

Fremont Petroleum Corporation Completes \$3.75m Placement

- **\$3.75m raised via a two-tranche Placement to institutional and sophisticated investors at \$0.007 per share**
- **Very strong demand from investors**
- **Funds to be allocated to 2018 Development Drilling Program**
- **Drilling targeting production from the Niobrara formation to commence in early October**
- **Production is currently stable and generating solid monthly recurring revenue**

Fremont Petroleum Corporation Ltd (ASX: FPL) (“Fremont” or “the Company”) advises that it has completed a two-tranche placement of its securities (**Placement**) to raise AUD\$3.75 million (before costs) to advance the development of the Company’s 100% owned, 21,500 acre Pathfinder property in Colorado.

Fremont is now fully funded to drill two wells in 2018 with the Vespucci #1 well set to spud in early October.

Drilling is targeting oil and gas production from the Niobrara formation. Drilling success will confirm the recently completed Gustavson Associates Independent reserves and resources report that highlighted that the Niobrara formation at Pathfinder property is analogous to the massive Wattenberg Field in Colorado, as recently reported by the Company.

The US Energy Information Administration listed Wattenberg as the 9th largest gas field in the US in terms of remaining proved gas reserves, 4th in remaining proved oil/condensate reserves. As of March 2018, the field was producing 1.92 billion cubic feet of gas and 331 thousand barrels of oil and condensate per day, from more than 23,000 active wells.

The Placement comprises the issue of a total of 535,714,352 shares to sophisticated and professional investors at an issue price of \$0.007 per share, together with one free attaching option for every two shares subscribed for and issued under the Placement . The options will be listed options exercisable at \$0.02 each on or before 31 March 2020. The issue price represents a discount of 24% to Fremont’s 30-day VWAP of 0.93c and a discount of 5.7% to Fremont’s 14-day VWAP of 0.74c.

The issue of shares under the Placement will occur under two tranches as follows:

- (a) 172,835,495 Shares (**Tranche 1**), will be issued out of the Company's placement capacities pursuant to ASX Listing Rule 7.1 and 7.1A.; and
- (b) 362,878,857 Shares (**Tranche 2**), will be issued by the Company once the Company receives shareholder approval at a general meeting (to be held as soon as possible) (**General Meeting**).

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New shares to be issued under the Placement will rank equally with existing Company shares in all respects.

The Company will also seek shareholder approval to approve the issue of the 267,857,176 free-attaching options at the General Meeting.

The funds raised from the Placement will be allocated to drilling further development wells at the Pathfinder project and for working capital.

Comment

Fremont's Executive Director Tim Hart commented: "We are grateful to shareholders for their support for this placement. Our priority now is to successfully drill a number of vertical wells targeting the Niobrara Formation with drilling commencing next month. Considerable preparatory work has gone into the program and we expect to report more on this very soon.

"As well, we continue to work diligently to secure a binding gas offtake agreement for the Pathfinder Field in Colorado and this will be a material development for Fremont. Negotiations are ongoing and progressing satisfactorily.

"We also confirm that production in Colorado and Kentucky has stabilised and generating positive monthly recurring revenue. A fuller update on performance and daily production rates will be provided as soon as we have details of current oil inventory, which will also be reported."

Listing Rule 3.10.5A

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	691,341,981	
Placement – Tranche 1		
Shares to be issued under LR7.1 placement capacity	103,701,297	8.5%
Shares to be issued under LR7.1A placement capacity	69,134,198	5.6%
Total Shares on issue after completion of Tranche 1	864,177,476	
Placement – Tranche 2		
Shares to be issued after shareholder approval at October 2018 General Meeting	362,878,857	29.6%
Total Shares on issue after completion of Tranche 1 and Tranche 2	1,227,056,333	43.7%

¹ Assuming no further Shares are issued or Options exercised

Options

	Number
Listed Options currently on issue - exercisable at \$0.06 on or before 30 June 2019	74,088,963
Unlisted Options currently on issue - exercisable at \$0.10 on or before 30 June 2019	4,840,000
Unlisted Options currently on issue - exercisable at \$0.06 on or before 31 March 2020	197,842,875
Unlisted Options currently on issue - exercisable at \$0.045 on or before 31 March 2021	12,500,000
Tranche 1 - Options - exercisable at \$0.02 on or before 31 March 2020	86,417,748
Tranche 2 - Options - exercisable at \$0.02 on or before 31 March 2020	181,439,428
Total Options on issue after completion of the Placement	557,129,014

The Board believes that the benefits flowing from funds being raised quickly in this Placement outweigh the inability of all shareholders participating. The Company offered a Share Purchase Plan to shareholders in February 2018 on the same terms as this capital raise.

The additional funds will allow further drilling of two development wells in 2018 targeting oil & gas production from the Niobrara formation and provides additional working capital.

Promotors will each receive a fee of 6% of the amount raised under the Placement. Promotors will also receive pro-rated 50,000,000 options exercisable at 2 cents each on or before 31 March 2020, which are subject to shareholder approval at the General Meeting.

The Company looks forward to a busy period ahead with the drilling of two back-to-back wells and will provide operational updates throughout drilling operations.

– ENDS –

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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).

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.

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