

Third Quarter Activities Report FY2019



Figure 1: J.W Powell Well: 40-foot Gas Flare During Production Test

For the period ended 31 March 2019
With additional information on subsequently completed activities

REVIEW OF QUARTERLY OPERATIONS AND ACTIVITIES

- **J.W. Powell #23-25 well initial flow rate tests at 220 BOE/Day (80% gas/ 20% condensate/oil)**
- **J.W Powell #23-25 well demonstrates Niobrara Formation in FPL's Pathfinder Field is highly productive for oil and gas. Re-rates the value of Pathfinder's acreage to that of nearby DJ Basin/Wattenberg Field**
- **FPL collaborates with Schlumberger, the world's leading oilfield services company, to deploy the most advanced completion technologies to develop Pathfinder – used for the first time onshore USA**
- **Niobrara Formation thickness on J.W. Powell 23-25# well totals 537 feet**
- **6,043 barrels of oil produced in the quarter - Q3 revenue of AUD\$195,500 not including AUD\$46,004 from Kentucky JV**
- **Fremont held unsold inventory of 3,009 barrels of oil in storage tanks at 31 March 2019**
- **Placement raises AUD\$5.1mil at \$0.013 per share. FPL fully funded for current drilling campaign and 3D seismic operations**

A strong start to the June Quarter

- **Lockhart Geophysical appointed to shoot 3D seismic over ~1,200 acres (4.75 sq. km/1.83 sq. miles)**
- **Operations on Vespucci #1 Well Underway – Drilling to target depth of 6,000 to begin shortly**

Fremont Petroleum Corporation Ltd is an oil and gas Production and Development Company that is the operator of its 100%-owned 21,500-acre Pathfinder project in the oil and gas rich region of Fremont County, Colorado, USA.

Fremont's Pathfinder project is large enough to accommodate 500+ wells with the Company currently operating 26 oil and gas wells in the field with two additional wells in the development phase.

Independent estimates calculate a 90% probability that Pathfinder contains a resource of 54 million barrels of oil and 540 Billion cubic feet of gas.

The Company also has a 50/50 JV in producing oil and gas properties in Kentucky. Fremont receives 100% of the revenue until its capital contribution is repaid through oil sales.

The Company's strategy and absolute focus is to prove that the Pathfinder Property is an extension of the Wattenberg Field in the D. J. Basin in Colorado where large, contiguous and operated positions are transacting for ~US\$5,000 to US\$15,000 per acre. Currently, based on market capitalization of AUD\$19mil (US\$13.5mil/21,500 acres), the Pathfinder property is valued at approximately \$650/acre. The Pathfinder property is located approximately 100 miles from the DJ Basin/Wattenberg Field.

Importantly, Fremont is de-risking and proving up the oil and gas reserves and resources Pathfinder property through modern completion technologies that cost significantly less than horizontal drilling that costs US\$5 – 7 million per well. The J.W. Powell well was drilled and completed for approximately US\$1.5mil.

Fremont was pleased to announce in March that it has collaborated with Schlumberger to develop the Pathfinder Field. Using their proprietary technology, Schlumberger successfully deployed a new stimulation and completion method into the B and C benches of the Niobrara Formation of the J.W. Powell well, and in doing so, created a simulated horizontal bore within this vertical well of over 1,200 feet.

This significantly increased the stimulation contact within the formation and has provided enhanced production rates for a typical unconventional (shale) vertical well.

This was the first time Schlumberger has combined this particular proprietary completion technique with radial drilling technology in an unconventional field in the USA. The Pathfinder Field can therefore be viewed as the 'pioneering field' where the very latest onshore unconventional well completion technologies have been applied.

Drilling Operations:

J.W Powell #23-25 Well:

Much of the Company's focus over the past quarter was the drilling of the J.W. Powell #23-25 well and confirming an active hydrocarbon system within the Niobrara formation of the Pathfinder property.

The Company was pleased to report a discovery on the JW Powell #23-25 well which tested at an initial production rate (IP) of 220 barrels of oil equivalent per day (BOE) of which approximately 80% was gas and 20% condensate and oil.

The well is producing from the B & C benches of the Niobrara formation which was the primary target of the well.

The discovery on the Powell well provided further confirmation the Pathfinder Property is an extension of the DJ Basin and Wattenberg Fields where large, contiguous and high quality positions in the Basin are selling for approximately \$5,000 to \$15,000 per acre.

