

## June 2023 Quarterly Activities & Cash Flow Report

ASX Code: CE1 OTCQB: CLMEF

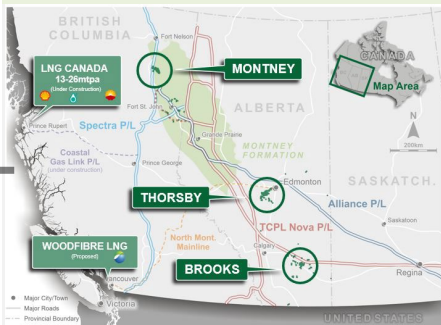
Calima Energy Limited (ASX: CE1) ("Calima" or "the Company") is a Canadian production-focused energy company developing its oil plays at Brooks and Thorsby in southern and central Alberta and with a significant undeveloped Montney acreage position at Tommy Lakes in NE British Columbia. Calima is dedicated to responsible corporate practices, and places high value on adhering to strong Environmental, Social and Governance ("ESG") principles.

### Directors

Karl DeMong (Managing Director)  
Glenn Whiddon (Executive Chairman)  
Mark Freeman (Finance Director)  
P.L. Tetley (NED)

### Capital Structure

ASX Code	CE1
Share Price	9 cents
Shares	613 million
Market Cap	A\$55.1 million
<b>Options</b>	
20c exp 2024-2026	15.8 m
15c exp 2024-2025	2.5 m
Performance S/h	27.27 m



### Quarterly Zoom Webinar – Investor Call

2nd August @ 9:00 am (AWST)  
Register here – <https://tinyurl.com/34hyjft>

## HIGHLIGHTS

A\$ million (except where noted)	Q2 2023
Production (boe)	377,826
Average Daily Production (boe/d)	4,152
Revenue (\$ million)	\$22.7
Operating Costs (\$ million)	(\$15.7)
Realized Hedge Loss (\$ million)	(\$0.3)
Earnings (before amortisation) (\$ million)	\$6.7
Net Debt at 30 March	13.9
Net Creditor reductions	(7.8)
Net Debt at 30 June <sup>1</sup>	6.1

1. A\$3.76m relates to the Pivotal pipeline loan

### Corporate

- **Asset Sale Activity** – During the quarter the Company received 3 unsolicited non-binding offers for acquisition of certain assets. Final terms could not be agreed. The Company anticipates additional offers and remains pleased with the interest in the performance of our assets.
- **Net Debt Reductions** – Positive cashflow from operations of ~\$6.7m and reduced capital expenditure enabled a significant reduction of net debt by over \$7.8m for the quarter. Including the Pivotal Loan facility (~A\$3.7m) the Company has successfully achieved its lowest net debt position of \$6.1m in a low oil price environment.
- **Less than Marketable Parcels (LMPS)** – The Company has offered a sale facility for small shareholders to assist with reducing significant administrative costs.
- **Capital Returns** - The Directors have resolved to undertake a distribution to shareholders of A\$5 million for 2023, ~10% yield. The distribution will be completed over 2 payments with the expectation that the first payment of \$3m to occur in September 2023 (following completion of the LMPS process) and the second payment in January 2024.
- **Management Changes** - Mr Karl DeMong appointed as Managing Director & CEO of Blackspur to replace Jordan Kevel who left the Company. Mr. Graham Veale promoted to Chief Operating Officer.

### Operating Results

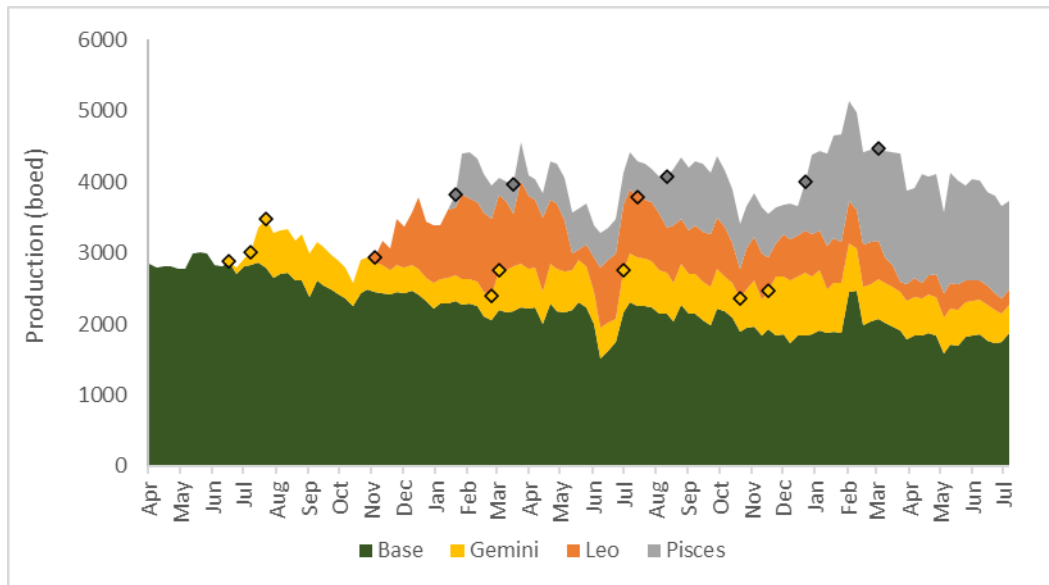
- **Production** – Q2 2023 quarterly production was **377,826 boe** (gross) with daily production averaging ~**4,152 boe/d** (~62% oil and liquids).
- **Quarterly sales and earnings** – Oil and natural gas sales grossed **A\$22.7 million** and delivering Adjusted EBTDA of **\$7 million**.
- **Energy Prices** – In Q2, the benchmark price for energy prices averaged:
  - **US\$71.82/bbl WTI** (down 5% from Q1)
  - **US\$14.87/bbl WCS differential significantly improved** (40% better than Q1)
  - **C\$2.31/GJ AECO** (down 24% from Q1)
- **Hedging** – The Company experienced a small hedge loss in Q2 2023. 3-way collars are in place in Q3 2023 (details below).

