

## September 23 Quarterly Activities & Cash Flow Report

**ASX Code: CE1 OTCQB: CLEMF**

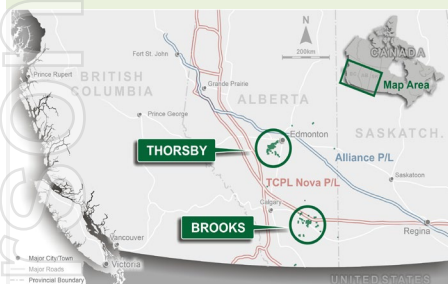
Calima Energy Limited (ASX: CE1) ("Calima" or "the Company") is a Canadian production-focused energy company developing its oil plays at Brooks and Thorsby in southern and central Alberta. Calima is dedicated to responsible corporate practices, and places high value on adhering to strong Environmental,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

### Directors

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

### Capital Structure

<b>ASX Code</b>	<b>CE1</b>
<b>Share Price</b>	<b>8 cents</b>
<b>Shares</b>	<b>626 million</b>
<b>Market Cap</b>	<b>A\$52 million</b>
<b>Options</b>	
20c exp 2024-2026	15.8 m
16c exp 2024-2025	2.5 m
<b>Performance S/h</b>	<b>12.476 m</b>



### Quarterly Zoom Webinar

Investor Call – 2nd November @ 9:00 am (AWST), 12:00 pm (AEST)  
<https://bit.ly/3s4aANC>



Bonanza Rig on Pisces Program

## HIGHLIGHTS

A\$ million (except where noted)	Q3 2023 Actuals	Q3 2023 Forecast	Variance
<b>Production (boe)</b>	<b>338,786</b>	<b>352,335</b>	<b>(13,549)</b>
Average Daily Production (boe/d)	3,683	3,830	(147)
<b>Revenue</b>	<b>\$23.7</b>	<b>\$22.1</b>	<b>\$1.6</b>
Royalties, Operating, G&A and Interest Costs	(\$13.4)	(\$14.4)	(\$1.0)
Realized Hedge costs/losses	(\$0.5) <sup>(1)</sup>	(\$0.2)	(\$0.3)
Earnings (before amortisation)	\$9.8	\$7.5	\$2.3
Capital Expenditures	(\$9.0) <sup>(2)</sup>	(\$4.5)	(\$4.5)
Net proceeds from property disposition	\$11.5	-	\$11.5
<b>Free Cash Flow</b>	<b>\$12.3</b>	<b>\$3.0</b>	<b>\$9.3</b>
<b>Net Working Capital Surplus</b>	<b>\$5.9</b>		
<b>Commercial Bank Debt Facility drawn</b>	<b>Nil</b>		

1. Reflects a cost of 0.148c per barrel

2. Capex includes an accrual of \$4.1m for the H2 Pisces program to be paid in Q4.

The Company reported **quarterly group production of 338,786 boe** (~60% oil and liquids), a 3.8% decrease from forecast largely driven by maintenance operations completed at two of Calima's facilities and unscheduled downhole maintenance and workovers. At 30 September 2023, CE1 had a net working capital surplus of \$5.9m, with **\$17.3m in cash and no funds drawn** on the Company's C\$20m debt facility.

**Current production is above 4,100 boe/d** following Pisces 10 and 11 coming online. Pisces 11 continues to clean up with Pisces 12 recently fracture stimulated and due to commence clean up and production shortly.