This oil and gas discovery has significantly de-risked the geology of the Pathfinder property and confirms that the reservoir is highly prolific and comparable to the Wattenberg field to the North.

To avoid uneconomic flaring and to capture the natural gas liquids, the Company has opted to temporarily shut the well in, until a gas off-take agreement has been secured. At such time, infrastructure will be installed including a pipeline, gas gathering system, and a processing facility to strip out the valuable natural gas liquids. Work with respect to off-take agreements and preparatory works associated with the infrastructure build have progressed further in the quarter.

J.W Powell #23-25 Well Geology:

	DJ Basin/Wattenberg Niobrara	Pathfinder - JW Powell Niobrara
Depth (ft)	6,000 - 8,000	5,141 - 5,681
Thickness (ft)	150 - 300	537
Porosity (%)	6-10%	6-10%
Water Saturation (%)	35-90	37-42
Thermal Maturity (Ro)	0.5-1.4	0.72
Resistivity (ohm-m)	cutoffs 20-30	30 – 50 in reservoir benches
Reservoir Pressure (psi/ft)	0.42-0.6	0.38
Gas-oil-ratio (GOR)	0-10,000	NOT YET ESTABLISHED
Frac'ability of Rock	Brittleness varies, 250' frac length	Brittleness varies, 300' frac length
Lithology	Chalk/Marlstone, multiple intervals	Chalk/Marlstone, multiple intervals
Clay Content	10-40%	10-17% in reservoir benches
Total Organic Carbon	3%	3.5%

Amerigo Vespucci # 1 Well:

The Amerigo Vespucci #1 well safely spudded on Friday 9 November.

Operations have recommenced in April to complete the remaining ~1,200 feet of the well's production section down to ~6,000 feet.

Site works and rig mobilisation are now underway, and drilling will recommence in the next week.

Drilling of the well was halted in December at 4,800 feet to test hydrocarbon shows from the shallower Pierre Formation. Given the success of the J.W. Powell well, testing and fracking the proven and productive Niobrara Formation in this section of the Pathfinder Field is therefore warranted.

The Vespucci is a vertical well targeting production from the B and C Benches of the Niobrara Formation, the same formation that yielded favorable oil & gas production from the recently completed J.W. Powell #23-23 well.

The Company looks forward to the drilling and completion of this well, and if successful, further confirming the significant value of the Pathfinder property.

Production & Revenue

Total production for the March quarter was 6,043 barrels of oil. 4,462 barrels were produced in Colorado & 1,581 barrels in Kentucky. Colorado Production saw a quarter-on-quarter decrease of 23% and Kentucky production fell by 18%.

As well, Fremont held unsold inventory of 3,009 barrels of oil in the storage tanks at 31 March 2019. Total barrels of oil sold in Colorado for the quarter was 3,906BO and 963BO in Kentucky.

As is typical for this time of year, production for the quarter was materially impacted by winter weather conditions in January and February which required the Company to shut in wells to manage the impacts of freezing. On several occasions, large amounts of snow fall also prohibited haulage trucks accessing the field.

Receipts from oil sales reported in the 5B was \$195,500 down \$84,184 over the previous quarter.

This revenue does not include \$46,004 of from the Kentucky JV due to accounting rules on revenue recognition from JVs. The above amounts are net of royalties which are paid directly to the mineral owners by the refineries.

The Company was able to bring the majority of its wells in Colorado and Kentucky back on-line during March and is currently producing ~80 BOPD.

Corporate costs and lease operating expenses for the quarter totaled \$364,183 which saw the Company operationally cash flow negative for the quarter by \$168,683.

The majority of costs incurred during the quarter, aside from normal operating costs, were associated with an increase in drilling operations as well as significantly increased compliance costs on the back of a tightening regulatory environment for oil and gas companies in the State of Colorado.

Gas operations and sales negotiations

It is clear that the Pathfinder field contains large amounts of natural gas.

The Company is in the advanced negotiations on a long-term gas off-take agreement with a large, industrial Company.

Negotiations have been aided by the success of the J.W. Powell well and its high gas content. Monetising Fremont's natural gas is a priority and it is a significant new revenue channel for the Company. Considerable effort is being made to lock in this contract. Fremont is also assessing other channels to monetise its gas including a assessing connecting into the Colorado Interstate Gas (CIG) pipeline which opens up a very large market for Pathfinder's gas. Again, the success of the J.W. Powell well, and its high gas content, has made this a much more viable option.