### Capital Programs

- **J2J Waterflood** - Production increased from **170 to 300 bo/d**. Several wells had pump changes to increase fluid lifting capability as the pressure in the pool continues to respond positively to the water flood.
- **Q2 Drilling / Recompletion Programs** - no drilling or completion projects occurred in the quarter, with minimal capital spending on recompletions/workovers
- **3 Well Brooks Q3 and Q4 drilling campaign** - Expected to commence in mid-September with 1<sup>st</sup> production early November. Management focused on low capex spend down whilst maintaining production levels at 3,800-4,000 boe/d until new production occurs.
- **Abandonment program** – to commence Q3 to take advantage of the summer weather to maximize the amount of field work completed for the required mandatory closure spend.

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## KEY PERFORMANCE METRICS AND OUTLOOK



The following table summarises key financial and operating highlights associated with the Company's financial performance for the periods indicated and the forecasted budget for Q2 2023.

	Q2 23	Q3 23
<b>Production Sales</b>		
Oil (bbl)	222,006	756,789
Natural gas (Mcf)	872,184	756,789
Natural gas liquids (bbl)	10,456	10,179
Sales volumes (gross boe)	377,826	352,335
Sales volumes (boe/d)	4,152	3,830
Liquids percentage	62%	64%
<b>Financial (A\$ million)</b>		
Sales Revenue	\$22.7	\$22.1
Royalties	(4.9)	(5.1)
Operating Costs	(8.8)	(7.9)
G&A and Interest	(1.3)	(1.4)
<b>Adjusted EBTDA</b>	<b>7.0</b>	<b>7.7</b>
Realized Hedge Gains (Losses)	(0.3)	(0.2)
<b>Cash Flow from Operations</b>	<b>6.7</b>	<b>7.5</b>
Capital Expenditures	(7.6) <sup>1</sup>	(4.5)
<b>Free Cash Flow</b>	<b>(0.8)</b>	<b>3.7</b>
Free Cash Flow without Hedge Gains/Losses	(0.5)	3.5
<b>Capital Distribution</b>	-	(3.0)
<b>Realised Commodity/FX prices (AUD)</b>		
Oil (A\$/bbl)	87.96	87.05
Natural gas (A\$/Mcf)	2.91	2.61
AUD / CAD	0.91	0.88

### Notes to financial forecast

1. Whilst minimal capital activity occurred the Company paid down creditors primarily from capital projects in prior quarter.
2. Calima is funding development from production revenue and periodic drawdowns from the revolving credit facility
3. The Company expects sustaining annualized capital expenditure (the amount necessary to maintain production) to be approximately \$A25-\$35 million, with a majority of expenditure in the later part of the year.
4. Calima has tax pools of ~C\$124.7 million that can be offset against Brooks and Thorsby net revenue, accordingly taxes have not been reflected in the above analysis.

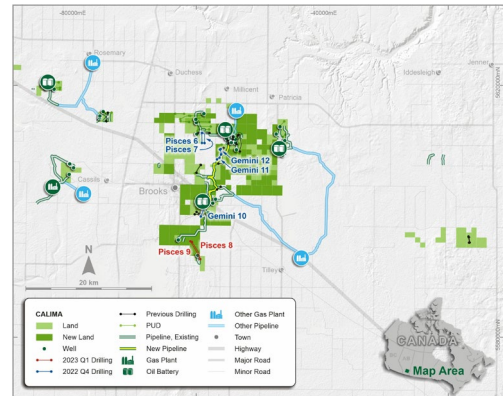
## EXPLORATION AND DEVELOPMENT UPDATE

The following table summarises the Company's 2023 drilling program through June:

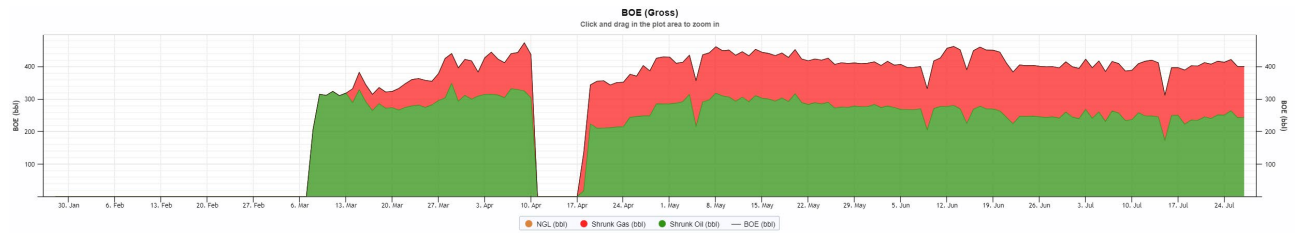
Area	Well name & unique location identifier	Target formation	Spud Date	Drill days	Lateral length (m)	On Production	Status
Brooks	Pisces #8 – 02/05-03-18-14W4	Glauconitic	06/01/23	13	2,744	14/03/23	Producing
Brooks	Pisces #9 – 03/05-03-18-14W4	Glauconitic	19/01/23	16	2,633	14/03/23	Producing

