

ACTIVITIES REPORT FY2020 FOR THE QUARTER ENDED 31 DECEMBER 2019

HIGHLIGHTS

- Oil production predictably lower due to winter weather in Colorado – combine Colorado and Kentucky production was 4,697 BO with ~2,300 BO of unsold oil inventory in tanks at quarter end.
- Quarterly revenue from oil sales was A\$243,660.
- Gustavson Associates concludes independent Reserves & Resources report over Pathfinder Oil and Gas Field:
 - Resource grows to over 182 Million barrels of oil (BOE)
 - NPV of oil and gas reserves increase 98% to US\$34 million (A\$50.3 million)
 - P90 crude oil resource increased 12% to 60.6 million barrels and natural gas resource increased by 13% to 609 billion cubic feet (being 90% probability).
- Terms agreed to acquire highly prospective ~6,000 acre Oil & Gas Field that is contiguous to Pathfinder - expands the Pathfinder Oil & Gas Field by 21% to 25,995 acres.
- 2019 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.
- Permitting underway on 5 wells with drilling of the first well to commence near-term.
- Amerigo Vespucci #1 well on-line in Q1 CY2020.

Fremont Petroleum Corporation Ltd provides this activities report for the quarter ended 31 December 2019.

QUARTERLY PRODUCTION & REVENUE

Production for the quarter was affected by freezing conditions in Colorado with the majority of wells having to be shut-in during December as freezing flowlines create a safety issue.

Total barrels of oil sold in Colorado was 3,738 BO and 959 BO in Kentucky. As well, Fremont held unsold inventory of 2,300 barrels of oil in the storage tanks at 31 December 2019. Receipts from Colorado oil sales were \$204,900 down \$29,559 over the previous quarter. This revenue does not include \$38,760 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 \$552,011 which saw the Company operationally cash flow negative for the quarter by \$347,111.

RESERVES & RESOURCES GROW

The Gustavson report confirmed the Pathfinder Field has a C1 Contingent Resource (90% probability) of 182 million barrels of oil equivalent (MMBOE 6:1).

The Net Present Value (NPV10) of total P1 and P2 oil and gas reserves totals US\$34 million (A\$50.3 million). This represents a 2018/2019 year-on-year increase of US\$17 million (A\$25 million). Over the calculated property area of 19,417 acres, this equates to approximately US\$1,750 per acre. Crude oil resources increased by 12% year-on-year from 54 million BO to 60.6 million BO, and natural gas resources increased by 13% from 540 billion cubic feet to 609 billion cubic feet.

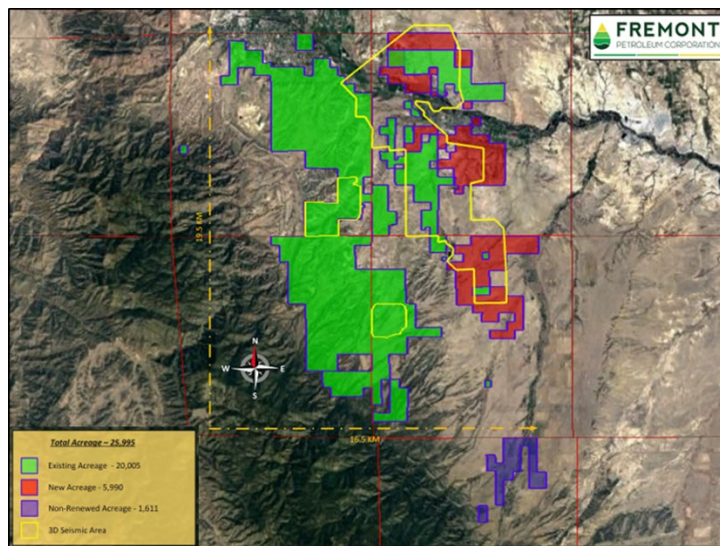
This report does not include any potential reserves and resources from the recently announced transaction to acquire a 5,990 acre adjoining oil and gas property (see ASX filing 7 November 2019).