A strong start to the June quarter

Pathfinder 3D Seismic Program:

In April, Fremont announced that it has contracted Lockhart Geophysical to shoot high resolution 3D seismic over 1,173 acres of the 21,500-acre Pathfinder Field, Colorado, to enhance the understanding of the existing hydrocarbon system.

The 3D seismic acquisition program has been designed to provide high quality imagery from ~1000 to ~6000 feet. These depths include all known prolific formations in the field including the Pierre shale, all 4 benches of the Niobrara, the Codell, Greenhorn and Grenaros.

The program is being undertaken over an area of the Pathfinder Field containing the successful J.W. Powell #23-25 well.

The aim of this 3D seismic is to build on the extensive data obtained from Powell and other nearby wells to significantly enhance our understanding of this high opportunity field. The result will be a very clear picture of the subsurface geology, including locations of key geological anomalies such as faulting and fracturing which are prolific and known hydrocarbon traps in the Pathfinder Field.

As well as supporting a re-valuing of the acreage, the detailed picture of the subsurface that this seismic survey provides will significantly improve the Company's chances of further success on future drilling locations, and as such, further de-risking the Pathfinder Field.

Amerigo Vespucci # 1 Well re-entry:

Earlier this month, Fremont reported that it has commenced mobilisation to re-enter the Amerigo Vespucci # 1 well. Field work has now commenced and drilling operations are likely to resume within a week, The Company is again collaborating with Schlumberger on completion works and a great deal of knowledge gained from the J.W. Powell well is being applied to this drilling and completion program.

