

13 May 2019

Isabella Wong
Adviser
ASX Compliance Pty Limited
20 Bridge Street
Sydney NSW 2000

By email: Isabella.wong@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 10 May 2019 regarding the Appendix 5B for the period ended 31 March 2019.

1. Yes, the Company expects to continue to have negative cash flows for the next quarter. The Company is actively engaged in a drilling program that, while causing the current heightened cash outflow, is aimed at providing future revenue growth and increased asset value.
2. Yes, the Company completed a 2 tranche placement of securities in March 2019 to raise \$5.1 million before costs (**Placement**).

Tranche 2 of the Placement, which is yet to complete, will raise an additional \$999,960 before costs and is subject to shareholder approval to be sought at an EGM to be held on 15 May 2019.

The Company expects this second tranche to be approved by its shareholders. As of 10 May 2019, 270 million proxies have been received with 99.5% in favour of passing the EGM tranche 2 resolutions.

3. Yes, the Company expects to be able to continue operations to meet its business objectives.

The Company also notes that it is earning approximately A\$100,000 per month in revenue from oil sales. Revenue for the March quarter was impacted by extreme winter in North America which resulted in multiple wells being shut-in to avoid freezing lines and safety issues. The majority of these wells are now back in production.

As at 31 March 2019, the Company held unsold inventory of 3,009 barrels of oil in the storage tanks. The Company estimates this will yield approximately A\$175,000 in net sales.

The Company notes the significant improvement in the price of WTI oil which trading between US\$60 – US\$70/bbl.

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

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10 May 2019

Mr Robert Lees
Company Secretary
Fremont Petroleum Corporation Limited
Level 3, Suite 302
17 Castlereagh Street
Sydney NSW 2000

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 31 March 2019 lodged with ASX Market Announcements Platform on 30 April 2019 (the 'Appendix 5B').

ASX notes that FPL has reported:

- negative net operating cash flows for the quarter of \$1,281,000;
- cash at the end of the quarter of \$3,874,000; and
- estimated cash outflows for the next quarter of \$2,350,000.

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 Monday, 13 May 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.

Yours sincerely

Isabella Wong
Adviser, Listings Compliance (Sydney)