

## J.W. Powell Well Flows at 220 BOE/Day

- **Initial Production (IP) rate of 220 BOE/day demonstrates Niobrara Formation in FPL's Pathfinder Field is highly productive. Re-rates the value of Pathfinder's acreage to that of nearby Wattenberg Field**
- **The well recorded a peak gas flow rate of 2.1 MMcf/day but was choked back to allow for oil production**
- **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**
- **The application of this technology has significantly enhanced the already strong economics of Pathfinder**
- **Well producing gas, natural gas liquids and crude oil at 80% gas and 20% oil with hydrocarbon composition consistent with Wattenberg Field**
- **FPL to mobilise to Vespucci well next month – Schlumberger deploying further enhanced technology**

Fremont Petroleum Corporation Ltd (ASX: FPL) ("Fremont" or "the Company") is pleased to report the JW Powell #23-25 well tested at an initial production rate (IP) of 220 barrels of oil equivalent per day (BOE) from the Niobrara Formation shale. The well recorded a peak gas flow rate of 2.1 MMcf/day but this was choked back to allow for oil production (See Figure 1).

This IP rate confirms conclusively that the Niobrara Formation in FPL's 100%-owned 21,500-acre Pathfinder Field is very productive for oil & gas. Niobrara acreage in the nearby Wattenberg Field of the Denver-Julesburg (DJ) Basin, the fourth largest oil & gas field in the USA<sup>1</sup>, sells for ~US\$5,000 to ~US\$15,000 per acre<sup>2</sup> with Fremont's DJ Basin acreage valued at ~US\$488 per acre<sup>3</sup>, Pathfinder therefore has huge unlocked value and will be highly sought-after given its 500+ vertical well locations.

This is an excellent result for a vertical well and delivers an immediate boost to Fremont's oil revenues, and substantially increases the Company's natural gas inventory and reserves for future gas offtake and sales.

### **Schlumberger Collaboration**

Fremont is also very pleased to announce 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, 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 vertical well. We expect that this will not only increase well productivity but also improve Estimated Ultimate Recovery (EUR) from the well, a calculation of the amount of oil and gas a reservoir will produce.

This is 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.

<sup>1</sup> US Energy Information Administration: <https://www.eia.gov/naturalgas/crudeoilreserves/top100/pdf/top100.pdf>

<sup>2</sup> [https://www.shaleexperts.com/deals/Synergy-Unloads-Non-Core-DJ-Basin-Acreage-71MM\\_99910549](https://www.shaleexperts.com/deals/Synergy-Unloads-Non-Core-DJ-Basin-Acreage-71MM_99910549)

<sup>3</sup> <https://www.globenewswire.com/news-release/2017/11/08/1178096/0/en/SRC-Energy-Significantly-Expands-Core-Greeley-Crescent-Development-Area-Through-Strategic-Acreage-Acquisition.html>

<sup>3</sup> AUD\$15 Mil market capitalization = USD\$10.5 Mil / 21,500 acres = US\$488/acre

Schlumberger's state-of-the-art technology and well completion technique will allow Fremont to deliver economic production rates from a drilled and fracked vertical well that costs ~70% less<sup>4</sup> than that of a larger horizontal well. This collaboration therefore dramatically enhances the already sound economics of Pathfinder.

#### **Pathfinder's Compelling Geology**

The J.W. Powell's 80/20 gas-to-oil ratio is consistent with Wattenberg Field/DJ Basin hydrocarbon production and reinforces the prognosis that the Pathfinder Field is an extension of the DJ Basin. Fremont ran extensive electronic and mud logs during drilling and completion, and recorded a total Niobrara Formation thickness of 537 feet. This is most noteworthy given the Niobrara Formation ranges from 150 to 300 feet thick in the Wattenberg Field.

#### **Comment**

**Fremont's Head Geologist Vanessa A. Lintz commented:** *"Fremont has combined its local geological expertise with the support of Schlumberger to successfully bring this well online. Our intention was to deliver a successful producer but to also conclusively demonstrate that the Niobrara Formation has a highly comparable geological signature at Pathfinder to that of the prolific Wattenberg Field nearby. We have certainly delivered this outcome."*

**Fremont's Managing Director and CEO Timothy B. Hart added:** *"This is an excellent initial flow rate that we have announced today. Together with Schlumberger, we have brought the very latest well stimulation and completion technologies to make Pathfinder, one of the oldest onshore oil fields in the United States, much more productive and a great deal more valuable. This is indeed a pioneering moment in the US oil & gas shale revolution. With over 500 drilling locations at Pathfinder, we are only just getting started."*

*"Given J.W. Powell's production from the Niobrara Formation, will now quickly mobilise back to the Vespucci well to drill and test the Niobrara Formation here. We plan to mobilise mid-April, and with only 1,000 feet of drilling to go, we expect much quicker results. Schlumberger will collaborate with us at Vespucci and further enhancements of the technology used on the Powell well are planned. The value that Schlumberger's collaboration and the technical bench strength they bring to Fremont cannot be underestimated."*

Fremont also advises it is working with potential gas off-takers to lock in bankable, long-term gas supply agreements. Negotiations are very advanced and will be 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 near-term revenue channel for the Company.

**Tim Hart said:** *"For some time Fremont has talked of securing bankable gas supply contracts. We are negotiating agreements which are more complex than first anticipated. And we are in the very enviable position whereby demand for Pathfinder's gas is more significant than previously considered so securing the sales agreements to maximise shareholder returns needs careful consideration. We are reaching the final stages and it will be worth the wait."*

A full technical analysis and accompanying logs of the J.W. Powell well will be released shortly. This will firmly establish the analogous geology of the Wattenberg and Pathfinder Fields and further illustrate the valuation gap. Video footage of the well during initial production testing can be viewed at [www.fremontpetroleum.com](http://www.fremontpetroleum.com)

Fremont's operations team is now working to bring the J.W. Powell onto permanent production. Some frack fluids are still flowing back and production rates will be actively monitored by Fremont and Schlumberger. Oil is currently being collected for sale in temporary tanks in the interim.



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

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**ABOUT FREMONT PETROLEUM CORPORATION LTD:**

Australian Securities Exchange listed Fremont Petroleum Corporation Limited (ASX: FPL) is an Oil & Gas production and development company founded in 2006 and headquartered in Florence Colorado USA with a corporate office in Sydney, Australia. Fremont has operations in Colorado and Kentucky. The primary focus is the development of the second oldest oilfield in Fremont County, USA. The ~21,500-acre Pathfinder Field was discovered in 1881. Standard Oil & Continental Oil (Conoco) were producers. With new technology, the Pathfinder Field is one of the USA's most economic fields and much larger and more prolific than first understood. Production averages 100 barrels of oil today, and with over 500 drilling locations, Fremont has the capacity to deliver significant production growth. Pathfinder's gas is currently flared and awaiting a gathering system and pipeline so the gas resource can be monetized. A 2018 Independent Reserves & Resources report states that the Pathfinder Field has a P90 (90% Probability) contingent resource of 54 million barrels of oil and 540 billion cubic feet (BCF) of gas.

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