

Pathfinder Field's Contingent Resources Increases to 540 BCF of Gas & 54 Million Barrels of Oil

- **P90 (90% probability) gas resource up 145% year-on-year (2017: 220 BCF) and oil resource up 55% (2017: 35 million barrels of oil)**
- **Independent report confirms Pathfinder's geology is analogous to Colorado's Wattenberg Field**

Fremont Petroleum Corporation Ltd (ASX: FPL) ('Fremont' 'the Company') reports that an independently compiled Resources & Reserve report by Gustavson Associates confirms a significant increase in the P90 (90% probability) Contingent Resource(1C) for the Company's 100%-owned Pathfinder Field in Colorado.

While the oil and gas resources of the field have increased very materially – P90 gas resource up 145% to 540 BCF (.54 TCF) and the oil resource up 55% to 55 million barrels – a key highlight is Gustavson Associates' assessment that the Pathfinder Field's geology is comparable to Colorado's prolific Wattenberg Field, a field that has produced 2.8 TCF of gas and could yield a further 5.2 TCF.¹²

Based on comparable well logs in the Pathfinder and Wattenberg Fields, the Niobrara, Codell, and Greenhorn Formations appear to be similar in character in both areas. The report illustrates that the physical properties of the Niobrara Formation are similar between the two areas indicating potentially similar production performance.

The Resources & Reserves have increased due to the size of the Pathfinder Field growing 16% from 16,798 acres to the 19,500 acres; interpretation of new data secured from recent oil production growth; successful flow testing of three gas wells at Pathfinder, and improved oil & gas prices.

President and CEO of Fremont Timothy B. Hart said: "The independent upgrade of Reserves & Resources delivers considerable value to Fremont and confirms that our strategy of growing the size of the Pathfinder field, increasing oil production and proving up our gas resource is the right one.

"The similarities to the Wattenberg Field cannot be underestimated and recent transactions of Wattenberg acreage provide clear third party validation that Pathfinder's acreage is very valuable. With acreage increasing since the report was published, Pathfinder's resources and reserves will grow again. The report assists greatly with our gas sales and debt funding negotiations, both of which are advancing very well. More developments will be announced soon."

A presentation with more detail on the report follows on from this announcement and can be found below.

The report was completed by Gustavson Associates in accordance with the VALMIN Code promulgated by the Australasian Institute of Mining and Metallurgy, and as specified in the VALMIN Code, the reserves and resources definitions found in the Petroleum Resources Management System (PRMS).

¹ https://en.wikipedia.org/wiki/Wattenberg_Gas_Field

² <http://www.rockymountainenergyforum.com/topics/wattenberg-field>

Information required under Chapter 5 of ASX oil and gas reporting requirements:

The 2018 Gustavson report is dated August 6 with an effective date of May 1. The Company has a 100% working interest in Colorado with net revenue interests between 75% and 83%. The Company also has a 50/50 joint venture in Kentucky with a private Australian investment Company. Fremont is the operator of these two properties.

The Company has acquired additional acreage over the past year and as of July has expanded its position in Colorado to approximately 21,500 acres. Details of these acquisitions have been released to the ASX during the course of 2018.

The Florence Field is located in the Cañon City Embayment, in which sediments were deposited as an extension of the nearby Denver-Julesburg (DJ) Basin and separated later by the Red Creek Arch formed during the Laramide orogeny. Based on comparison of well logs in the DJ Basin and the Cañon City Embayment, the Niobrara, Codell, and Greenhorn sequence of sediments appears to be similar in character in both areas. The Florence Field is located about 120 miles south and slightly west of the prolific Wattenberg Field in the heart of the DJ Basin.

The attached FPL 2018 Reserves and Resources presentation shows a comparison of formation properties of the Niobrara in the Wattenberg Field of the DJ Basin and the Pathfinder area in the Florence Field. The physical properties of the Niobrara are similar between the two areas, indicating that production performance trends may also be similar.

Fremont's assets include acreage positions in the Florence Field of Fremont County, Colorado, and 19 producing wells in eight leases in Webster, Hopkins, and Edmonson Counties, Kentucky. The Florence Field acreage in the Gustavson report covers approximately 19,417 acres and contains reserves in the Pierre and Niobrara formations, and Contingent Resources in those formations as well as the Greenhorn Limestone.

Fremont's properties have been assigned Proved Developed Producing (PDP) Reserves and Contingent Resources.

As additional drilling occurs and further production data is obtained, it is expected these resources will be converted to reserves.

