FREMONT PETROLEUM CORPORATION

FREMONT PETROLEUM CORPORATION LIMITED

INTERIM FINANCIAL & OPERATIONAL REPORT

HALF YEAR ENDED 31 DECEMBER 2019

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FREMONT PETROLEUM CORPORATION LIMITED

DIRECTORS' AND ACTIVITIES REPORT

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DIRECTORS' AND ACTIVITIES REPORT

Your Directors submit the financial report of the consolidated entity for the half-year ended 31 December 2019

DIRECTORS

The names of each person who has been a Director during the half-year and to the date of this report are:

Mr. Peter Crown (Appointed Non-Executive Chairman on December 5, 2019)
Mr. Andy Lydyard (Appointed Executive Director on February 4, 2020)
Mr. Sam Jarvis (Non-Executive Director)
Mr. Stuart Middleton (Non-Executive Director)
Mr. Andrew Blow (Resigned as Non-Executive Director on December 5, 2019)
Mr. Tim Hart (Resigned as Executive Director on January 22, 2020)
Mr. Guy Thomas Goudy (Resigned as Non-Executive Chairman on December 5, 2019 and as a Director on January 22, 2020)
Mr. Nigel Hartley (Appointed Non-Executive Director December 5, 2019 and resigned on January 22, 2020)

COMPANY SECRETARY

Mr. Robert Lees is the Company Secretary.

REVIEW OF ACTIVITIES & OPERATIONS

- Board refresh places significant emphasis on financial acumen and technical & operational expertise
- Half yearly production totals 9,340 barrels of oil
- Half yearly revenue from oil sales total AUD$571,919 including AUD$138,080 from Kentucky Joint Venture
- Gustavson Associates' independent Reserves and Resources Evaluation Report updated with the value of the Company's proved plus probable oil and gas reserves increasing 98% to A$50.3 Million (NPV 10%). Probabilistic resource estimates of contingent gas resources (1C or P_{90}) increased by 13% to 609 BCF (0.61 TCF) and the contingent oil resource (1C or P_{90}) up 12% to 60.6 million barrels.

- 3D high definition seismic program covering 1.8 square miles completed, safely and underbudget.

Fremont Petroleum Corporation Ltd is an oil and gas production and development company that is the operator of its 100%-owned 21,500-acre Pathfinder project in the historic Florence oil field of Fremont County, Colorado, USA.

In 2020 the Board of Directors was refreshed with a high calibre, business focused, oil & gas team. This refresh was designed to enhance the company's ability to respond to the ongoing requirements of development capital and bring in the additional geologic expertise required for field development. These changes were designed to accelerate FPL's ability to deliver value back to the shareholders.

Mr. Peter Crown was appointed to Non-Executive Chairman. Mr. Crown is a substantial shareholder in FPL through his private investment company, Resilient Investment Group and brings considerable experience and skills to the Company through over 20 years in investment markets, ranging from private (venture capital, private equity) through to public markets. Mr. Crown has extensive experience in developing and expanding businesses, with particular focus on project financing and asset development, in a broad range of industries.

Mr. Andy Lydyard was appointed to Executive Director. Mr. Lydyard has extensive knowledge of the Pathfinder field given his proven track record of delivering significant daily oil production here. From 2008 to 2014 he was president and CEO of Denver-based Comet Ridge Resources, LLC, where he led the team that completed 23 successful Pierre formation producers from a total of 26 wells drilled and achieved a peak daily production rate of 1,400 BOPD. Fremont now operates many of the wells that the Comet Ridge team drilled initially.

Mr. Lydyard brings forty years of oil and gas management and technical experience to the board. Mr. Lydyard commenced his career in 1981 as a geologist for BP in Melbourne and has held roles with Western Mining (now BHP), JM Huber Corporation, Strike Oil Limited (ASX:STX), Comet Ridge Limited (ASX:COI), Comet Ridge Resources LLC and Timber Creek Energy LLC. He also has requisite capital markets experience, most notably securing a USD$100M capital commitment from a US private equity firm to fund development of Comet Ridge in the USA.

