

2 March 2018

Dear Shareholder,

Invitation to Participate in Share Purchase Plan

On behalf of the Directors of Fremont Petroleum Corporation Ltd (ACN 114 198 471) (**Company**), I am pleased to offer for your consideration, the opportunity to participate in a Share Purchase Plan (**Plan**) (**Offer**). The Plan follows a successful placement of 287,200,000 fully paid ordinary shares at a price of \$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) (**Placement Options**) to sophisticated and professional investors, raising approximately \$2 million (**Placement**).

The Company plans to issue up to 71,428,571 New Shares (subject to rounding) to raise a maximum of \$500,000 (before issue costs) under the Plan. In conjunction with the Placement, this will provide the Company with additional funds of approximately \$2,500,000 to be used to strengthen the balance sheet, perform field development work to increase oil production and for general working capital purposes.

The Plan entitles Eligible Shareholders, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of Shares priced at a discount of 12% to the volume weighted average market price (**VWAP**) for the Shares over the last 5 days on which sales in the shares were recorded before the day on which the issue was announced (**Price**). This Price is the same price as Shares were offered to sophisticated and professional investors under the Placement.

The VWAP of Shares traded on the ASX during the 5 trading days immediately prior to the announcement date of the Offer was \$0.008.

Shareholders who participate in the Offer will also be entitled to one free attaching unlisted option for every two shares offered under the Plan (**Plan Options**). The Plan Options will be issued on the same terms as the Placement Options.

The Plan Options will be subject to shareholder approval and will be issued under a disclosure document. Shareholders should note that there is no guarantee that shareholder approval will be granted and therefore there is no certainty that Plan Options will be issued to participating shareholders. The Company expects to convene a General Meeting to be held on or before mid-April 2018 to consider amongst other items the approval of the Plan Options and the Placement Options. The Company also plans to lodge the requisite disclosure document on or around the date of the General Meeting.

The directors of the Company who are eligible shareholders intend to participate under the Plan.

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An outline of the Plan is set out in this letter and the enclosed Terms and Conditions. An application form for the Plan (**Application Form**) and reply-paid envelope are included in this package.

Applications must be received by no later than 27 March 2018.

The right to participate under the Plan is optional and is available exclusively to shareholders who are registered as holders of Shares at 5:00pm (AEST) on the Record Date of 23 February 2018 and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Current Activities

Details of the Company's current activities are set out in the announcements made by the Company to the ASX and are available from the ASX, or the Company's website at www.fremontpetroleum.com

How much can you invest?

Eligible Shareholders may each apply for a maximum of \$15,000 worth of Shares under the Plan. Whilst the Company intends to raise \$500,000, the Company may accept additional applications subject to shareholder demand. However, the maximum number of Shares to be issued is limited by the Australian Securities Exchange (**ASX**) Listing Rules to a maximum of 178,538,320 Shares, being 30% of the Company's share capital.

Subscription and Application Procedure

If you would like to participate in the Plan, you can either:

- complete the enclosed Application Form and send it together with your payment by cheque made payable to "Fremont Petroleum Corporation Ltd" and drawn in Australian currency for the correct amount, to the Company's share registry, Boardroom Pty Limited at Grosvenor Place, Level 12, 225 George St Sydney NSW to be received by the share registry no later than 5:00pm (AEST) on the **Closing Date of 27 March 2018**. No late applications will be accepted; or
- make a BPAY®¹ payment from your cheque or savings account by using the Biller Code and Reference Number shown on your Application Form which is required to identify your holding. If you have multiple holdings you will have multiple BPAY Reference Numbers. To ensure you receive your Shares under the Offer in respect of that holding you must use the specific Biller Code and Reference Number shown on each personalised Application Form when paying for any Shares that you may wish to apply for in respect of that holding. If you inadvertently use the same Reference Number for more than one of your applications, you will be deemed to have applied only for that application to which that Reference Number applies and any excess amount will be refunded. **If you make your payment using BPAY® you do not need to return your Application Form.** New Zealand holders will not be

¹ ® Registered to BPAY Pty Ltd, ABN 69 079 137 518

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able to make a payment using BPAY®. Payments made by BPAY® received after 5:00pm (AEST) **on 27 March 2018** will not be accepted. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit.

