

Completion of \$2M Placement

Fremont Petroleum Corporation Ltd (ASX: FPL) (“Fremont” or “the Company”) advises that it has completed a placement of its securities (**Placement**) to raise AUD\$2 million (before costs).

The Placement comprises of the issue of 286,000,000 shares (**Placement Shares**) to sophisticated and professional investors at \$0.007 per share, together with one free attaching unlisted option for every two shares, exercisable at \$0.02 each on or before 31 March 2020.

Fremont will also undertake Share Purchase Plan (SPP) to raise a maximum of \$500,000 on the same terms as the placement to allow existing shareholders the opportunity to participate. Details of the SPP will be released this week. Funds from the Placement and SPP will be used to strengthen the balance sheet, perform field development work to increase oil production, and for general working capital purposes.

Post the Placement, Fremont is largely debt free, with the exception of a US\$250,000 finance facility which has a 6% p.a. interest rate, and the Company is now operating on a greatly reduced cost base. Fremont now has the financial flexibility to capitalise on the development of its 100%-owned 16,798-acre Pathfinder oil and gas project in Colorado, and Fremont’s team is now focused on meeting its previously stated short term objectives of:

- Achieving an initial oil production target of 100 Bopd this quarter from well workovers;
- Becoming cash flow positive by the end of FY2018 from oil sales of 100 Bopd (ASX release: 12 Dec 2017);
- Progressing gas sales channels which are progressing to plan (ASX release: 6 Dec 2017).

Executive Chairman Guy Goudy said: “We are grateful for the support from our new shareholders and welcome them to the register. We are committed to meeting our near-term objectives and capitalising on Pathfinder’s potential. The field holds considerable value with an independently verified contingent gas resource of 220 Bcf and oil of 34.9 MMBbl (90% probability). We look forward to reporting on progress.”

The issue of the Shares under the Placement will be issued out of the Company’s placement capacities pursuant to ASX Listing Rule 7.1 and 7.1A and as approved by shareholders at its AGM on 24 November 2017, Resolution 7.

The Company will seek shareholder approval for the issue of up to a further 143,000,000 options (**Placement Options**) (the attaching options for the placement) at a General Meeting of shareholders to be held in April 2018.

For personal use only

In accordance with listing rule 3.10.5A in relation to shares issued under the company's 7.1A capacity details of the placement are:

Effect of raising

The effect of the announced raising on the capital structure of the Company is set out below.

Shares

	Number	Dilution ¹
Shares currently on issue	306,372,735	
Placement		
Shares to be issued under LR7.2 capacity approved Resolution 7 AGM	214,285,714	
Shares to be issued under LR7.1 placement capacity	42,860,000	7.24%
Shares to be issued under LR7.1A placement capacity	28,854,286	4.87%
Total Shares on issue after completion of Placement	592,372,734	12.11%
Share purchase Plan		
Maximum number of Shares to be issued under Share Purchase Plan (SPP)	71,428,571	
Total Shares on issue after completion of Placement & SPP	663,801,305	

1. Assuming no further Shares are issued or Options exercised

Pre-Placement shareholders who did not participate in Placement	98.45%
Pre-Placement shareholders who did participate in Placement	00.59%
Participates in Placement who were not previously shareholders	00.96%

Options

	Number
Options currently on issue – unlisted & exercisable at \$0.10 on or before 30 June 2019	4,840,000
Options currently on issue – listed & exercisable at \$0.06 on or before 30 June 2019	74,088,963
Options currently on issue – unlisted & exercisable at \$0.045 on or before 15 July 2018	51,950,014
Options currently on issue – unlisted & exercisable at \$0.045 on or before 15 July 2018	12,500,000
Options – unlisted & exercisable at \$0.02 on or before 31 March 2020	160,000,000
Total Options on issue after completion of the Placement	303,378,977

The Board have also announced a share Purchase Plan to raise a maximum of \$500,000 on the same terms as the placement to allow existing shareholders the opportunity to participate.

Direct costs of the raising are a 5% (plus GST) commission on funds raised under the Placement and the issue of 17,000,000 options on the same terms as those issued to applicants to this issue to Brokers.

– ENDS –

For further information, please contact:

Guy Goudy, Fremont Petroleum Corporation Executive Chairman (USA): +1 720 454 8037

Henry Jordan, Six Degrees Investor Relations: +61 (0) 431 271 538

ABOUT FREMONT PETROLEUM CORPORATION LTD

Fremont Petroleum Corporation (FPC) is an Oil & Gas Production and Development company. The company was founded in 2006 and is headquartered in Florence Colorado USA with its Australian office located 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 located in Fremont County Colorado. The Florence Oil field was discovered in 1881 with the likes of Standard Oil & Continental Oil (Conoco) at the helm of production. Given 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. FPC is listed on the Australian Securities Exchange (ASX: FPL).

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.

For personal use only