

10 September 2024

Sale of Calima Energy Inc

HIGHLIGHTS

- Definitive agreements executed for the sale of 100% of Calima Energy Inc to Aldon Oils Ltd
- Total consideration C\$1.2 million (A\$1.3 million)
- The sale is subject to CE1 shareholder approval
- Parties aim to complete the transaction approximately 10 days after shareholder approval, but no later than 31 October 2024

CALIMA ENERGY LIMITED (ASX:CE1 / OTC: CLMEF)

Calima Energy Limited (ASX:CE1 / OTC:CLMEF) ('Calima', 'CE1' or the 'Company') is pleased to announce it has entered into a binding definitive agreement ('the Agreement') with Aldon Oils Ltd. ('Aldon'), pursuant to which **Calima has agreed to sell 100%** of its ownership in its wholly owned Canadian subsidiary, **Calima Energy Inc.** ('Calima Inc'), the owner of the Company's paradise field assets ('Assets') for a **cash consideration of ~A\$1.3 million (C\$1.2 million) (the "Sale")** subject to customary working capital adjustments.

The proceeds are intended to be used to fund the Company's current 60% buyback program and to fund the Company's future acquisitions and working capital. Over the last 2 years, the Company has **returned A\$90 million in previous distributions** to shareholders in addition to the current buyback programs.

A Notice of Meeting will be issued shortly, which is subject to obtaining shareholder approval pursuant to Listing Rule 11.2 at an **Extraordinary General Meeting expected to be held in October 2024.**

The Sale is anticipated to close 10 days post the meeting, however, no later than 31 October 2024.

The shareholder meeting will also seek shareholder approval for the delisting of the Company from ASX.

CALIMA ENERGY LTD ACN 117 227 086

Unanimous recommendation of eligible Board members to vote

The Board considers that completion of the Sale allows for the Company to completely exit from Canada and will free up capital.

Each eligible member of the Board considers that the Sale is in the best interests of Calima shareholders, in the absence of a superior proposal and will be voting in favour of the Sale.

Indicative Timetable*

It is anticipated that the Sale will complete in the fourth quarter of 2024.

Announcement released on ASX	10 September 2024
Notice of Meeting despatched to Shareholders	mid September 2024
Calima General Meeting	mid October 2024
Completion of Sale (no later than)	31 October 2024

*Note, this timetable is indicative only and subject to change.

Post-closing Strategy

Upon the closing of the Sale and completion of the buy backs from shareholders, Calima will continue to focus on the acquisition of further oil and gas assets.

For further information regarding Aldon, please refer to the Notice of Meeting and to Aldon's website: <https://www.aldonoils.com/>

This release has been approved by the Board. For further information visit www.calimaenergy.com or contact:

GLENN WHIDDON
Chairman
E: glenn@calimaenergy.com
T: + 61 410 612 920

MARK FREEMAN
Finance Director
E: mfreeman@calimaenergy.com
T: + 61 412 692 146

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