- **Q3 Earnings of \$9.8 million, \$2.3 million greater than forecast**, primarily due to:
  - **\$1.6 million of higher revenue** mainly due to higher WTI price
  - **\$0.9 million of lower operating costs** due primarily to power saving generated from the Company's fixed price power contracts
- **Montney Disposition proceeds of A\$11.5m** - On August 25, the Company closed the sale of its Montney Assets for C\$10m (A\$11.5m) which consisted of 33,643 net acres of Montney licenses/acres and the Tommy Lakes facilities
- **Pisces Glauconitic drilling program successfully executed** - The Company commenced a three well Pisces drilling program in late Q3 (\$4.1m of costs accrued in the quarter. The wells all tie into Calima's existing oil batteries and infrastructure with peak production levels set for Q4-2023. The drilling portion was complete 12.5% underbudget by quarters end.
- **Significant year over year capital reduction** - The Company is forecasting 2023 full year capital spending to be A\$36 million, a ~28% reduction compared to the A\$49.7 million capital spent for the full year 2022 while still maintaining average production for the year ~ 4,000 boe.
- **Rising Energy Prices** – In Q3, the average benchmark energy prices were:
  - US\$81.43/bbl West Texas Intermediate (WTI) (increase of 10% from Q2)
  - US\$12.91/bbl Western Canada Select benchmark (WCS) differential (15% improvement from Q2)
  - \$2.47/GJ AECO (increase of 6% from Q2)
- **Abandonment program** – Work continued on well abandonments to meet the annual required mandatory closure spend with operations taking advantage of the mild summer and fall weather

## KEY PERFORMANCE METRICS AND OUTLOOK

### Zoom Webinar: Quarterly Review and Future Programs Outlook

Investor Call – 2 November @ 9:00 am (AWST), 12:00 pm (AEST)

Register here – <https://bit.ly/3s4aANC>

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

**Karl DeMong, Managing Director, Rod Monden, Chief Financial Officer, Mark Freeman, Finance Director**

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

We are pleased to report a quarter of strong production and successful drilling at our Brooks core area through the third quarter and early 4<sup>th</sup> of 2023. The wells drilled in late Q4/22 and early Q1/23 have enabled us to maintain average YTD production rates in the 4,100 boe/d range, keeping ahead of corporate decline rates while minimizing new spending. The further drilling that is underway at Brooks for late Q3 early Q4, together with cost and expense management, will allow Calima to continue to produce at these rates into Q1-2024 helping to maximize free cash flow. We will start to see some production from the 3 Pisces wells in Q4-2023. Drilling plans for the first quarter of 2024 will be finalised in the coming weeks. WTI Oil prices remain strong ~US\$85/bbl range, which results in excellent cash flow from our production which remains weighted towards oil at >60%.

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 Q4 2023.

	Q3 23	Forecast Q4 23
<b>Production Sales</b>		
Oil (bbl)	192,326	218,239
Natural gas (Mcf)	826,501	861,939
Natural gas liquids (bbl)	8,710	8,684
Sales volumes (gross boe)	338,786	370,580
Sales volumes (boe/d)	3,683	4,028
Liquids percentage	60%	61%
<b>Financial (A\$ million)</b>		
Sales Revenue	23.7	26.9
Royalties	(4.5)	(5.6)
Operating Costs	(7.0)	(8.1)
G&A and Interest	(1.9)	(1.3)
<b>Adjusted EBTDA</b>	10.3	11.9
Realized Hedge Gains (Losses)	(0.5) <sup>1</sup>	(0.2) <sup>2</sup>
<b>Cash Flow from Operations</b>	9.8 <sup>4</sup>	11.7
Capital Expenditures	(9.0) <sup>3</sup>	(6.5)
Proceeds from property dispositions	11.5	-
<b>Free Cash Flow</b>	12.3	5.2
Free Cash Flow without Hedge Gains/Losses	12.8	5.4
<b>Realised Commodity/FX prices</b>		
Oil (A\$/bbl)	106.73	107.46
Natural gas (A\$/Mcf)	3.24	3.36
Natural gas liquids (A\$/bbl)	61.67	62.37
AUD / CAD	0.88	0.87