Proved Developed Producing (PDP) reserves were assigned to 19 wells in Colorado producing from the Pierre Shale, and nine producing leases in Kentucky.

Probable Developed Non-Producing reserves have been assigned to the Pathfinder well. Fremont recently acidized this well, which is a horizontal Niobrara well currently shut-in, with restart of production assumed in August 2018. Production has been constrained in the intervening period due to the lack of a gas sales channel. The Company recently performed an acidization of the well which yielded a test rate of 1.6 million cubic feet/day

In addition, Proved Undeveloped (PUD) reserves have been assigned to six well locations in Colorado, with an additional 41 locations assigned Probable reserves. Gustavson is of the opinion that no current regulations, and no anticipated changes to regulations, would inhibit the ability of Fremont to recover the estimated reserves in the manner projected herein.

Additional Contingent Gas Resources were assigned to the Pierre Shale associated with the wells and locations with PDP, PUD, and Probable reserves, and the shut-in wells Columbus #1 and Marco Polo #1. These resources were based on recent tests of the Columbus #1 and Marco Polo #1, both of which produced at rates between 1 and 1.5 MMCF/D on test, as well as sporadically measured gas rates from the oil wells producing from the Pierre.

As reported in the Company's 5B activities report, the Company has an ongoing well work-over program that has yielded a 47% quarter-on-quarter increase in production to 10,598 barrels of oil for Q4 (8,668 barrels Colorado and 1,930 barrels Kentucky), up from 7,186 barrels in the March quarter.

Contingent Resources were also assigned to the remainder of the acreage in both Niobrara and Pierre. Gustavson's resource estimates were based on a probabilistic analysis using a probability distribution of expected ultimate recovery (EUR). This distribution was developed from an analysis of the performance of analogous Florence Field Pierre wells, and the likely number of locations to successfully be drilled in the prospect area. Contingent Resources were also estimated for the Greenhorn Limestone formation, which lies below the Niobrara in the Florence Field area.

Additionally, Contingent Resources were estimated for certain non-producing volumes on the Kentucky properties. These include behind-pipe reservoirs that could qualify as Proved Developed Non-Producing reserves if sufficient data were available regarding production from analogous reservoirs; and shut-in gas production in an area where the previous local gas gathering and processing company has shut down operations due to litigation, and has indicated that they have no plans to restart the equipment. Contingent Resources were estimated based on a review of available well log and reservoir data.

Qualified Resources Evaluator Statement:

The reserves and contingent resources report as of 1 May 2018 was prepared in accordance with the SPE-PRMS. This reserve and resource information contained in this summary is based on and fairly represents information and supporting documentation prepared by, or under the supervision of Letha Lencioni (Vice-President Petroleum Engineering) who is a full time employee of Gustavson Associates. Gustavson Associates is an oil, gas, and mining consulting firm with over 30 years of extensive domestic and international experience. Gustavson's international consultants have diverse experience and expertise in working on international oil and gas and mining projects around the world. Ms. Lencioni is a Registered Professional Engineer in the States of Colorado and Wyoming and a member of the Society of Petroleum Evaluation Engineers; as such, she is subject to the codes of ethics / rules of conduct of all these associations/boards. Her qualifications include a Bachelor of Science degree in Petroleum Engineering from the University of Tulsa, and more than 35 years of experience in oil and gas reserves and resource evaluations. She is a qualified petroleum reserves and resources evaluator (QPRRE) as defined by ASX oil and gas listing rules.

-ENDS-

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ABOUT FREMONT PETROLEUM CORPORATION LTD

Fremont Petroleum Corporation (FPC) 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 Kentucky. The primary focus is the development of the second oldest oilfield in the US in Fremont County. The Florence Oil field which hosts FPC's 19,417-acre Pathfinder project was discovered in 1881. Standard Oil & Continental Oil (Conoco) were producers. With new technology, the Florence Oil field is one of the most economic fields in the US, and is much larger and more prolific than originally understood. FPC is listed on the Australian Securities Exchange (ASX: 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.



