

16 August 2019

Puja Patel
Adviser
ASX Compliance Pty Limited
20 Bridge Street
Sydney NSW 2000

By email: Puja.Patel@asx.com.au

FREMONT PETROLEUM CORPORATION LIMITED – APPENDIX 5B QUERY

Fremont Petroleum Corporation Limited (ACN 114 198 471) (**Company**) provides the following information in response to your query dated 12 August 2019 regarding the Appendix 5B for the period ended 30 June, 2019:

1. Yes, the Company expects to continue to have negative cash flows for the next quarter. The Company is engaged in an active drilling program on the Amerigo Vespucci #1 well that, while causing the current heightened cash outflow, has been designed to provide a boost to both future ongoing revenues and the value of the Company's Pathfinder oil and gas project in Colorado, USA.

As at 31 July 2019, the Company held unsold inventory of approximately 2,000 barrels of oil in the storage tanks. The Company estimates this will yield approximately USD\$100,000 in net sales.

2. The Board reviews its cash position along with its expenditure commitments and funding requirements on an ongoing basis.

The Company is in discussions with North American financial institutions with regards to financing drilling and infrastructure projects.

The Pathfinder Field is situated in a rural area of Colorado that meets the requirements for loan guarantees provided by the U.S. Department of Agriculture (the **USDA**). These cover up to 80% of the loan amount for establishing a project valued under US\$5 million and max out at a guarantee of 60% for a valuation of US\$25 million.

The Company is working directly with the USDA on a potential financing program for gas gathering infrastructure.

In conjunction with the revenue generated from oil sales in Colorado and Kentucky, if deemed necessary by the Board of Directors (**Board**), the Company could seek to raise further capital to fund its operations. This may be via debt, equity, or a farm-out or a combination of these.

The Company also has a long-standing relationship with capital providers in Australia who the Board believes can continue raise capital to fund ongoing operations of the Company if necessary.

The Company notes pricing stability of oil prices in the \$50-\$60 per barrel of oil. The Company has been successful in raising capital to continue its exploration and operations.

Based on the above and the ongoing support of the Company's shareholders, the Company is confident that, if additional funding is required, the Company will be successful in securing capital for the ongoing development of its North American oil and gas operations.

3. Yes, the Company expects to be able to continue operations to meet its business objectives. Also note that the Company is earning approximately US\$75,000 to US\$100,000 per month in revenue from oil sales. If necessary, it will raise further cash to funds its operations.
4. The Company can confirm that it is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to the ASX in accordance with that Rule that has not already been released to the market. However, the Company is regularly negotiating material transactions that may, if executed, require disclosure under Listing Rule 3.1. Until such time as these transactions are complete and no longer confidential, the Company relies on Listing Rule 3.1A in order to not make any disclosure to ASX.
5. The Company confirms that the responses to the questions above have been authorised and approved by its board.

Yours faithfully,



Guy Goudy
Executive Chairman



12 August 2019

Reference: ODIN05324

Mr Robert Lees
Company Secretary
Fremont Petroleum Corporation Limited

By email: robert@coysec.com.au

Dear Mr Lees

Fremont Petroleum Corporation Limited ('FPL'): Appendix 5B Query

ASX refers to FPL's Appendix 5B quarterly report for the period ended 30 June 2019 lodged with ASX Market Announcements Platform on 31 July 2019 (the 'Appendix 5B').

ASX notes that FPL has reported:

- negative net operating cash flows for the quarter of \$2,880,000;
- cash at the end of the quarter of \$1,559,000; and
- estimated cash outflows for the next quarter of \$1,350,000.

It is possible to conclude, based on the information in the Appendix 5B that if FPL were to continue to expend cash at the rate indicated by the Appendix 5B, FPL may not have sufficient cash to continue funding its operations.

In view of that, ASX asks FPL to respond separately to each of the following questions and requests for information:

1. Does FPL expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has FPL 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?
3. Does FPL expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that FPL is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
5. Please confirm that FPL's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of FPL with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9.30 AM AEST Friday, 16 August 2019**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in FPL's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, FPL's obligation is to

disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and Listing Rule 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to FPL’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that FPL’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in FPL’s securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

Puja Patel
Adviser, Listings Compliance (Sydney)