

Fourth Quarter Activities Report FY2019



Amerigo Vespucci # 1 Well Completion Operations – July 2019

For the period ended 30 June 2019
With additional information on subsequently completed activities

For personal use only

REVIEW OF QUARTERLY OPERATIONS AND ACTIVITIES

- **Amerigo Vespucci #1 Well successfully drilled to target depth of 5,977 feet (1,822 metres) and intersected a fractured and active hydrocarbon system**
- **Strong oil and gas shows evidenced on mud logs throughout bottom 1,000 feet of well-bore**
- **Logs indicate the presence of oil and gas in three zones: Niobrara formation: 546ft thick; Greenhorn formation: 92ft thick; and Codell formation: 77ft thick**
- **Vespucci Well Stimulation Operations Underway**
- **FPL collaborates with Schlumberger, the world's leading oilfield services company, to deploy the most advanced completion technologies to develop**
- **Schlumberger's Petrophysical Evaluation Confirms Fremont's Pathfinder Field is Comparable to the Wattenberg Field**
- **6,033 barrels of oil produced in the quarter - Q3 Revenue from oil sales was \$255,583, up \$60,083 over the previous quarter, not including AUD\$82,980 from Kentucky JV**
- **Unsold inventory of 2,344 barrels of oil in storage tanks at June 30, 2019**
- **Lab Analysis Confirms High Quality Oil & Gas from J.W. Powell Well**
- **Lockhart Geophysical completes high resolution 3D seismic over ~1,200 acres (4.75 sq. km/1.83 sq. miles)**
- **Oil & Gas discoveries on Amerigo Vespucci and JW Powell Wells expected to significantly increase contingent resources – Current 1C (90% probability) Pathfinder Resource = 540 BCF gas & 54 Million barrels of oil**

Fremont Petroleum Corporation Ltd is an oil and gas Exploration & Production Company that is the operator of its 100%-owned 21,500-acre Pathfinder project in the oil and gas rich region of Fremont County, Colorado, USA.

Fremont's Pathfinder project is large enough to accommodate 500+ wells with the Company currently operating 26 oil and gas wells in the field with two additional wells in the development phase.

Independent estimates calculate a 90% probability that Pathfinder contains a resource of 54 million barrels of oil and 540 Billion cubic feet of gas.

The Company also has a 50/50 JV in producing oil and gas properties in Kentucky. Fremont receives 100% of the revenue until its capital contribution is repaid through oil sales.

Fremont's current focus during the quarter, primarily centered around two main objectives:

1) Completing a successful Amerigo Vespucci #1 oil & gas well:

Success on the Amerigo Vespucci #1 well will significantly increase oil and gas reserves and resources and continue to drive the value of the Pathfinder Field.

Exploration success will further de-risk the asset and confirm that the Pathfinder Property is an extension of the Wattenberg Field in the D. J. Basin in Colorado where large, contiguous and operated positions are transacting for ~US\$5,000 to US\$15,000 per acre with Fremont's Pathfinder acreage, which is located approximately 100 miles from the D.J. Basin/Wattenberg Field, valued at a fraction of this.

Importantly, Fremont is de-risking and proving up the oil and gas reserves and resources Pathfinder property through modern completion technologies that cost significantly less than horizontal drilling that costs US\$5–7 million per well. The J.W. Powell well was drilled and completed for approximately US\$1.5million.

2) Execute a gas off-take agreement:

It is clear that the Pathfinder field contains large amounts of natural gas and monetising this gas is an absolute priority for the Company.

The Company is in advanced negotiations on a long-term gas off-take agreement with a large, industrial Company. As well, Fremont is actively progressing a second sales channel into the Kinder Morgan Interstate Gas Pipeline.

Fremont advises that negotiations with the industrial company are progressing favourably, and while these negotiations have occurred over an extended period of time, the Company continues to be very confident of delivering a favourable outcome. The sales channels from the Kinder Morgan present more offtake opportunities.

Production & Revenue

Total production for the June quarter was 6,033 barrels of oil. 4,466 barrels were produced in Colorado & 1,567 barrels in Kentucky. Quarter-on-quarter production was steady with total production of 6,043 barrels produced in the prior March quarter. This does not include the recently drilled J.W. Powell well that has been shut-in, until infrastructure is place, to preserve gas reserves and to avoid uneconomic flaring.