ACQUISITION OF ~6,000 ACRE OIL & GAS FIELD

The Company was pleased to report that it agreed to terms to acquire a highly prospective oil & gas field covering 5,990 acres that is contiguous to its Pathfinder Property in Colorado. This value accretive acquisition expands the Pathfinder Oil & Gas Field by 21% to 25,995 acres. At this surface size, the property can accommodate up to 650 wells at 40 acre spacing.

Approximately 61% of the acreage has existing 3D seismic coverage which adds substantial value to the property and gives Fremont's team access to some compelling geology, immediately enabling the continued assessment for high value drill locations. The Company is working to close on this acquisition in the current quarter.

At this juncture, the Company opted not renew a ~1,600 acre block that fell outside the core geologic area of interest and was not contiguous to the rest of the property.



Pathfinder Property map illustrates the 5,990 acre acquisition and 3D seismic coverage

2019 3D SEISMIC PROGRAM COMPLETED

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 five wells with plans to spud at two wells this quarter.

Drilling of the first well, the Captain Cook well, is expected to commence this quarter upon receipt of drilling permits from the State of Colorado.

This drill campaign focuses on the shallower, naturally fractured Pierre shale which is considerably cheaper and much faster 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 generally 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). 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.

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.



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

THE AMERIGO VESPUCCI #1 WELL UPDATE

Early in the current quarter, the Vespucci well commenced first production after being shut in for an extended period pending receipt of a production permit. The well is producing oil to the tanks and a more detailed update will be provided shortly. The Company looks forward to the increase in cash flows that this well will provide.

OBJECTIVES FOR THE COMING QUARTER

- Boost cashflow through ramp up of production from the Amerigo Vespucci #1 well and low cost work-overs on existing well inventory;
- Commence three-well back-to-back drilling program targeting oil production from the Pierre formation starting with the Captain Cook well;
- Progress gas off-take agreement negotiations. The Board is satisfied with the progress of these negotiations as we work towards a conclusion.

FURTHER INFORMATION

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ABOUT FREMONT PETROLEUM CORPORATION LTD

Fremont Petroleum Corporation Limited (ASX: FPL) 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 26,000-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.

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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Fremont Petroleum Corporation Ltd

ABN

98 114 198 471

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	205	439
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(1,912)	(3,061)
	(b) development	-	-
	(c) production	(123)	(200)
	(d) staff costs	(92)	(186)
	(e) administration and corporate costs	(337)	(554)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(18)	(25)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	(219)	(348)
1.9	Net cash from / (used in) operating activities	(2,496)	(3,935)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation (if capitalised)		
	(e) investments		
	(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) 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)	(16)	(16)
2.6	Net cash from / (used in) investing activities	(16)	(16)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(105)	(142)
3.5	Proceeds from borrowings	3,025	3,025
3.6	Repayment of borrowings	(360)	(360)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	-	
3.10	Net cash from / (used in) financing activities	2,560	2,523

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	70	1,559
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,496)	(3,935)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(16)	(16)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,560	2,523

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(42)	(55)
4.6	Cash and cash equivalents at end of period	76	76

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	76	76
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)		

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

128

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	6,000	3,025
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	6,000	3,025
7.5 Unused financing facilities available at quarter end		2,975
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
The Company has secured a Convertible Note facility of up to \$6M to fund ongoing development, exploration and drilling program. Trustee is Resilient Investment Group Pty Ltd. Interest rate is 1.5% for first four months and 2.5% for following eight months.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(2,496)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(2,496)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	76
8.5 Unused finance facilities available at quarter end (Item 7.5)	2,975
8.6 Total available funding (Item 8.4 + Item 8.5)	3,051
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.22
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No, The Company does not expect to continue to have the same level of operating cash flow as it has halted its deep drilling program and is focused on low cost shallow conventional wells in 2020.	
2. Has the entity 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?	
Answer: The Company currently has a \$6M convertible note in place that has been approved by the shareholders. Of this \$6M financing facility, \$3.025M has been drawn down with \$2.975 remaining	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes, the Company has a financing facility in place through its convertible note that will allow the Company to continue operations and meet its business objectives	

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.

Date: ..31 January 2020.....

Authorised by: .By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.