2021
Oil and natural gas sales		
Oil	$ 16,348	$ 39,668
Natural gas	$ 3,055	$ 7,087
Natural gas liquids	$ 411	$ 958
	$ 19,814	$ 47,713
Realised prices		
Oil (A$/bbl)	$ 84.52	$ 79.78
Natural gas (A$/Mcf)	$ 5.34	$ 4.44
Natural gas liquids (A$/bbl)	$ 70.70	$ 59.66

The Company's natural gas is processed primarily at third-party shallow-cut facilities. The Company receives a slight premium for its natural gas relative to the AECO benchmark which is largely due to a higher concentration of liquids in the gas stream and, therefore, has a higher relative heat content compared to the quoted benchmark price (sold in gigajoules).

CAPITAL INVESTMENTS

(A$ thousands)		3 months ended 31 Dec 2021		12 months ended 31 Dec 2021
Drilling and completion	$	7,817	$	19,651
Equipping, tie-in and facilities	$	2,338	$	4,934
Land and other(1)	$	862	$	2,245
Total investment in oil and natural gas assets	$	11,017	$	26,830

(1) Primarily consists of land acquisitions, geological and geophysical activities and capitalised salaries.



During the fourth quarter of 2021, the Company invested A$11.0 million in respect of the ongoing oil development program at Brooks and Thorsby. In October and November, the Company completed and brought on stream the three Leo wells targeting the Sparky Formation in the Thorsby area.

In December, the Company elected to accelerate its H1 2022 drilling program. Fourth quarter expenditures include A$3.1 million invested primarily to drill two Glauconitic Formation wells at Brooks (Pisces #1 and #2) as well as pre-spends for H1 2022 drilling and completion activities. The two Pisces wells were completed and commenced flowback at the end of January. A third Glauconitic well, Pisces #3, along with one vertical and two horizontal Sunburst wells (Gemini #5-#7) were drilled in January and are expected to be on stream before the end of the first quarter of 2022.

Including the acceleration of the 2022 winter drilling program of A$3.1 million, the Company deployed A$26.8 million of capital expenditures for the full year ended 31 December 2021. The original 2021 capital program was substantially completed by the end of November with actual costs coming in at A$23.7 million, or approximately 10% higher than the original budget of A$21.5 million. The increase was primarily due to cost overages experienced during the drilling of Leo #1 well as a result of downhole directional geometry adjustments.

Capital expenditures for the year also included the development of four Sunburst Formation wells that were drilled, completed, and brought on production in the Brooks area (Gemini #1-#4). Two of the four wells were on stream in late June with the other two wells completed and brought on stream in July.

The following tables summarise the results of the Company's original seven well program as at 31 December 2021 and commencement of the 2022 drilling program:

Area	Well name & unique location identifier	Target formation	Spud Date	Drill days	Lateral length (m)	On Production	Status
Brooks	Gemini #1 - 02/10-29-19-13W4	Sunburst	31/5/21	10	837	26/6/21	**Producing**
Brooks	Gemini #2 - 03/04-29-19-13W4	Sunburst	8/6/21	5	482	24/6/21	**Producing**
Brooks	Gemini #3 - 00/03-22-18-14W4	Sunburst	19/6/21	7	622	16/7/21	**Producing**
Brooks	Gemini #4 - 03/06-06-18-09W4	Sunburst	27/6/21	9	1,864	28/7/21	**Producing**
Thorsby	Leo #1 - 02/07-07-050-01W5	Sparky	28/7/21	29	2,253	16/11/21	**Producing**
Thorsby	Leo #2 - 02/06-07-050-01W5	Sparky	27/8/21	11	2,055	18/11/21	**Producing**
Thorsby	Leo #3 - 00/14-06-050-01W5	Sparky	7/9/21	17	2,153	08/11/21	**Producing**

Area	Well name & unique location identifier	Target formation	Spud Date	Drill days	Lateral length (m)	On Production	Status
Brooks	Pisces #1 - 04/04-28-19-13W4	Glauconitic	30/11/21	6	1,400	27/1/22	**Producing**
Brooks	Pisces #2 - 03/03-21-19-13W4	Glauconitic	07/12/21	8	2,720	26/1/22	**Producing**
Brooks	Pisces #3 - 03/16-11-19-14W4	Glauconitic	02/01/22	7	1,400	Pending	**Awaiting completion**
Brooks	Gemini #5 - 00/02-19-19-13W4	Sunburst	09/01/22	4	N/A*	Pending	**Awaiting tie in**
Brooks	Gemini #6 - 00/01-18-19-13W4	Sunburst	15/01/22	6	650	Pending	**Awaiting tie in**
Brooks	Gemini #7 - 02/16-36-18-14W4	Sunburst	21/01/22	6	667	Pending	**Awaiting tie in**
Thorsby	Leo #4 - 00/16-11-051-02W5	Sparky	20/01/22	-	2,473	Pending	**Finished drilling**

* Vertical well

Strategic infrastructure development

On 31 January 2022 the Company announced an agreement ("Pipeline Agreement") with Pivotal Energy Partners, a strategic infrastructure and midstream company, to construct a pipeline ("Pipeline") connecting the Company's 02-29 battery in the northern portion of its Brooks, Alberta asset base to its wells, lands, and gathering system in the southern portion of the Company's asset base. The pipeline is expected to be completed and brought on stream in March 2022. Pisces #3 and Gemini #5, 6 & 7 are expected to be tied-into this pipeline in Q1 2022.

This project is intended to expand the Calima Group's gathering system significantly and provides for the ability to economically grow the core area while providing relative short tie-in options for future drilling locations. Blackspur shall be the sole owner of the Pipeline and will repay the capital costs to construct the Pipeline over a term of seven years at a 12% cost of financing with fixed monthly payments of approximately C$76,000. The estimated cost of the Pipeline project is C$4.3 million. Blackspur retains the right to payout the financing on 180 days written notice starting on the 3rd anniversary of the agreement, subject to an early termination penalty provision. Current transport costs of ~C$55,000 per month will be displaced once the pipeline becomes operational.

The pipeline is also expected to reduce operating costs from the displacement of emulsion hauling and equipment rentals and most importantly provide egress for many future drilling locations in the Sunburst and Glauconitic Formations which will improve full cycle economics of the Bantry field development plan. The pipeline will also reduce emissions from the displacement of trucking, improve the Company's safety and spill prevention profile and reduce flare volumes for each new well tied-into the pipeline as opposed to the allowable flare limits under current regulations.

LIQUIDITY & HEDGING

Liquidity

As at (A$ thousands)	31 December 2021	30 September 2021
Available funding		
Adjusted working capital(1)	$ **(5,801)**	$ (3,803)
Undrawn Credit Facility capacity	**7,459**	9,092
Available funding(1)	**1,658**	5,289
Net debt		
Credit facility draws	**(21,739)**	(17,932)
Long-term portion of lease liability	**(265)**	(322)
Adjusted working capital(1)	**(5,801)**	(3,803)
Net debt(1)	$ **(27,805)**	$ (22,057)

(1) Refer to Advisories and Guidance for additional information regarding the Company's GAAP and non-GAAP measures. As at 31 December 2021, adjusted working capital is calculated as current assets of $11.3 million less accounts payable and accrued liabilities of $17.1 million. As at 30 September 2020, adjusted working capital is calculated as current assets of $9.3 million less accounts payable and accrued liabilities of $13.1 million.

As at 31 December 2021, the Calima Group had available funding of A$1.7 million which primarily consisted of available credit under Credit Facility, partially offset by the Company's working capital deficit at the end of the quarter. The Calima Group holds a C$27.0 million demand revolving credit facility with a Canadian chartered bank (the "Credit Facility"). A borrowing base review was completed during the fourth quarter of 2021 and, based on the Lenders' updated interpretation of the Company's reserves and future commodity prices, the Credit Facility was increased by C$2.0 million from the previous borrowing base of C$25.0 million.

Borrowings under the Credit Facility incur interest at a market-based interest rate plus an applicable margin which varies depending on Blackspur's net debt to cash flow ratio. Stamping fees are between 150 bps to 350 bps on Canadian bank prime borrowings and between 275 bps and 475 bps on Canadian dollar bankers' acceptances. Any undrawn portion of the demand facility is subject to a standby fee in the range of 20 bps to 45 bps. The Credit Facility is scheduled for its next borrowing base review on or before 31 May 2022.

The Company's net debt at 31 December 2021 was A$(27.8) million compared to A$(22.1) million as at 30 September 2021 and previous 2021 exit guidance of A$(19.4) million. Growth in the Company's net debt during the fourth quarter of 2021 was due to capital cost increases in the Leo drilling program, delays in start-up of the three Leo wells, the acceleration of the 2022 drilling program at Brooks to drill Pisces #1 and #2 wells in December, as well as additional pipe inventory purchased for the drilling of Gemini #5-7 and Pisces #3.

While the Leo wells were recovering water and frac fluid in September and October, actual oil and gas production from the Leo wells did not commence until mid-November and the two Pisces wells were brought on stream in late January 2022. Further, two of the Leo wells required well interventions in order to optimize subsurface pumping systems and this was compounded by extremely cold weather in December which restricted well and facility operations during the month, which impacted the Company's fourth quarter volumes.

Net debt reductions are expected in the first half of 2022 with the Company expecting to exit June 2022 with net debt of C$19-C$21 million, including the impact of the arrangement under the Pipeline Agreement. While the Pipeline Agreement impacts the Company's Net Debt calculation, it is believed the benefits significantly outweigh the impact on the calculation.

Hedging

The Company's risk management portfolio consists of instruments that are intended to mitigate Calima's exposure to commodity price risks in the Western Canadian Sedimentary Basin, consisting primarily of the US$ WTI benchmark price and the C$ WCS differential to WTI. Calima executes a risk management program which is designed to limit downside exposure to market volatility, ensure a sufficient level of cash flows to service debt obligations and ensure capital is available to fund the Company's development and operational programs. The Company's risk management contracts consisted of the following position as at 31 December 2021:

	C$ WTI Swaps		C$ WCS/WTI Differential Swaps		C$ AECO Swaps	
Term[(1)]	bbl/d	C$/bbl	bbl/d	C$/bbl	Gj/d	C$/Gj
2022 (January – December)	**800**	$ 84.16	**875**	$ (17.98)	**1,670**	3.10

(1) Weighted average volumes and prices are presented over the number days in the year (365 days in 2022).