Reserves and Resources Upgrade and Summary

August 2018

Key Takeaways

- 1C P90 Gas Resource up 145% to **540 Billion Cubic Feet of Gas** (0.54 TCF) (90% Probability)
- 1C P90 Oil Resource up 55% to **54 Million Barrels of Oil** (90% Probability)
- Pathfinder comparable to Colorado's Wattenberg Field – has produced 2.8 TCF of gas and could yield 5.2 TCF more¹
- Based on comparative Pathfinder/Wattenberg well logs, Niobrara, Codell and Greenhorn Formations are similar in both fields
- Physical properties of the Niobrara Formation similar in both fields – production performance could therefore be similar
- Recent Wattenberg transactions range from US\$1,000 and US\$16,945 per acre – validates Pathfinder's potential value
- Reserves and Resources will grow again – ~2,000 acres not included in current report + more acres earmarked



Oil/Gas Separators Installed At Pathfinder For Higher Gas Volumes

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

- **1C Gas Resource (90% Probability) = 540 Billion Cubic Feet (2017: 220 BCF)**
- **1C Oil Resource (90% Probability) = 54 Million Barrels (2017: 34.9 MMBbl)**

Summary of Contingent Resources in Five-Year Plan

Gross Oil, MBbl	Gross Gas, MMCF	Net Oil, MBbl	Net Gas, MMCF	Net Present Value, Millions of US\$ Discounted at	
				0%	10%
2,627.95	21,003.67	1,970.96	15,752.76	\$88.19	\$27.65

