



FREMONT PETROLEUM CORPORATION LIMITED
INTERIM FINANCIAL & OPERATIONAL REPORT
HALF YEAR ENDED 31 DECEMBER 2020

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FREMONT PETROLEUM CORPORATION LIMITED

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FREMONT PETROLEUM CORPORATION LIMITED

DIRECTORS AND ACTIVITIES REPORT

DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated entity for the half-year ended 31 December 2020.

DIRECTORS

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

Mr. Simon Johnson, Non-Executive Chairman (appointed 6 April 2021)
Mr. Thomas Peter Crown, Non-Executive Director
Mr. Samuel Jarvis, Non-Executive Director
Mr. Stuart Middleton, Non-Executive Director

COMPANY SECRETARY

Mr. Robert Lees is the Company Secretary.

FREMONT PETROLEUM CORPORATION LIMITED

DIRECTORS AND ACTIVITIES REPORT

REVIEW OF OPERATIONS AND ACTIVITIES

- Half yearly production totalled 12,417 barrels of oil.
- Half yearly revenue from oil sales total AU\$308,126. There is additional revenue of AU\$38,578 from the Kentucky Joint Venture which is not included in this half yearly revenue total.

Fremont Petroleum Corporation Ltd ('Fremont') is an oil and gas production and development company that

- is the operator of its 100% owned Pathfinder project in the historic Florence oil field of Fremont County, Colorado, USA.
- owns 50% of Kentucky Exploration LLC ('Kentucky Exploration')– which is operates pursuant to a 50/50 Joint Venture with a private Australian investment company.
- owns 100% of Trey Exploration. As announced on 1 October 2020, Fremont executed an Asset Purchase Agreement with Indiana-based Trey Exploration, Inc. ('Trey') to acquire its portfolio of oil leases. The Company paid US\$1M in October 2020, US\$0.45M on 2 April 2021 and will pay the remaining balance of US\$0.45M by 1 October 2021 to complete the acquisition.

Production & Revenue

Total gross production for the 31 December half-year was 12,417 barrels of oil.

5,418 barrels were produced in Colorado, 5,579 barrels were produced from the Trey Exploration assets and 1,420 barrels by Kentucky Exploration. Please note that the Trey Exploration production is only from October 1st through December 31st as the effective date of the acquisition is October 1st. Also, the Kentucky Exploration production revenue is not included in the half year revenue totals as it is a 50% joint venture.

Additionally, Fremont held an unsold inventory of 4,540 barrels of oil in its storage tanks at 31 December 2020.

Revenue for the half year totalled AU\$309,304 (2019:AU\$433,839).

Events Occurring After the Reporting Date

Fremont announced on the 9th of March 2021, the acquisition of Magnum Hunter Production, Inc. ('MHP'). Fremont had previously acquired a minority 15% interest in MHP for US\$75K in November 2020. The agreement to acquire the remaining 85% equity interest for US \$425K with an effective date of 26 February 2021 and was closed in the first week of March 2021. The purchase price is subject to adjustment to reflect any change in working capital from the agreement date to final settlement.

FREMONT PETROLEUM CORPORATION LIMITED

DIRECTORS AND ACTIVITIES REPORT

Assets acquired and liabilities assumed at acquisition

Current Assets	\$6,595,330
Non-current Assets	\$11,082,269
Current liabilities	(\$6,776,378)
Non-current liabilities	(\$9,640,790)
	\$1,260,431

MHP operates approximately 1,300 long life, low decline conventional natural gas wells located in Kentucky, Virginia and Tennessee. The wells are spread across the Illinois and Appalachian Basins. The acquisition is consistent with Fremont's strategy to acquire under-performing conventional oil and gas leases with immediate production upside achieved from low-cost workovers and re-stimulation resulting in improved return on investment.

A primary phase, 90-day work program has commence and is forecast to increase production by approximately 20%. This will be funded from MHP's existing cash flows and production gains from this program will be reported to shareholders progressively. A secondary phase will target more extensive workovers, re-stimulations and side-tracking on the 75% of the well inventory that is currently shut in and/or not currently tied in for production.

Fremont is also assessing ways to enhance daily oil production which is currently hampered by limited storage and collection facilities and other logistical challenges resulting in wells being shut in. Processing costs, transport fees and the current 73% Net Revenue Interest ('NRI') are also being assessed and a strategy has been formulated to deliver further revenue and margin improvement.

For the listing of tenements acquired refer to the ASX announcement dated 9 March 2021 – 'FPL Tenements acquired list' or our website:
<https://fremontpetroleum.com/wp-content/uploads/2021/03/FPL-TenementsList.pdf>

The portfolio of oil leases owned by Trey Exploration Inc. ('Trey') was acquired 1 October 2020 upon the execution of the Asset Purchase Agreement and payment of US\$1M of the total acquisition cost of US\$1.9M. Fremont paid a further US\$0.45M on 2 April 2021 and will pay the remaining balance of US\$0.45M by 1 October 2021 to complete the acquisition.