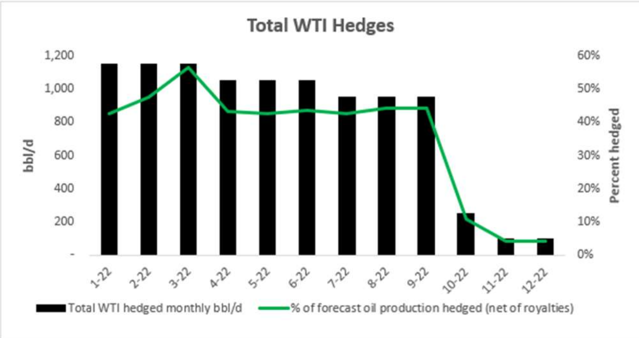
Further hedges (and put contracts) have been layered on in January 2022 to minimize exposure to volatility and ensure debt reduction targets are achieved. In the current energy price cycle, it is intended that post payout production will be unhedged and provide exposure to commodity price volatility, subject to Canadian Chartered Bank's requirement to hedge 50% of volumes (net of royalties) for the forward 12-month period should drawdowns exceed 50% over an extended period.

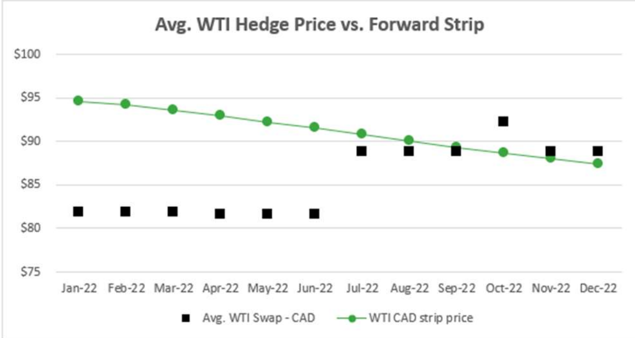
In a rising energy cycle, hedging losses will occur on that portion of the production hedged; however, with hedges set on a staggered basis as capital is committed, the Company views this strategy as an appropriate safeguard for the balance sheet to limit downside risk. Calima generally hedges oil price exposure on a forward rolling one year basis.

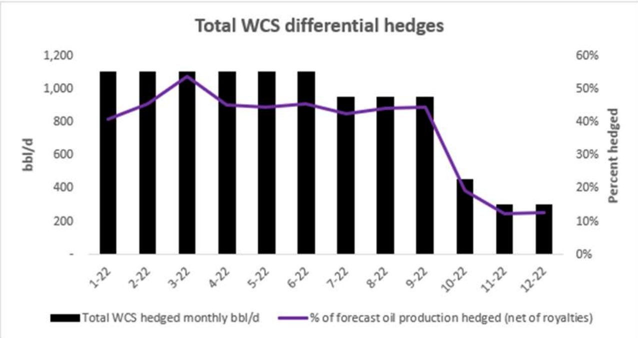
The Company's current policy is to generally hedge ~ 50% of forecast oil production (net of royalties) for the upcoming four quarters. Upon committing capital to drill a well, the Company will hedge sufficient volume (~5 - 7 months) to secure the pay-out of the well.

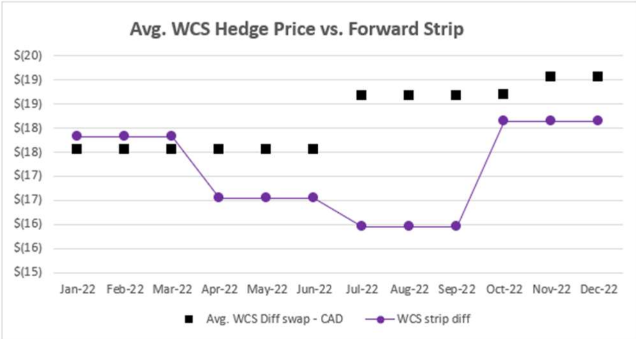
The Company had ~45% of forecast production volumes (net of royalty volumes) hedged for Q1-Q3 2022 on a WTI and WCS differential basis, leaving the opportunity to layer on additional WTI and WCS hedges as wells are drilled and production comes on stream. Going forward, as production increases and as drilling locations are committed to, additional WTI and WCS differential hedges will be layered in to reduce the impact of the WCS differential widening, or the price of WTI decreasing.

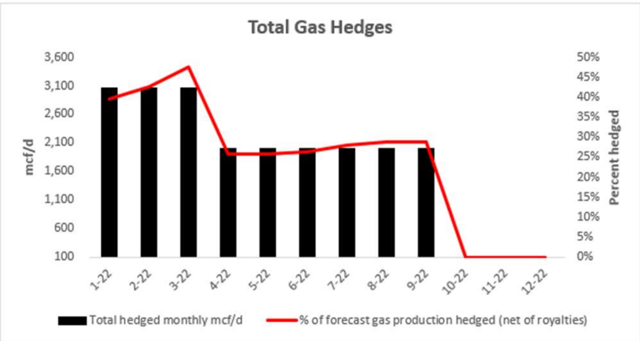
The following graphs summarises the Calima Group's hedge positions over time as at 31 December 2021:

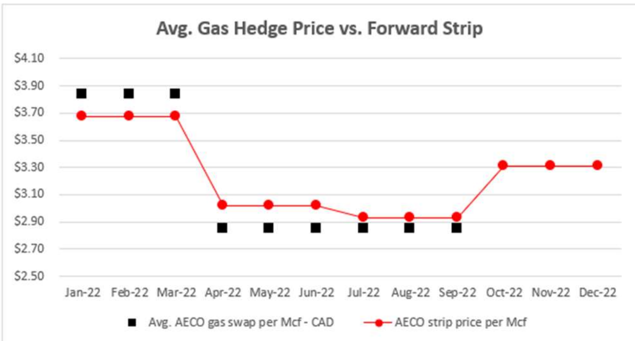












OUTLOOK

The Company has approved an H1 2022 capital budget of A$19 million for 6.5 net wells in the Brooks and Thorsby areas:

- Three horizontal Glauconitic development wells (Pisces #1-#3) (Pisces #1 and #2 were drilled in December)
  - Pisces #3 has been drilled and awaiting fracture stimulation and tie-in later this quarter.
- Sunburst appraisal wells (Gemini #5-#7), all three wells have been drilled and are awaiting tie-in
  - One vertical stratigraphic test well
  - Two horizontal Sunburst appraisal wells
- One horizontal Sparky well (0.5 net) in the North Thorsby area (Leo #4) was spudded on 20 January 2022 and has been rig released

The stratigraphic vertical test well (Gemini #5) confirmed the existence of Sunburst sand within a previously undeveloped portion of the field and its objective was to delineate further drilling locations for future work programs. Gemini #6 was spud on 15 January 2022 and reached TD on 21 January 2022. Gemini #7 was spud on 21 January 2022 and reached TD on 27 January 2022. These Sunburst wells are conventional oil wells and therefore do not require fracture stimulation. The Company plans to pipeline connect these wells into the Company's field infrastructure network via the new Pipeline during the first quarter of the year and the production will be processed at the 2-29 oil battery.

The Company holds a 50% working interest in the prospective North Thorsby area adjacent to the Company's core Thorsby development area in central Alberta. The Company spudded the Leo #4 (50% net well) in the North Thorsby area on 20 January 2022 and reached TD on 27 January 2022. Timing for the completion and tie-in of the well has not been finalised but is expected during early Q3 of 2022 as part of the H2 drilling program (not yet approved).

The following table summarises the Company's current outlook for the six months ended 30 June 2022:

Forecast		H1 2022[2]
Average Daily Production (boe/d)[1]		**4,000 – 5,000**
Adjusted EBITDA (C$ millions)[2][3]	**$**	**28 - 33**
Capital expenditures (C$ millions)	**$**	**18 - 20**
Exit net debt[3] (C$ millions)	**$**	**19 - 21**

(1) H1 2022 average production range of 4,000 – 5,000 boe/d is based on current PDP plus forecasted production from Pisces #1-3 and Gemini #5-#7. Assumes US$80/bbl WTI, -US$13.50 WTI/WCS differential, C$3.50/Gj AECO, 1.25 CAD/USD for the first half of 2022.

(2) EBITDA is adjusted for Jan-June 2022 expected realised hedging losses of C$4.0 million. EBITDA is based on commodity prices stated above, corporate average royalty rates of 19%, and operating costs and G&A assumptions that are based off historical financial performance. Interest, taxes and abandonment expenses are cashflow items excluded from EBITDA and estimated at C$0.5 million for Jan – June 2022.

(3) Refer to Advisories and Guidance for additional information regarding the Company's GAAP and non-GAAP financial measures.

Calima anticipates production in H1 2022 will be between 4,000 – 5,000 boe/d. Production volumes are expected to ramp-up from the three Sparky Formation wells at Thorsby (Leo #1-3) and production from the 6.5 net wells drilled during December and January 2022.

Calima does not intend to issue peak production rates going forward, but rather average production rates for the period in question. This allows operations to be focused on generating reliable production and cash flow, rather than a peak flow rate at a pre-determined date that does not provide any confidence as to overall production or cash flows.

The Company expects to generate Adjusted EBITDA of C$28-C$33 million for the six months ended 30 June 2022 based on current commodity prices and production forecasts. The capital program is anticipated to be funded with cash provided by operating activities and funding under the Company's Credit Facility.

Included in the capital budget is the cost of the new Pipeline (up to $4.3 million) which will be borne by the Company's midstream capital provider under the terms of the Pipeline Agreement. The cost of the Pipeline is expected to be offset by the savings related to the elimination of trucking of emulsion from some wells, and the elimination of other rental costs related to single well batteries; the real benefit will accrue from the production growth afforded in the Brooks area and reduction in future operating costs together with the ESG benefits obtained.

Including the impact of the arrangement under the H1 2022 strategic infrastructure development, the Calima Group's net debt is expected to decline to C$19-C$21 million by mid-year 2022 as a result of anticipated free cash flow to be generated during the first half of the year following completion of the H1 22 capital development program.