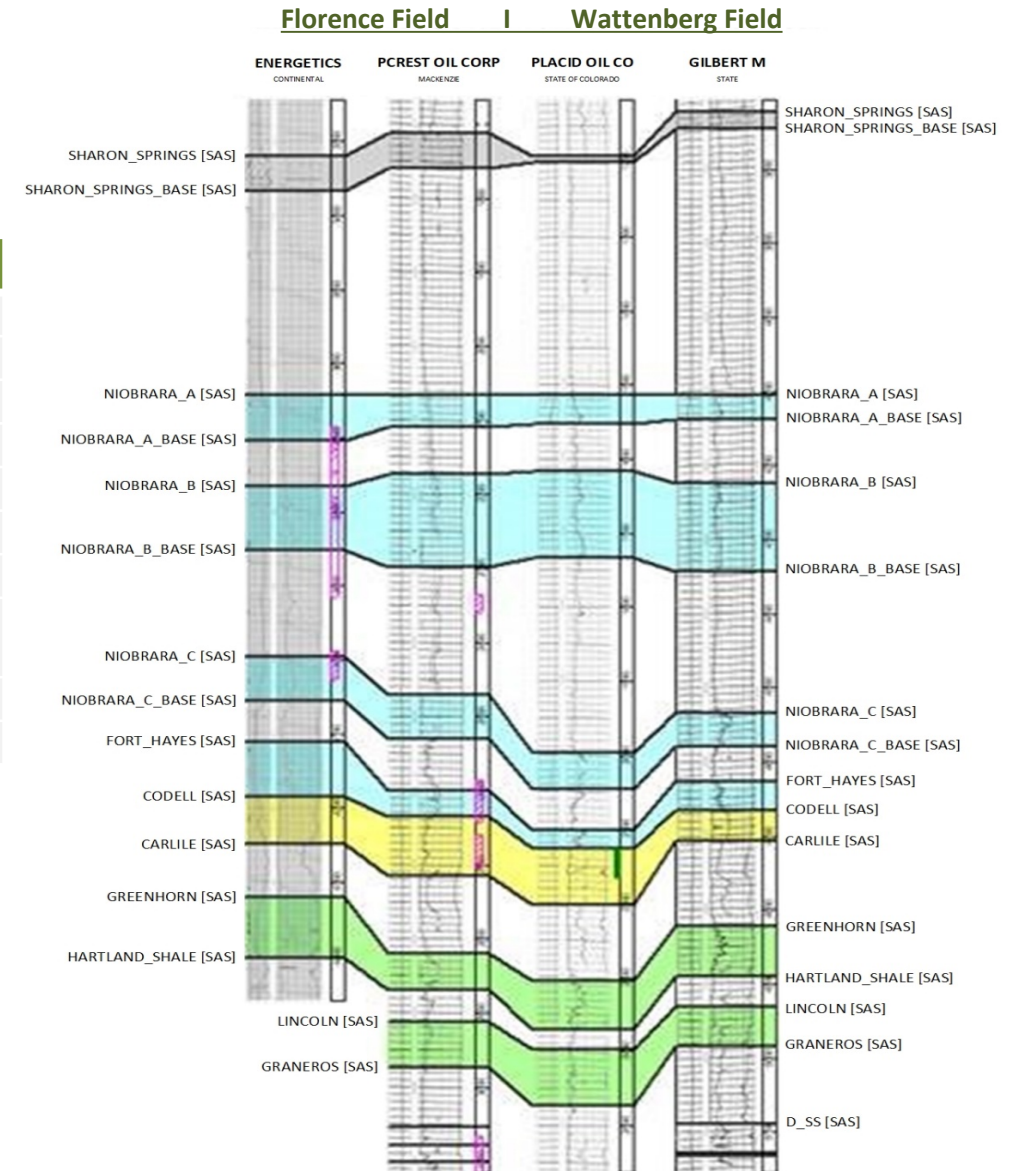
Current Oil and Gas Reserves

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

- **1.5 million barrels of oil and 1.16 Billion cubic feet of gas**

Pathfinder and Wattenberg Fields Are Geologically Similar

	Wattenberg Niobrara*	Florence Niobrara*
Depth (ft)	5,500-8,200	5,000-5,500
Thickness (ft)	150-400	150-500
Porosity (%)	6-12	8-12
Water Saturation (%)	10-60	20-50
Thermal Maturity (Ro)	0.5-1.4	1
Pressure Gradient (psi/ft)	0.42-0.6	0.5
Gas/oil Ratio (GOR - SCF/bbl)	500-30,000	18,000-26,000
Lithology	Chalk/Marlstone, multiple intervals	Chalk/Marlstone, multiple intervals
Clay Content (%)	10-40	15-50
Total Organic Carbon (%)	2-4	0.8-4



*Information obtained from sources including Noble Energy (2015), Tudor Pickering, Sonnenberg (2013), Matthies (2013), various log, core, and production data from the Pathfinder C-11-12 #1 well, and data compiled by Fremont.

Niobrara Formation Acreage is Clearly Valuable

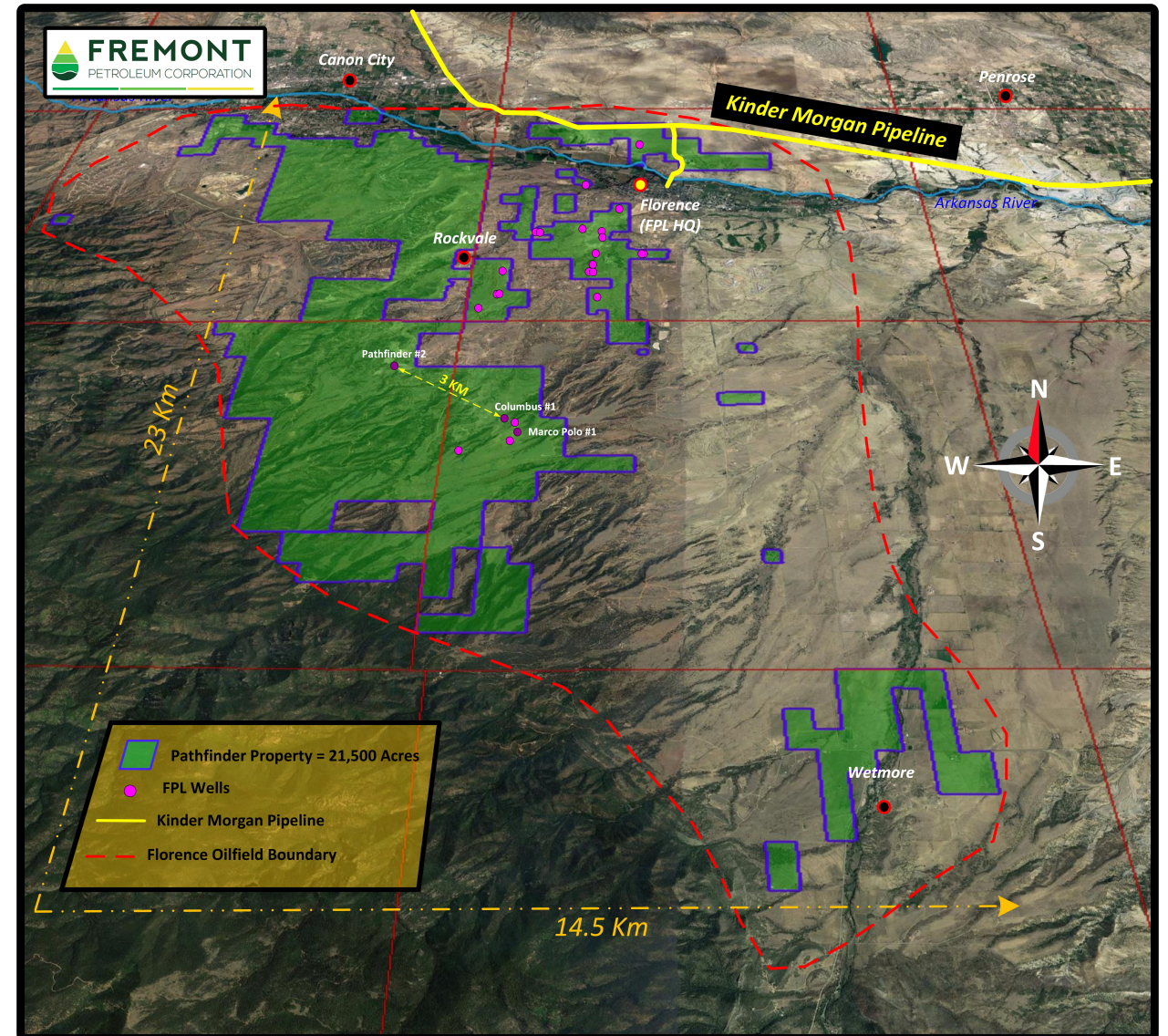
Date	Buyers	Value (US\$)	Type	Location	US Play	US\$/Acre	Counties
Nov 17	Verdad Oil & Gas Corp	\$140m	Property	Colorado	Niobrara	\$1,700 ²	Weld
Nov 17	Sandridge Energy Inc	\$746m	Corporate	Colorado	Niobrara	\$3,116 ³	Columbia, Weld
Nov 17	SRC Energy Inc	\$568m	Property	Colorado	Niobrara	\$16,945 ⁴	Weld
Nov 17	Extraction Oil & Gas	\$195m	Property	Colorado	Niobrara	\$6,500 ⁵	Adams, Arapahoe
Sept 17	PDC Energy Inc	\$210m	Property	Colorado	Niobrara	\$11,940 ⁶	Weld
May 17	Bill Barrett Corp	\$649m	Corporate	Colorado	Niobrara	\$6,652 ⁷	Weld
Feb 17	Providence Energy Gro., PetroShare	\$2.60m	acreage	Colorado	Niobrara	\$887 ⁸	Adams, Weld
Dec 16	Extraction Oil & Gas	\$177m	Acreage	Colorado	Niobrara	\$10,535 ⁹	Weld