#### Notes to financial forecast

1. Realized Hedge Losses included \$280,000 of option fees. REFER HEDGING TABLE BELOW.
2. All current commodity hedges expire on 31 December 2023.
3. Capital expenditures include \$4.1 million of accrued payables primarily related to the Q3 – 3 well Pisces drilling program. The forecasted capital of \$6.5m in Q4 relates primarily to the balance of costs on the Pisces program including pipeline (\$400k) with the balance dedicated to abandonment obligations and workover costs of \$2.2m.
4. Q3 Earnings of \$9.8 million were \$2.3 million greater than forecasted as a result of \$1.6 million of higher revenue mainly due to higher WTI price, \$0.9 million of lower operating costs primarily due to power saving generated from the Company's fixed price power contracts, \$0.5 million of royalty saving primarily due to a royalty review process and \$0.5 million of higher G&A, primarily related to a severance payment.
5. Calima has tax pools of ~C\$120 million that can be offset against Brooks and Thorsby taxable income, accordingly taxes have not been reflected in the above analysis.

## PRODUCTION DISCUSSION

During the first nine months of 2023, Calima has maintained average daily production in the 4,100 boe/d range.

Third quarter was down 3.8% on forecasted production primarily due to maintenance and turn-around operations completed at two of Calima's operated facilities coupled with unscheduled downhole maintenance on pumping equipment on a few higher rate producing wells resulting in a greater percentage of production downtime than forecasted. All the production related to this maintenance has been recovered and is back on trend at the time of this release.

The Q3 drilling program was designed to maintain corporate production levels, develop our PDP reserves, and utilise the recent infrastructure upgrades in Brooks. This capital allocation strategy optimises free cash flow, strengthens the balance sheet, and maintain funding for the capital returns/dividends. In addition, the new wells will provide shareholders exposure to the recent rise in commodity prices.

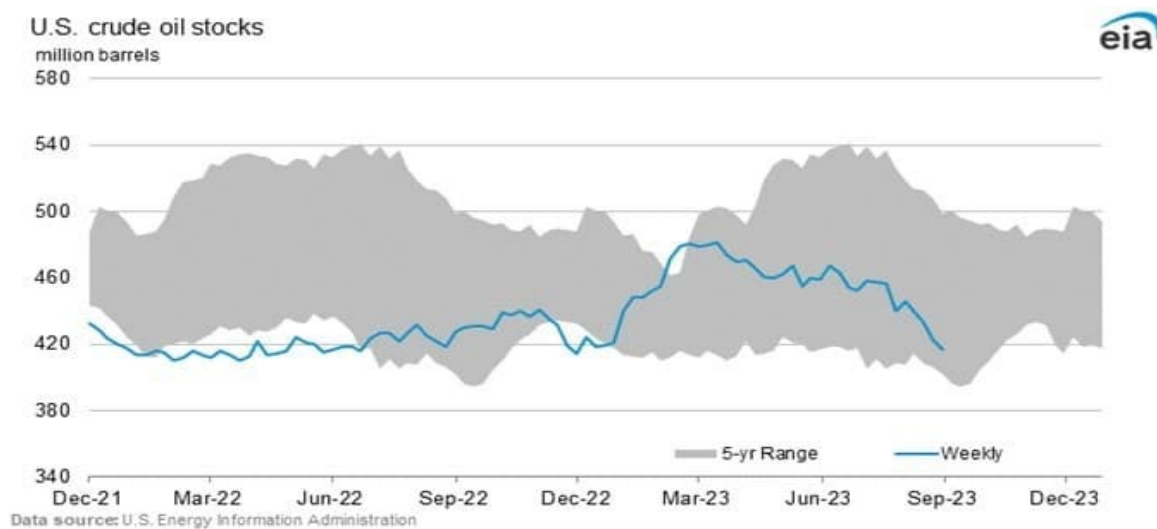
Current production following Pisces 10 and 11 being on production is ~4,100 boe/d. Pisces 11 continues to clean up with Pisces 12 recently fracture stimulated and due to commence production within the next week.

Importantly the Company's capital expenditure program for the full 2023 year is forecasted at \$35m, representing over ~32% reduction on capex for 2022.