### Development Programs

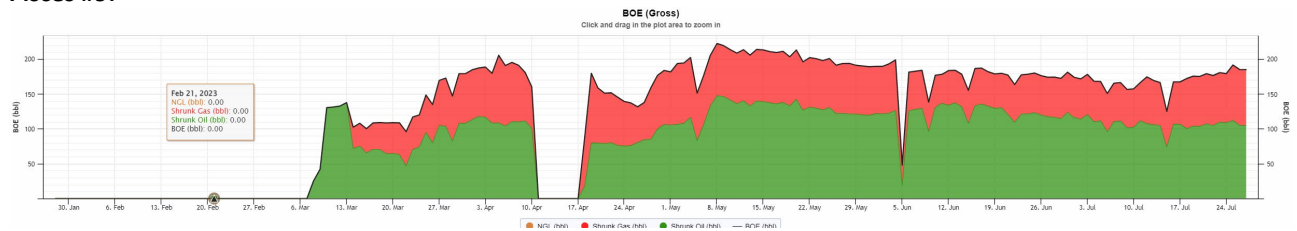
- 2 Well Pisces #8 & #9 (100% WI) Program** - Both wells were a follow-up to a successful Glauconitic Formation horizontal well (the "12-23 well") drilled in 2020. The wells were drilled, completed and tied-in late in the first quarter of 2023 with most of the production from these wells coming on in the June quarter. Pisces #8 and #9 were ~22% longer and had 15 additional fracs each, compared to the 12-23 well, resulting in higher production. Production graphs for the wells are shown below, with the wells achieving IP(90) production above type curve by 15%.



**Pisces #8:**



**Pisces #9:**



**Waterflood Expansion J2J Pool** – We are very pleased with the results of the waterflood during the last quarter as depicted in the graph below. Oil production has increased, from 170 to 300 bbl/d of oil, thanks to a continued focus on the instantaneous voidage replacement (VRR) which approached 1.9 by the end of the quarter. VRR is a critical metric throughout the waterflood's lifespan, signifying the amount of produced oil, gas, and water replenished by injected water. To sustain a healthy operation, it is essential to replace at least the volume of oil, gas, and water produced, resulting in a VRR of 1.

The Company plans to continue to re-pressurize the reservoir and subsequently maintain its pressure. In the initial stages of the waterflood, the goal was to attain a VRR greater than one. When VRR is greater than 1 the pressure in the pool increases, when it is less than 1 the pressure decreases. Generally, the greater the pressure the greater the amount of fluid inflow into the wells, which is what occurred causing increasing fluid levels and pressure in the south half of the pool. This led to 4 wells being optimized via pump changes from insert pumps to progressive cavity pumps to increase total fluid rates and subsequently, higher oil production. Management is evaluating the conversion of an additional injector in the north half of the pool to start injecting additional water in Q4 2023.

The waterflood operations commenced in 2020 and with continued waterflood optimisation the asset is anticipated to continue to provide consistent long term cash flow with minimal decline and substantial reserves.

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## Q2 PRODUCTION UPDATE

Production for the June quarter is consistent with management's expectation at 4,152 boe/d. Despite lower energy prices the Company generated ~\$22.7 million in revenue.

WCS/WTI price differentials have improved by 40% over Q1 2023. WTI has now risen above US\$80 per barrel and the WCS differential fallen to ~US\$14, which is very promising for the remainder of the year.

## HEDGING AND COMMODITY PRICING COMMENTARY

The Company has implemented a hedging policy that provides both exposure to upside and protection from downside oil price movements in the form of a put-call collar, topping up our coverage for Q2 2023 and Q3 2023. Currently the Company only has limited hedges in place, expecting an increase in WTI which we have seen recently. The average collars implemented for the third quarter of 2023 are set out as below with US\$3.50/bbl premiums payable monthly on settled barrels:

Contract	Reference	Term	Volumes (bbl/day)	Sold Call \$US/bbl	Bought Put \$US/bbl	Sold Put \$US/bbls
Three-way Collar	US NYMEX - WTI	Jul. 2023 – Sept. 2023	100	60.00	80.00	105.25
Three-way Collar	US NYMEX - WTI	Jul. 2023 – Sept. 2023	250	55.00	75.00	99.85
Three-way Collar	US NYMEX - WTI	Jul. 2023 – Sept. 2023	150	60.00	80.00	111.30

The Company has also entered into the following WCS basis swap contracts for Q3 2023:

Contract	Reference	Term	Volumes (bbl/day)	Price per Unit (US\$/Unit)
Swap	US NGX OIL-WCS-BLENDED	Jul. 2023 – Sept. 2023	100	(21.40)
Swap	US NGX OIL-WCS-BLENDED	Jul. 2023 – Sept. 2023	150	(17.20)
Swap	US NGX OIL-WCS-BLENDED	Jul. 2023 – Sept. 2023	250	(15.35)

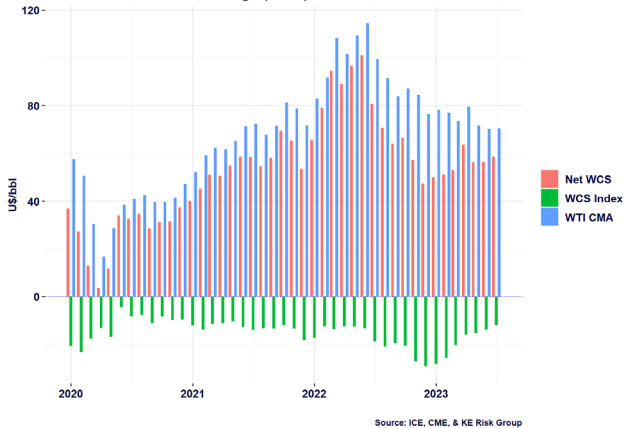
## WCS Energy Price Market Commentary

The Western Canadian Select (WCS) heavy oil blend markets have seen significant improvement since the beginning of the year, though there has been some recent weakness. Nonetheless, they are currently trading close to the middle of the recent trading ranges (reflecting a 40% premium). Among various crude blends, Blackspur's oil production closely tracks WCS pricing, while in Brooks, the Company usually receives a premium price, and in Thorsby, a discount to WCS prices.