As well, Fremont held unsold inventory of 2,344 barrels of oil in the storage tanks at 30 June 2019. Total barrels of oil sold in Colorado for the quarter was 4,062BO and 1,381BO in Kentucky.

Receipts from oil sales reported in the 5B was \$255,583, up \$60,083 over the previous quarter.

This revenue does not include \$82,980.48 of from the Kentucky JV due to accounting rules on revenue recognition from JVs. The above amounts are net of royalties which are paid directly to the mineral owners by the refineries.

Corporate costs and lease operating expenses for the quarter totaled \$562,568 which saw the Company operationally cash flow negative for the quarter by \$306,985.

The majority of costs incurred during the quarter, aside from normal operating costs, were again associated with an increase in drilling operations as well as significantly increased compliance costs on the back of a tightening regulatory environment for oil and gas companies in the State of Colorado. In the June quarter, the Company spent \$273,368.97 (US\$192,121) on work required for Colorado State regulatory compliance work.

Drilling Operations:

Amerigo Vespucci # 1 Well:

The Company was pleased to complete the drilling of the Amerigo Vespucci #1 well to its target depth of 5,977 feet (1,822 metres). Importantly, drilling operations were conducted safely and no lost time accidents occurred.

The Amerigo Vespucci #1 well was drilled as a vertical well, with the primary production target being the B and C Benches of the Niobrara Formation, the same formation that yielded favourable oil & gas flow rates from the recently completed J.W. Powell 23-23 well.

An independent mud-logging company was contracted to collect and microscopically analyse drill cuttings during the drilling phase of the well. Results of the mud-logging analysis revealed evidence of strong oil and gas shows in the drill cuttings throughout the bottom 1,000ft of the production section of this well.

This was further validated by the electronic logging results from the Amerigo Vespucci # 1 well, which indicated the presence of oil and gas hydrocarbons over three separate formations.

The electronic logs indicated that the primary target for this well, the Niobrara formation, totalled 546 feet thick and the A, B, C & D benches are well defined. Encouragingly, the logs indicate the presence of oil and gas hydrocarbons throughout the formation.

Further, the logs have also confirmed that the deeper formations in this well, the Codell sandstone and the Greenhorn limestone, also contain hydrocarbons and are potentially productive for oil and gas. The Greenhorn formation thickness is 92 feet thick and the Codell formation is 72 feet thick.

Following logging, an extensive geophysical and petrophysical analysis was completed. The analysis identified the target zones for stimulation and completion.

Multiple tunnels over several pay zone levels have now been drilled into the target zones, with the Niobrara formation being the primary target of this well.

Fremont is collaborating with Schlumberger on the Amerigo Vespucci #1 well and further completion enhancements of the technology used on the J.W. Powell well are planned.

Using proprietary technology, Schlumberger is deploying a new stimulation method comprising radial drilling technology. This new technology is designed to extend the radial reach of the stimulation operation and penetrate additional reservoir.

As such, Fremont is creating a stimulated horizontal well-bore within this vertical well of several thousand feet, without the high cost of drilling a horizontal well.

Stimulation operations are expected to occur in late July.

Amerigo Vespucci #1 is a very exciting prospect for Fremont and the Company looks forward to delivering a favourable outcome.



Atlas Copco RD20 Drill Rig and Associated Equipment on location at Amerigo Vespucci #1 well site



Amerigo Vespucci #1 Well: 154 joints of drill string (4,620 feet) covered in crude oil

Schlumberger Petrophysical Evaluation:

Fremont was pleased to receive independent confirmation from Schlumberger, that Fremont's Pathfinder Field is geologically analogous to the massive North American, Wattenberg oil and gas field

Schlumberger completed an Executive Summary following their independent petrophysical evaluation completed on the Niobrara Formation in the J.W. Powell #23-25 well. The following executive summary and evaluation results have been approved by Schlumberger for public release:

Executive Summary

The JW Powell #23-25 was logged by Schlumberger on 13 January 2019.

The Platform Express integrated wireline logging tool (triple combo) and a Sonic Scanner* acoustic scanning platform were run in the hole. The Platform Express tool included an electrical induction log along with gross gamma, thermal neutron, bulk density, Pe, and caliper. The Sonic Scanner platform included compressional slowness and Stoneley slowness, plus fast and slow shear slownesses.*

For personal use only

A petrophysical evaluation was performed by Schlumberger, and the results were presented to Fremont Petroleum on 17 January 2019.