EXPLORATION & DEVELOPMENT

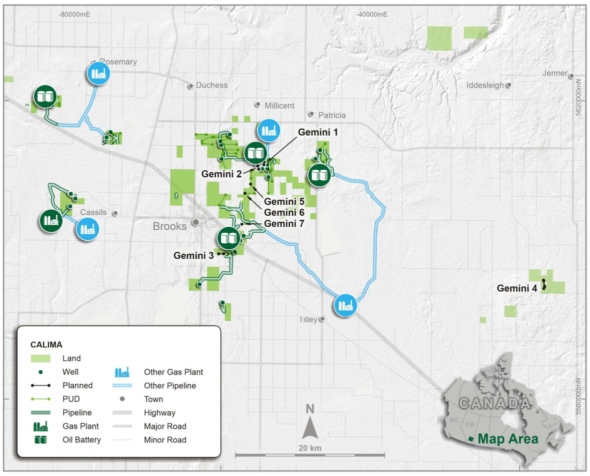
Brooks

Brooks asset overview	31 December 2021
Land position and production	
Core land position (net acres)	**>44,000**
Core formation targets	**Sunburst, Glauconitic**
Average working interest of the play (%)	**94%**
Number of wells drilled to date (net)	**>60**
Identified drilling locations (Net)	**140**
Average production (boe/d)	**~2,150**
Reserves (mmboe)(1)	
Proved reserves	**8.5**
Probable reserves	**2.4**
Total proved plus probable reserves	**10.9**
Possible reserves	**2.0**
Total proved plus probable plus possible	**12.9**

(1) Refer to Advisories and Guidance for additional information regarding the Company's reserves.

Sunburst formation

The Sunburst Formation does not require hydraulic fracture stimulation and can be developed at low cost (C$1M-$1.2MM per well) delivering attractive rates of return.

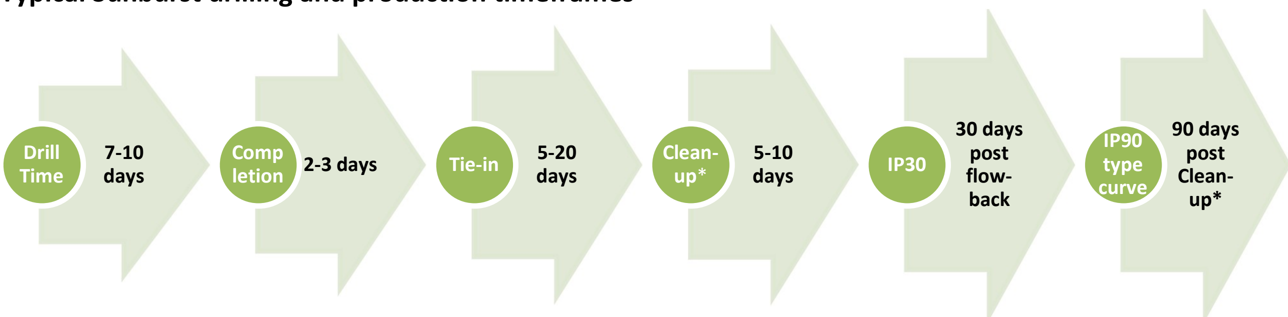


The Brooks reservoirs contain a low CO_2 content at ~2%, and the Company's multi-well pad drilling reduces the environmental footprint. The Brooks area contains significant infrastructure that creates a foundation for growth and expansion with year-round access. Blackspur's existing infrastructure across the entire Brooks area can process up to 7,000 bbl/d oil.

In 2021, the Company drilled seven (net) Sunburst wells in the Brooks area, four of which were drilled subsequent to the Blackspur Acquisition with Calima (Gemini #1-#4). Gemini #5-#7 Sunburst Formation wells in the Brooks area were drilled in January 2022 and will be connected into the Company's 2-29 oil battery in Q1 2022 via the new pipeline described above.

On 28 January 2022, the Company entered into a definitive agreement with a strategic infrastructure and midstream company for up to C$5.0 million in capital to construct a pipeline connecting the Company's 02-29 battery in the northern portion of its Brooks, Alberta asset base to its wells, lands, and gathering system in the southern portion of the Company's asset base.

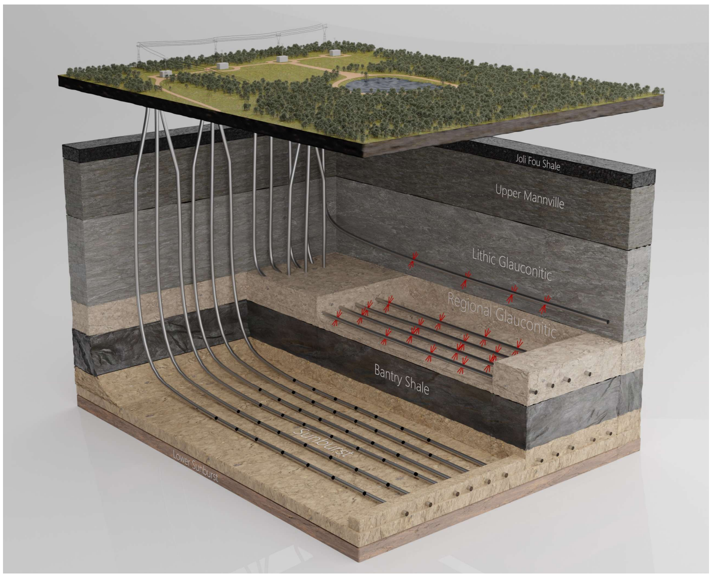
Typical Sunburst drilling and production timeframes



* Clean-up is the period that water and drilling fluids are recovered from the completion and at after which time commercial hydrocarbons begin to flow from the reservoir.

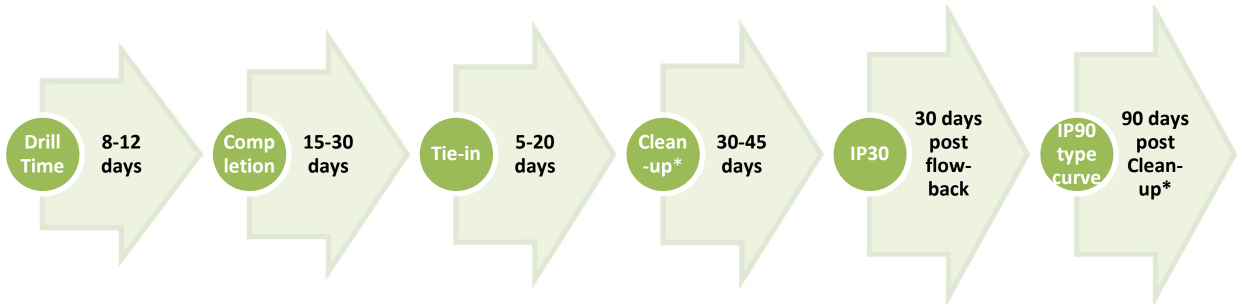
Glauconitic Formation

The Glauconitic Formation is a shallower (younger) formation than Calima's core Sunburst conventional play and requires hydraulic fracture stimulation. The combination of the shallow target depth and short tie-in, results in an all-in cost for each well of C$2-$3M, depending on chosen horizontal length of the wellbore.



The Company has three new Glauconitic wells (Pisces #1-#3) from its recent program. Pisces #1 - #2 are completed, tied in, and producing; Pisces #3 was drilled early January and is expected to be on stream in late Q1 2022. These Glauconitic wells are expected to be impactful to corporate production levels and future reserve bookings.

Typical Glauconitic drilling and production timeframes



* Clean-up is the period that water and drilling fluids are recovered from the completion and at after which time commercial hydrocarbons begin to flow from the reservoir.

Thorsby

Thorsby asset overview	31 December 2021
Land position and production	
Core land position (net acres)	**>62,000**
Core formation targets	**Sparky, Nisku**
Average working interest (%)	**100%**
Number of wells drilled to date (net)	**14**
Identified drilling locations (Net)(1)	**98**
Average production (boe/d)	**~1,030**
Reserves (mmboe)(2)	
Proved reserves	**7.6**
Probable reserves	**3.0**
Total proved plus probable reserves	**10.6**
Possible reserves	**2.2**
Total proved plus probable plus possible	**12.8**

(1) Consists of 86 Sparky formation net drilling locations and 12 Nisku formation net drilling locations.
(2) Refer to Advisories and Guidance for additional information regarding the Company's reserves.

Sparky Formation

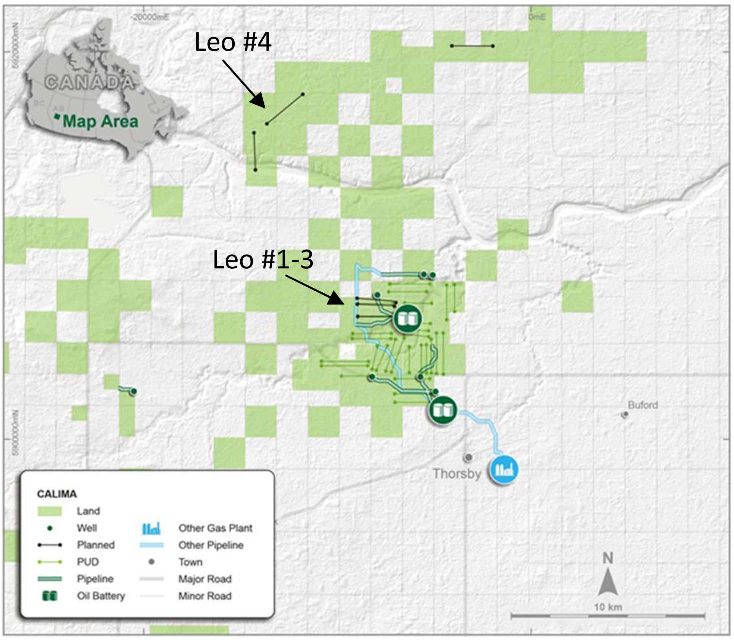
Thorsby has a large well inventory with 86 Sparky Formation and 12 Nisku Formation wells identified, including 27 Sparky PUD locations. Select wells have demonstrated significant type curve outperformance in the Sparky Formation. The Company's existing Sparky Formation wells are characterised by a low area decline rate of ~17% (net of new wells). Additionally, upside exists in 66 net sections of Duvernay Formation lands that were included in the Blackspur Acquisition.