## COMMODITY PRICE UPDATE

WTI price started the third quarter at US\$69/bbl and reached a high of US\$95/bbl as US crude oil stock levels neared the 5-year lows due to strong seasonal demand and record US crude exports. Currently, WTI is trading ~US\$85/bbl. OPEC+ continues to balance the market by extending the production cuts to counter demand weakness.

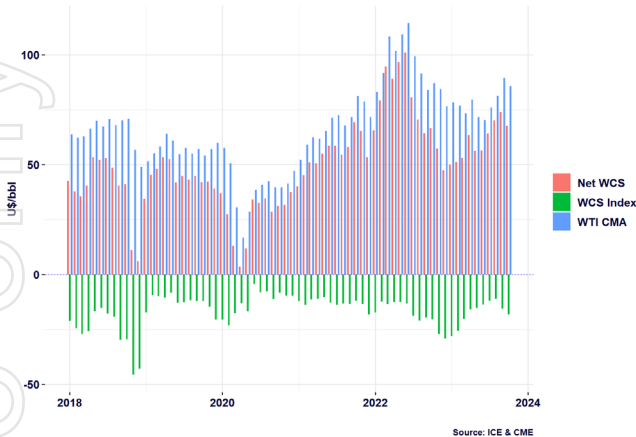
Ongoing economic uncertainty and a weak global economic outlook continue to create headwinds for the global oil markets. However, this has been offset by increased geo-political risk due to the war in Ukraine, and the recent conflict in Israel. The WTI markets are expected to remain volatile.



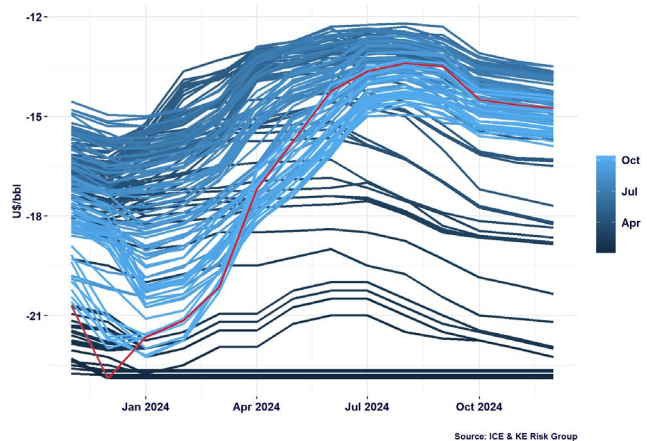
WCS markets weakened in Q3. The weakness is driven by higher benchmark WTI prices, seasonal weakness in WCS, expectations of more Venezuelan heavy crude imports into North America, and ongoing speculation around the start date of the Trans Mountain expansion (TMX). The U.S. recently announced that they would ease sanctions against Venezuelan oil production, which is expected to result in more heavy oil imports into North America. The TMX expansion is still expected to be on-stream in Q2 2024.

Despite these developments and the resulting short-term weakness in WCS differentials, medium term demand for heavy oil remains reasonably strong due to ongoing demand for the heavy barrel and increased egress due to the TMX expansion, which will result in 500,000 bbl/d of additional exports from Western Canada.

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



## DEVELOPMENT UPDATE

Calima Energy successfully completed its 3 gross/net well drilling program 12.5% under budget by quarter end. Following quarter end completion and tie in operations continued the trend of being under budget and ahead of schedule. At the time of writing completion and tie-in operations are complete on Pisces #10 and #11 and wrapping up on Pisces #12. The following table summarises the Company's H2 2022 drilling program:

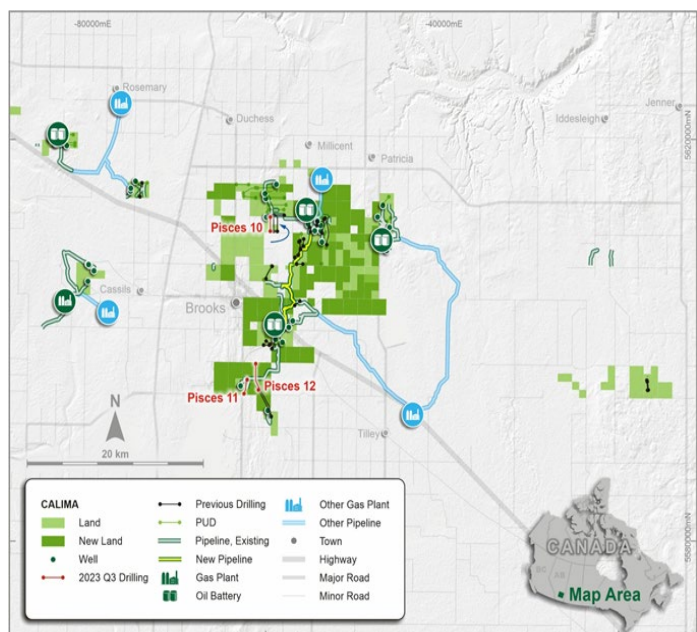
2022	Well name	Working Interest	Target formation	Lateral length (m)	Spud to Production	Status
Brooks	Pisces #10 104/03-26-019-14W4	100%	Glauconic	~1,420	22 days	Producing
Brooks	Pisces #11 102/04-04-18-14W4	100%	Glauconic	~1,390	28 days	Producing
Brooks	Pisces #12 102/16-09-018-14W4	100%	Glauconic	~2,067	-	Completion & tie-in underway

\* Vertical well

### 3 Well Pisces #10, #11, & #12 (100% WI) Drilling Program

The wells are follow-ups to the successful Glauconic Formation Q1 2023 drilling program designed around a corporate plan to maintain average daily production levels in the 4,100 boe/d range for 2023. The three wells were drilled in Q3 and completion and tie-in operations commenced late Q3 and will carry over into Q4 2023. The wells were all completed using multi-stage fractures and tie into Calima's existing oil battery's ensuring significant operating cost efficiencies and cost savings.

**Pisces #10** - The well is producing very strong in the early days and is in-line with the successful Pisces #6 and #7 wells, both of which were significantly above the typical Glauconic type curve. Pisces #6 and #7 achieved an average IP(30) rate of 505 boe/d and an IP(90) rate of 432 boe/d which make them among the top performers in the pool. In the first 10 months, cumulative oil production for each well is 56,000 bbl and 49,000 bbl respectively. Pisces #10 is an on-lease tie-in.





**Pisces #11** – The well was successfully drilled and completed and is now on production and cleaning up. It is a western offset to a vertical well with excellent reservoir properties in the Upper Regional Glauconitic formation with oil signals observed from lithological logs. The well targeted a new oil pool where the 3D seismic indicated it was in the same upper Regional Glauconitic pool as the lead well. Pisces #11 is an on-lease tie-in.

**Pisces #12** – The well is drilled, and multi-stage fracture operations were completed on 23 October. The well is expected to be on production within the next week with peak production anticipated in December 2023. The horizontal well targeted oil in the Glauconitic horizon and is a northern extension to the recently successful Pisces #8 and #9 wells that achieved IP(90) production levels 15% above type curve. The lateral targeted the Upper Lithic Glauconitic interval completed in Pisces #8 and in surrounding vertical wells. A 2.2 km pipeline is currently being constructed and the well will be tied into Calima’s oil battery.

### Completion design

Each of the three Pisces wells was completed with multi-stage frac ports spaced approximately 30 – 40 meters apart. The fracs were planned to have 15 tons of sand per stage. The frac intensity was approximately 0.3 – 0.5 tons of sand per meter of horizontal length within the portion of the wellbore that encountered the Glauconitic Formations. After each stage the multi-cycle (sliding sleeves) frac ports were closed to allow the newly initiated fractures to “heal” around the frac sand. This is a mitigating factor to ensure the frac sand stays in the formation, helping to minimize the need for future frac sand cleanouts and to increase the effectiveness of the frac’s conductivity which is beneficial for production. Once all frac stages were finished pumping the sleeves were opened, pumping equipment run, and the wells brought on production to start the clean-up phase.