Mr. Lydyard is working on the development of a robust and ongoing field development program for both Pathfinder and the Kentucky assets, focused on extracting maximum production from existing wells, drilling newly permitted wells, permitting new targets and assisting with monetizing Pathfinders large gas resource. All activity in the short term will be focused on maximizing value from Fremont's existing producing assets in both Colorado and Kentucky.

Fremont's Pathfinder project is large enough to accommodate 500+ wells with the Company currently operating 27 oil and gas wells in the field.

Production & Revenue

Total gross production for the December 31 half was 9,340 barrels of oil. 6,800 barrels were produced in Colorado and 2,540 barrels in Kentucky.

As well, Fremont held unsold inventory of 2300 barrels of oil in the storage tanks at 31 December.

Revenue for the half year totalled AUD$571,919. Colorado revenue was AUD$433,839 and Kentucky was AUD$138,080.

Gas operations and sales negotiations

The company continues to develop the long-term gas off-take agreement with a large, industrial company with large-scale manufacturing operations.

The Company looks forward to executing a gas sales agreement as soon as possible.

Completion Operations

Completion operations were finalized on both the JW Powell #23-35 well and Amerigo Vespucci #1. Both wells are vertical wells targeting the Niobrara shale. They were completed using an enhanced stimulation technique in an attempt to realize economic production from the Niobrara shale formation which typically requires horizontal drilling. Initial production (IP) results exceeded the company's expectations and contributed to an increase in the fields oil and gas resources as reflected in the most recent Gustavson Associates Reserves & Resources Evaluation Report.

The JW Powell #23-35 well tested oil and gas at an initial rate of 220 BOEPD and Amerigo Vespucci #1 produced 273 BOEPD.

The company is engaging a production engineering team to evaluate the flow back and initial production results and further understand the near and long term expected production characteristics. Both wells are expected to contribute to the gas volumes used to satisfy the gas off-take agreement once it has been finalized.

WORKPLACE AND ENVIRONMENTAL SAFETY

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 impressive safety record with only one Lost Time Accident occurring in its 10 years of operations, and an unblemished environmental record.

HIGH DEFINITION 3D SEISMIC PROGRAM COMPLETED

In August the Company completed the acquisition and processing of a 3D seismic program covering 1200 acres (4.75 km^2/1.83mi^2) in the deeper part of the basin.

The program was designed to identity extensions of known producing fracture trends to the east into the deeper part of the basin. The data has revealed a number of anomalies considered worthy of drilling and locations are being permitted as a result.

This acquisition contributes to the repository of scientific and engineering data that the company continues to assemble to develop the field.

INDEPENDENT CONSULTANT'S ANALYSIS

The Company's reserves and resources assessment, conducted by the Company's independent reserve engineers, Gustavson Associates, was updated in at the end of the year.

Gustavson's estimate of the value of the Company's proved and probable oil and gas reserves increased from AUD $25 million to $50.3 million, largely as a result of the Niobrara drilling results.

In addition, Gustavson Associates, assign probabilistic contingent resources (1C or low estimate) of 60.6 million barrels of oil and 609 billion cubic feet of gas to the Pathfinder project. This independent assessment, completed in December 2019, takes into consideration FPL leases covering 19,500 acres. Since then the Company has increased its position to 21,500 acres, an increase of 10.3%.

Probabilistic, "low estimate" or 1C contingent resource estimates for crude oil increased by 12% year-on-year from 54 million BO to 60.6 million BO, and natural gas increased by 13% from 540 billion cubic feet to 609 billion cubic feet. The table below summarizes Pathfinder's contingent oil, gas and energy equivalent (BOE) resources.

PATHFINDER PROPERTY – GROSS CONTINGENT OIL & GAS RESOURCES			
	1C	2C	3C
	P90 – 90% probability	P50 – 50% probability	P10 – 10% probability
Oil	**60.6 Million barrels**	83.3 Million barrels	19.7 Million barrels
Gas	**609 Billion cubic feet**	787 Billion cubic feet	1.02 Trillion cubic feet
Total BOE	**182.4 Million BOE**	240.7 Million BOE	323.8 Million BOE

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).