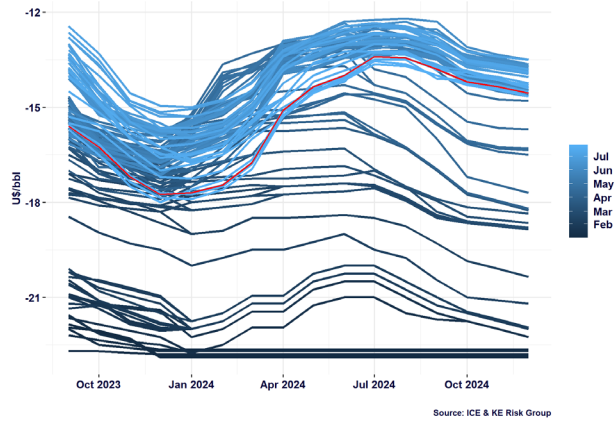
In 2023, there has been reasonably strong demand for WCS, mainly due to supportive refinery demand in PADD 2 (midwest US) and PADD 3 (Gulf Coast US). This demand is driven by the need for bottom-of-the-barrel products like residual fuel oil, expectations of refilling the U.S. Strategic Petroleum Reserve, and reduced imports of Maya in the U.S. Gulf Coast because of increased refining capacity in Mexico.

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Historical WCS Hardisty & WTI CMA Monthly Prices  
WTI Calendar Month Average (CMA), WCS Index, & Net WCS Prices



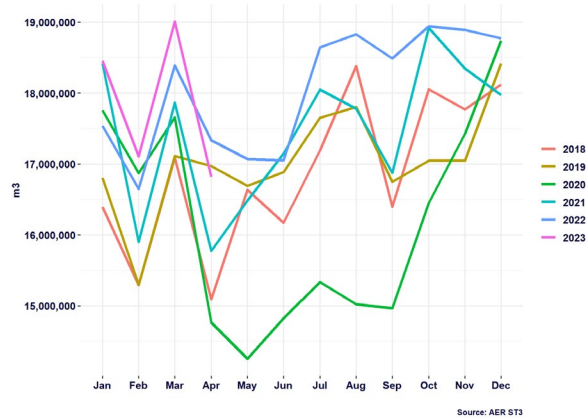
WCS Hardisty (ICE TMW) Change in the Forward Curve Since Jan 2023  
Red line is the current forward curve



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The Trans Mountain expansion (TMX) will add 590,000 barrels per day of additional export capacity, mostly consisting of heavy oil. The TMX project is expected to be mechanically complete by Q4 of 2023 and fully operational in Q1 of 2025. Western Canadian oil production has increased but is not expected to fill the TMX expansion. This increase in export capacity is anticipated to continue to outpace available supply, which should positively impact WCS price differentials for the foreseeable future. The price spread between WCS in Houston and in Hardisty, Alberta, Canada still covers the cost of pipeline tolls, but TMX expansion is expected to result in excess pipeline capacity and tighter spreads. The price spread (difference) between heavy oil FOB the USGC and Hardisty is below the cost of transportation either by rail or pipeline.

Alberta Oil Production

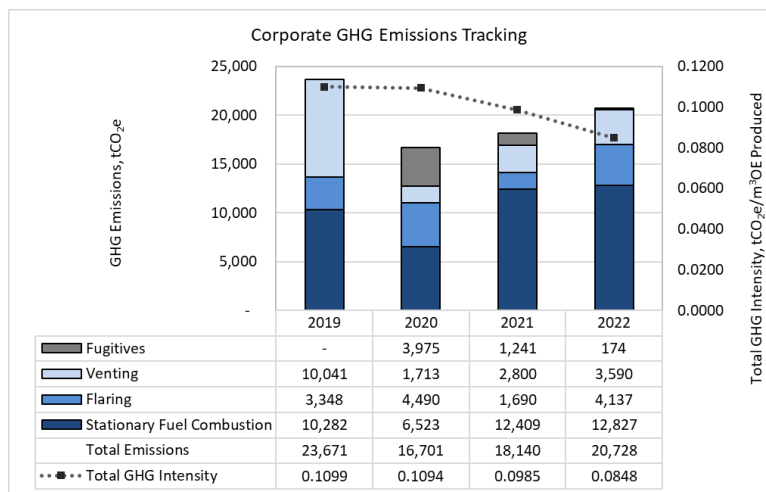


Continuing with a positive outlook, WCS is settling tighter than the forward curve. Although there has been recent weakening in WCS at Hardisty, it is still trading close to the top of the recent trading ranges. Looking ahead, the forward markets for WCS Hardisty are pricing in seasonal weakness for Q4/23 and tighter differentials due to the TMX expansion.

## Environmental, Social and Governance (“ESG”)

Health, safety, and environment (HSE) continues to be a priority for the Company, and we are proud to achieve another straight quarter of no employee downtime from injury or event. Further, there were no reportable spills in the quarter or year to date.

During the quarter the Company completed its annual emissions reporting for the 2022 calendar year. In 2022 the Company generated 1,815 carbon offset credits up from 712 in 2021 via emissions reduction initiatives. The Company also achieved smaller than forecasted emissions intensity per unit production resulting in a positive accrual adjustment to the balance sheet.



