

First Quarter Activities Report FY2020



Amerigo Vespucci # 1 Well – Flow testing underway – October 2019

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

REVIEW OF QUARTERLY OPERATIONS AND ACTIVITIES

- **Amerigo Vespucci #1 Well was successfully drilled and completed and intersected commercial volumes of oil and gas**
- **Amerigo Vespucci #1 Well recorded an initial 24-hour test rate of 273 BOE (82 BOE/900 MCF)**
- **Hydrocarbon analysis confirms High Quality Oil & Gas being produced**
- **Logs again confirm Pathfinder to be a DJ Basin extension with Niobrara formation: 546ft thick; Greenhorn formation: 92ft thick; and Codell formation: 77ft thick**
- **FPL collaborated with Schlumberger, the world's leading oilfield services company, to deploy the most advanced completion technologies on the Amerigo Vespucci #1 well**
- **Lockhart Geophysical completes high resolution 3D seismic over ~1,200 acres (4.75 sq. km/1.83 sq. miles)**
- **3D seismic interpretation has revealed several large fracture networks – focusing on shallower Pierre Formation oil targets that are on trend and down-dip to a 1 million barrel oil well**
- **5,188 barrels of oil produced in the quarter – Q4 Revenue from oil sales was \$234,459 down \$21,124 over the previous quarter, not including AUD\$59,958.7 from Kentucky JV**
- **Unsold inventory of 2,396 barrels of oil in storage tanks at September 30, 2019**

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.

The Company was successful this year in confirming the commercial viability of the Niobrara formation at the Pathfinder project and by doing so, highlighting that the Pathfinder field is an extension of the prolific DJ Basin in Colorado.

Through applying state-of-the art drilling technologies in the Niobrara formation, the Company confirmed the prolific nature of the Niobrara in the Pathfinder field, proved up additional reserves and resources, boosted cash flows, met drilling obligations and was able to do all of this without having to drill high cost horizontal wells.

The results of these two wells are attracting interest from industry in the US and the Company is pursuing potential partnerships to jointly develop the deeper formations of the field.

The Company has engaged Gustavson Associates to complete an update on the Company's oil and gas reserves and resources. The process is in its advanced stages with the results of the report scheduled to be released to the market in November.

The oil & gas discoveries on Vespucci and Powell wells are expected to significantly increase contingent resources.

Prior to the drilling of these wells, the calculated C1 Resource (90% contingent resource) for the Pathfinder property was 54 million barrels of oil and 540 Billion cubic feet of gas in place.

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.

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 focus during the past quarter, primarily centered around three main objectives:

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

The Company was very pleased to report that the Amerigo Vespucci #1 well recorded a 24-hour Initial Production (IP) test rate of 82 barrels of oil per day and 900 MMcf/day, being 273 BOE/day.

Gas flows were choked back during testing to enhance oil production with peak flow rates of 2.4 MMcf/day recorded during the IP test. The well is producing a hot, high quality gas with a high energy value of 1,232 BTU's which is consistent with gas produced from the Niobrara formation in the core parts of the Wattenberg Field and DJ Basin.

This result is a considerable improvement on the previous well drilled, the J.W. Powell which recorded an IP of 220 BOE/day.

Especially encouraging was the high oil component in the Vespucci well which will deliver a solid boost to revenue. Significant volumes of crude oil were produced during testing and flow-back operations and were collected in the tanks for sale. The Company has filed for a production permit which is pending and will allow the well to be put into permanent production in November.

The IP recorded is undoubtedly an excellent result for Fremont whereby a new oil field technology, used for the first time in North America, has confirmed that commercial oil and gas production can be enhanced through vertical drilling in unconventional shale reservoirs.

Fremont has again demonstrated that the Niobrara formation in the Pathfinder field is very productive for oil and gas, and the field has the same geological characteristics as the nearby Wattenberg Field where acreage sells for ~US\$5,000 to ~US\$15,000/acre. Vespucci's success, and that of the J.W. Powell well, has created considerable interest in the Pathfinder field from the US oil & gas sector, and Fremont is pursuing numerous discussions as a result.

The Amerigo Vespucci #1 well was completed with a five-stage stimulation operation compared to a one-stage stimulation program on the last well, the J.W. Powell. The final costs of this project, including pad site construction, reclamation work and production facilities was approximately US\$3 million.

2. Completing 2019 3D Seismic Program

The Company successfully completed its 3D seismic program at its Pathfinder Field in Colorado and was pleased to identify multiple high value oil targets.