### HEDGING

The Company’s risk management contracts consisted of the following positions as at 30 September 2023:

Contract	Reference	Term	Volumes (bbl/day)	Sold Put \$US/bbl	Bought Put \$US/bbl	Sold Call \$US/bbl
Three-way Collar US	NYMEX-WTI	Oct 2023 – Dec 2023	250	55.00	75.00	97.10
Put Spread US	NYMEX-WTI	Oct 2023 – Dec 2023	200	65.00	75.00	-
Put Spread US	NYMEX-WTI	Oct 2023 – Dec 2023	200	70.00	80.00	-
Put Purchase US	NYMEX-WTI	Oct 2023 – Dec 2023	250	-	55.00	-
Put Purchase US	NYMEX-WTI	Oct 2023 – Dec 2023	200	-	65.00	-

The Company also had the following WCS basis swap contracts in place as at 30 September 2023:

Contract	Reference	Term	Volumes (bbl/day)	Price per Unit (\$US/bbl)
Swap	US NGX OIL-WCS-BLENDED	Oct 2023 – Dec 2023	200	(18.30)

The Company’s hedging policy provides exposure to upside and protection from downside oil price movements, executed through the purchase of puts, put spreads, 3-way collars and costless collars. The Company currently has approximately 33 percent of its after-royalty oil production hedged for the fourth quarter at a weighted average floor price of WTI ~\$77/bbl. The average cost of implementing these structures for the fourth quarter is US\$1.66 per delivered barrel. The Company continues to look at implementing additional hedges for 2024.

### 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. During the quarter our leading HSE indicators tracking corporate performance were all significantly above corporate targets on items including operator competencies, monthly vehicle inspections, and contractor spot checks.

The 2023 annual mandatory closure target under the Alberta Energy Regulator's (AER) new Licensee Management Program is C\$720,000. The Company completed C\$278,000 of abandonment work year to date. Calima continues to efficiently manage its closure spend targets by keeping costs low by integrating these operations in production and completion operations schedule gaps. Calima is on track to meet its closure spending targets by year end.

Recently Calima successfully completed a general oilfield waste generator audit conducted by the energy regulator. Calima continues to pursue reductions in carbon emissions to meet or exceed regulatory requirements and during quarter completed its methane reduction, retrofit compliance program by replacing the few remaining pneumatic pumps operating on methane with solar powered systems that do not have emissions.

## Corporate

### Capital Returns

Following the sale of the Montney, at the Company's General Meeting on 16 October 2023, shareholders approved a capital return of up to A\$10.0 million across two tranches. The first payment of A\$7.5 million or ~1.2c per share occurred on 27<sup>th</sup> October 2023 and the second payment of \$2.5 million (or 0.4c per share) is expected to occur in January 2024. The second payment is discretionary and is subject to production levels, commodity prices and forward plans.

We understand the importance of timely and consistent returns to our shareholders, and we are committed to maintaining this standard of excellence. This dividend or capital return will benefit our shareholders and provide them with the confidence and stability needed to continue to invest in Calima.

### Related Party Payments

For the three months ended 30 September 2023, Calima recognised A\$249,108 in amounts paid to the Company's Directors or their related entities. The payments were as follows:

- \$90,260 paid to Karl DeMong for employment services.
- \$84,014 paid to Meccano Consulting (an entity controlled by Mr. Mark Freeman) with \$72,014 for consulting services and \$12,000 for provision of accounting staff. Mr. Freeman is a Director of this Company.
- \$68,834 paid to Burnet Duckworth Palmer for legal services. Lonny Tetley, the Non-Executive Chairman of the Company, is a partner of Burnet Duckworth Palmer.
- \$6,000 paid to Glenn Whiddon for consulting services.