A table with the updated Resource and Reserve calculations can be found below.

Summary of Oil and Gas Resources

	P_{90} (1C)	P_{50} (2C)	P_{10} (3C)
Niobrara			
Contingent Oil Resources, MMBbl	24.2	28.8	33.8
Contingent Gas Resources, BCF	282.8	332.9	385.3
Codell			
Contingent Oil Resources, MMBbl	6.6	10.7	17.5
Contingent Gas Resources, BCF	93.9	150.7	246.6
Pierre			
Contingent Oil Resources, MMBbl	21.9	27.0	32.8
Contingent Gas Resources, BCF	83.4	107.2	135.6
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	60.6	83.3	119.7
Total Contingent Gas Resources, BCF	609.2	787.0	1020.7

The Summary tables of the analysis are as follows (MM = 1 million, BCF = Billion Cubic Feet, P90 or 1C contingent resource represents the "Low" estimate of a probabilistic assessment, P50 (2C) is the "Best" estimate and P10 (3C) represents the "High" case

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				
Colorado	102.51	0.00	$2.15	$1.36
Kentucky	12.41	0.00	$0.13	$0.11
Total	114.92	0.00	$2.28	$1.47
Proved Undeveloped	170.34	0.00	$1.80	$0.34
Total Proved (P1)	**285.26**	**0.00**	**$4.08**	**$1.82**
Probable Developed Non-Producing (P2)	100.32	1,901.00	$8.80	$4.43
Probable Undeveloped - Niobrara	2,934.75	29,347.54	$119.38	$25.4
Probable Undeveloped - Pierre	746.71	1,111.49	$10.32	$1.76
Total Proved plus Probable (P2)	**4,067.04**	**32,360.03**	**$142.57**	**$33.40**

The Summary tables of the analysis are as follows (M = 1,000, MM = 1,000,000), P1 are proved reserves, P2 represents proved + probable reserves

AUDITOR'S DECLARATION

The auditor's independence declaration as required under section 307C of the corporations Act 2001 is set out on page 11 of the financial report.

Signed in accordance with a resolution of the Board of Directors

Peter Crown
Non-Executive Chairman
Dated this 13th day of March 2019

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Auditor's Independence Declaration

To the Directors of Fremont Petroleum Corporation Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the half-year review of Fremont Petroleum Corporation Limited and its controlled entities for the period ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 13 February 2020

FREMONT PETROLEUM CORPORATION LTD
CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
For the half-year ended 31 December 2019

	Note	Consolidated Group 31 Dec 2019 $	31 Dec 2018 $
Revenues			
Revenue	2	433,839	613,029
		433,839	613,029
Expenses			
Well operating expense		(249,518)	(266,758)
Employee benefits expense		(293,360)	(254,850)
Share based payment expense		(92,000)	(119,250)
Regulatory compliance		(197,734)	(46,674)
Depreciation and amortisation expense		(140,664)	(222,502)
Professional fees		(360,889)	(319,581)
Other expenses		(258,474)	(229,817)
Travel and accommodation expense		(87,469)	(69,589)
Plug and abandonment expense		(23,692)	-
Interest expense		(115,494)	(16,143)
Impairment expense	4	(149,927)	-
Impairment of financial assets	4	(50,266)	-
Profit/(Loss) before income tax expense		(1,585,648)	(932,135)
Income tax expense		-	-
Profit/(Loss) from continuing operations		(1,585,648)	(932,135)
Profit/(Loss) for the period		(1,585,648)	(932,135)
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Exchange rate differences on translating foreign operations		(71,329)	430,882
Total comprehensive income profit/(loss) for the period net of tax		(1,656,977)	(501,253)
Basic earnings per share	10	($0.0010)	($0.0011)
Diluted earnings per share	10	($0.0010)	($0.0011)