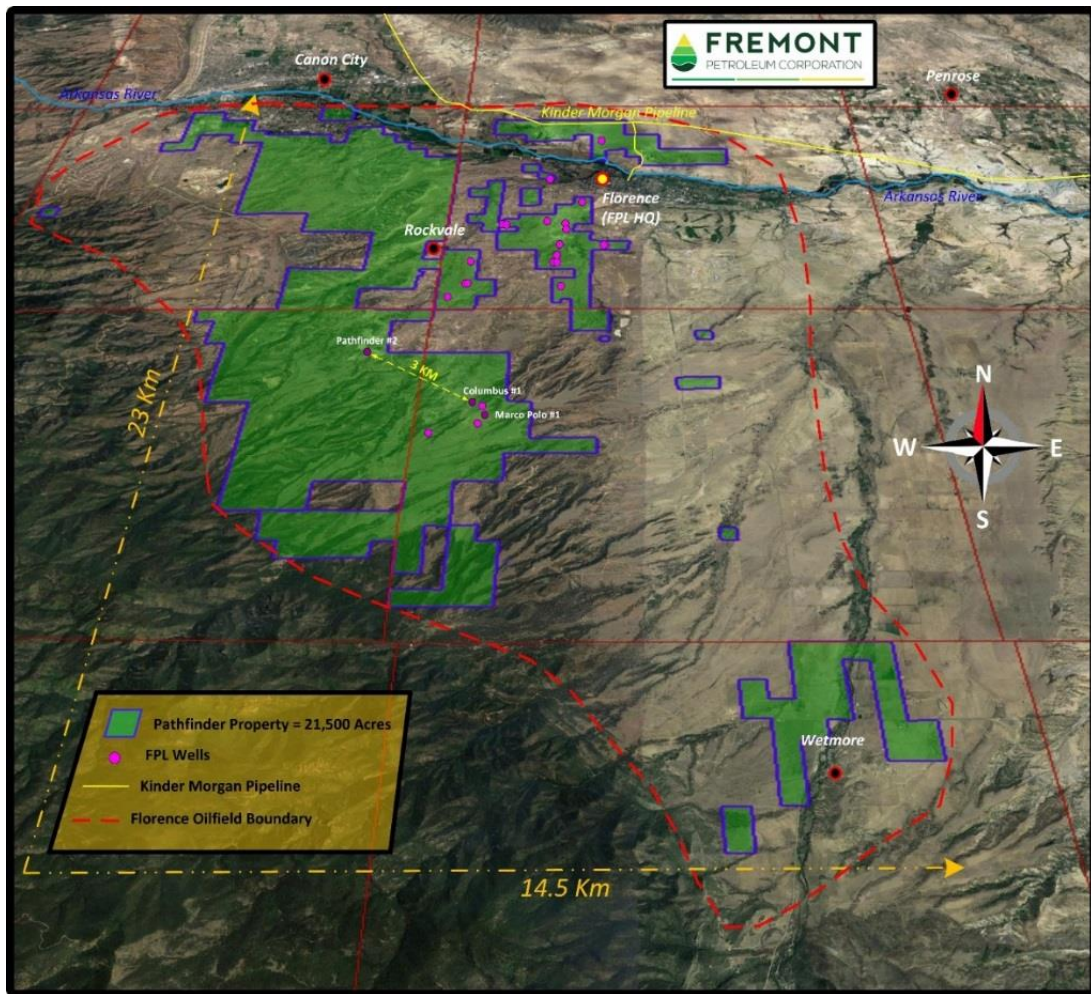
Outlook and objectives for this quarter

The Company's objectives for the quarter are:

- Drill, complete and test the Amerigo Vespucci # 1 well.
- Report results from 3D Seismic program.
- Progress gas off-take agreements and assessment of CIG tie in.
- Preparations for 2019 drilling program.

PATHFINDER PROJECT – FREMONT COUNTY COLORADO

- 100% 21,500-acre Oil and Gas Property, Denver Julesburg Basin. (1,660 acres under option)
- Fremont is the Operator of this project.
- 27 oil and gas wells.
- Primary Objectives: Niobrara & Pierre Shale Formations.
- Secondary Objectives: Greenhorn, Codell and Grenaros formations.



Pathfinder Property – 21,500 acres

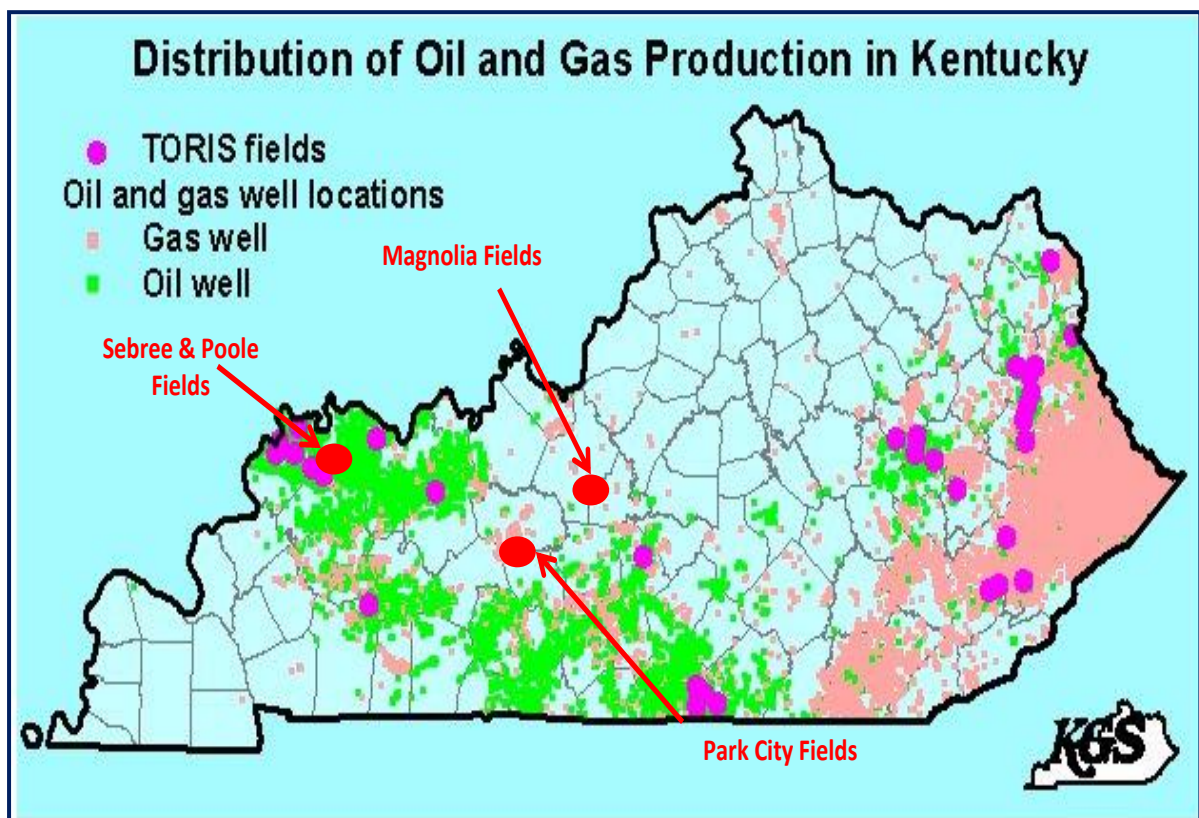
KENTUCKY OIL AND GAS PROPERTY

Kentucky Exploration LLC is a 50/50 Joint Venture with a private Australian Investment Company