### Securities Movements During the Quarter

- On 18 August 2023 the Company issued 12,970,000 ordinary fully paid shares pursuant to convertible securities being converted as follows: 2,061,250 Class F performance rights, 8,908,750 Class E performance rights, and 2,000,000 Class A and B performance rights.
- On 22 August 2023, 609,000 Class F and 1,835,000 Class D performance rights expired.
- On 24 August 2023, 10,000 Class F performance rights lapsed.

Current securities on issue are:

Number	Class	Vesting Condition	Expiry Date
625,720,769	Ordinary Shares		
2,500,000	Class C	CE1 20-day VWAP of at least 30 cents	30/4/2026
7,703,750	Class D	CE1 20-day VWAP of at least 25 cents	13/12/2023
2,272,250	Class F	40% vested and converted; 40% vest following continued service for 24 months; and 20% vest following continued service for 36 months.	13/06/2026
10,950,000	20 cent	66% vested; and 34% vest following continued service 30 April 2024. Options will only become exercisable 3 months post vesting.	30/4/2026
2,500,000	20 cent	nil	30/4/2026
1,500,000	16 cents	nil	13/10/2025
1,000,000	16 cents	nil	30/11/2024

1,500,000	20 cents	nil	30/11/2024
850,000	20 cents	nil	31/01/2027

### Corporate:

- **Share Buy-Back** – Currently on hold
- **Distributions/Capital Returns** – Following the sale of the Montney, shareholders approved a capital return of up to **A\$10.0 million across two tranches**. The **first payment of A\$7.5 million** (~1.2c per share) occurred on **27 October**

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

Karl DeMong	Glenn Whiddon	Mark Freeman
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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 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
<b>CO<sub>2</sub>e:</b>	carbon dioxide equivalent
<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
<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 royalties and overriding royalties, 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
	a segment of the oil and gas industry that focuses on the exploration and production of oil and natural gas



Term	Meaning
<b>Working Capital Ratio:</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.
<b>WI/ Working Interest:</b>	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
<b>1P</b>	proved reserves	<b>A\$ or AUD</b>	Australian dollars
<b>2P</b>	proved plus Probable reserves	<b>C\$ or CAD</b>	Canadian dollars
<b>3P</b>	proved plus Probable plus Possible reserves	<b>US\$ or USD</b>	United states dollars
<b>bbl or bbls</b>	barrel of oil	<b>(\$ thousands)</b>	figures are divided by 1,000
<b>boe</b>	barrel of oil equivalent (1 bbl = 6 Mcf)	<b>(\$ 000s)</b>	figures are divided by 1,000
<b>d</b>	suffix – per day	<b>Q1</b>	first quarter ended March 31 <sup>st</sup>
<b>GJ</b>	gigajoules	<b>Q2</b>	second quarter ended June 30 <sup>th</sup>
<b>mbbl</b>	thousands of barrels	<b>Q3</b>	third quarter ended September 30 <sup>th</sup>
<b>mboe</b>	thousands of barrels of oil equivalent	<b>Q4</b>	fourth quarter ended December 31 <sup>st</sup>
<b>Mcf</b>	thousand cubic feet	<b>YTD</b>	year-to-date
<b>MMcf</b>	million cubic feet	<b>YE</b>	year-end
<b>PDP</b>	proved developed producing reserves	<b>H1</b>	six months ended June 30 <sup>th</sup>
<b>PUD</b>	Proved Undeveloped Producing	<b>H2</b>	six months ended December 31 <sup>st</sup>
<b>C</b>	Contingent Resources – 1C/2C/3C – low/most likely/high	<b>B</b>	Prefix – Billions
<b>Net</b>	Working Interest after Deduction of Royalty Interests	<b>MM</b>	Prefix - Millions
<b>NPV (10)</b>	Net Present Value (discount rate), before income tax	<b>M</b>	Prefix - Thousands
<b>EUR</b>	Estimated Ultimate Recovery per well	<b>/d</b>	Suffix – per day
<b>WTI</b>	West Texas Intermediate Oil Benchmark Price	<b>bbl</b>	Barrel of Oil
<b>WCS</b>	Western Canadian Select Oil Benchmark Price	<b>boe</b>	Barrel of Oil Equivalent (1bbl = 6 mscf)
<b>1P or TP</b>	Total Proved	<b>scf</b>	Standard Cubic Foot of Gas
<b>2P or TPP</b>	Total Proved plus Probable Reserves	<b>Bcf</b>	Billion Standard Cubic Foot of Gas
<b>3P</b>	Total Proved plus Probable plus Possible Reserves	<b>tCO<sub>2</sub></b>	Tonnes of Carbon Dioxide
<b>EBTDA</b>	Earnings before tax, depreciation, depletion and amortisation	<b>OCF</b>	Operating Cash Flow, ex Capex
<b>Net Acres</b>	Working Interest	<b>E</b>	Estimate
<b>IP24</b>	The peak oil production rate over 24 hours of production	<b>CY</b>	Calendar Year
<b>IP30/90</b>	Average oil production rate over the first 30/90 days	<b>WTI</b>	West Texas Intermediate
<b>WCS</b>	Western Canada Select	<b>OOIP</b>	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 September 2023