- US oil & gas co's used downturn to consolidate Niobrara properties in the DJ Basin – now hard to find
- Large contiguous positions in the Niobrara are now very rare to acquire
- FPL's ~21,500 acres, with a similar geological 'signature' to the Wattenberg, are thus highly desirable
- FPL's acreage valued at ~US\$238¹⁰/acre when applying current market cap**



Multiple Near-Term Value Catalysts

- Executing long-term gas sales – multiple options being pursued
- Technology partnerships that crystalize Pathfinder's true value
- Expanding acreage beyond 21,500 acres – happening
- Increasing oil production in Colorado from current portfolio
- Funding growth through partnerships, debt (USDA) and equity



THANK YOU

1. <http://www.rockymountainenergyforum.com/topics/wattenberg-field>
2. <https://www.oilandgasinvestor.com/seeking-niobrara-pay-1686841>
3. <https://newsok.com/article/5572244/sandridge-energy-to-buy-colorado-company-for-746-million>
4. <https://globenewswire.com/news-release/2017/11/08/1178096/0/en/SRC-Energy-Significantly-Expands-Core-Greeley-Crescent-Development-Area-Through-Strategic-Acreage-Acquisition.html>
5. <https://globenewswire.com/news-release/2017/11/07/1176822/0/en/Extraction-Oil-Gas-Inc-Announces-Third-Quarter-2017-Results-Exceeds-Third-Quarter-Production-Guidance-and-Increases-Full-Year-2017-Crude-Oil-and-Equivalent-Volume-Guidance.html>
6. <http://www.naturalgasintel.com/articles/111874-pdc-spending-swapping-to-bolt-on-acreage-in-dj-basin>
7. <https://www.prnewswire.com/news-releases/bill-barrett-corporation-announces-strategic-combination-with-fifth-creek-energy-significantly-increasing-inventory-of-highly-economic-xrl-drilling-locations-300567159.html>
8. <http://www.marketwired.com/press-release/petroshare-corp-announces-acquisition-approximately-16000-gross-5600-net-acres-dj-basin-otcqb-prhr-2185515.htm>
9. <https://globenewswire.com/news-release/2016/12/12/896838/0/en/Extraction-Oil-Gas-Closes-Two-DJ-Basin-Acquisitions-Provides-Additional-Enhanced-Completion-Details.html>
10. Based on USD/AUD exchange rate of 0.73