



OTCQB

**CALIMA**  
ENERGY

23 May 2022

## Dividend Declaration and On-market Share Buy-Back

Calima Energy Limited (ASX:CE1 / OTCQB:CLMEF) ("Calima" or the "Company") is pleased to advise on the following capital management program to be implemented.

### Dividend

Calima is pleased to announce that, due to the ongoing strong performance of its production assets resulting from the 2021 and 2022 development drilling program and enhanced by strong energy prices that have positively impacted our cash flows, the Company intends to commence a half yearly dividend program, beginning the second half of 2022.

The initial dividend will total A\$2.5 million, reflecting a half yearly yield of 2.4% at the current share price. The timing of the dividend, including the record date and the ex-date, will be advised in due course.

It is the Company's intention that subsequent dividend distributions will be influenced by capital expenditure, energy prices, well performance and the maturity of the current hedge book that rolls off in December 2022.

The Company is presently seeking legal and accounting advice with respect to the form of the dividend.

### Share Buy-Back

Calima also intends to undertake an on-market buy-back of ordinary shares ("Share Buy-Back"). Under the *Corporations Act 2001* (Cth), Calima is permitted to buy-back up to 10% of its issued capital in any 12-month period without requiring shareholder approval.

The Board considers that the Company's current share price does not accurately reflect the underlying value of the Company's assets and the Share Buy-Back represents an opportunity to improve the value of the remaining shares on issue.

The Share Buy-Back is expected to improve return on equity, cash flow per share and earnings per share for all shareholders who continue to hold shares in Calima. Furthermore, the board will continue to assess options to distribute additional surplus capital, particularly if the Company is able to monetise the inherent value of its Montney assets.

The Company intends to commence the Share Buy-Back from 1 June 2022 for up to a 12-month period on the terms specified in the attached Appendix 3C.

The timing and actual number of shares to be purchased will be subject to market conditions. The Board considers that the Share Buy-Back will not restrict the Company's activities, will be funded from operations and will not adversely impact the balance sheet.

The Company advises shareholders that there can be no certainty that the Company will acquire any or all shares under the Share Buy-Back. The actual number of shares to be purchased under the Share-Buy Back will depend on the Company's share price, market conditions, forecast future capital requirements and other unforeseeable factors that are outside of the Company's control.



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**Jordan Kevol, CEO**

"Calima's strong operating performance in the last quarter, combined with the reduction in bank indebtedness and the outlook for the remainder of the year, has contributed to a strong capital position for the Company, allowing us to announce this dividend and buy-back programme. I am looking forward to meeting shareholders during my trip to Australia commencing May 25, 2022"

This release has been approved by the Board.

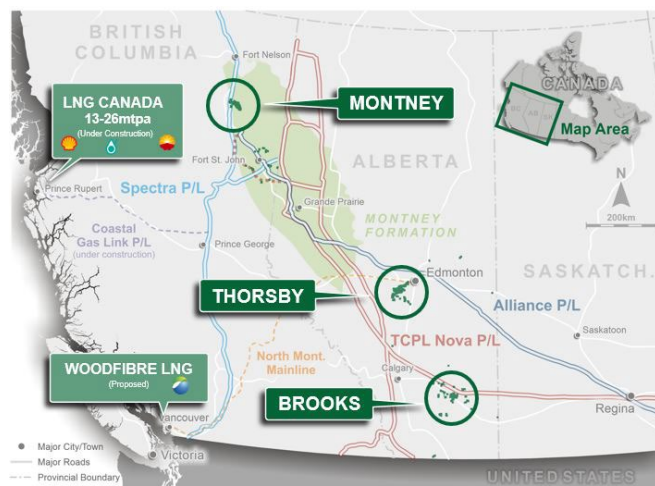
For further information visit [www.calimaenergy.com](http://www.calimaenergy.com) or contact:

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