The 2023 annual mandatory closure target under the Alberta Energy Regulator’s (AER) new Licensee Management Program is C\$720,000. The Company plans to undertake most of this work in the North American summer.



Year-to-date the Company supported the following community organizations; Dutchess Minor Hockey, Thorsby Haymaker Rodeo, and Southern Alberta Chaos Jr Lacrosse Team.

## Corporate

### Sales Process

During the quarter the Company received 3 unsolicited non-binding offers for acquisition of certain assets. As a result a voluntary suspension was put in place but unfortunately final terms could not be agreed with the one party that received exclusivity. The Company anticipates additional offers and remains pleased with the interest in the performance of our assets.

The Canadian entities that submitted bids at a material premium to the Company's current market valuation. These entities identified the substantial disconnect between the valuations attributable to Calima on the ASX and those peer group companies trading on the TSX. Whilst Calima trades at ~1.5x earnings ratio, similar Canadian companies are trading at 2.5 – 3.5x earnings.

Based on interest to date, the Company anticipates additional inbound approaches for the assets, however the current focus of the Board and Management is to optimize the reserve base, revenue and operating profits so as to narrow the valuation gap between Canadian E&Ps and Calima; thereby maximizing value creation for stakeholders. Should a transaction occur in the future, the Company's intention is to reward shareholders via a distribution of proceeds from the asset sale.

### Shareholder Returns

Q2 quarter focussed its operations on debt reduction and maintaining production. Minimal capital spend was incurred and overall net debt was reduced to its lowest point at \$6m, an overall reduction of \$7.8m for the quarter. Net debt of \$6m includes A\$3.76m Pivotal term loan associated with the pipeline expansion that has provided considerable cost savings in a rising cost environment over the last 18 months.

The Board is pleased to inform Shareholders a total capital return of A\$5 million for the year 2023 has been approved. This reflects an approximate 10% yield and demonstrates our commitment to delivering strong returns to shareholders.

The returns will be completed over two payments, with the first payment of \$3 million expected to occur in September 2023 and the second \$2 million payment in January 2024. We understand the importance of timely and consistent returns to our shareholders, and we are committed to maintaining this standard of excellence. The return has been delayed in order for the Company to complete its less than a marketable parcel sale process. Tax advice has confirmed that the return can be completed as a capital return.

### Management Changes

Calima is pleased to confirm that Mr Karl DeMong was appointed as President and CEO of Blackspur Oil Corp effective 28 July 2023 following the resignation of Mr Jordan Kevol.

Calima is also pleased to announce the **promotion of Graham Veale** to the position of **COO of Blackspur Oil Corp** and the appointment of **Mr Rod Monden as CFO**. Mr. Veale was previously the VP of Engineering and a key member of the management team since inception and instrumental in the growth and maturity of the business over this period.

Mr. Monden is a chartered professional account with 25 years of senior progressive financial experience in the energy sector, holding such positions as Manager Financial Reporting, Controller, VP Finance and CFO, with private and publicly reported companies in Canada.

### Alberta and British Columbia Wildfires

The Donny Creek Fire in British Columbia has crossed several of the Company's sites in the Tommy Lakes area. A fly over and physical inspection of the Tommy Lakes compressor, camp and well-sites was undertaken and confirmed the fire had burned in the vicinity of the sites, but the sites themselves and the facilities appear to be unaffected. The

standard management practices minimizing flammable materials on Calima sites may have contributed to this positive outcome. All Calima sites are in compliance with the authorities' orders and the sites are fully insured for replacement value. These facilities have not been in operation so no evacuation or shut in was necessary.

## Related Party Payments

For the three months ended 30 June 2023, Calima recognised A\$226,116 amounts paid to the Company's Directors or their related entities. The payments were as follows:

- \$73,873 paid to Jordan Kevol for employment services.
- \$83,100 paid to Karl DeMong for employment services.
- \$27,143 paid to Glenn Whiddon relating to the June quarter.
- \$42,000 paid to Meccano Consulting (an entity controlled by Mr. Mark Freeman) with \$36,000 for consulting services and \$6,000 for provision of accounting staff. Mr. Freeman is a Director of this Company.

## Securities Movements During the Quarter

There were no movements during the quarter.

### **Karl DeMong, President & CEO:**

*We are pleased to report another successful and profitable quarter for the Company. The second quarter is typically a quiet quarter on the operations side as we navigate spring break-up conditions. Oil and gas prices had been soft through the first part of the year but have firmed recently. As a result the Company is planning a modest drilling program in the Brooks area with the objective of maintaining production levels. Recent results in Pisces #6, #7, #8 and #9 have been substantially above the type curve and this has mitigated the number of wells needed to reach a maintenance level. Our continued combination of sustainable production and cash flow growth, coupled with our shareholder returns program make Calima an attractive investment for our current and future shareholders."*

### Quarterly Zoom Webinar

Calima Energy will conduct the June 2023 Quarterly Investor Presentations via live video webcast including a Q&A session on **2<sup>nd</sup> August @ 9:00am (AWST)**. Register here - <https://tinyurl.com/34hyjft>

The following members of Management will be present to provide a full run-down on the Company's activities and future programs:

Karl DeMong, President and CEO  
Glenn Whiddon, Chairman  
Rod Monden, Chief Financial Officer  
Mark Freeman, Finance Director

This release was approved by the board. For further information visit [www.calimaenergy.com](http://www.calimaenergy.com) or contact:

<b>Karl DeMong</b>	<b>Glenn Whiddon</b>	<b>Mark Freeman</b>
<b>CEO and President</b>	<b>Chairman</b>	<b>Finance Director</b>
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## 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 EBTDA", "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

Refer to the announcements dated 30 March 2023. 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 Montney petroleum resources information is based on, and fairly represents, information and supporting documentation in a report compiled by McDaniel and Associates Ltd (McDaniel) for the 31 December 2022 Resources Report. McDaniel is a leading independent Canadian petroleum consulting firm registered with the Association of Professional Engineers and Geoscientists of Alberta (APEGA) and was subsequently reviewed by Graham Veale who is the COO and VP Engineering with Calima Energy Ltd. 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 26 years of experience in petroleum and reservoir engineering, reserve evaluation, exploitation, corporate and business strategy, and drilling and completions. McDaniel and Mr. Veale have consented to the inclusion of the petroleum resources information in this announcement in the form and context in which it appears.

The Brooks and Thorsby petroleum reserves and resources information is based on, and fairly represents, information and supporting documentation in a report compiled by InSite Petroleum Consultants Ltd. (InSite) for the 31 December 2022 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. The InSite 31 December 2022 Reserves Report and the values contained therein are based on InSite's 31 December 2022 price deck (<https://www.insitepc.com/pricing-forecasts>). 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.

### Oil and Gas Glossary and Definitions

Term	Meaning
<b>Adjusted EBTDA:</b>	Adjusted EBTDA 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 EBTDA as a measure of operational performance and cash flow generating capability. Adjusted EBTDA impacts the level and extent of funding for capital projects investments or returning capital to shareholders.
<b>Adjusted working capital:</b>	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.
<b>ARO / Asset Retirement Obligation:</b>	the process of permanently closing and relinquishing a well by using cement to create plugs at specific intervals within a well bore
<b>Available funding:</b>	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.
<b>Credit Facility Interest:</b>	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 carbon dioxide equivalent
<b>CO2e:</b>	
<b>Conventional Well:</b>	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
<b>Compression:</b>	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
<b>Corporate Decline:</b>	consolidated, average rate decline for net production from the Company's assets
<b>Exit Production:</b>	Exit production is defined as the average daily volume on the last week of the period

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Term	Meaning
<b>Operating Income:</b>	Oil and gas sales net of royalties, transportation and operating expenses
<b>Financial Hedge:</b>	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
<b>Free Cash Flow (FCF):</b>	represents Hedged Adjusted EBTDA less recurring capital expenditures, asset retirement costs and cash interest expense
<b>Free Cash Flow Yield:</b>	represents free cash flow as a percentage of the Company's total market capitalisation at a certain point in time
<b>Funds Flow:</b>	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.
<b>Gathering &amp; Compression (G&amp;C):</b>	owned midstream expenses; the costs incurred to transport hydrocarbons across owned midstream assets
<b>Gathering &amp; Transportation (G&amp;T):</b>	third-party gathering and transportation expense; the cost incurred to transport hydrocarbons across third-party midstream assets
<b>G&amp;A:</b>	general and administrative expenses; may be represented by recurring expenses or non-recurring expense
<b>Hedged Adjusted EBTDA:</b>	EBTDA 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;
<b>Hyperbolic Decline:</b>	non-exponential with subtle multiple decline rates; hyperbolic curves decline faster early in the life of the well and slower as time increases
<b>LMR:</b>	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.
<b>LOE:</b>	lease operating expense, including base LOE, production taxes and gathering & transportation expense
<b>Midstream:</b>	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
<b>Net Debt:</b>	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 aggregating long-term debt, lease liabilities and working capital.
<b>NGL / Natural Gas Liquids:</b>	hydrocarbon components of natural gas that can be separated from the gas state in the form of liquids
<b>Net Debt/Adjusted EBTDA (Leverage)</b>	a measure of financial liquidity and flexibility calculated as Net Debt divided by Hedged Adjusted EBTDA
<b>Net Revenue Interest:</b>	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
<b>Operating Costs:</b>	total lease operating expense (LOE) plus gathering & compression expense
<b>Operating Netback:</b>	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.
<b>Physical Contract:</b>	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
<b>Promote:</b>	Production Taxes: state taxes imposed upon the value or quantity of oil and gas produced
<b>PDP / Proved Developed Producing:</b>	an additional economic ownership interest in the jointly-owned properties that is conveyed cost-free to the operator in consideration for operating the assets
<b>PV10:</b>	a reserve classification for proved reserves that can be expected to be recovered through existing wells with existing equipment and operating methods
<b>RBL / Reserve Based Lending</b>	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%
<b>Royalty Interest or Royalty:</b>	a revolving credit facility available to a borrower based on (secured by) the value of the borrower's oil and gas reserves
<b>Terminal decline:</b>	Interest in a leasehold area providing the holder with the right to receive a share of production associated with the leasehold area
<b>Unconventional Well:</b>	represents the steady state decline rate after early (initial) flush production
<b>Upstream:</b>	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
<b>Working Capital Ratio:</b>	a segment of the oil and gas industry that focuses on the exploration and production of oil and natural gas
<b>WI/ Working Interest:</b>	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.
	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 31 <sup>st</sup>
GJ	gigajoules	Q2	second quarter ended June 30 <sup>th</sup>
mdbl	thousands of barrels	Q3	third quarter ended September 30 <sup>th</sup>
mboe	thousands of barrels of oil equivalent	Q4	fourth quarter ended December 31 <sup>st</sup>
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 30 <sup>th</sup>
PUD	Proved Undeveloped Producing	H2	six months ended December 31 <sup>st</sup>
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 <sub>2</sub>	Tonnes of Carbon Dioxide
EBTDA	Earnings before 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	WTI	West Texas Intermediate
WCS	Western Canada Select	OOIP	Original Oil in Place