Notes to the financial statements are included on pages 16 – 24

FREMONT PETROLEUM CORPORATION LTD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Note	Consolidated Group 31 Dec 2019 $	30 June 2019 $
CURRENT ASSETS			
Cash and cash equivalents		77,617	1,558,697
Trade and other receivables		77,717	89,605
Other current assets		214	-
TOTAL CURRENT ASSETS		155,548	1,648,302
NON-CURRENT ASSETS			
Property, plant and equipment		166,608	196,217
Development and producing assets	3	1,710,307	1,818,277
Exploration and evaluation assets	3	17,209,379	13,280,139
Other non-current assets		477,960	406,852
TOTAL NON-CURRENT ASSETS		19,564,254	15,701,485
TOTAL ASSETS		19,719,802	17,349,787
CURRENT LIABILITIES			
Trade and other payables		2,673,648	1,543,166
Interest bearing liabilities		43,563	350,541
Convertible note	9	2,941,883	-
TOTAL CURRENT LIABILITIES		5,659,094	1,893,707
NON-CURRENT LIABILITIES			
Other long-term liabilities		42,094	93,933
Asset retirement obligations		1,108,553	1,062,626
Deferred tax liability		246,439	246,509
TOTAL NON-CURRENT LIABILITIES		1,397,086	1,403,068
TOTAL LIABILITIES		7,056,180	3,296,775
NET ASSETS		12,663,622	14,053,012
EQUITY			
Issued capital	6	90,802,994	90,747,407
Reserves		10,480,420	10,339,749
Retained earnings / (Accumulated Losses)		(88,619,792)	(87,034,144)
TOTAL EQUITY		12,663,622	14,053,012

Notes to the financial statements are included on pages 16 - 24

FREMONT PETROLEUM CORPORATION LTD
CONSOLIDATED STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2019

	Consolidated Group 31 Dec 2019 $	31 Dec 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	438,212	656,424
Payments to suppliers and employees	(936,816)	(857,168)
Interest received	160	1,049
Interest paid	(22,644)	(16,143)
Payments for regulatory compliance	(278,102)	-
NET CASH USED IN OPERATING ACTIVITIES	(799,190)	(215,838)
CASH USED IN INVESTING ACTIVITIES		
Payments for JV investment	(20,457)	(119,366)
Payments for fixed assets	(2,373)	(31,520)
Payments for exploration expenditure	(3,131,198)	(2,039,492)
Payments for development activities	-	(161,746)
NET CASH USED IN INVESTING ACTIVITIES	(3,154,028)	(2,352,124)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from convertible note	3,025,000	-
Repayment of borrowings	(368,056)	(53,546)
Proceeds from the issue of ordinary shares	-	3,790,000
Share issue costs	(141,215)	(346,545)
NET CASH USED IN FINANCING ACTIVITIES	2,515,729	3,389,909
Net (decrease) / increase in cash held	(1,437,489)	821,947
Cash at beginning of period	1,558,697	514,399
Foreign currency movement	(43,591)	(7,290)
Cash at end of period	77,617	1,329,056

Notes to the financial statements are included on pages 16 – 24

FREMONT PETROLEUM CORPORATION LTD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2019

	Issued Capital $	Other Equity $	Performance Rights Reserve $	Foreign Currency Reserve $	Retained Profits/ (Losses) $	Total $
BALANCE AT 1 JULY 2019	90,747,407	-	166,400	10,173,349	(87,034,144)	14,053,012
Transaction costs	(120,380)	-	-	-	-	(120,380)
Convertible note	-	175,967	-	-	-	175,967
Shares to be issued	-	-	212,00	-	-	212,000
Profit or loss	-	-	-	-	(1,585,648)	(1,585,648)
Total other comprehensive income	-	-	-	(71,329)	-	(71,329)
BALANCE AT 31 DECEMBER 2019	90,627,027	175,967	378,400	10,102,020	(88,619,792)	12,663,622
BALANCE AT 1 JULY 2018	82,302,080	-	67,500	9,711,531	(84,224,458)	7,856,653
Issue of share capital	3,790,000	-	-	-	-	3,790,000
Transaction costs	(362,344)	-	-	-	-	(362,344)
Performance rights	-	-	239,250	-	-	239,250
Profit or loss	-	-	-	-	(932,135)	(932,135)
Total other comprehensive income	-	-	-	430,882	-	430,882
BALANCE AT 31 DECEMBER 2018	85,729,736	-	306,750	10,142,413	(85,156,593)	11,022,306

Notes to the financial statements are included on pages 16 – 24

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – BASIS OF PREPARATION

Basis of Preparation of the Half-Year Financial Report

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Fremont Petroleum Corporation Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2019, together with any public announcements made during the half-year.