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 in Colorado.

Workplace and Environmental Safety

Fremont 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 local area headquarters in addition to several OSHA programmes that are held throughout the year.

FREMONT PETROLEUM CORPORATION LIMITED DIRECTORS AND ACTIVITIES REPORT

The Company (Fremont) 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 with no phase-1 incidents ever having been recorded.

Tenement/lease summary

Business Unit	State	County	Lease Name	WI	Beginning of Period		End of Period	
					NRI	NET Acres	NRI	NET Acres
Kentucky Exploration (Newtak JV)	Kentucky	Henderson	Arnold Griffin (McKinley)	100	82.0%	52.50	82.0%	52.50
			Katherine McFarley (McKinley)	100	82.0%	54.14	82.0%	54.14
			Robards Lauenstein	100	82.0%	107.46	82.0%	107.46
			Jack Knight Jr & Mary Lee Knight	100	87.5%	57.75	87.5%	57.75
			RC Duncan	100	87.5%	21.88	87.5%	21.88
			Lorene Busby	100	82.0%	98.44	82.0%	98.44
			Felty	100	81.0%	84.24	81.0%	84.24
		Webster	Russell	100	75.0%	46.50	75.0%	46.50
			Ted Majors	100	75.0%	27.75	75.0%	27.75
			Jimmy Dacy	100	75.0%	102.00	75.0%	102.00
		Hopkins	Ashby Heirs	100	80.0%	64.00	80.0%	64.00
Trey Exploration	Kentucky	Henderson	Barrett-West	100	0.0%	0.00	80.0%	217.55
			Overfield	100	0.0%	0.00	80.0%	100.32
		Hopkins	North Hanson	100	0.0%	0.00	80.0%	1300.00
			Adams-Buchanan	100	0.0%	0.00	80.0%	520.00
			Blue	100	0.0%	0.00	80.0%	180.00
			Finley-Kahlow	100	0.0%	0.00	80.0%	200.50
	Indiana	Posey	College Community	100	0.0%	0.00	80.0%	40.00
			Hast	100	0.0%	0.00	80.0%	40.00
			Posey County Farms	100	0.0%	0.00	80.0%	199.50
			Alexander	100	0.0%	0.00	80.0%	40.00
		Vanderburgh	Reiman-Adler	100	0.0%	0.00	80.0%	213.00
			Scheller	100	0.0%	0.00	80.0%	40.00
		Knox	Anthis	100	0.0%	0.00	80.0%	40.00
			Ellis	100	0.0%	0.00	80.0%	174.37
			Field-Meyer-State	100	0.0%	0.00	80.0%	201.33
			Kissling	100	0.0%	0.00	80.0%	185.87
			Newton-State	100	0.0%	0.00	79.2%	456.58
			Steckler-State	100	0.0%	0.00	80.0%	240.00
			Wilson	100	0.0%	0.00	78.6%	80.00
	Illinois	Edwards	Grayville	100	0.0%	0.00	80.0%	130.00
AusCo Petroleum	Colorado	Florence	Incremental Wells	100	79.0%	1924.26	79.0%	1924.26
			Chandler Creek	100	85.0%	7102.31	0.0%	0.00
			Prize Energy	100	75.0%	10977.76	75.0%	10977.76
				Total Acreage:	20720.98			18217.69

FREMONT PETROLEUM CORPORATION LIMITED

AUDITOR'S INDEPENDENCE DECLARATION

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8 of the financial report.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to be 'S. Johnson', with a long horizontal stroke extending to the right.

Simon Johnson
Non-Executive Chairman
Dated this 15th day of April 2021

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 review of Fremont Petroleum Corporation Limited for the half-year ended 31 December 2020, 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