CALIMA ENERGY

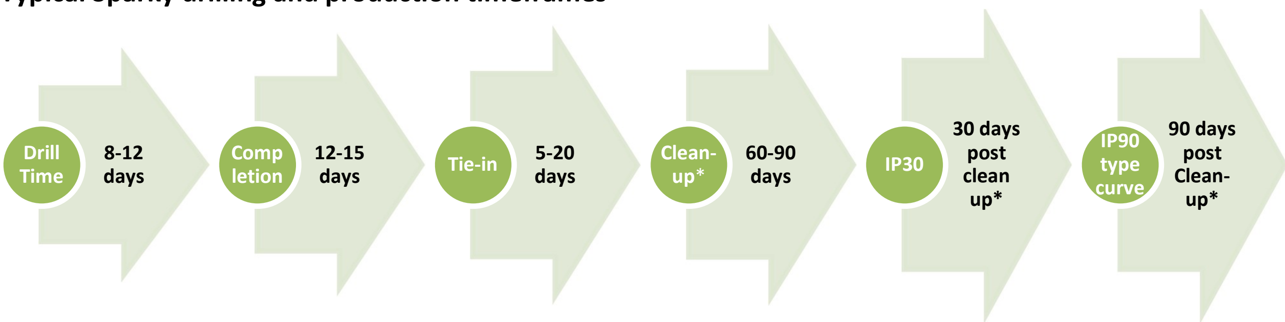
The Company's Thorsby position provides a consolidated land base that can be efficiently developed through a network of multi-well pads, all of which have year-round access. The contiguous land base also contributes to a lower operating costs through greater logistical efficiencies. Blackspur's facilities currently have oil processing capacity of up to 3,000 bbl/d oil.

In 2021, Blackspur brought on stream three (net) Sparky wells in the Thorsby area (Leo #1-#3). All three wells are classified as development wells, as they were drilled into existing Sparky Formation oil pools, which were delineated by both existing Sparky wells and 3D seismic.

One step-out well (Leo #4) (0.5 net) is currently being drilled in the prospective North Thorsby area and is planned for completion and tie-in in late Q2 or early Q3 2022.



Typical Sparky drilling and production timeframes



* Clean-up is the period that water and drilling fluids are recovered from the completion and at after which time commercial hydrocarbons begin to flow from the reservoir.

Tommy Lakes Montney

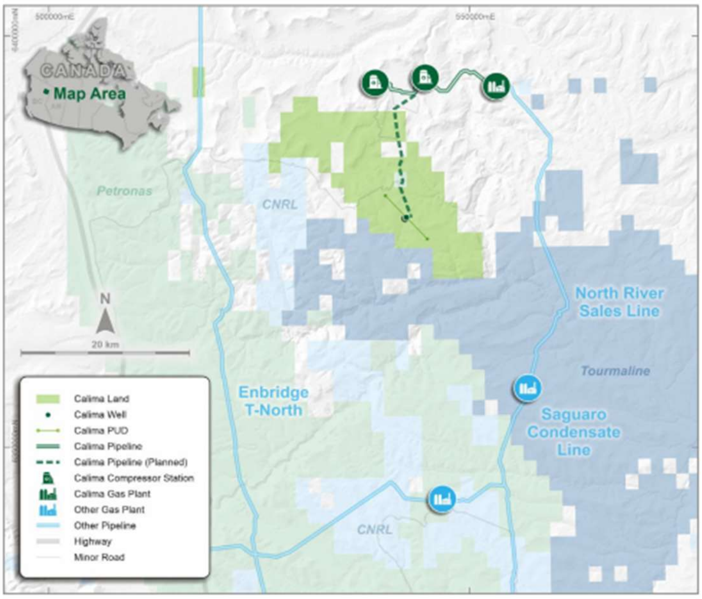
Tommy Lakes asset overview	31 December 2021
Land position and production	
Total land position (net acres)(1)	**>33,600**
Core expiry dates on continuation leases(1)	**2029**
Core formation targets	**Montney**
Average working interest (%)	**100%**
Number of exploratory wells drilled to date (net)	**2**
Resources (mmboe)(2)	
Contingent resources (development on hold)	**138**
Contingent resources (development pending)	**54**
Total contingent resources	**192**

(1) The Company holds over 60,000 acres of Montney drilling rights in the Tommy Lakes region of Northeastern BC, with a 10-year continuation lease on over 33,600 acres as a result of the Company's 2019 drilling campaign. The remaining acreage (~26,400 acres) expire over 2022 and are unlikely to be retained as they require additional drilling.

(2) Refer to Advisories and Guidance for additional information regarding the Company's resources. The Contingent Resources are based on McDaniels & Associates best estimate gross unrisked contingent resource as at December 31, 2020).

Calima currently owns and operates more than 33,600 acres of continuing Montney rights (Calima Lands) in northeast British Columbia (NEBC), Canada under a 10-year PNG lease over 49 contiguous sections resulting from the successful 2019 drilling program.

The Tommy Lakes field facilities owned by Calima lies immediately to the north of the Calima Lands. The facilities are fully permitted and have been preserved for future recommissioning. The facilities carry a replacement cost estimated at A$85 million.



Approval to construct and operate a multi-well production facility has been received, which includes a permit to construct a pipeline to connect the Calima well-pad with regional pipeline and processing infrastructure. The pipeline will connect existing and future Calima wells to the Company's Tommy Lakes infrastructure with capacity to transfer up to 50 MMcf/d of wet gas and 2,500 bbls/d of wellhead condensate through to the North River Midstream sales line, providing access to the Canadian and US markets to AECO, Alliance and T-North/Station 2.

Calima continues to evaluate strategies with respect to the Calima Lands to unlock shareholder value through development, partnerships, farm-out or outright sale.

A consolidation of the Montney in northeast British Colombia has commenced and with rising gas prices, currently above US$4 mcf in North America, the Calima Lands provides significant optionality. No capital programs are planned for the next quarter. Peters & Co. Limited has been retained by Calima to assist in this review of alternatives for the Montney assets. Calima does not intend to provide further updates on the Montney process until such time as binding agreements are executed in respect of this process.

Montney Consolidation Activity

The Montney is estimated as the third largest natural gas basin in the world and remains a strategic source for oil & gas for Western Canada. With the focus on low GHG emissions and world leading ESG compliance, the Montney will be a leading energy supplier to LNG Canada and the North American market. These factors have resulted in recent M&A activity as detailed below:

- Cenovus Energy Inc in December 2021 quarter sold their Montney assets in the Wembley area of northwestern Alberta for C$238 million. Production on the assets was 3,200 boe/d (38% oil and natural gas liquids).
- Black Swan was sold to Tourmaline for C$1.1 billion in June 2021
- Saguaro sold a 50% interest to Tourmaline in June 2021 for $205 million (9,000 boe/d, 25% condensate/NGL's)
- ARC Resources and Seven Generations Energy C$8.1 billion merger
- Canadian Natural Resources (CNRL) C$461 million purchase of Painted Pony
- ConocoPhillips C$550 million purchase of the Kelt asset package
- Tourmaline's C$85 million purchase of select acreage from Painted Pony, Polar Star and Chinook for C$85 million

CORPORATE

Change in securities

During the fourth quarter of 2021, the Company issued 380,553 shares to marketing and corporate consultants in respect of the fundraising completed in April 2021 in lieu of $82,715 in cash payments for such services. In accordance with various employment agreements 2,275,000 options exercisable at 20 cents on or before 30/04/2026 have been cancelled.

Related Party Payments

For the three months ended 31 December 2021, Calima recognised A$162,199 in amounts paid or payable to the Company's Directors or their related entities. The payments were as follows:

- A$48,800 paid to Glenn Whiddon.
- A$61,141 paid to Jordan Kevol for employment services.
- A$52,258 paid to Meccano Consulting with $45,000 for consulting services and $7,258 for provision of accounting staff. Mr. Freeman is a Director of this Company.

Calima accrued remaining directors fees owing to Lonny Tetley and Brett Lawrence for the year ended 31 December 2021 in the amounts of $24,000 and $18,000, respectively.

Quarterly Zoom Webinar

The Company is pleased to announce that management will be providing an in-depth analysis of the Company's recent December 2021 Quarterly report and Cash Flows, to be held Wednesday 2nd of February 2022 from 10:30am AWST / 1.30pm AEST. The following members of management will be present to provide a run down on the Company's activities and future programs:

Jordan Kevol, Managing Director
Glenn Whiddon, Chairman
Mark Freeman, Finance Director
Braydin Brosseau, CFO Blackspur

This webinar is able to be viewed live via Zoom and will provide viewers the opportunity to hear from, and engage with management. To access further details of the event, please copy and paste the following link into your internet browser:

Join Zoom Meeting
https://us02web.zoom.us/j/85383631237?pwd=OGNXazFtRm0vWXJyN0VTMTAvbUVTdz09

Meeting ID: 853 8363 1237
Passcode: 209097
One tap mobile
+61861193900,,85383631237# Australia
+61871501149,,85383631237# Australia

Dial by your location
+61 8 6119 3900 Australia
+61 8 7150 1149 Australia
+61 2 8015 6011 Australia
+61 3 7018 2005 Australia
+61 7 3185 3730 Australia
Meeting ID: 853 8363 1237

Find your local number: https://us02web.zoom.us/u/kcK26HUirN

A recorded copy of the webinar will be made available following the event.

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

Jordan Kevol	Glenn Whiddon	Mark Freeman
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T:+ 1-403-460-0031	T:+ 61-410-612-920	T: + 61-412-692-146

ADVISORIES & GUIDANCE

Forward Looking Statements

This release may contain forward-looking statements. These statements relate to the Company's expectations, beliefs, intentions or strategies regarding the future. These statements can be identified by the use of words like "anticipate", "believe", "intend", "estimate", "expect", "may", "plan", "project", "will", "should", "seek" and similar words or expressions containing same. These forward-looking statements reflect the Company's views and assumptions with respect to future events as of the date of this release and are subject to a variety of unpredictable risks, uncertainties, and other unknowns. Actual and future results and trends could differ materially from those set forth in such statements due to various factors, many of which are beyond our ability to control or predict. These include, but are not limited to, risks or uncertainties associated with the discovery and development of oil and natural gas reserves, cash flows and liquidity, business and financial strategy, budget, projections and operating results, oil and natural gas prices, amount, nature and timing of capital expenditures, including future development costs, availability and terms of capital and general economic and business conditions. Given these uncertainties, no one should place undue reliance on any forward-looking statements attributable to Calima, or any of its affiliates or persons acting on its behalf. Although every effort has been made to ensure this release sets forth a fair and accurate view, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP measures

This quarterly report includes certain meaningful performance measures commonly used in the oil and natural gas industry that are not defined under IFRS, consisting of "Adjusted EBITDA", "adjusted working capital", "available funding" and "net debt". These performance measures presented in this quarterly report should not be considered in isolation or as a substitute for performance measures prepared in accordance with IFRS and should be read in conjunction with the financial statements. Readers are cautioned that these non-GAAP measures do not have any standardised meanings and should not be used to make comparisons between Calima and other companies without also taking into account any differences in the method by which the calculations are prepared. Refer to the other sections of this quarterly report and the definitions below for additional details regarding the calculations.