Applicants should not forward cash and direct bank transfers are not permitted.

Eligible Shareholders may participate by selecting only one of the following offers to purchase Shares under the Plan:

	Total amount payable	Number of Shares which may be purchased
Offer A	\$15,000	2,142,857
Offer B	\$10,000	1,428,571
Offer C	\$5,000	714,285
Offer D	\$2,500	357,142
Offer E	\$1,000	142,857

Once an application has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the **Closing Date of 27 March 2018**. If the exact amount of money is not tendered with your application, the Company reserves the right to either:

- (a) return your Application Form and/or payment and not issue any Shares to you; or
- (b) issue to you the number of Shares that would have been issued had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by cheque as soon as possible, without interest.

The maximum investment any shareholder may apply for will remain \$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account). It is the responsibility of the applicant to ensure that the aggregate of the application price paid for the Shares the subject of the application and any other shares and interests in the class applied for by you under the Plan or any similar arrangement in the 12 months prior to the date of submission does not exceed \$15,000.

Custodians and Nominees

Eligible Shareholders who hold Shares as Custodian or Nominee (**Custodian**) for one or more persons on the Record Date (**Beneficiary**) may apply for up to a maximum amount of A\$15,000 worth of Shares in respect of each Beneficiary who is resident in Australia or New Zealand, subject to providing a Custodian Certificate to the Company, as described

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in the Terms and Conditions enclosed with this letter. Please refer to the Terms and Conditions for more details.

Price of Shares

The Price of Shares to be issued under the Plan is \$0.007 which is a discount of 12% of the VWAP for the shares over the last 5 days on which sales in the shares were recorded before the day on which the issue was announced. The VWAP of Shares traded on the ASX during the 5 trading days immediately prior to the announcement date of the Offer was \$0.008.

You should note that the market price of Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are issued to you as a result of your application under this Offer.

Acceptance of Risk Factors

By making an application under this Offer and applying for Shares under the Plan, each Eligible Shareholder will be acknowledging that although the Price is at a discount, Shares are a speculative investment and the price of Shares on ASX may change between the date of the Company announcing its intention to make an Offer and the date of issue of Shares under that Offer and that the value of the Shares received under the Plan may rise or fall accordingly.

The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to making an application under this Offer.

Additional Information and Important Dates

The offer of Shares under the Plan is made in accordance with ASIC Class Order 09/425 and therefore does not require a prospectus for the purposes of Chapter 6D of the Corporations Act (2001) (Cth).

The Offer cannot be transferred and the Directors of the Company reserve the right in their absolute discretion to reject, or scale back, on an equitable basis, any application. Shares allotted under the Plan will be issued no later than 10 business days after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The maximum amount proposed to be raised under the Offer is \$500,000. The Company, however, reserves absolute discretion regarding the final amount raised under the Plan, subject to the ASX Listing Rules.

In the event of oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back applications on an equitable basis. Scale-back for Shares held by Custodians will be applied at the level of the underlying Beneficiary. Directors may also, in their absolute discretion, decide to increase acceptances in the event of oversubscriptions.

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If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

Foreign offer restrictions

This document may not be released or distributed in any country other than Australia and New Zealand. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

New Zealand Shareholders

The Shares offered under the Plan are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Financial Markets Conduct Act 2013* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Shortfall Placement

In the event that less than \$500,000 is applied for, the full amount of the shortfall may be placed at the discretion of the Board subject to compliance with the necessary legal requirements.

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Indicative Timetable

Record Date for Share Purchase Plan	23 February 2018
Placement and Share Purchase Plan announced	26 February 2018
Section 708A "Cleansing Notice" lodged with ASX	28 February 2018
Dispatch Share Purchase Plan booklet to shareholders and release Offer Letter on the ASX	12 March 2018
Share Purchase Plan Opens	13 March 2018
Closing date for Share Purchase Plan	27 March 2018
Lodge Appendix 3B, Issue of new shares under the Share Purchase Plan	4 April 2018
Quotation on ASX of new shares under the Share Purchase Plan	9 April 2018
Issue of Placement Options and Plan Options and lodge Appendix 3B.	Within one month of the necessary shareholder approval being obtained

These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their Entitlement and Acceptance Forms as early as possible.