Evaluation Results

The Niobrara formation in this well is analogous to examples evaluated in the past by Schlumberger in the DJ Basin/Wattenberg Fields.

The formation is quite calcareous, and most of the section is organic rich.

Based on the petrophysical results three intervals were highlighted for stimulation. They were selected based on reservoir quality (RQ) and, more importantly, on the completion quality (CQ) based on the triple combo results.

The intervals that were chosen on the J.W Powell Well for stimulation demonstrated good Reservoir Quality (RQ) and where the Neutron Porosity (NPHI) and Clay Volumes (VCL) were low. We have found that higher clay leads to difficulty in drilling and keeping an open hydraulic fracture adjacent to the well.

Oil & Gas Lab Analysis from J.W. Powell Well

The Company completed an Independent Laboratory analysis results on the hydrocarbons being produced from the J.W. Powell #23-25 well.

A crude oil assay and an extended natural gas analysis were completed by EMPACT Analytical Systems Inc. out of Brighton Colorado.

The analysis concluded that the oil and gas being produced from the Niobrara Formation is of a very high quality.

The gas being produced has a high calorific value of 1201 BTU's and has increased energy/heating value. The majority of the molecular components of natural gas is 80.6% methane, 8.5% ethane and 5.3% propane. The composition of the gas is consistent with the DJ Basin and a full break-down is listed below.

The natural gas liquids (condensate) contained within the produced gas is 2.3626 gallons per MCF (excluding methane). The heavy components of the produced gas can be processed and are extremely valuable. Typically, heavy gases yield 60% of the WTI price.

Further, the well is producing a quality light, sweet crude with an API gravity 34.8. The crude sampled does not contain sulphur nor hydrogen sulphur. Oil of this quality is in high demand and does not receive any discounts from the refineries.

Pathfinder 3D Seismic Program:

The Company was pleased to complete the acquisition phase of its 2019 3D seismic program in July.

The objective of this 3D seismic program is to build on the extensive data obtained from the J.W. Powell & Amerigo Vespucci wells, as well as other nearby wells to significantly enhance the Company's understanding of this high opportunity field.

The 3D seismic program has been designed to assess additional oil and gas targets over 1,173 acres of the 21,500-acre Pathfinder Field, Colorado.

For personal use only

The seismic was undertaken over an area of the Pathfinder Field near to the recently completed Amerigo Vespucci and J.W. Powell wells where the Company has intersected oil and gas hydrocarbons in 2019.

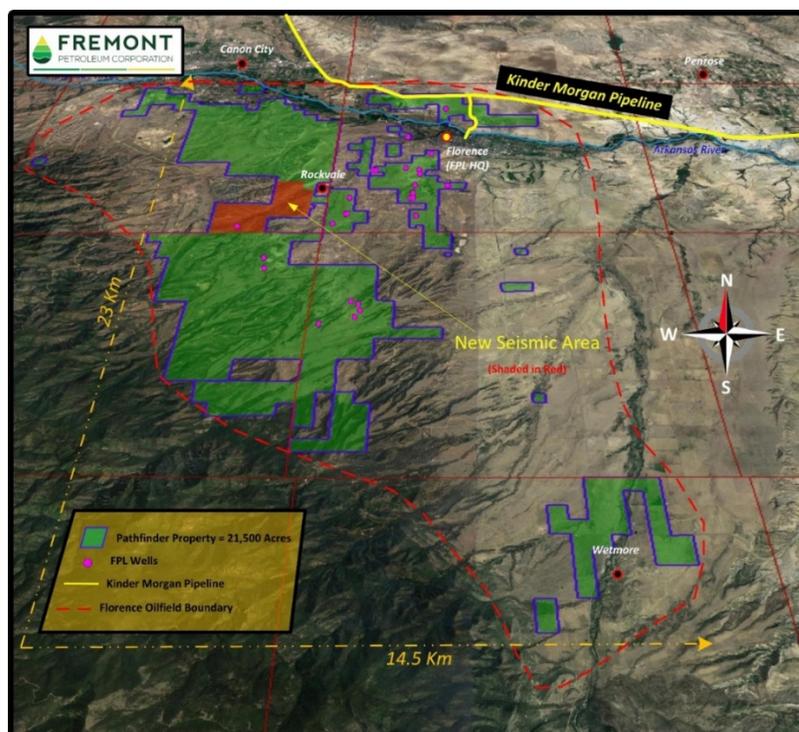
The 3D seismic program focuses on imaging geological features throughout the target area from the Pierre Shale Formation beginning at approximately 2,000 feet below ground level to the base of the Greenhorn Formation at approximately 6,000 feet below ground level, including the Niobrara Formation and Codell Sandstone Formation