Qualified petroleum reserves and resources evaluator statements

[1] *Refer to the announcement dated 1 September 2021 ("2021 Reserve Evaluation – Blackspur Oil Corp.") and the announcement dated 30 April 2021 ("Montney Resource Update"). The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.*

The petroleum reserves and resources information in this quarterly report in relation to legacy Blackspur assets is based on, and fairly represents, information and supporting documentation in a report compiled by InSite Petroleum Consultants Ltd. (InSite) for the 30 June 2021 Reserves Report. InSite is a leading independent Canadian petroleum consulting firm registered with the Association of Professional Engineers and Geoscientists of Alberta. These reserves were subsequently reviewed by Mr. Graham Veale who is the VP Engineering with Blackspur Oil Corp. The InSite 30 June 2021 Reserves Report and the values contained therein are based on InSite's 30 June 2021 price deck (https://www.insitepc.com/pricing-forecasts). Mr. Veale holds a BSc. in Mechanical Engineering from the University of Calgary (1995) and is a registered member of the Alberta Association of Professional Engineers and Geoscientists of Alberta (APEGA). He has over 25 years of experience in petroleum and reservoir engineering, reserve evaluation, exploitation, corporate and business strategy, and drilling and completions. InSite and Mr. Veale have consented to the inclusion of the petroleum reserves and resources information in this announcement in the form and context in which it appears.

The petroleum resources information in this announcement 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 (APEGA) and was subsequently reviewed by Mr. Aaron Bauer who is a consultant contracted to Calima Energy. Mr. Bauer holds a BSc. in Petroleum Engineering from the University of Calgary (2003) and is an Engineer with over 15 years of experience in petroleum operations and project management as well as prospect generation, evaluations petroleum and reserve evaluation. Mr. Bauer is also a member of (APEGA) and has consented to the inclusion of the petroleum resources information in this announcement in the form and context in which it appears.

Oil and Gas Glossary and Definitions

Term	Meaning
Adjusted EBITDA:	Adjusted EBITDA is calculated as net income (loss) before interest and financing expenses, income taxes, depletion, depreciation and amortisation, and adjusted to exclude certain non-cash, extraordinary and non-recurring items primarily relating to bargain purchase gains, gains and losses on financial instruments, transaction and advisory costs and impairment losses. Calima utilises adjusted EBITDA as a measure of operational performance and cash flow generating capability. Adjusted EBITDA impacts the level and extent of funding for capital projects investments or returning capital to shareholders.
Adjusted working capital:	Adjusted working capital is comprised of current assets less current liabilities on the Company's balance sheet and excludes the current portions of risk management contracts and credit facility draws. Adjusted working capital is utilised by Management and others as a measure of liquidity because a surplus of adjusted working capital will result in a future net cash inflow to the business which can be used for future funding, and a deficiency of adjusted working capital will result in a future net cash outflow which will require a future draw from Calima's existing funding capacity.
ARO / Asset Retirement Obligation:	the process of permanently closing and relinquishing a well by using cement to create plugs at specific intervals within a well bore
Available funding:	Available funding is comprised of adjusted working capital and the undrawn component of Blackspur's credit facility. The available funding measure allows Management and other users to evaluate the Company's liquidity.
Credit Facility Interest:	Borrowings under the Credit Facility incur interest at a market-based interest rate plus an applicable margin which varies depending on Blackspur's net debt to cash flow ratio. Interest charges are between 150 bps to 350 bps on Canadian bank prime borrowings and between 275 bps and 475 bps on Canadian dollar bankers' acceptances. Any undrawn portion of the demand facility is subject to a standby fee in the range of 20 bps to 45 bps. Security for the credit facility is provided by a C$150 million demand debenture
CO_2e:	carbon dioxide equivalent
Conventional Well:	a well that produces gas or oil from a conventional underground reservoir or formation, typically without the need for horizontal drilling or modern completion techniques

Term	Meaning
Compression:	a device or facility located along a natural gas pipeline that raises the pressure of the natural gas flowing in the pipeline, which in turn compresses the natural gas, thereby both increasing the effective capacity of the pipeline and allowing the natural gas to travel longer distances
Corporate Decline:	consolidated, average rate decline for net production from the Company's assets
Exit Production:	Exit production is defined as the average daily volume on the last week of the period
Operating Income:	Oil and gas sales net of royalties, transportation and operating expenses
Financial Hedge:	a financial arrangement which allows the Company to protect against adverse commodity price movements, the gains or losses of which flow through the Company's derivative settlements on its financial statements
Free Cash Flow (FCF):	represents Hedged Adjusted EBITDA less recurring capital expenditures, asset retirement costs and cash interest expense
Free Cash Flow Yield:	represents free cash flow as a percentage of the Company's total market capitalisation at a certain point in time
Funds Flow:	Funds flow is comprised of cash provided by operating activities, excluding the impact of changes in non-cash working capital. Calima utilises funds flow as a measure of operational performance and cash flow generating capability. Funds flow also impacts the level and extent of funding for investment in capital projects, returning capital to shareholders and repaying debt. By excluding changes in non-cash working capital from cash provided by operating activities, the funds flow measure provides a meaningful metric for Management and others by establishing a clear link between the Company's cash flows, income statement and operating netbacks from the business by isolating the impact of changes in the timing between accrual and cash settlement dates.
Gathering & Compression (G&C):	owned midstream expenses; the costs incurred to transport hydrocarbons across owned midstream assets
Gathering & Transportation (G&T):	third-party gathering and transportation expense; the cost incurred to transport hydrocarbons across third-party midstream assets
G&A:	general and administrative expenses; may be represented by recurring expenses or non-recurring expense
Hedged Adjusted EBITDA:	EBITDA including adjustments for non-recurring and non-cash items such as gain on the sale of assets, acquisition related expenses and integration costs, mark-to-market adjustments related to the Company's hedge portfolio, non-cash equity compensation charges and items of a similar nature;
Hyperbolic Decline:	non-exponential with subtle multiple decline rates; hyperbolic curves decline faster early in the life of the well and slower as time increases
LMR:	The LMR (Liability Management Ratio) is determined by the Alberta Energy Regulator ("AER") and is calculated by dividing Blackspur's deemed assets by its deemed liabilities, both values of which are determined by the AER.
LOE:	lease operating expense, including base LOE, production taxes and gathering & transportation expense
Midstream:	a segment of the oil and gas industry that focuses on the processing, storing, transporting and marketing of oil, natural gas, and natural gas liquids
Net Debt:	Net debt is calculated as the current and long-term portions of Calima's credit facility draws, lease liabilities and other borrowings net of adjusted working capital. The credit facility draws are calculated as the principal amount outstanding converted to Australian dollars at the closing exchange rate for the period. Net debt is an important measure used by Management and others to assess the Company's liquidity by adding long-term debt, lease liabilities and working capital.
NGL / Natural Gas Liquids:	hydrocarbon components of natural gas that can be separated from the gas state in the form of liquids
Net Debt/Adjusted EBITDA (Leverage)	a measure of financial liquidity and flexibility calculated as Net Debt divided by Hedged Adjusted EBITDA
Net Revenue Interest:	a share of production after all burdens, such as royalty and overriding royalty, have been deducted from the working interest. It is the percentage of production that each party actually receives
Operating Costs:	total lease operating expense (LOE) plus gathering & compression expense
Operating Netback:	Operating netback is calculated on a per boe basis and is determined by deducting royalties, operating and transportation from oil and natural gas sales, after adjusting for realised hedging gains or losses. Operating netback is utilised by Calima and others to assess the profitability of the Company's oil and natural gas assets on a standalone basis, before the inclusion of corporate overhead related costs. Operating netback is also utilised to compare current results to prior periods or to peers by isolating for the impact of changes in production volumes.
Physical Contract:	a marketing contract between buyer and seller of a physical commodity which locks in commodity pricing for a specific index or location and that is reflected in the Company's commodity revenues Production Taxes: state taxes imposed upon the value or quantity of oil and gas produced
Promote:	an additional economic ownership interest in the jointly-owned properties that is conveyed cost-free to the operator in consideration for operating the assets
PDP/ Proved Developed Producing:	a reserve classification for proved reserves that can be expected to be recovered through existing wells with existing equipment and operating methods
PV10:	a standard metric utilised in SEC filings for the valuation of the Company's oil and gas reserves; the present value of the estimated future oil and gas revenues, reduced by direct expenses, and discounted at an annual rate of 10%
RBL / Reserve Based Lending	a revolving credit facility available to a borrower based on (secured by) the value of the borrower's oil and gas reserves
Royalty Interest or Royalty:	Interest in a leasehold area providing the holder with the right to receive a share of production associated with the leasehold area
Shallow-cut facilities:	Shallow-cut gas facilities are typically used in areas where gas is not very liquids rich and therefore require lower additional stripping of Ethane primarily.
Terminal decline:	represents the steady state decline rate after early (initial) flush production
tCO_2:	Tonnes of Carbon Dioxide
Unconventional Well:	a well that produces gas or oil from an unconventional underground reservoir formation, such as shale, which typically requires hydraulic fracturing to allow the gas or oil to flow out of the reservoir
Upstream:	a segment of the oil and gas industry that focuses on the exploration and production of oil and natural gas
Working Capital Ratio:	The working capital ratio as the ratio of (i) current assets plus any undrawn availability under the facility to (ii) current liabilities less any amount drawn under the facilities. For the purposes of the covenant calculation, risk management contract assets and liabilities are excluded.
WI/ Working Interest:	a type of interest in an oil and gas property that obligates the holder thereof to bear and pay a portion of all the property's maintenance, development, and operational costs and expenses, without giving effect to any burdens applicable to the property

