

## REPLACEMENT APPENDIX 5B & QUARTERLY ACTIVITIES REPORT

**Fremont Petroleum Corporation Ltd** (ASX: FPL) ('Fremont' or 'the Company') advises that the Appendix 5B & Quarterly Activities Report issued 29 January 2021 are replaced by these Reports. The previously issued Appendix 5B was an earlier draft of the report released in error.

This announcement has been authorised by the Board of Fremont Petroleum Corporation Ltd.

-ENDS-

**Further information:**

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Company Secretary  
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**ABOUT FREMONT PETROLEUM CORPORATION LTD**

Fremont Petroleum Corporation Ltd (ASX: FPL) is an Oil & Gas production and development company with operations in Colorado and Kentucky, Indiana & Illinois. The Company's focus is to aggressively grow daily production by improving current asset performance and opportunistically acquiring onshore USA oil & gas assets with the following characteristics: producing conventional oil & gas wells; production can be enhanced through low-cost field operations and workovers; leases are held by production and do not require ongoing drilling commitments; and economies of scale can be achieved by acquiring and enhancing similar assets nearby.

**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.

## Quarterly Activities Report

Fremont Petroleum Corporation Ltd (ASX: FPL) ('Fremont', 'FPL' or 'the Company') provides this summary of activities for the quarter ended 31 December 2020.

### **Growth in production & stored oil inventory**

A total of 9,932 barrels of oil were produced in the quarter with 7,367 barrels of oil sold (September 2020 quarter: 2,673 barrels) with 4,540 barrels of unsold inventory valued at US\$240,000 being held in collection tanks at the end of the quarter (September 2020 quarter end: unsold oil inventory was 2,495 barrels).

Note: The quarterly 5B does not show US\$116,000 revenue from Trey Exploration production. The Trey accounts were held in suspense by the oil purchaser as the mineral interest assignments are still being completed post the acquisition.

Whilst the increase in oil production and unsold inventory is pleasing, and reflects the contribution from the recently acquired Trey leases and production gains from workovers, these production and inventory numbers will continue to track up strongly in the current quarter and beyond driven by the multiple well workover programs now underway.

### **Operations**

Operations focused on well workovers in Colorado and Kentucky to deliver more consistent oil production.

### **Pathfinder Project – Fremont County Colorado**

In Colorado, during the quarter the Company engaged an established local contractor to perform well work on 12 of its wells to enhance production.

Increased regulatory pressure necessitated that the associated gas production in the Colorado wells now be contained, whereas historically these wells have flared or vented the gas production. With the new regulations this gas cannot be released from the wellbore, resulting in a decrease in oil production as the pressure in the well is increased. The engineering team continues to look at new ways to maximize the oil production whilst maintaining compliance.

Various short term and long-term alternatives for gas distribution in the field continue to be considered.

Total Colorado production for the quarter was 3,093 barrels with 1,639 barrels sold and 2,111 barrels remaining in inventory on 31 December.

### **Kentucky Oil & Gas**

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

Operations in the quarter prioritised low-cost workovers and enhancements on the most prospective producing wells. Planning for other leases which hold wells that have been idle or shut in for an extended period and may require more comprehensive well work is now in progress.

The quarterly 5B does not represent any revenue from the Kentucky Exploration joint venture. Cash flow is not included due to the joint venture being a 50/50 ownership.

Total Kentucky Exploration production for the quarter was 1,260 barrels with 638 barrels sold and 850 barrels remaining in inventory on 31 December.

### **Trey Exploration, Inc**

As announced on 1 October 2020, the Company executed the Asset Purchase Agreement with Indiana-based Trey Exploration, Inc. ('Trey') to acquire its portfolio of oil leases. The Company paid US\$1m and will pay a further US\$0.9m by May 2021 to complete the acquisition.