Should you wish to discuss any information contained in this letter further, do not hesitate to contact the Company's Company Secretary, Robert Lees: +61 2 9299 9580.

Yours faithfully



Guy Goudy
Executive Chairman
Fremont Petroleum Corporation Ltd

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FREMONT PETROLEUM CORPORATION LTD (ACN 114 198 471)
Shareholder Share Purchase Plan - Terms and Conditions

Purpose

The purpose of the Shareholder Share Purchase Plan (**the Plan**), which will be conducted in conjunction with the Placement, is to offer shareholders of Fremont Petroleum Corporation Ltd (**Company**) the opportunity to acquire additional fully paid ordinary shares in the Company (**Shares**) up to a maximum of \$15,000 (when combined with any shares issued under any share purchase plan in the 12 months preceding the date of the Plan). The issue price under the Plan is at a 12% discount to the average market price for Shares over the last 5 days on which sales in the shares were recorded on the financial market operated by ASX Limited (**ASX**) before the day on which the issue was announced. Shares will also be issued without the need to pay brokerage costs and without the need for the Company to issue a Prospectus. The Plan is governed upon such terms and conditions as the board of directors of the Company, in its absolute discretion, sees fit.

Shareholders Eligible to Participate

Holders of Shares that are registered with an Australian or New Zealand address at the relevant record date are eligible shareholders (**Eligible Shareholders**) and may participate in the Plan, unless such registered shareholder holds shares on behalf of another person who resides outside Australia or New Zealand. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these Terms and Conditions. Offers made under the Plan are non-renounceable (i.e. Eligible Shareholders may not transfer their rights to any Shares offered under the Plan). Eligible Shareholders who wish to take up Shares issued under the Plan agree to be bound by the Company's constitution in respect of Shares issued under the Plan.

An offer may, at the discretion of the directors of the Company (**Directors**), be made under the Plan once a year. The maximum amount which any shareholder may subscribe for in any consecutive 12-month period is \$15,000. The Directors may also determine in their discretion the minimum amount for participation, the multiple of Shares to be offered under the Plan and the period the offer is available to Eligible Shareholders.

Custodians, trustees and nominees

If you are an Eligible Shareholder and hold Shares as a custodian (as defined in ASIC Class Order [CO 09/425] (refer below) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the Plan), you may apply for up to the maximum of new Shares for each beneficiary for whom you act as custodian provided you annexe to your Application Form a certificate to the Company (**Custodian Certificate**) with the following information:

- that you held Shares on behalf of one or more other persons who are resident in Australia or New Zealand (each a **Participating Beneficiary**) at 23 February 2018 who have subsequently instructed you to apply for Shares under the Plan on their behalf;

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- the number of Participating Beneficiaries and their names and addresses;
- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;
- that the application price for Shares applied under the Offer for each Participating Beneficiary for whom you act plus the application price for any other Shares issued to you as custodian for that Participating Beneficiary under any arrangement similar to the Plan in the prior 12 months does not exceed \$15,000;
- that a copy of the written offer document was given to each beneficiary; and
- where you hold shares on behalf of a beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian.

For the purposes of ASIC Class Order [CO 09/425] you are a 'custodian' if you are a registered holder that:

- holds an Australian financial services licence that allows you to perform custodian or depository services or operate IDPS accounts;
- is exempt under:
 - (i) paragraph 7.6.01(1)(k) of the *Corporations Regulations 2001* (the **Regulations**); or
 - (ia) paragraph 7.6.01(1)(na) of the Regulations; or
 - (ii) ASIC Class Order CO 14/1000 or ASIC Class Order CO 14/1001; or
 - (iia) Schedule 2 to the ASIC Corporations (Repeal and Transitional) Instrument 2016/396; or
 - (iib) an instrument not being a legislative instrument, made by ASIC and which applies to the person on terms similar to Schedule 2 of the legislative instrument referred to in subparagraph (iia) or any of the ASIC Class Orders repealed by that legislative instrument; or
 - (iii) paragraph 911A(2)(h) of the Act;from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service; or
- is a trustee of a self-managed superannuation fund;
- is a trustee of superannuation master trusts;
- is a responsible entity of IDPS like schemes; or

- is the registered holder of Shares or interests in the class and is noted on the Company's register of members as holding the Shares on account of another person.