## 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

17 117 227 086

CURRENT QUARTER

30 June 2023

CONSOLIDATED STATEMENT OF CASH FLOWS		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	22,671	47,656
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(14,150)	(28,026)
	(d) staff costs	(699)	(1,476)
	(e) administration and corporate costs	(595)	(1,153)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(216)	(335)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (losses on risk management contracts, changes in non-cash working capital)	(276)	(1,375)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>6,735</b>	<b>15,291</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(204)	(212)
	(c) property, plant and equipment	(7,406)	(20,384)
	(d) exploration & evaluation	-	-
	(e) investments	-	125
	(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	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(7,610)</b>	<b>(20,846)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings (Credit Facility)	1,737	2,663

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CONSOLIDATED STATEMENT OF CASH FLOWS		Current quarter \$A'000	Year to date (12 months) \$A'000
3.6	Net Repayment of borrowings (Term Loan)	(106)	(272)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,631</b>	<b>2,391</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	-	3,848
4.2	Net cash from / (used in) operating activities (item 1.9 above)	6,735	15,291
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7,610)	(20,391)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,631	2,391
4.5	Effect of movement in exchange rates on cash held	29	101
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>785</b>	<b>785</b>
<b>5.</b>	<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>	<b>Current quarter</b>	<b>Previous quarter</b>
AT THE END OF THE QUARTER (AS SHOWN IN THE CONSOLIDATED STATEMENT OF CASH FLOWS) TO THE RELATED ITEMS IN THE ACCOUNTS		<b>\$A'000</b>	<b>\$A'000</b>
5.1	Bank balances	785	-
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>785</b>	<b>-</b>
<b>6.</b>	<b>PAYMENTS TO RELATED PARTIES OF THE ENTITY AND THEIR ASSOCIATES</b>		<b>Current quarter</b>
			<b>\$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1		226
6.2	Aggregate amount of payments to related parties and their associates included in item 2		-
<i>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.</i>			
<b>7.</b>	<b>FINANCING FACILITIES</b>	<b>Total facility amount at quarter end</b>	<b>Amount drawn at quarter end</b>
NOTE: THE TERM "FACILITY" INCLUDES ALL FORMS OF FINANCING ARRANGEMENTS AVAILABLE TO THE ENTITY.		<b>\$A'000</b>	<b>\$A'000</b>
ADD NOTES AS NECESSARY FOR AN UNDERSTANDING OF THE SOURCES OF FINANCE AVAILABLE TO THE ENTITY.			
7.1	Loan facilities (Credit Facility)	22,668	2,663
7.2	Credit standby arrangements (issued LCs under the Credit Facility)	155	155
7.3a	Other (Term loan)	3,750	3,750
<b>7.4</b>	<b>Total financing facilities</b>	<b>26,573</b>	<b>6,568</b>
<b>7.5</b>	<b>Unused financing facilities available at quarter end, excluding cash on hand</b>		<b>20,005</b>
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.		
<p>As at 30 June 2023, Calima held a C\$20.0 million demand revolving credit facility with a Canadian chartered bank (the "Credit Facility"). There was C\$2.35M drawn on the Credit Facility at 30 June 2023, the Calima Group had access to available credit under the Facility of ~C\$17.6 million at 30 June 2023 subject to being in compliance with all financial covenants set out by the Canadian chartered bank in the Facility including adjusted working capital and net debt to cash flow ratios. At 30 June 2023 the Company was in compliance with all covenants.</p> <p>On 31 January 2022, the Calima entered into a long-term financing arrangement with a strategic infrastructure and midstream company to construct a pipeline connecting the Company's 02-29 battery in the northern portion of its Brooks, Alberta. Blackspur will repay the loan to construct the pipeline over a term of seven years at a 12% cost of financing with monthly payments. As at 30 June 2023, the Company had drawn C\$3.3 million and no further draw downs are envisaged.</p>			

<b>8. ESTIMATED CASH AVAILABLE FOR FUTURE OPERATING ACTIVITIES</b>		<b>,\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	6,735
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(7,406)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(875)
8.4	Cash and cash equivalents at quarter end (item 4.6)	785
8.5	Unused finance facilities available at quarter end (item 7.5)	20,005
8.6	Total available funding (item 8.4 + item 8.5)	20,790
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>23.8</b>
<i>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.</i>		
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	
<i>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.</i>		

## 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: ...31/07/2023.....

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

## NOTES

- 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.
- 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.
- 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.
- 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".
- 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.



## APPENDIX A – SCHEDULE OF INTEREST IN TENEMENTS AS AT 30 JUNE 2023

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Country	Lease name & number	Q2 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 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%
CANADA	FH PNG M055916 HERITAGE	-	100%