FPL has assumed ownership with Trey's team continuing to operate the leases for the foreseeable future with favourable operating terms agreed. Trey is currently producing ~75 barrels of oil per day and revenue from oil sales will be used to enhance production above current levels. The leases in Indiana, Kentucky and Illinois collectively hold 115 conventional oil wells. Many of these wells are currently inactive and can be brought back on-line, and those that are producing can be worked over cost effectively to deliver greater production flows.

Total Trey Exploration production for the quarter was 5,579 barrels with 5,090 barrels sold and 1,579 barrels remaining in inventory on 31 December.

As stated, the revenue associated with these oil sales are not included in 5B due to the fact that the accounts were held in suspense until such time as the assignments of the mineral interests are completed.

### **Corporate**

During the quarter, the Company issued the final \$0.45m of its \$3m capital raising, approved by Shareholders at the 31 August 2020 meeting (Terms - share at \$0.003 with a free attaching option exercisable at \$0.003 & expiring 12 months after issue).

An additional \$1.8m of working capital was raised in December 2020 under FPL's LR7.1 capacity (Terms - share at \$0.003 with one free attaching option for every two shares, exercisable at \$0.005 & expiring 18 months after issue) The issue of these options is subject to shareholder approval.

As reported in the quarter, the Company continues to assess conventional natural gas and oil acquisition opportunities with a focus on the Illinois Basin where it is focusing on consolidating its asset base and growing its well count.

Fremont is well-placed to take advantage of assets where there is a significant mismatch between the underlying asset value and the cost of acquisition. A number of opportunistic targets are being assessed, with an emphasis on conventional natural gas projects, with any transaction being non-dilutionary to shareholders.

### **Securities on issue**

Ordinary shares – ASX: FPL	4,675,179,187
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#### *Unlisted Options*

\$0.045 expiring 30 June 2021	12,500,000
\$0.003 expiring 30 Sept 2021	849,999,998
\$0.003 expiring 30 Sept 2021	150,000,000

### Tenement/lease summary

Business Unit	State	County	Lease Name	Beginning of Quarter		End of Quarter	
				NRI*	NET Acres	NRI*	NET Acres
Kentucky Exploration (Newtak JV)	Kentucky	Henderson	Arnold Griffin (McKinley)	82.0%	52.50	82.0%	52.50
			Katherine McFarley (McKinley)	82.0%	54.14	82.0%	54.14
			Robards Lauenstein	82.0%	107.46	82.0%	107.46
			Jack Knight Jr & Mary Lee Knight	87.5%	57.75	87.5%	57.75
			RC Duncan	87.5%	21.88	87.5%	21.88
			Lorene Busby	82.0%	98.44	82.0%	98.44
			Felty	81.0%	84.24	81.0%	84.24
		Webster	Russell	75.0%	46.50	75.0%	46.50
			Ted Majors	75.0%	27.75	75.0%	27.75
			Jimmy Dacy	75.0%	102.00	75.0%	102.00
		Hopkins	Ashby Heirs	80.0%	64.00	80.0%	64.00
Trey Exploration	Kentucky	Henderson	Barrett-West	0.0%	0.00	80.0%	217.55
			Overfield	0.0%	0.00	80.0%	100.32
		Hopkins	North Hanson	0.0%	0.00	80.0%	1300.00
			Adams-Buchanan	0.0%	0.00	80.0%	520.00
			Blue	0.0%	0.00	80.0%	180.00
			Finley-Kahlow	0.0%	0.00	80.0%	200.50
	Indiana	Posey	College Community	0.0%	0.00	80.0%	40.00
			Hast	0.0%	0.00	80.0%	40.00
			Posey County Farms	0.0%	0.00	80.0%	199.50
			Alexander	0.0%	0.00	80.0%	40.00
		Vanderburgh	Reiman-Adler	0.0%	0.00	80.0%	213.00
			Scheller	0.0%	0.00	80.0%	40.00
		Knox	Anthis	0.0%	0.00	80.0%	40.00
			Ellis	0.0%	0.00	80.0%	174.37
			Field-Meyer-State	0.0%	0.00	80.0%	201.33
			Kissling	0.0%	0.00	80.0%	185.87
			Newton-State	0.0%	0.00	79.2%	456.58
			Steckler-State	0.0%	0.00	80.0%	240.00
		Wilson	0.0%	0.00	78.6%	80.00	
		Illinois	Edwards	Grayville	0.0%	0.00	80.0%
AusCo Petroleum	Colorado	Florence	Incremental Wells	79.0%	1924.26	79.0%	1924.26
			Chandler Creek	85.0%	7102.31	0.0%	0.00
			Prize Energy	75.0%	10977.76	75.0%	10977.76
<b>Total Acreage</b>					<b>20720.98</b>		<b>18217.69</b>