Fremont Petroleum Corporation Limited is domiciled in Australia. The consolidated annual financial report of the consolidated entity for the year ended 30 June 2019 is available at www.fremontpetroleum.com.

New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards. The following paragraphs summarise those future requirements, and their impact on the Group where the standard is relevant.

AASB 16: Leases - Effective 1 January 2019

This standard replaces AASB 117 Leases and some lease-related Interpretations. It requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases and provides new guidance on the application of the definition of lease and on sale and lease back accounting. This standard largely retains the existing lessor accounting requirements in AASB 117 however requires new and different disclosures about leases.

There is no effect on the transactions and balances recognised in the consolidated financial statements.

Significant Accounting Policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2019 and the corresponding interim reporting period.

NOTE 2 – REVENUE FOR THE PERIOD

The following revenue items are relevant in explaining the financial performance for the interim period:

	CONSOLIDATED GROUP	
	6 Months Ending 31 December 2019 $	**6 Months Ending 31 December 2018 $**
Sale of oil and gas – point in time	433,679	611,980
Interest received	160	1,049
Total	**433,839**	**613,029**

NOTE 3 – EXPLORATION, DEVELOPMENT AND PRODUCING ASSETS

Movement in Exploration and Evaluation Expenditure Capitalised

	CONSOLIDATED GROUP	
	6 Months Ending 31 December 2019 $	**12 Months Ending 30 June 2019 $**
Balance at beginning of year	13,280,139	6,934,387
Additions	4,184,359	5,858,739
Exchange rate difference	(105,192)	487,013
Exploration expenditure impairment	(149,927)	-
	17,209,379	**13,280,139**

Movement in Development and Producing Assets

	CONSOLIDATED GROUP	
	6 Months Ending 31 December 2019 $	12 Months Ending 30 June 2019 $
Balance at beginning of year	1,818,277	1,862,984
Additions	-	171,831
Returns	(2,247)	-
Exchange rate difference	2,253	81,703
Amortisation expense	(107,976)	(298,241)
	1,710,307	**1,818,277**

NOTE 4 – IMPAIRMENT CHARGE

At each period end, the Directors' review the carrying values of the company's exploration and evaluation expenditure and development and producing assets to determine whether there is any indication that those assets have been impaired. For those prospects where the Directors believed such an indication existed at period end, they compared the asset's fair value less costs to sell and value in use to the asset's carrying value. Where it was not possible to estimate the recoverable amount of an individual asset, the Directors' estimated the recoverable amount of the cash-generating unit to which the asset belongs.

The company's exploration and evaluation assets were impaired by $149,927 during the six months ended 31 December 2019. This reflects the write down of previously incurred costs related to drilling the Pierre wells, which due to drilling results during prior years have been put on hold to pursue other projects the directors believe will provide increased value to shareholders. The company continues to pursue oil and gas opportunities and if in the future there is found to be an estimable increase in the recoverable value of the Pierre or other projects, then impairments previously recognised may be reversed. There was no exploration and evaluation asset impairment during the six months ended 31 December 2018.

During the six months ended 31 December 2019, equity contributions of $50,266 were made to the company's joint venture Kentucky Exploration LLC. The corresponding loan receivable was written down as of 31 December 2019. There was no joint venture receivable impairment during the six months ended 31 December 2018.