If you hold Company Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if you would like further information on how to apply, you should contact Boardroom Pty Limited at any time from 8.30am to 5.00pm (AEST time) Monday to Friday during the Offer period.

The Company reserves the right to reject any application for Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. The Company reserves the right to reject applications in accordance with these Terms and Conditions.

Applications and Notices

At the discretion of the Directors, the Company will send Eligible Shareholders a letter of offer and acceptance procedures, inviting them to subscribe for Shares under the Plan, and accompanied by these Terms and Conditions of the Plan and an Application Form. Applications will not be accepted after the closing date of the offer. Over subscriptions to an offer may be refunded without interest.

Notices and statements made by the Company to participants may be given in any manner prescribed by its Constitution.

Placement of Shortfall

Any shortfall from the Offer may be placed at the discretion of the Directors.

Issue of Shares

Shares to be issued under the Plan will be issued as soon as reasonably practicable after the closing date specified by the Directors of the Company in the relevant offer.

Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in the Company from the date of issue.

Shareholding statements or CHESS notification will be issued in respect of all Shares issued under the Plan. The Company will, promptly after the issue of Shares under the Plan, make application for those Shares to be listed for quotation on the official list of ASX.

Modification and Termination of the Plan

The Company may modify or terminate the Plan at any time. The Company will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

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Without limiting the above, the Company may issue to any person fewer Company Shares than the person applied for under the Plan if the issue of Shares applied for would contravene any applicable law or the Listing Rules of ASX.

Raising Amount and Scale back

The Company seeks to raise approximately \$500,000. However, the maximum number of Shares that can be issued is 71,428,571 Shares and the Company reserves absolute discretion regarding the final amount raised under the Plan.

In the event of an oversubscription by the closing date the Directors may, in their absolute discretion, scale-back all applications on an equitable basis. If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

Dispute Resolution

The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or Shares. The decision of the Company in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of the Company under these conditions may be exercised by the directors of the Company or any delegate of the directors of the Company.

Questions and Contact Details

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or the Company's Company Secretary Robert Lees: +61 2 9299 9580.

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**Share Purchase Plan –
Application Form**

Record Date: 7pm (Sydney Time) 23
February 2018

Opening Date: 9.00am (Sydney Time)
13 March 2018

Closing Date: 5pm (Sydney Time)
27 March 2018

Issue Price \$0.007 per share
(Refer to the Terms and Conditions for
further details on the Issue Price)

A Offer Details

This is an important document which requires your immediate attention. If you are in doubt as to how to deal with this document please contact your professional adviser.

Fremont Petroleum Limited (**Fremont or Company**) is offering Eligible SPP Shareholders the opportunity to apply for up to \$15,000 worth of new Shares (**New Shares**) at an issue price of \$0.007 per New Share. Also, participants in the SPP will (subject to shareholder approval) be issued one Option for nil consideration for every two New Share applied for, exercisable at \$0.02 (2 cents) until expiry on 31 March 2020 2019 (**New Options**). Each New Option gives the Subscriber the right to subscribe for 1 Share

Before applying for shares in Fremont Petroleum Limited (Fremont) (**New Shares**) under the Share Purchase Plan (**SPP**) you should read the SPP Terms and Conditions and the Declarations and Acknowledgments on the back of this Application Form. Terms not defined in this Application Form have the same meaning as in the SPP Terms and Conditions. By making a BPAY payment or completing and returning this Application Form with a cheque or money order, you agree to be bound by the constitution of Fremont Petroleum Limited and the SPP Terms and Conditions (including the eligibility requirements) and you make all of the acknowledgments, representations, declarations and certifications contained in the SPP Terms and Conditions.

This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.

Custodians cannot use this form to apply for multiple parcels of shares on behalf of distinct beneficiaries. Please see over.