- Primary Hydrocarbon targets: Jackson Formation, Cyprus Formation, Niagara Sand, and McCloskey Formation.

Current Operations

- Leases with high operational expenses and high-water haulage, electricity and chemical programs have been put on idle until the price of oil recovers.
- Low-cost, shallow, high-impact drilling program in Kentucky provides an additional source of low-risk and long-life production, and cash flow, for the Company.



The above map illustrates Fremont Petroleum Corporation's leases in Kentucky.

INDEPENDENT CONSULTANT'S ANALYSIS

Gustavson Associates

Gustavson Associates LLC (the Consultant) was retained by Fremont Petroleum Corporation Limited to prepare a Report regarding the reserves and resources underlying acreage positions owned by Austin in the states of Colorado and Kentucky. This Report is limited to a report on these properties' oil and gas reserves and resources underlying the acreage position. This Report does not attempt to place a Market Value thereon. The 2018 Gustavson report is dated August 6 with an effective date of May 1. Estimates in this report have been prepared according to the VALMIN standards, which rely on the definitions found in the Petroleum Resources Management System.

Summary of Oil and Gas Resources

	P ₉₀ (1C)	P ₅₀ (2C)	P ₁₀ (3C)
Niobrara			
Contingent Oil Resources, MMBbl	25.4	31.4	38.1
Contingent Gas Resources, BCF	312	366	425
Pierre			
Contingent Oil Resources, MMBbl	20.7	25.6	31.3
Contingent Gas Resources, BCF	79.2	102.2	129.7
Greenhorn			
Contingent Oil Resources, MMBbl	7.6	16.3	35.0
Contingent Gas Resources, BCF	149	196	253
Kentucky			
Contingent Oil Resources, MMBbl	0.3	0.5	0.7
Contingent Gas Resources, BCF	0.1	0.1	0.2
Total Contingent Oil Resources, MMBbl	54.0	73.9	105.1
Total Contingent Gas Resources, BCF	540	664	808

The Summary tables of the analysis are as follows (M = 1,000, MM = 1,000,000, BCF = Billion Cubic Feet, P = Probability, P90 = 90% probability):

Summary of Oil and Gas Reserves and Economics

Reserves Category	Net Oil Reserves (MBO)	Net Gas Reserves, MMcf	Net Present Value, Millions of US\$ Discounted at	
			0%	10%
Proved Developed Producing (P1)				
Colorado	157.81	0.00	\$4.37	\$3.03
Kentucky	17.03	0.00	\$0.31	\$0.26
Total	174.84	0.00	\$4.69	\$3.29
Proved Undeveloped	169.58	0.00	\$3.41	\$1.80
Total Proved	344.42	0.00	\$8.10	\$5.08
Probable Developed Non-Producing (P2)	32.65	1,166.07	\$3.69	\$1.86
Probable Undeveloped	1,135.10	0.00	\$21.59	\$10.24
Total Proved plus Probable	1,512.17	1,166.07	\$33.37	\$17.18

The Summary tables of the analysis are as follows (M = 1,000, MM = 1,000,000, BCF = Billion Cubic Feet, P = Probability, P90 = 90% probability):

WORKPLACE AND ENVIRONMENTAL SAFETY

The Company is pleased to report that no lost time safety accidents or phase 1 environmental incidents occurred over the past quarter.

The Company places significant emphasis on the safety of all of its people, from its own employees to external contractors at its well sites. It is mandatory that the Company's staff attend quarterly safety sessions at its headquarters in Florence Colorado as well as several OSHA safety programs that are held throughout the year.

The Company is proud that it maintains an impeccable safety record with only one Lost Time Accident occurring in its 10 years of operations, and an unblemished environmental record with no phase-1 incidents ever having been recorded.