Abbreviation	Abbreviation meaning	Abbreviation	Abbreviation meaning
1P	proved reserves	**A$ or AUD**	Australian dollars
2P	proved plus Probable reserves	**C$ or CAD**	Canadian dollars
3P	proved plus Probable plus Possible reserves	**US$ or USD**	United states dollars
bbl or bbls	barrel of oil	**($ thousands)**	figures are divided by 1,000
boe	barrel of oil equivalent (1 bbl = 6 Mcf)	**($ 000s)**	figures are divided by 1,000
d	suffix – per day	**Q1**	first quarter ended March 31st
GJ	gigajoules	**Q2**	second quarter ended June 30th

mbbl	thousands of barrels	**Q3**	third quarter ended September 30th
mboe	thousands of barrels of oil equivalent	**Q4**	fourth quarter ended December 31st
Mcf	thousand cubic feet	**YTD**	year-to-date
MMcf	million cubic feet	**YE**	year-end
PDP	proved developed producing reserves	**H1**	six months ended June 30th
PUD	Proved Undeveloped Producing	**H2**	six months ended December 31st
C	Contingent Resources – 1C/2C/3C – low/most likely/high	**B**	Prefix – Billions
Net	Working Interest after Deduction of Royalty Interests	**MM**	Prefix - Millions
NPV (10)	Net Present Value (discount rate), before income tax	**M**	Prefix - Thousands
EUR	Estimated Ultimate Recovery per well	**/d**	Suffix – per day
WTI	West Texas Intermediate Oil Benchmark Price	**bbl**	Barrel of Oil
WCS	Western Canadian Select Oil Benchmark Price	**boe**	Barrel of Oil Equivalent (1bbl = 6 mscf)
1P or TP	Total Proved	**scf**	Standard Cubic Foot of Gas
2P or TPP	Total Proved plus Probable Reserves	**Bcf**	Billion Standard Cubic Foot of Gas
3P	Total Proved plus Probable plus Possible Reserves	**tCO_2**	Tonnes of Carbon Dioxide
EBITDA	Earnings before interest, tax, depreciation, depletion and amortisation	**OCF**	Operating Cash Flow, ex Capex
Net Acres	Working Interest	**E**	Estimate
IP24	The peak oil production rate over 24 hours of production	**CY**	Calendar Year
IP30/90	Average oil production rate over the first 30/90 days	**OOIP**	Original Oil in Place
WCS	Western Canada Select	**WTI**	West Texas Intermediate

QUARTERLY CASH FLOW REPORT (APPENDIX 5B)

MINING EXPLORATION ENTITY OR OIL AND GAS EXPLORATION ENTITY QUARTERLY CASH FLOW REPORT

NAME OF ENTITY

CALIMA ENERGY LIMITED

ABN	CURRENT QUARTER
17 117 227 086	31 December 2021

CONSOLIDATED STATEMENT OF CASH FLOWS			Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		19,814	47,713
1.2	Payments for			
	(a)	exploration & evaluation	-	-
	(b)	development	-	-
	(c)	production	(9,062)	(22,008)
	(d)	staff costs	(297)	(1,745)
	(e)	administration and corporate costs	(1,196)	(2,769)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		-	-
1.5	Interest and other costs of finance paid		(185)	(493)
1.6	Income taxes paid		-	-
1.7	Government grants and tax incentives		-	-
1.8	Other (losses on risk management contracts, foreign exchange losses, changes in non-cash working capital)		(1,680)	(4,174)
1.9	**Net cash from / (used in) operating activities**		**7,394**	**16,524**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities	-	(33,162)
	(b)	tenements	(286)	(951)
	(c)	property, plant and equipment	(10,731)	(25,879)
	(d)	exploration & evaluation	(33)	(58)
	(e)	investments	(107)	(107)
	(f)	other non-current assets	-	-
2.2	Proceeds from the disposal of:			
	(a)	entities	-	-
	(b)	tenements	-	-
	(c)	property, plant and equipment	-	-
	(d)	investments	-	-
	(e)	other non-current assets	-	-
2.3	Cash flows from loans to other entities		-	-
2.4	Dividends received (see note 3)		-	-
2.5	Other (changes in non-cash working capital)		1,421	6,816
2.6	**Net cash from / (used in) investing activities**		**(9,736)**	**(53,341)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	35	38,667
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(2,489)
3.5	Proceeds from borrowings	3,801	3,342

CONSOLIDATED STATEMENT OF CASH FLOWS		Current quarter $A'000	Year to date (12 months) $A'000
3.6	Net Repayment of borrowings	(56)	(1,090)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**3,780**	**38,430**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,921	1,697
4.2	Net cash from / (used in) operating activities (item 1.9 above)	7,394	16,524
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9,736)	(53,341)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,780	38,430
4.5	Effect of movement in exchange rates on cash held	4	53
4.6	**Cash and cash equivalents at end of period**	**3,363**	**3,363**

5.	**RECONCILIATION OF CASH AND CASH EQUIVALENTS** AT THE END OF THE QUARTER (AS SHOWN IN THE CONSOLIDATED STATEMENT OF CASH FLOWS) TO THE RELATED ITEMS IN THE ACCOUNTS	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	3,363	1,921
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**3,363**	**1,921**

6.	**PAYMENTS TO RELATED PARTIES OF THE ENTITY AND THEIR ASSOCIATES**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	162
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**FINANCING FACILITIES** *NOTE: THE TERM "FACILITY' INCLUDES ALL FORMS OF FINANCING ARRANGEMENTS AVAILABLE TO THE ENTITY.* *ADD NOTES AS NECESSARY FOR AN UNDERSTANDING OF THE SOURCES OF FINANCE AVAILABLE TO THE ENTITY.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	29,348	21,739
7.2	Credit standby arrangements (issued letters of credit)	-	150
7.3a	Other (working capital deficit, excluding cash)	-	9,164
7.3b	Other (long-term portion of lease liability)	265	265
7.4	**Total financing facilities**	29,613	31,318

7.5	**Unused financing facilities available at quarter end, excluding cash on hand**	**(1,705)**

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

As at 31 December 2021, the Calima Group held a C$27.0 million demand revolving credit facility with a Canadian chartered bank (the "Credit Facility"). A borrowing base review was completed during the fourth quarter of 2021 and, based on the Lenders' updated interpretation of the Company's reserves and future commodity prices, the Credit Facility was increased by 8%, or $2.0 million from the previous borrowing base of $25.0 million. The Credit Facility is scheduled for its next borrowing base review on or before 31 May 2022. Borrowings under the Credit Facility incur interest at a market-based interest rate plus an applicable margin which varies depending on Blackspur's net debt to cash flow ratio. Stamping fees are between 150 bps to 350 bps on Canadian bank prime borrowings and between 275 bps and 475 bps on Canadian dollar bankers' acceptances. Any undrawn portion of the demand facility is subject to a standby fee in the range of 20 bps to 45 bps. Security for the credit facility is provided by a C$150 million demand debenture. The Company's bank indebtedness does not have a specific maturity date as it is a demand facility. This means that the lender has the ability to demand repayment of all outstanding indebtedness or a portion thereof at any time. If that were to occur, the Company would be required to source alternative sources of capital or sell assets to repay the indebtedness.

The Calima Group's working capital deficit in the table above consists of the Company's accounts payable and accrued liabilities in excess of cash, accounts receivable and prepaid expenses and reflects the expected net cash outflows related to these instruments within the next 12 months. As at 31 December 2021, the Calima Group held outstanding trade payables and accrued liabilities in the amount of A$17.1 million with service providers in the normal course of business. Credit terms with counterparties are generally payable without penalty within 30-60 days. The Company recognised A$7.2 million accounts receivable primarily in respect of the Company's oil and gas sales. Revenue receipts are generally collectible within 30 days following the month of sale. The Company recognised A$0.8 million in prepaid expenses primarily in respect of normal-course operational activities. There is also an outstanding letter of credit issued and outstanding under the Credit Facility of $0.15 million.
The Calima Group's lease liability relates to the leasing of four storage tanks that service produced water and flowback at the Company's Montney exploration well sites in North-eastern BC. The four-year lease agreement commenced on January 1, 2020. The current portion of the lease liability is reflected within accounts payable and accrued liabilities.

8.	**ESTIMATED CASH AVAILABLE FOR FUTURE OPERATING ACTIVITIES**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	7,394
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(33)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	7,361
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,363
8.5	Unused finance facilities available at quarter end (item 7.5)	(1,705)
8.6	Total available funding (item 8.4 + item 8.5)	1,658
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	**N/A**

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

COMPLIANCE STATEMENT

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: ...31/01/2022...

Authorised by: ..The Board..
(Name of body or officer authorising release – see note 4)

