

Corporate Update

Fremont Petroleum Corporation Ltd (ASX: FPL) (“Fremont” or “the Company”) advises of the following initiatives to grow its revenue base, reduce operating costs and strengthen the balance sheet.

Increasing Revenue from Oil and Gas Production:

Current production from the Company’s North American assets is at 70 – 80 Bopd.

Fremont’s engineers have identified several wells that require work-overs that will lead to a 30 Bopd increase. The total cost of this program is approximately US\$30,000, and this work has commenced. The Company is confident it will be producing **at a sustainable production level of 100 Bopd by next month**. At US\$50.00/bbl of oil, this equates to US\$105,000 per month of revenue net to FPL

The Pathfinder project currently has production capacity of over 500,000 cubic feet per day of gas being produced from its wells that are shut in.

As reported on 6 December, the Company is progressing discussions with several industrial companies in Fremont County that require clean energy to power their operations.

Negotiations are ongoing and Fremont expects to finalise negotiations and sign binding Gas Purchase Agreements in the next 90 days, with first gas deliveries and sales targeted for June 2018.

The Pathfinder project contains **massive amounts of gas**, with gas being encountered with every well that the Company has drilled in the field. Independent Engineering estimates over Fremont’s 100% owned and operated 16,798-acre Pathfinder project calculate the gas resource at 220 billion cubic feet (P90 – 90% probability).

Cost Reduction Measures:

Due to previously reported operational issues on the Bird #13-18 well, the Company has implemented an austerity program to ensure that monthly operating costs will be covered by revenues generated by oil sales.

Current net monthly revenue at \$US50.00 per barrel of oil is approximately USD\$70,000.

Employee Remuneration: Employee cut backs have occurred and remuneration reductions totalling 55% have been implemented. This has reduced monthly employee costs from USD\$77,000 per month down to USD\$35,000 per month.

Company Director Fee's: Director fees of \$AUD2,000 per month have been paid to each of the Company's four Directors for the past three years, with a total monthly payment of \$AUD8,000 per month. The Directors have agreed to take this monthly payment in Company stock, thus entirely removing this cash outlay.

In total, the above cost reduction measures have reduced monthly company remuneration by US\$46,216 (Management) and AUD\$4,000 (Directors' fees).

Sale of Non-Core Assets:

The Company has commenced the process to sell its Kentucky producing wells which currently produce at rates of 15-20 barrels of oil per day.

The Company is the operator of this 2,000 acre property in Western Kentucky and owns 50% of this property.

Proposed Capital Raising:

On the 9th of December the Fremont Board resolved to undertake an equity capital raising to provide additional working capital to execute the business strategy articulated above. The Company is currently working with its advisors on a suitable structure given the Company's funding circumstances (asset sales, debt repayment/restructuring).

Fremont is focused on becoming cash flow positive soon and is committed to the prudent development and profitability of its oil and gas rich Pathfinder project in Colorado, USA. While the complications on the Bird #13-18 well were not anticipated, Fremont's asset base has a large degree of optionality and unlocked value and the Management team is committed to realising the value of this world class oil and gas property.

– ENDS –

For further information, please contact:

Guy Goudy, Fremont Petroleum Corporation Executive Chairman (USA): +1 720 454 8037

Ben Jarvis, Six Degrees Investor Relations: +61 413 150 448

ABOUT FREMONT PETROLEUM CORPORATION LTD

Fremont Petroleum Corporation (FPC) is an Oil & Gas Production and Development company. The company was founded in 2006 and is headquartered in Florence Colorado USA with its Australian office located in Sydney Australia. The company has operations in Colorado and Kentucky.

Driven by a world-class team, the primary focus area is the 2nd oldest oilfield in the US located in Fremont County Colorado. The Florence Oil field was discovered in 1881 with the likes of Standard Oil & Continental Oil (Conoco) at the helm of production. With the advent of new technology, the Florence Oil field is one of the most economic fields in the US, and is much larger and even more prolific than originally understood.

The company's wholly-owned US Subsidiary, AusCo Petroleum Inc. is headquartered in Florence Colorado and operates a Business Unit in Kentucky. FPC is listed on the Australian Securities Exchange (ASX code: FPL).

DISCLAIMER:

This announcement contains or may contain “forward looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21B of the Securities Exchange Act of 1934. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, goals, assumptions or future events or performance are not statements of historical fact and may be “forward looking statements.” Forward looking statements are based on expectations, estimates and projections at the time the statements are made that involve a number of risks and uncertainties which could cause actual results or events to differ materially from those presently anticipated. Forward looking statements in this action may be identified through the use of words such as “expects”, “will,” “anticipates,” “estimates,” “believes,” or statements indicating certain actions “may,” “could,” or “might” occur. Oil production rates fluctuate over time due to reservoir pressures, depletion or down time for maintenance. The Company does not represent that quoted production rates will continue indefinitely.