

## Fremont Commences Works to Monetize Gas from Pathfinder Field

Fremont Petroleum Corporation Ltd (ASX: FPL) ('Fremont' 'the Company') is pleased to report key operational and corporate progress in advancing gas sales from the 21,500 acre 100%-owned Pathfinder Field, Colorado. Fremont has a dual track strategy of growing and stabilising oil production and monetising its large untapped P90 gas resource.

### Pipeline connection request and gas gathering and pipeline build

Fremont has lodged an Interconnection Request with Kinder Morgan for access to a 6.625-inch natural gas pipeline that traverses the northernmost extension of the Pathfinder Field (Figure 1). This is a Federal Energy Commission "FERC" regulated pipeline that is part of the ~7,000km Colorado Interstate Pipeline system (CIG). The connection allows Fremont to access customers not just in Colorado, but extend sales into the Midwest, Southwest, California and Pacific Northwest.

Fremont intends developing gas production from multiple pay zones at Pathfinder and plans to install 'in-field' gas pipelines and a gas processing plant capable of producing pipeline quality gas for sale into the CIG. This infrastructure can also be used to connect to other nearby gas pipelines owned by local utilities.

Sale of gas in Colorado is de-regulated which allows vendors to build their own pipeline systems and lock in contracts with local gas utilities. Fremont is also entitled to contract with existing customers via existing pipelines owned by those same utilities. Fremont is continuing to negotiate potential gas sales with local industry and this is progressing well.

The Company has now engaged a pipeline construction company to cost the construction and installation of a pipeline, gas gathering system, compression and processing facilities. Costs are being finalised and they are in line with estimates.

### Funding channels

Fremont intends to fund the construction of all infrastructure with bank debt supported by US Government backed guarantees. The Pathfinder Field is situated in a rural area that meets the requirements for loan guarantees provided by the U.S. Department of Agriculture 'USDA'. These cover up to 80% of the loan amount for establishing a project valued under US\$5 million and max out at a guarantee of 60% for a valuation of \$25 million.

Loans with USDA Guarantees can be sold, and are keenly sought, because of their government backing to (1) Federal and State chartered banks (2) Savings and Loans (3) Farm Credit Unions, and (4) Credit Unions.

Fremont is working directly with the USDA on a potential financing program and progress is positive. The first step is to undertake an environmental feasibility impact study on the proposed pipe-line route. The Company has already engaged an environmental company in Colorado for this environmental feasibility report.

**President and CEO of Fremont Timothy B. Hart said:** *"Considerable work is going into monetizing gas sales from Pathfinder and we are satisfied with the progress being made, particularly with respect to our discussions with the USDA. We are confident that we can secure finance on acceptable terms, so we can commence works.*

*"Progress on gas sales with local industry is advancing well. These are very detailed and complex negotiations and we need to ensure contractual terms are in shareholders' best interests. The Kinder Morgan connection is another option to monetize our gas, so too is connections to local utilities. Multiple sales channels are being pursued.*

*"As advised, we expect to provide an update on Pathfinder's Reserves and Resources very soon, and this is a key milestone that supports gas sales negotiations and funding discussions.*

*“Concurrently, we continue to focus on oil production activities in Colorado and Kentucky. Monthly revenue from oil sales is an important focus with Pathfinder in particular having huge upside.”*

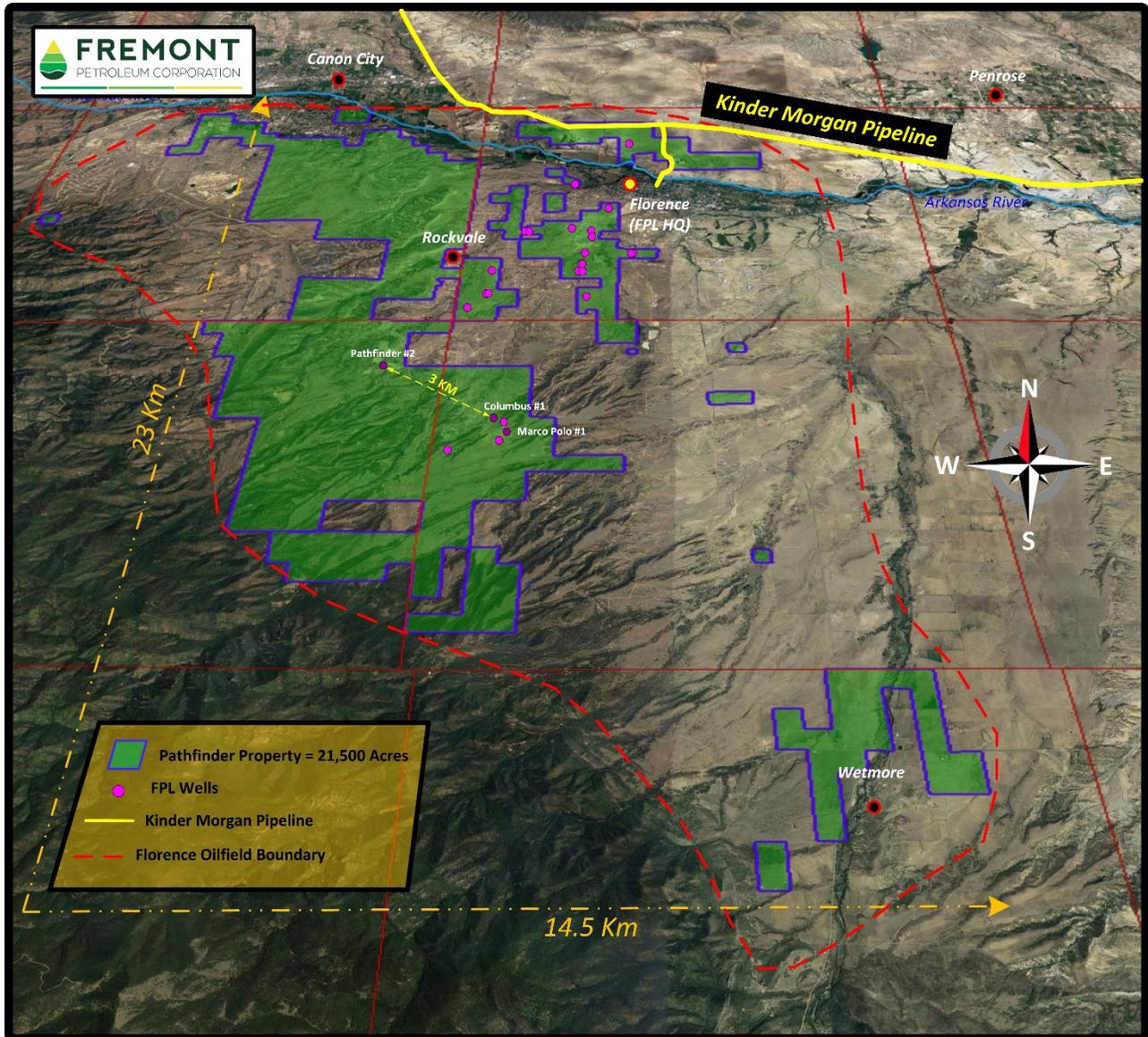


Figure 1: 21,500 acre Pathfinder Property in Fremont County, Colorado

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**ABOUT FREMONT PETROLEUM CORPORATION LTD**

Fremont Petroleum Corporation (FPC) 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 19,417-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. FPC is listed on the Australian Securities Exchange (ASX: FPL).**

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