If you do not wish to purchase New Shares under the SPP, there is no need to take any action.

B Offer Choice

Indicate your choice below by marking one box only. **The number of New Shares to be issued is calculated by dividing your application amount by the Issue Price with fractions of a share rounded down.**

A\$15,000.00
2,142,857 Shares

A\$10,000.00
1,428,571 Shares

A\$5,000.00
714,285 Shares

A\$2,500.00
357,142 Shares

A\$1,000.00
142,857 Shares

IMPORTANT NOTE: The total allowable application is A\$15,000 per shareholder. By making an application for New Shares under the SPP, you certify that your application amount under the SPP does not exceed A\$15,000. Any amounts over the A\$15,000 total risk a delay in processing and missing this offer.

C Payment Details

Payment may only be made by BPAY, cheque or money order. Cash will not be accepted via the mail or at the Fremont Share Registry. Payments cannot be made at any bank.

The amount of your payment received by BPAY, cheque or money order prior to the close, divided by the Issue Price, will be deemed to be the total number of New Shares you are applying for.

Payment Option 1 - BPAY



Billers Code:
Ref:

Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account. More info: www.bpay.com.au
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- To pay via BPAY please contact your participating financial institution;
- If paying by BPAY you do not need to return the Application Form, but will be deemed to have submitted an Application Form.

Payment Option 2 - Cheque

Record cheque details below:

Drawer	Cheque No.	BSB No.	Account No.	Amount A\$

- Only cheques or money orders in Australian dollars and drawn on a bank or financial institution in Australia will be accepted;
- Your cheque or money order must be made payable to "Fremont Petroleum Limited" and crossed "Not Negotiable";
- Please ensure you submit the correct amount. Incorrect payments may result in your application being rejected;
- Payments must be made via cheque or money order accompanying the Application Form.

D Contact Details

Please provide a telephone number and contact name in case we need to contact you regarding your application.

Home telephone number	Work telephone number	Contact name

E Custodians

Custodians cannot use this form to apply for multiple parcels of shares on behalf of distinct beneficiaries. To do so please contact Boardroom Pty Limited as below. To apply for New Shares on behalf of distinct beneficiaries, custodians must obtain a separate custodian certificate from Boardroom Pty Limited. Custodians must comply with the requirements of ASIC Class Order CO 09/425 and provide evidence satisfactory to Fremont of the distinct holdings when accepting the offer. Each beneficial holder on whose behalf a custodian submits an application must be named in the custodian certificate and must have a registered address in either Australia or New Zealand at 7.00pm (Sydney time) on the Record Date.

F Enquiries

If unsure how to complete this form please contact the Fremont Shareholder Information Line on 1300 737 760 or +612 9290 9600 if outside Australia.

G Declarations and Acknowledgments

By lodging this form with your cheque, money order or BPAY payment you acknowledge and confirm that you have read, understood and agree to and make all representations contained in the SPP Terms and Conditions. That is, by lodging this form with your cheque, money order or BPAY payment you represent that the total application price for the following does not exceed \$15,000:

- the New Shares you are applying for;
- any other New Shares or interests you are applying for under this SPP, or Fremont Shares or interests in the class issued that you acquired under a similar arrangement in the 12 months before this application;
- any other New Shares or interests in the class which you have instructed a custodian to acquire on your behalf under this SPP; and
- any other Fremont Shares or interests in the class of shares issued to a custodian under an arrangement similar to this SPP in the 12 months before this application as a result of you instructing the custodian or another custodian, and which resulted in you holding a beneficial interest in the Fremont Shares or interests in the class.

Any personal information collected by Fremont on this application form will be dealt with in accordance with applicable privacy requirements.

NO SIGNATURE IS REQUIRED ON THIS FORM

THIS OFFER IS NON-RENOUNCEABLE

Application Forms and cheques, money orders or payment via BPAY must be received no later than 5pm (Sydney Time) on 27 March 2018.

You should allow sufficient time for this to occur. The postal acceptance rule does not apply to the SPP.

MAILING ADDRESS

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

DELIVERY ADDRESS

Boardroom Pty Limited
Level 12, 225 George Street
SYDNEY NSW 2000