\* NRI = Net Revenue Interest

Working Interest is 100% for all leases

### Events subsequent to the end of the quarter

In mid-January, FPL announced that it had commenced a 21-well workover program on the Trey Exploration leases. Chemical treatments, acid jobs, mechanical and electrical works and some low-cost refracturing of well bores is being undertaken. Work is initially focusing on the Knox County leases in Indiana where Trey owns and operates seven oil producing leases/units with 24 producing wells, 9 injection wells, and 16 inactive wells, most of which have potential for primary and secondary oil recovery. The Trey leases in Southern Knox County represent one of the largest under-developed tracts of land in a traditional oil 'fairway' remaining in the Illinois Basin today. FPL sees considerable production upside here. The focus now is on delivering early production gains from this initial workover program with first results to be reported in the next week. Early progress is encouraging despite slight delays in work commencing due to winter weather.

**Comment**

**Chief Executive Officer Tim Hart commented:** *“Early production gains realised in the quarter are pleasing but we are far from realising the full potential of our leases. New funds raised in the quarter were predominantly deployed for workovers this month so the March quarter will see continued production growth. We are now totally focused on increasing revenue through field enhancement programs, as opposed to drilling new wells and our current inventory of conventional wells have tremendous upside. We look forward to reporting on progress and some other exciting growth initiatives that we are pursuing.”*

This announcement has been authorised by the Board of Fremont Petroleum Corporation Limited.

**Further information:**

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**Ben Jarvis, Six Degrees Investor Relations: 0413 150 448**

**ABOUT FREMONT PETROLEUM CORPORATION LTD**

**Fremont Petroleum Corporation Limited (ASX: FPL) is an Oil & Gas production and development company founded in 2006 and headquartered in Florence Colorado USA with its Australian office in Sydney, Australia. The company has operations in Colorado and in Kentucky, Indiana & Illinois.**

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## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Fremont Petroleum Corporation Ltd

ABN

98 114 198 471

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	76	125
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(146)	(249)
(b) development	-	-
(c) production	(232)	(260)
(d) staff costs	(28)	(244)
(e) administration and corporate costs	(149)	(242)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(20)	(20)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(499)</b>	<b>(890)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) tenements	(1,418)	(1,418)
(c) property, plant and equipment		
(d) exploration & evaluation (if capitalised)		
(e) investments		
(f) other non-current assets		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(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 (Kentucky Well workover costs)	(20)	(80)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,438)</b>	<b>(1,498)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,250	3,133
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	(166)	(173)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (share applications in advance)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2,084</b>	<b>2,960</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,558	1,294
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(499)	(890)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,438)	(1,498)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,084	2,960

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(70)	(231)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,635</b>	<b>1,635</b>

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	1,635	1,558
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,635</b>	<b>1,558</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1 - Directors fees paid in quarter
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
-
-

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



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>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.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	300	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	300	-
7.5 <b>Unused financing facilities available at quarter end</b>		300
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.	
Unsecured Finance facility of \$300,000 from a private lender at 10% interest, facility available until 31 March 2022.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(499)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(499)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,635
8.5 Unused finance facilities available at quarter end (Item 7.5)	300
8.6 Total available funding (Item 8.4 + Item 8.5)	1,935
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>3.88</b>
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:
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	
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	
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	

## 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: ..29 January 2021.....

Authorised by: .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.