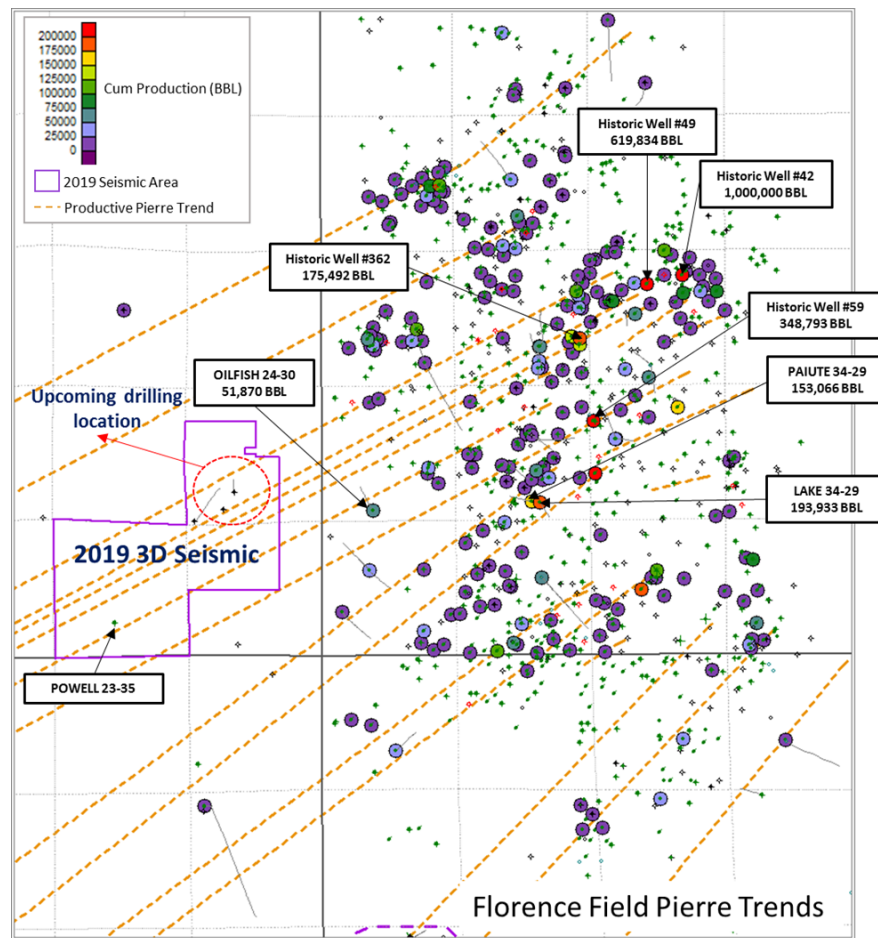
So far, nine high value targets have been identified from the 3D seismic program which covered 1,200 acres (4.75 sq. km/1.83 sq. miles). Of the nine targets, the permitting process is underway for the first three wells with plans to spud two wells this quarter. Well names will be issued with granted permits.

This drill campaign focuses on the shallower, naturally fractured Pierre Shale Formation which is considerably lower in cost and much quicker to drill given target depth is ~4,000 feet compared to ~6,000 feet for the last two wells drilled that targeted the deeper Niobrara Formation. As well, the Pierre Formation is naturally fractured so well stimulation is not required.

The three wells to be drilled at Pathfinder are on trend and down-dip to some of the biggest producing oil wells in the Florence Oil Field, including one that has produced over ~1m barrels of oil (see below).

The Pierre Formation has produced more than 16 million barrels of oil from the Eastern flank of the field. Fremont is targeting production from the Western flank with the interpretation of the 3D seismic showing superior anomalies containing large natural fracture networks ideal for oil and gas production.

Fremont has confirmed that the drill locations chosen from the 3D seismic have the same seismic signatures as some of the largest producing oil wells in the Pathfinder Field.



Upcoming well program is targeting oil production from wells that are down-dip, and on-trend with some of the best producing wells in the Florence Field

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3. Executing a gas off-take agreement:

As has been reported, securing a gas off-take for a sales channel at Pathfinder is a priority for the Company.

The Company has been working diligently over the past quarter to finalise negotiations for a long-term gas off-take agreement.

While these negotiations have occurred over an extended period of time, the Company is confident of delivering a favourable outcome in the near term.

Quarterly Production & Revenue

Total production for the September quarter was 5,188 barrels of oil. 3,663 barrels were produced in Colorado & 1,525 barrels in Kentucky. Quarter-on-quarter production was down with total production of 6,033 barrels produced in the prior June quarter. This fall in production was due to the Pathfinder #1Hz well, being down in Colorado due to a mechanical issue which is caused by scale build-up in the separator. This mechanical issue has been fixed and the well is back on-line and producing between approximately 10 to 15 bopd.

These figures do not include the recently drilled Amerigo Vespucci #1 well which is scheduled to go into production in November, or the J.W. Powell well that has been shut-in, until infrastructure is place, to preserve gas reserves as the majority of hydrocarbons being produced from this well are gas.

As well, Fremont held unsold inventory of 2,344 barrels of oil in the storage tanks at 30 September 2019. Total barrels of oil sold in Colorado for the quarter was 3,761 BO and 1,486 BO in Kentucky.