3D seismic interpretation increases the Company's ability to access possible increased oil & gas production by providing visibility to subsurface geologic anomalies such as faulting and fracturing which are known to trap hydrocarbons. Understanding where these anomalies are located in the Pathfinder Field is essential to its development and further enhances the chances of success during well location selection and allows the Company to better anticipate potential sub-surface changes whilst drilling.

The 3D seismic recording was conducted using 523 small explosive charge source points placed 20'-30' below ground level by buggy-mounted drills and 1443 hand-placed geophone receivers connected by a series of cables to the recording truck. After all sources and receivers were in place, each source point charge was detonated individually by field crews while all of the receivers in the survey actively recorded data. The recording process was continually monitored for data quality.

As well as supporting a re-valuing of the Pathfinder property acreage, the detailed picture of the subsurface that this seismic survey provides will significantly improve the Company's probabilities of further drilling success on future well locations, further de-risking the Pathfinder Field.

The 3D seismic program is now in the processing and interpretation phase. The Company looks forward to reporting the results of the 3D seismic study when complete in August.



Map of Pathfinder Field illustrating defined area for 3D Seismic

USA Office: 113 North Santa Fe, Florence, Colorado 81226 | P: +1 719 784 7616

Australia Office: Suite 302, Level 3, 17 Castlereagh Street, Sydney NSW 2000 | P: +61 2 9299 9580

www.fremontpetroleum.com

For personal use only



Seismic track drill machine



Seismic buggy drill machine



Crews detonating source point's



Seismic Recording Truck

WORKPLACE AND ENVIRONMENTAL SAFETY

The Company is pleased to report that no lost time safety accidents or phase 1 environmental incidents occurred over the past quarter.

The Company places significant emphasis on the safety of all of its people, from its own employees to external contractors at its well sites. It is mandatory that the Company's staff attend quarterly safety sessions at its headquarters in Florence Colorado as well as several OSHA safety programs that are held throughout the year.

The Company is proud that it maintains an impeccable safety record with only one Lost Time Accident occurring in its 10 years of operations, and an unblemished environmental record with no phase-1 incidents ever having been recorded.