NOTE 5 – OPERATING SEGMENTS

Segment Information

(i) Segment Performance

	6 months to 31 December 2019 Australia $	6 months to 31 December 2019 USA $	Total $
Total segment revenue	160	433,679	433,839
Segment net (loss)/profit before tax	(579,400)	(1,006,248)	(1,585,648)

	6 months to 31 December 2018 Australia $	6 months to 31 December 2018 USA $	Total $
Total segment revenue	1,048	611,981	613,029
Segment net (loss)/profit before tax	(451,859)	(439,293)	(891,152)

(ii)

Segment Assets

	Australia 31 December 2019 $	USA 31 December 2019 $	Total 31 December 2019 $
Segment Assets	69,272,232	19,586,634	88,858,866
Inter segment elimination	(69,139,064)	-	(69,139,064)
	133,168	**19,586,634**	**19,719,802**

	Australia 30 June 2019 $	USA 30 June 2019 $	Total 30 June 2019 $
Segment Assets	66,633,061	17,180,169	83,813,230
Inter segment elimination	(66,463,443)	-	(66,463,443)
	169,618	**17,180,169**	**17,349,787**

(iii) Segment Liabilities

	Australia 31 December 2019 $	USA 31 December 2019 $	Total 31 December 2019 $
Segment Liabilities	3,032,421	105,425,245	108,457,666
Inter segment elimination	-	(101,401,486)	(101,401,486)
	3,032,421	**4,023,759**	**7,056,180**

	Australia 30 June 2019 $	USA 30 June 2019 $	Total 30 June 2019 $
Segment Liabilities	81,437	102,062,000	102,143,437
Inter segment elimination	-	(98,846,662)	(98,846,662)
	81,437	**3,215,338**	**3,296,775**

NOTE 6 – ISSUED CAPITAL

Ordinary Shares

	Number	$
6 months to 31 December 2019		
As at 1 July 2019	1,668,335,412	90,747,407
Less: Costs of Capital Raising		(120,380)
At 31 December 2019	**1,668,335,412**	**90,627,027**

6 months to 31 December 2018	Number	$
As at 1 July 2018	691,341,981	82,302,080
Issue 172,835,425 shares at $0.007 per share	172,835,425	1,209,848
Issue 257,551,594 shares at $0.007 per share	257,551,594	1,802,861
Issue 11,470,130 shares at $0.007 per share	11,470,130	80,291
Issue 99,571,429 shares at $0.007 per share	99,571,429	697,000
Less: Costs of Capital Raising	-	(362,344)
At 31 December 2018	**1,232,770,559**	**85,729,736**

During the six-month period ending 31 December 2019, a convertible note was entered into for which $175,967 of the compound financial instrument was attributed to equity. See Note 9, Convertible Note, for further details. During the six-month period ending and 31 December 2018, shares were issued in connection with fundraising and some stock related service invoices were paid in shares.

Options

6 months to 31 December 2019	Number
As at 1 July 2019	531,414,308
At 31 December 2019	**531,414,308**

6 months to 31 December 2018	Number
As at 1 July 2018	272,271,838
- Issued 16 July 2018	17,000,000
At 31 December 2018	**289,271,838**

Options Outstanding by Class

	31 December 2019 Number	31 December 2018 Number
Unlisted Options		
- $0.10 expire 30 June 2019	-	4,840,000
- $0.045 expire 30 June 2021	12,500,000	12,500,000
- $0.02 expire 31 March 2020	-	197,842,875
At Period End	**12,500,000**	**215,182,875**
Listed Options		
- $0.06 expire 30 June 2019	-	74,088,963
- $0.02 expire 31 March 2020	518,914,308	-
At Period End	**518,914,308**	**74,088,963**

Other Equity

	$
6 months to 31 December 2019	
Convertible note shares	175,967
At 31 December 2019	**175,967**

432,142,856 of convertible note securities were approved for issuance in December 2019 and issued 9 January 2020. These securities were issued in connection with the $3,025,000 of convertible notes with a conversion price of $0.007 that were issued during the six-month period ended 31 December 2019. See Note 9, Convertible Note, for further details.

NOTE 7 – RELATED PARTIES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with Director-related Entities

During the period the Group utilised the services of CFO Colorado Accounting & Tax Services for the provision of accounting and taxation services at commercial rates. To the reporting date the costs of these services was AUD $92,291 excluding GST. Mr. Lonny Haugen is the President of CFO Colorado Accounting & Tax Services.

NOTE 8 – CONTINGENT LIABILITIES

There are no material contingent liabilities that exist as of the reporting dates.