Receipts from oil sales reported in the 5B was \$234,459, down \$21,124 over the previous quarter.

This revenue does not include \$59,958.70 of oil sales 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 \$387,803 which saw the Company operationally cash flow negative for the quarter by \$153,344.

Safety & Environment Program

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 periodic 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.

Objectives for this quarter

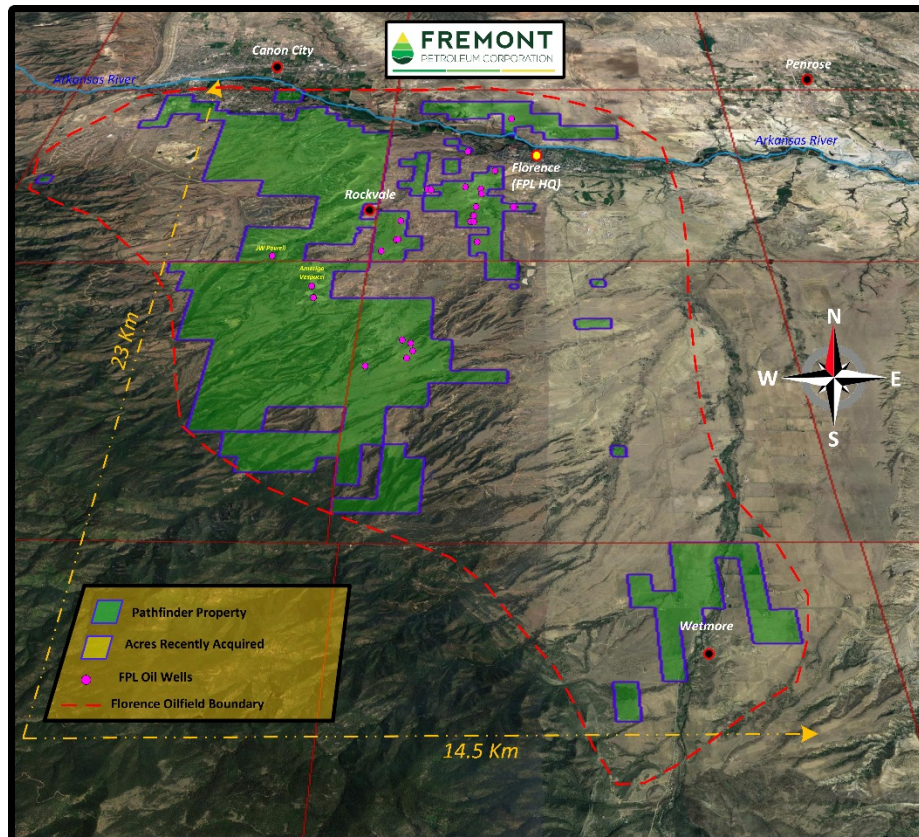
The Company's main objectives for the quarter are:

- Commence three well back-to-back drilling program targeting oil production from the Pierre formation
- Finalise gas off-take agreement

Property Summary:

Pathfinder – Fremont County, Colorado

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



Pathfinder Property – 21,500 acres

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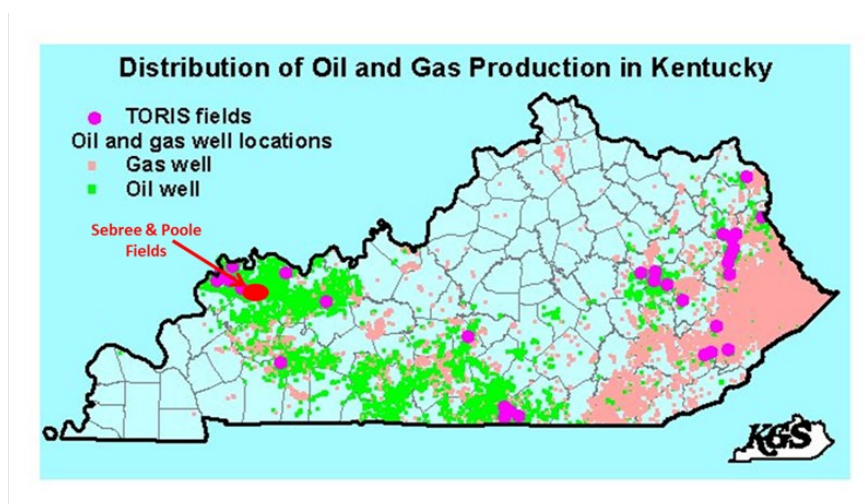
Kentucky Exploration Inc.

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.

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.

The Company has engaged Gustavson Associates to complete a 2019 update on the Company's oil and gas reserves and resources. The process is in its advanced stages with the results of the report scheduled to be released to the market in November.

Summary of 2018 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):