Country	Lease name & number	Q2 update	Working interest
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%
CANADA	CR PNG 0417090158	-	100%
CANADA	CR PNG 0417090164	-	100%
CANADA	CR PNG 0417090165	-	100%
CANADA	CR PNG 0417100063	-	100%
CANADA	CR PNG 0417100064	-	100%
CANADA	CR PNG 0417100067	-	100%
CANADA	FH PET M120054 HERITAGE	-	100%
CANADA	CR PNG 0417100153	-	50%
CANADA	CR PNG 0417100154	-	50%
CANADA	CR PNG 0417100155	-	50%
CANADA	CR PNG 0417100156	-	50%
CANADA	CR PNG 0417110088	-	100%
CANADA	CR PNG 0417110091	-	100%
CANADA	CR PNG 0417120003	-	100%
CANADA	CR PNG 0417120041	-	100%
CANADA	CR PNG 0417120042	-	100%
CANADA	CR PNG 0417120043	-	100%
CANADA	CR PNG 0417120044	-	100%
CANADA	CR PNG 0417120157	-	100%
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%
CANADA	CR PNG 0404050042	-	100%
CANADA	CR PNG 0418070022	-	100%
CANADA	CR PNG 0418070024	-	100%
CANADA	CR PNG 0418070026	-	100%
CANADA	CR PNG 0418070027	-	100%
CANADA	CR PNG 0418080186	-	50%
CANADA	CR PNG 0418080187	-	50%
CANADA	CR PNG 0418080188	-	50%
CANADA	CR PNG 0418080189	-	50%
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%
CANADA	FH PET M121570 HERITAGE	-	100%
CANADA	FH PET M121571 HERITAGE	-	100%
CANADA	FH PET M121572 HERITAGE	-	100%
CANADA	FH PET M121575 HERITAGE	-	100%
CANADA	FH PET M121576 HERITAGE	-	100%
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%
CANADA	FH PET M122146 HERITAGE	-	100%
CANADA	FH PET M122147 HERITAGE	-	100%
CANADA	FH PET M122148 HERITAGE	-	100%
CANADA	CR PNG 0419120098	-	50%

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Country	Lease name & number	Q2 update	Working interest
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%
CANADA	FH PNG M060435 HERITAGE	-	50%
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 SCHAFFER, 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%
CANADA	CR PNG 0415070077	-	100%
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	FH OPTION COMPUTERSHARE	-	0%
CANADA	CR PNG 0416090101	-	100%
CANADA	CR PNG 0413120218	-	100%
CANADA	CR PNG 0413120219	-	100%

Country	Lease name & number	Q2 update	Working interest
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 PET PRAIRIESKY	-	50%
CANADA	FH OPTION DE NEVE, VIRGINIA	-	100%
CANADA	FH OPTION DE NEVE, VIRGINIA	-	0%
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 0421100007	-	100%
CANADA	CR PNG 0421100016	-	100%
CANADA	CR PNG 0421100017	-	100%
CANADA	FH NG M124346 HERITAGE	-	100%
CANADA	FH NG M124756 HERITAGE	-	100%
CANADA	FH NG M124757 HERITAGE	-	100%
CANADA	CR PET M PSK	Added in Q1	100%
CANADA	CR PET M PSK	Added in Q1	100%
CANADA	CR PNG 0522010026	Added in Q1	100%
CANADA	CR PNG 0522010027	Added in Q1	100%
CANADA	CR PNG 0522010028	Added in Q1	100%
CANADA	CR PNG 0422010100	Added in Q1	100%
CANADA	FH PET M236390 PSK	Added in Q1	50%
CANADA	FH PET M236391PSK	Added in Q1	50%
CANADA	CR PNG 0422020002	Added in Q1	100%
CANADA	FH PET M122323 HERITAGE	Added in Q1	87%
CANADA	FH NG M122324 HERITAGE	Added in Q1	87%
CANADA	CR PNG 65101	-	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%
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%

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Country	Lease name & number	Q2 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	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 0417030159	-	50%
CANADA	CR PNG 0417040004	-	100%
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%
CANADA	CR PNG 0417070138	-	100%
CANADA	CR PNG 0417070139	-	100%

Country	Lease name & number	Q2 update	Working interest
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	FH PNG M058621 HERITAGE	Expired in Q1	88%
CANADA	CR PNG 0413030007	Expired in Q1	0%
CANADA	CR PNG 0417010014	Expired in Q1	100%
CANADA	CR PNG 0417010017	Expired in Q1	100%
CANADA	CR PNG 0417010018	Expired in Q1	100%
CANADA	CR PNG 0417010152	Expired in Q1	100%
CANADA	CR PNG 0417020014	Expired in Q1	100%
CANADA	CR PNG 0417020016	Expired in Q1	100%
CANADA	CR PNG 0417030006	Expired in Q1	100%
CANADA	CR PNG 0417030109	Expired in Q1	100%
CANADA	CR PNG 0417030155	Expired in Q1	100%
CANADA	CR PNG 0417030156	Expired in Q1	100%
CANADA	CR PNG 0417030158	Expired in Q1	100%
CANADA	FH PET M121562 HERITAGE	Expired in Q1	100%
CANADA	FH PET M121563 HERITAGE	Expired in Q1	100%
CANADA	FH PET M121564 HERITAGE	Expired in Q1	100%
CANADA	FH PET M121565 HERITAGE	Expired in Q1	100%
CANADA	FH PET M121566 HERITAGE	Expired in Q1	100%
CANADA	FH PET M121567 HERITAGE	Expired in Q1	100%
CANADA	FH PET M121568 HERITAGE	Expired in Q1	100%
CANADA	FH PET M121569 HERITAGE	Expired in Q1	100%
CANADA	FH PET M121573 HERITAGE	Expired in Q1	100%
CANADA	FH PET M121574 HERITAGE	Expired in Q1	100%
CANADA	CR DRILL LIC 66255	Expired in Q1	100%
CANADA	CR DRILL LIC 66256	Expired in Q1	100%
CANADA	CR DRILL LIC 66312	Expired in Q1	100%
CANADA	CR DRILL LIC 66313	Expired in Q1	100%
WESTERN SAHARA	DAORA	-	50%
WESTERN SAHARA	HAOUZA	-	50%
WESTERN SAHARA	MAHBES	-	50%
WESTERN SAHARA	MIJEK	-	50%