NOTES

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

CALIMA ENERGY

APPENDIX A – SCHEDULE OF INTEREST IN TENEMENTS AS AT 31 DECEMBER 2021

Country	Lease name & number	Q4 update	Working interest
CANADA	CR PNG 0488120306	-	25%
CANADA	CR PNG 113922	-	100%
CANADA	FH PNG M077339 HERITAGE	-	100%
CANADA	FH PNG M077343 HERITAGE	-	50%
CANADA	CR PNG 0401070798	-	50%
CANADA	FH PNG M077354 HERITAGE	-	50%
CANADA	FH PNG M077355 HERITAGE	-	50%
CANADA	FH PNG M077362 HERITAGE	-	50%
CANADA	FH PNG M077365 HERITAGE	-	50%
CANADA	FH PNG M057552 HERITAGE	-	50%
CANADA	FH PNG M077369 HERITAGE	-	50%
CANADA	FH PNG M057230 HERITAGE	-	100%
CANADA	FH PNG M057231 HERITAGE	-	50%
CANADA	FH PNG M057228 HERITAGE	-	50%
CANADA	FH PNG M057229 HERITAGE	-	50%
CANADA	FH PNG M077379 HERITAGE	-	50%
CANADA	FH PNG M077381 HERITAGE	-	50%
CANADA	FH PNG M077383 HERITAGE	-	100%
CANADA	FH PNG M077384 HERITAGE	-	50%
CANADA	FH PNG M058621 HERITAGE	-	88%
CANADA	FH PNG M077385 HERITAGE	-	50%
CANADA	FH PNG M077387 HERITAGE	-	50%
CANADA	FH PNG M058439 HERITAGE	-	50%
CANADA	FH PNG M077388 HERITAGE	-	50%
CANADA	FH PET M083475 HERITAGE	-	75%
CANADA	FH PNG M057120 HERITAGE	-	0%
CANADA	FH PNG M057136 HERITAGE	-	0%
CANADA	FH PNG M064409 HERITAGE	-	0%
CANADA	CR PNG 0401110596	-	0%
CANADA	CR PNG 0489120182	-	100%
CANADA	CR PNG 6879A	-	100%
CANADA	CR PNG 5697A	-	100%
CANADA	FH PNG M087367 HERITAGE	-	100%
CANADA	CR PNG 0411110073	-	100%
CANADA	CR PNG 0411110085	-	100%
CANADA	CR PNG 0411110086	-	100%
CANADA	CR PNG 0412030144	-	100%
CANADA	FH PNG BENTLEY, CHERYL	-	100%
CANADA	FH PNG TKACHUK ET AL	-	100%
CANADA	FH PNG BENTLEY ET AL	-	100%
CANADA	CR PNG 0413080342	-	100%
CANADA	CR PNG 0413080343	-	100%
CANADA	CR PNG 0413120217	-	100%
CANADA	FH PNG BENTLEY, D.	-	100%
CANADA	FH PNG PEDERSON, V.	-	100%
CANADA	FH PNG JOHNSON, JO-ANNE	-	100%
CANADA	CR PNG 0404010158	-	100%
CANADA	CR PNG 0404010157	-	100%
CANADA	CR PNG 0414060022	-	100%
CANADA	CR PNG 0414070234	-	100%
CANADA	FH PNG M110518 HERITAGE	-	100%
CANADA	FH PNG M110083 HERITAGE	-	100%
CANADA	CR PNG 0499040052	-	81%
CANADA	CR PNG 0411090025	-	100%
CANADA	FH PNG M059623 HERITAGE	-	100%
CANADA	FH PET M200805 PRAIRIESKY	-	100%
CANADA	FH PET M201169 PRAIRIESKY	-	100%
CANADA	FH PET M201170 PRAIRIESKY	-	100%
CANADA	FH PET M201171 PRAIRIESKY	-	100%
CANADA	FH PET M201172 PRAIRIESKY	-	100%
CANADA	CR PNG 0479060095	-	20%
CANADA	CR PNG 0479060094	-	49%
CANADA	CR PNG 27346	-	20%
CANADA	CR PNG 4678	-	68%
CANADA	FH NG M115649 HERITAGE	-	100%
CANADA	FH PET M115657 HERITAGE	-	100%
CANADA	FH PET M115656 HERITAGE	-	100%
CANADA	CR PNG 124433	-	81%
CANADA	CR PNG 28705	-	81%
CANADA	CR PNG 121449	-	49%
CANADA	FH PNG M056870 HERITAGE	-	100%
CANADA	FH PNG M056871 HERITAGE	-	100%
CANADA	FH PNG M059315 HERITAGE	-	100%
CANADA	FH PNG M059316 HERITAGE	-	100%
CANADA	FH PNG M055940 HERITAGE	-	100%
CANADA	FH PNG M056875 HERITAGE	-	100%
CANADA	FH PNG M056876 HERITAGE	-	100%
CANADA	FH PNG M055910 HERITAGE	-	100%
CANADA	FH PNG M056877 HERITAGE	-	100%
CANADA	FH PNG M055912 HERITAGE	-	100%
CANADA	FH PNG M055911 HERITAGE	-	100%
CANADA	FH PNG M056878 HERITAGE	-	100%
CANADA	FH PNG M055915 HERITAGE	-	100%
CANADA	FH PNG M056879 HERITAGE	-	100%
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CANADA	CR PNG 0417040005	-	100%
CANADA	CR PNG 0417040006	-	100%
CANADA	CR PNG 0417040196	-	50%
CANADA	FH PNG HELM, JEFFREY	-	100%
CANADA	FH PNG HELM, CRAIG	-	100%
CANADA	CR PNG 0417050094	-	100%
CANADA	CR PNG 0417060132	-	100%
CANADA	CR PNG 0417060139	-	100%
CANADA	CR PNG 0496020408	-	45%
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CANADA	CR PNG 0417070139	-	100%
CANADA	CR PNG 0417070142	-	100%
CANADA	CR PNG 0417080003	-	100%
CANADA	CR PNG 0417080004	-	100%
CANADA	CR PNG 0417080005	-	100%
CANADA	CR PNG 0417080006	-	100%
CANADA	FH PET M118153 HERITAGE	-	100%
CANADA	FH PET M117918 HERITAGE	-	100%
CANADA	FH PET M118154 HERITAGE	-	100%
CANADA	FH PET M118155 HERITAGE	-	100%
CANADA	FH PET M117917 HERITAGE	-	100%
CANADA	CR PNG 0417090049	-	50%
CANADA	CR PNG 0417090098	-	100%
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CANADA	CR PNG 0417090164	-	100%
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CANADA	CR PNG 0417100064	-	100%
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CANADA	FH PET M120054 HERITAGE	-	100%
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CANADA	CR PNG 0417120042	-	100%
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CANADA	CR PNG 0417120165	-	100%
CANADA	CR PNG 0417120166	-	100%
CANADA	FH PNG GRITZFELDT, J & J	-	100%
CANADA	FH PNG KELSEY, CLIFFORD	-	100%
CANADA	FH PNG KELSEY, CLIFFORD	-	100%
CANADA	FH PNG OLSON, VIRGINIA	-	100%
CANADA	FH PNG OLSON, VIRGINIA	-	100%
CANADA	CR PNG 0417090160	-	100%
CANADA	CR PNG 0418040094	-	100%
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CANADA	CR PNG 0418080188	-	50%
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CANADA	CR PNG 0418100101	-	100%
CANADA	FH PNG WURBAN ET AL	-	100%
CANADA	FH PNG WURBAN, LAWRENCE	-	100%
CANADA	FH PNG WURBAN, KENNETH	-	100%
CANADA	CR PNG 0419010050	-	100%
CANADA	CR PNG 0419010051	-	100%
CANADA	CR PNG 0419010053	-	50%
CANADA	FH PNG FORTIER ET AL	-	100%
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CANADA	FH PET M121566 HERITAGE	-	100%
CANADA	FH PET M121567 HERITAGE	-	100%
CANADA	FH PET M121568 HERITAGE	-	100%
CANADA	FH PET M121569 HERITAGE	-	100%
CANADA	FH PET M121570 HERITAGE	-	100%
CANADA	FH PET M121571 HERITAGE	-	100%
CANADA	FH PET M121572 HERITAGE	-	100%
CANADA	FH PET M121573 HERITAGE	-	100%
CANADA	FH PET M121574 HERITAGE	-	100%
CANADA	FH PET M121575 HERITAGE	-	100%
CANADA	FH PET M121576 HERITAGE	-	100%

Country	Lease name & number	Q4 update	Working interest
CANADA	FH PNG M055916 HERITAGE	-	100%
CANADA	FH PNG M056880 HERITAGE	-	50%
CANADA	FH PNG M056881 HERITAGE	-	50%
CANADA	FH PNG M056883 HERITAGE	-	100%
CANADA	FH PNG M056882 HERITAGE	-	100%
CANADA	FH PNG M056884 HERITAGE	-	100%
CANADA	FH PNG M059251 HERITAGE	-	50%
CANADA	FH PNG M060433 HERITAGE	-	50%
CANADA	FH PNG M056886 HERITAGE	-	100%
CANADA	FH PNG M055922 HERITAGE	-	100%
CANADA	FH PNG M060434 HERITAGE	-	50%
CANADA	FH PNG M059253 HERITAGE	-	50%
CANADA	FH PNG M059255 HERITAGE	-	50%
CANADA	FH PNG M059252 HERITAGE	-	50%
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CANADA	FH PNG M060437 HERITAGE	-	50%
CANADA	CR PNG 2543	-	50%
CANADA	FH PNG M059749 HERITAGE	-	50%
CANADA	FH PNG M060439 HERITAGE	-	50%
CANADA	FH PNG M059566 HERITAGE	-	50%
CANADA	FH PNG M060449 HERITAGE	-	50%
CANADA	FH PNG M056993 HERITAGE	-	100%
CANADA	FH PNG M059767 HERITAGE	-	55%
CANADA	FH PNG M060452 HERITAGE	-	50%
CANADA	FH PNG M059570 HERITAGE	-	50%
CANADA	FH PNG M060429 HERITAGE	-	50%
CANADA	FH PNG M059574 HERITAGE	-	50%
CANADA	FH PNG CANPAR	-	100%
CANADA	FH PET M115852 HERITAGE	-	50%
CANADA	FH PET M115854 HERITAGE	-	50%
CANADA	FH PNG NORRIS, PAUL J.	-	50%
CANADA	FH PNG SCHAFER, S.	-	50%
CANADA	FH PNG GAAL, B.	-	50%
CANADA	FH PNG JOHN WISE ESTATE	-	50%
CANADA	CR PNG 13796	-	50%
CANADA	FH PNG NORRIS ET AL	-	50%
CANADA	FH PNG NORRIS ET AL	-	50%
CANADA	FH PNG COVEY, W.	-	50%
CANADA	CR PNG 13803	-	50%
CANADA	CR PNG 13797	-	50%
CANADA	CR PNG 29277	-	50%
CANADA	CR PNG 105092	-	50%
CANADA	CR PNG 31715	-	50%
CANADA	CR PNG 1711	-	50%
CANADA	CR PNG 29278	-	50%
CANADA	CR PNG 0483120063	-	50%
CANADA	FH PET M114737 HERITAGE	-	100%
CANADA	FH NG M114992 HERITAGE	-	50%
CANADA	FH PET M115006 HERITAGE	-	50%
CANADA	FH PET M115008 HERITAGE	-	50%
CANADA	FH PET M115010 HERITAGE	-	50%
CANADA	FH PET M115012 HERITAGE	-	50%
CANADA	FH PET M115088 HERITAGE	-	50%
CANADA	FH PET M115550 HERITAGE	-	100%
CANADA	FH PET M115552 HERITAGE	-	100%
CANADA	FH NG M115620 HERITAGE	-	100%
CANADA	FH PET M115359 HERITAGE	-	100%
CANADA	CR PNG 0404050040	-	100%
CANADA	FH PET M207756 PRAIRIESKY	-	100%
CANADA	FH PET M207757 PRAIRIESKY	-	100%
CANADA	FH PET M207758 PRAIRIESKY	-	100%
CANADA	FH PET M207759 PRAIRIESKY	-	100%
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CANADA	CR PNG 0415070079	-	50%
CANADA	CR PNG 0415100024	-	100%
CANADA	FH PET M117777 HERITAGE	-	100%
CANADA	FH PET M117778 HERITAGE	-	100%
CANADA	FH PET M117779 HERITAGE	-	100%
CANADA	FH PET M117783 HERITAGE	-	100%
CANADA	FH PNG DOOL, DAVID	-	100%
CANADA	CR PNG 0415110019	-	100%
CANADA	CR PNG 0487060126	-	50%
CANADA	CR PNG 0413080292	-	100%
CANADA	CR PNG 0490030039	-	100%
CANADA	CR PNG 0490030038	-	77%
CANADA	CR PNG 2544	-	77%
CANADA	FH PET M220458 PRAIRIESKY	-	100%
CANADA	FH PET M220457 PRAIRIESKY	-	100%
CANADA	FH PET M220456 PRAIRIESKY	-	100%
CANADA	FH PET M220455 PRAIRIESKY	-	100%
CANADA	FH PET M220453 PRAIRIESKY	-	100%
CANADA	CR PNG 0480070319	-	100%
CANADA	CR PNG 0493120104	-	100%
CANADA	CR PNG 0416080025	-	50%
CANADA	CR PNG 0416090101	-	100%
CANADA	CR PNG 0413120218	-	100%
CANADA	CR PNG 0413120219	-	100%