NOTE 9 – CONVERTIBLE NOTE

The Company entered into secured convertible notes of USD $3,025,000 during the six-month period ended 31 December 2019. Each convertible note has a face value of $0.007 and will accrue interest at a rate of 1.5% during the initial term, a period of four months commencing on the issue date. The notes mature four months from the issue date. A note holder may at its option convert all or some of the convertible notes and any accrued interest held by the note holder at the maturity date. The convertible notes are convertible into shares as the face value of the convertible note plus accrued interest divided by the conversion rate of $0.007. The Company has accounted for the convertible note as a compound financial instrument, in which the loan, including accrued interest, is valued at $2,941,883 and the equity valued at $175,967 as of 31 December 2019.

NOTE 10 – EARNINGS PER SHARE & DILUTED EARNINGS PER SHARE

	CONSOLIDATED GROUP	
	31 December 2019 $	**31 December 2018 $**
Net loss attributed to ordinary equity holders	(1,585,648)	(932,135)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	1,668,335,412	876,159,839
Basic earnings per share	($0.0010)	($0.0011)
Diluted earnings per share	($0.0010)	($0.0011)

The options held by option holders have not been included in the weighted average number of ordinary shares for the purpose of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 "Earnings per Share". The options are non-dilutive as the consolidated entity is loss generating.

NOTE 11 – SHARE OF PROFIT/LOSS FROM EQUITY METHOD INVESTMENTS

Kentucky Exploration LLC is the only joint venture within the Group and the ownership percentage is 50%. Kentucky Exploration LLC is domiciled in the United States of America and its principal activity is to develop and explore the subject prospect for oil and gas production. Its financial statements have been incorporated into the consolidated financial statements using the equity method of accounting.

NOTE 12 – GOING CONCERN

The financial report has been prepared on the basis of a going concern. The Group had net operating cash outflows for the six months ended 31 December 2019 of AUD $799,190 and a closing cash position of AUD $77,617.

The Group's ability to continue as a going concern is contingent upon further successful drilling & field development and raising capital, via debt, equity, farm-outs, joint ventures, or a combination of these. If the Company is not successful in these matters, the going concern basis may not be appropriate, with the result that the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

NOTE 13 – EVENTS OCCURRING AFTER THE REPORTING DATE

On 22 January 2020, the Company announced that Mr Guy Goudy and Mr Nigel Hartley had resigned as a Directors. Mr Tim Hart also announced he would resign as a Director but remain as CEO with a focus on operations.

On 4 February 2020, the Company announced that Mr Andy Lydyard had been appointed as an executive Director. Mr Lydyard is a Colorado-based oil & gas executive and a professional geologist with significant experience in Fremont's area of operation.

On 13 February 2020, the Company announced that after an extended period of being shut in pending a gas flaring and production permit, Vespucci was brought online in limited capacity due to a constraint in the permitted flaring volumes. The maximum permitted volume of gas is 150mcf/day, which is approximately 1/6 of the initial production rate. This limitation will also have an impact on oil production as it maintains a downhole pressure on the formation restricting oil flow. Even with significantly limited flaring, the well has produced oil rates of up to 48 BOPD.

DIRECTORS' DECLARATION

The directors of the Group declare that:

1. The financial Statements and Notes, as set out on pages 12 to 24, are in accordance with the Corporations Act 2001 including:
   a) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2019, and of its performance for the half year ended on that date; and
   b) Complying with Accounting Standard AASB 134 "Interim Financial Reporting"; and

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Peter Crown
Non-Executive Chairman
Dated this 13th day of March 2020

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Independent Auditor's Report

To the Members of Fremont Petroleum Corporation Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Fremont Petroleum Corporation Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Fremont Petroleum Corporation Limited does not give a true and fair view of the financial position of the Group as at 31 December 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Material uncertainty related to going concern

We draw attention to Note 12 in the financial report, which indicates that the Group had net operating cash outflows of $799,190 during the half year ended 31 December 2019 and, as of that date, the Group's cash position was $77,617. As stated in Note 12, these events or conditions, along with other matters as set forth in Note 12, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Fremont Petroleum Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 13 February 2020