#### CONSOLIDATED STATEMENT OF CASH FLOWS

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	23,652	71,308
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	(9,075)	(37,101)
(d) staff costs	(1,008)	(2,484)
(e) administration and corporate costs	(726)	(1,879)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(138)	(473)
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)	159	(1,216)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>12,864</b>	<b>28,155</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(10)	(222)
(c) property, plant and equipment	(4,878)	(25,262)
(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	11,583	11,583
(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 Net cash from / (used in) investing activities</b>	<b>6,695</b>	<b>(13,776)</b>
<b>3. 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 (Term Loan)	(2,690)	(27)

CONSOLIDATED STATEMENT OF CASH FLOWS		Current quarter \$A'000	Year to date (9 months) \$A'000
3.6	Net Repayment of borrowings (Credit Facility)	(108)	(380)
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	(2,798)	(407)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	785	3,848
4.2	Net cash from / (used in) operating activities (item 1.9 above)	12,864	28,155
4.3	Net cash from / (used in) investing activities (item 2.6 above)	6,695	(13,776)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2,798)	(407)
4.5	Effect of movement in exchange rates on cash held	(232)	(508)
4.6	Cash and cash equivalents at end of period	17,308	17,308
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	17,308	785
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)	17,308	785
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		243
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 (Credit Facility)	22,737	-
7.2	Credit standby arrangements (issued LCs under the Credit Facility)	158	158
7.3a	Other (Term loan)	3,676	3,676
7.4	Total financing facilities	26,571	3,834
7.5	Unused financing facilities available at quarter end, excluding cash on hand		22,737
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 30 September 2023, Calima held a C\$20.0 million demand revolving credit facility with a Canadian chartered bank (the "Credit Facility"). There were no amounts drawn on the Credit Facility at 30 September 2023, the Calima Group had access to available credit under the Facility of ~C\$20 million at 30 September 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 September 2023 the Company was in compliance with all covenants.			
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 September 2023, the Company had drawn C\$3.2 million and no further draw downs are envisaged.			

<b>8.</b>	<b>ESTIMATED CASH AVAILABLE FOR FUTURE OPERATING ACTIVITIES</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	25,756
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	25,756
8.4	Cash and cash equivalents at quarter end (item 4.6)	17,308
8.5	Unused finance facilities available at quarter end (item 7.5)	22,737
8.6	Total available funding (item 8.4 + item 8.5)	40,045
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>1.6</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: ...31/10/2023.....

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.



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

Country	Lease name & number	Q3 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	Q3 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%

Country	Lease name & number	Q3 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 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%
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	Q3 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%

Country	Lease name & number	Q3 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%

Country	Lease name & number	Q3 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%
CANADA	CR PNG 0417070138	-	100%
CANADA	CR PNG 0417070139	-	100%