Country	Lease name & number	Q4 update	Working interest
CANADA	FH PET M121577 HERITAGE	-	100%
CANADA	FH PET M121587 HERITAGE	-	100%
CANADA	FH PET M121586 HERITAGE	-	100%
CANADA	FH PET M202676 HERITAGE	-	100%
CANADA	FH PET M203053 HERITAGE	-	100%
CANADA	CR PNG 0404050038	-	100%
CANADA	CR PNG 0418050149	-	100%
CANADA	CR PNG 0418010031	-	100%
CANADA	CR PNG 0418100105	-	100%
CANADA	CR PNG 0418080191	-	100%
CANADA	CR PNG 0419010054	-	100%
CANADA	CR PNG 0418050150	-	100%
CANADA	CR PNG 0417080122	-	100%
CANADA	CR PNG 0418010032	-	100%
CANADA	FH NG M121990 HERITAGE	-	100%
CANADA	FH PET M121991 HERITAGE	-	100%
CANADA	CR PNG 0419090100	-	100%
CANADA	CR PNG 0419090124	-	100%
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CANADA	FH PET M122147 HERITAGE	-	100%
CANADA	FH PET M122148 HERITAGE	-	100%
CANADA	CR PNG 0419120098	-	50%
CANADA	FH PET M121624 HERITAGE	-	100%
CANADA	FH PET M121623 HERITAGE	-	100%
CANADA	CR PNG 0420020014	-	50%
CANADA	FH PET M122657 HERITAGE	-	100%
CANADA	FH PET PRAIRIESKY	-	50%
CANADA	FH PET PRAIRIESKY	-	50%
CANADA	FH PET PRAIRIESKY	-	50%
CANADA	FH PET PRAIRIESKY	-	50%
CANADA	FH PET PRAIRIESKY	-	50%
CANADA	FH PET PRAIRIESKY	-	50%
CANADA	FH PNG FUHR ET AL	-	50%
CANADA	FH PNG FUHR, DARRYL	-	50%
CANADA	CR PNG 0421050026	-	100%
CANADA	CR PNG 0421070003	-	100%
CANADA	CR PNG 0421070004	-	100%
CANADA	CR PNG 0421070018	-	100%
CANADA	CR PNG 0421070022	-	100%
CANADA	FH NG M235624 PRAIRIESKY	-	100%
CANADA	FH PET M235625 PRAIRIESKY	-	100%
CANADA	FH PET M235626 PRAIRIESKY	-	100%
CANADA	FH PET M235627 PRAIRIESKY	-	100%
CANADA	FH PET M235628 PRAIRIESKY	-	100%
CANADA	FH PET M123889 HERITAGE	-	100%
CANADA	FH PET M123890 HERITAGE	-	100%
CANADA	FH PET M123891 HERITAGE	-	100%
CANADA	FH PET M123892 HERITAGE	-	100%
CANADA	FH PET M123893 HERITAGE	-	100%
CANADA	FH PET M123894 HERITAGE	-	100%
CANADA	FH PET M123895 HERITAGE	-	100%
CANADA	FH PET M123896 HERITAGE	-	100%
CANADA	FH PET M123897 HERITAGE	-	100%
CANADA	FH PET M123898 HERITAGE	-	100%
CANADA	FH PET M123899 HERITAGE	-	100%
CANADA	FH PET M123900 HERITAGE	-	100%
CANADA	FH PET M123901 HERITAGE	-	100%
CANADA	FH PET M123902 HERITAGE	-	100%
CANADA	FH PET M123903 HERITAGE	-	100%
CANADA	FH PET M123904 HERITAGE	-	100%
CANADA	FH PNG CAMERON ET AL	-	50%
CANADA	FH PNG DAVIDSON, D & M	-	50%
CANADA	FH PNG OSLUND ET AL	-	50%
CANADA	CR PNG 0421090068	-	100%
CANADA	CR PNG 0421090086	-	100%
CANADA	CR PNG 0413030007	Added in Q4	0%
CANADA	CR PNG 0421100007	Added in Q4	100%
CANADA	CR PNG 0421100016	Added in Q4	100%
CANADA	CR PNG 0421100017	Added in Q4	100%
CANADA	FH NG M124346 HERITAGE	Added in Q4	100%
CANADA	FH NG M HERITAGE	Added in Q4	100%
CANADA	FH NG M124757 HERITAGE	Added in Q4	100%
CANADA	CR PNG 65101	-	100%
CANADA	CR DRILL LIC 66255	-	100%
CANADA	CR DRILL LIC 66256	-	100%
CANADA	CR DRILL LIC 66312	-	100%
CANADA	CR DRILL LIC 66313	-	100%
CANADA	CR DRILL LIC 66338	-	100%
CANADA	CR DRILL LIC 66386	-	100%
CANADA	CR DRILL LIC 66419	-	100%
CANADA	CR DRILL LIC 66420	-	100%
CANADA	CR DRILL LIC 66421	-	100%
CANADA	CR DRILL LIC 66422	-	100%
CANADA	CR DRILL LIC 66441	-	100%
CANADA	CR DRILL LIC 66442	-	100%
CANADA	CR DRILL LIC 66443	-	100%
CANADA	CR DRILL LIC 66479	-	100%

Country	Lease name & number	Q4 update	Working interest
CANADA	FH PET M118341 HERITAGE	-	100%
CANADA	FH PET M118342 HERITAGE	-	100%
CANADA	FH PET M118347 HERITAGE	-	100%
CANADA	FH PET M118348 HERITAGE	-	100%
CANADA	FH PET M118353 HERITAGE	-	100%
CANADA	FH PET M118356 HERITAGE	-	100%
CANADA	FH PET M118358 HERITAGE	-	100%
CANADA	FH PET M118359 HERITAGE	-	100%
CANADA	FH PET M118370 HERITAGE	-	100%
CANADA	FH PET M118371 HERITAGE	-	100%
CANADA	FH PET M118372 HERITAGE	-	100%
CANADA	FH PET M118373 HERITAGE	-	100%
CANADA	FH PET M118374 HERITAGE	-	100%
CANADA	FH PET M118375 HERITAGE	-	100%
CANADA	FH PET M118376 HERITAGE	-	100%
CANADA	FH PET M202723 HERITAGE	-	100%
CANADA	FH PET M201227 HERITAGE	-	100%
CANADA	FH PET M201223 HERITAGE	-	100%
CANADA	FH PET M201225 HERITAGE	-	100%
CANADA	FH PET M201221 HERITAGE	-	100%
CANADA	FH PET M201222 HERITAGE	-	100%
CANADA	FH PET M201026 HERITAGE	-	100%
CANADA	FH PET M201010 HERITAGE	-	100%
CANADA	FH PET M201015 HERITAGE	-	100%
CANADA	FH PET M201016 HERITAGE	-	100%
CANADA	FH PET M200640 HERITAGE	-	100%
CANADA	CR PNG 0417010014	-	100%
CANADA	CR PNG 0417010017	-	100%
CANADA	CR PNG 0417010018	-	100%
CANADA	CR PNG 0417010152	-	100%
CANADA	CR PNG 0417020014	-	100%
CANADA	CR PNG 0417020016	-	100%
CANADA	FH PNG GODKIN ET AL	-	100%
CANADA	FH PNG SPROWL ET AL	-	100%
CANADA	FH PNG WATKINS ET AL	-	100%
CANADA	FH PNG WURBAN, FRANCES	-	100%
CANADA	CR PNG 0417030006	-	100%
CANADA	CR PNG 0417030109	-	100%
CANADA	CR PNG 0417030155	-	100%
CANADA	CR PNG 0417030156	-	100%
CANADA	CR PNG 0417030158	-	100%
CANADA	CR PNG 0417030159	-	50%
CANADA	CR DRILL LIC 66480	-	100%
CANADA	CR DRILL LIC 66481	-	100%
CANADA	CR DRILL LIC 66515	-	100%
CANADA	CR DRILL LIC 66550	-	100%
CANADA	CR DRILL LIC 66581	-	100%
CANADA	CR PNG 67035	-	100%
CANADA	CR PNG 67036	-	100%
CANADA	CR PNG 67042	-	100%
CANADA	CR PNG 67043	-	100%
CANADA	CR PNG 67044	-	100%
CANADA	CR PNG 67045	-	100%
CANADA	CR PNG 67046	-	100%
CANADA	CR PNG 67047	-	100%
CANADA	CR PNG 67048	-	100%
CANADA	CR PNG 67049	-	100%
CANADA	CR PNG 67050	-	100%
CANADA	CR PNG 67026	-	100%
CANADA	CR PNG 67027	-	100%
CANADA	CR PNG 67028	-	100%
CANADA	CR PNG 67029	-	100%
CANADA	CR PNG 67031	-	100%
CANADA	CR PNG 67030	-	100%
CANADA	CR PNG 67032	-	100%
CANADA	CR PNG 67033	-	100%
CANADA	CR PNG 67034	-	100%
CANADA	CR PNG 0416090101	**Expired in Q4**	100%
CANADA	CR PNG 0411090027	**Expired in Q4**	100%
CANADA	FH NG M114717 HERITAGE	**Expired in Q4**	100%
CANADA	FH NG M115531 HERITAGE	**Expired in Q4**	100%
CANADA	FH PET M115549 HERITAGE	**Expired in Q4**	100%
CANADA	FH PET M115551 HERITAGE	**Expired in Q4**	100%
CANADA	FH PET M115643 HERITAGE	**Expired in Q4**	100%
CANADA	FH PET M115644 HERITAGE	**Expired in Q4**	100%
CANADA	FH PET M115358 HERITAGE	**Expired in Q4**	100%
CANADA	CR PNG 0416110119	**Expired in Q4**	100%
CANADA	FH PET M223542 PRAIRIESKY	**Expired in Q4**	100%
CANADA	CR PNG 0414100019	**Expired in Q4**	100%
WESTERN SAHARA	DAORA		50%
WESTERN SAHARA	HAOUZA		50%
WESTERN SAHARA	MAHBES		50%
WESTERN SAHARA	MIJEK		50%