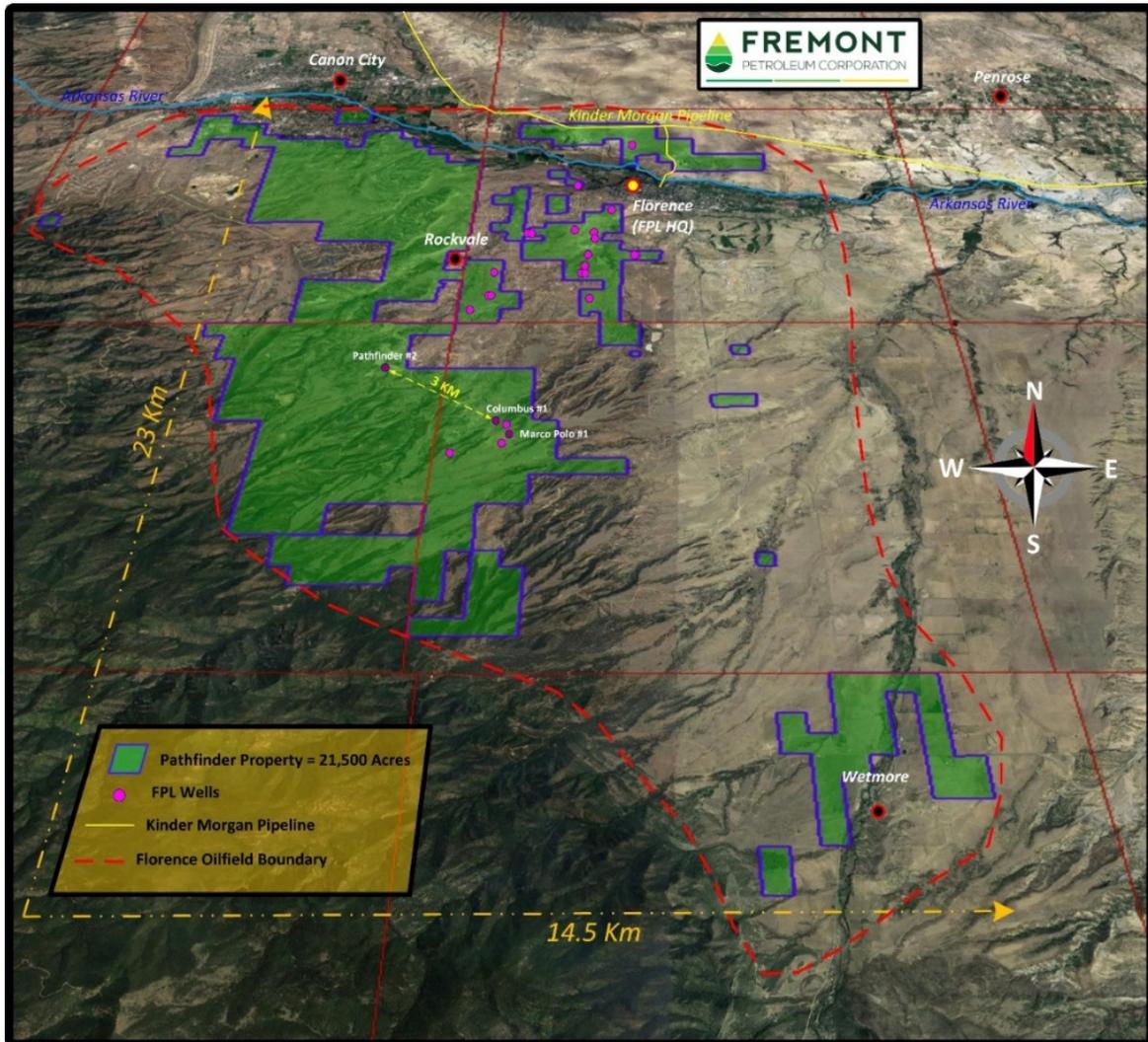
Outlook and objectives for this quarter

The Company's objectives for the quarter are:

- Complete, test and produce the Amerigo Vespucci # 1 well.
- Complete 3D Seismic program, including identifying new drilling targets.
- Progress gas off-take agreements with a manufacturing Company in Colorado and advance work on a future planned tie-in to the Kinder Morgan Interstate Pipeline.

PATHFINDER PROJECT – FREMONT COUNTY COLORADO

- 100% 21,500-acre Oil and Gas Property, Denver Julesburg Basin. (1,660 acres under option)
- Fremont is the Operator of this project.
- 27 oil and gas wells.
- Primary Objectives: Niobrara & Pierre Shale Formations.
- Secondary Objectives: Greenhorn, Codell and Grenaros formations.



Pathfinder Property – 21,500 acres

USA Office: 113 North Santa Fe, Florence, Colorado 81226 | P: +1 719 784 7616

Australia Office: Suite 302, Level 3, 17 Castlereagh Street, Sydney NSW 2000 | P: +61 2 9299 9580

www.fremontpetroleum.com

For personal use only

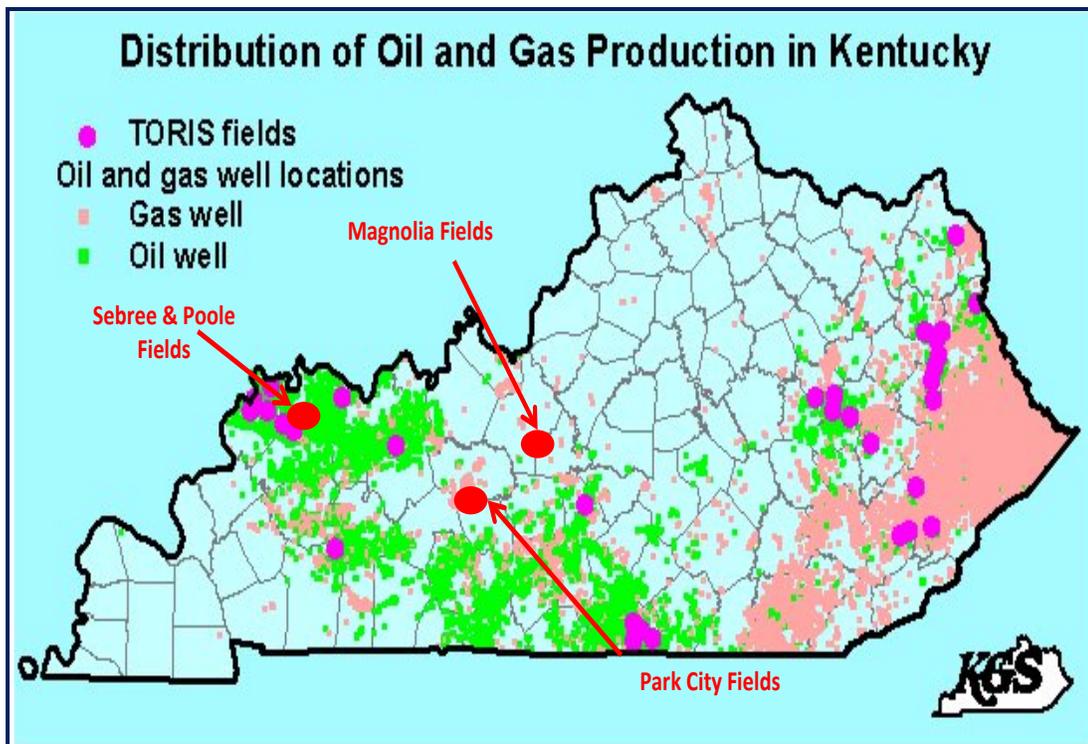
KENTUCKY OIL AND GAS PROPERTY

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

- Primary Hydrocarbon targets: Jackson Formation, Cyprus Formation, Niagara Sand, and McCloskey Formation.

Current Operations

- Leases with high operational expenses and high-water haulage, electricity and chemical programs have been put on idle until the price of oil recovers.
- Low-cost, shallow, high-impact drilling program in Kentucky provides an additional source of low-risk and long-life production, and cash flow, for the Company.



The above map illustrates Fremont Petroleum Corporation's leases in Kentucky.

For personal use only

INDEPENDENT CONSULTANT'S ANALYSIS

Gustavson Associates

Gustavson Associates LLC (the Consultant) was retained by Fremont Petroleum Corporation Limited to prepare a Report regarding the reserves and resources underlying acreage positions owned by Austin in the states of Colorado and Kentucky. This Report is limited to a report on these properties' oil and gas reserves and resources underlying the acreage position. This Report does not attempt to place a Market Value thereon. The 2018 Gustavson report is dated August 6 with an effective date of May 1. Estimates in this report have been prepared according to the VALMIN standards, which rely on the definitions found in the Petroleum Resources Management System.

Summary of 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

The Summary tables of the analysis are as follows (M = 1,000, MM = 1,000,000, BCF = Billion Cubic Feet, P = Probability, P90 = 90% probability):

Summary of Oil and Gas Reserves and Economics

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

The Summary tables of the analysis are as follows (M = 1,000, MM = 1,000,000, BCF = Billion Cubic Feet, P = Probability, P90 = 90% probability):

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Fremont Petroleum Corporation Limited

ABN

98 114 198 471

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (...12....months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	256	1,102
1.2 Payments for		
(a) exploration & evaluation	(2,229)	(5,350)
(b) development	-	-
(c) production	(86)	(316)
(d) staff costs	(73)	(502)
(e) administration and corporate costs	(403)	(977)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(7)	(30)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	(338)	(560)
1.9 Net cash from / (used in) operating activities	(2,880)	(6,633)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

For personal use only

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (...12....months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	(40)	(145)
2.6	Net cash from / (used in) investing activities	(40)	(145)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,000	8,927
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(154)	(852)
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 (provide details if material)	(110)	(110)
3.10	Net cash from / (used in) financing activities	736	7,965

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,874	514
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,880)	(6,633)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(40)	(145)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	736	7,965
4.5	Effect of movement in exchange rates on cash held	(131)	(142)
4.6	Cash and cash equivalents at end of period	1,559	1,559

For personal use only

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	1,559	3,874
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,559	3,874

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
107

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
45

For personal use only

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	351	351
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

ANB Bank - \$351k (USD250,000 with an interest rate of 7.5%)

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,000
9.2 Development	-
9.3 Production	80
9.4 Staff costs	120
9.5 Administration and corporate costs	150
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,350

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

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.



Sign here:
(Director/Company secretary)

Date: .31 July 2019.....

Print name:Robert Lees.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.

For personal use only