T S Jackman
Partner – Audit & Assurance

Melbourne, 15 April 2021

FREMONT PETROLEUM CORPORATION LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER
COMPREHENSIVE INCOME

For the half-year ended 31 December 2020

	Note	31 Dec 2020 \$	31 Dec 2019 \$
REVENUES			
Revenue	2	309,304	433,839
		<u>309,304</u>	<u>433,839</u>
EXPENSES			
Well operating expense		(364,763)	(249,518)
Employee benefits expense		(159,432)	(293,360)
Share based payment expense	11	(341,463)	(92,000)
Regulatory compliance		(103)	(197,734)
Depreciation and amortisation expense		(94,741)	(140,664)
Professional fees		(193,773)	(360,889)
Other expenses		(188,184)	(258,474)
Travel and accommodation expense		-	(87,469)
Plug and abandonment expense		-	(23,692)
Interest expense		(199,507)	(115,494)
Impairment expense	4	(21,159)	(149,927)
Impairment of financial assets	4	(90,866)	(50,266)
		<u>(1,344,687)</u>	<u>(1,585,648)</u>
PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE			
Income tax expense		-	-
		<u>(1,344,687)</u>	<u>(1,585,648)</u>
PROFIT/(LOSS) FROM CONTINUING OPERATIONS			
		<u>(1,344,687)</u>	<u>(1,585,648)</u>
PROFIT/(LOSS) FOR THE PERIOD			
		<u>(1,344,687)</u>	<u>(1,585,648)</u>
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss			
Exchange rate differences on translating foreign operations		(1,138,608)	(71,329)
TOTAL COMPREHENSIVE INCOME PROFIT/(LOSS) FOR THE PERIOD NET OF TAX		<u>(2,483,295)</u>	<u>(1,656,977)</u>
Basic earnings per share	10	(\$0.0004)	(\$0.0010)
Diluted earnings per share	10	(\$0.0004)	(\$0.0010)

Notes to the financial statements are included on pages 13 – 24

FREMONT PETROLEUM CORPORATION LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

	Note	Consolidated Group 31 Dec 2020 \$	30 Jun 2020 \$
CURRENT ASSETS			
Cash and cash equivalents		1,630,357	1,291,081
Trade and other receivables		237,491	12,508
TOTAL CURRENT ASSETS		1,867,848	1,303,589
NON-CURRENT ASSETS			
Property, plant and equipment		84,796	116,198
Development and producing assets	3	2,854,166	1,676,904
Exploration and evaluation assets	3	11,025,487	12,222,252
Financial assets	15	97,331	-
Other non-current assets		436,434	486,343
TOTAL NON-CURRENT ASSETS		14,498,214	14,501,697
TOTAL ASSETS		16,366,062	15,805,286
CURRENT LIABILITIES			
Trade and other payables		3,325,144	3,879,015
Other short-term liabilities		184,787	26,035
Common stock liability		-	417,084
Convertible note and accrued interest	9	-	3,357,373
TOTAL CURRENT LIABILITIES		3,509,931	7,679,507
NON-CURRENT LIABILITIES			
Other long-term liabilities		20,894	23,337
Asset retirement obligations		1,093,689	1,174,525
Deferred tax liability		224,511	250,761
TOTAL NON-CURRENT LIABILITIES		1,339,094	1,448,623
TOTAL LIABILITIES		4,849,025	9,128,130
NET ASSETS		11,517,037	6,677,156
EQUITY			
Issued capital	6	99,600,620	92,101,477
Reserves		9,453,254	10,767,829
Retained earnings / (Accumulated Losses)		(97,536,837)	(96,192,150)
TOTAL EQUITY		11,517,037	6,677,156

Notes to the financial statements are included on pages 13 - 24

FREMONT PETROLEUM CORPORATION LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2020

	Consolidated Group	
	31 Dec	31 Dec
	2020	2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	125,388	438,212
Payments to suppliers and employees	(758,372)	(936,816)
Interest received	1,178	160
Interest paid	(3,362)	(22,644)
Payments for regulatory compliance	(103)	(278,102)
	<u>(635,271)</u>	<u>(799,190)</u>
NET CASH USED IN OPERATING ACTIVITIES		
CASH USED IN INVESTING ACTIVITIES		
Payments for JV investment	(90,866)	(20,457)
Payments for fixed assets	-	(2,373)
Payments for exploration expenditure	(104,802)	(3,131,198)
Payments for development activities	(132,922)	-
Payments for tenements	(1,383,365)	-
	<u>(1,711,955)</u>	<u>(3,154,028)</u>
NET CASH FROM INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from convertible note	-	3,025,000
Repayment of borrowings	(8,384)	(368,056)
Proceeds from the issue of ordinary shares	3,132,916	-
Share issue costs	(173,376)	(141,215)
	<u>2,951,156</u>	<u>2,515,729</u>
NET CASH USED IN FINANCING ACTIVITIES		
Net (decrease) / increase in cash held	603,930	(1,437,489)
Cash at beginning of period	1,291,081	1,558,697
Foreign currency movement	(264,654)	(43,591)
	<u>1,630,357</u>	<u>77,617</u>
Cash at end of period		

Cash flows used in exploration and evaluation were presented under operating activities in the ASX Quarterly Appendix 5B. However, these amounts are presented as investing activities in the financial statements consistent with the Consolidated Entity's accounting policies for exploration and evaluation expenses.

Notes to the Financial Statements are included on pages 13 – 24

FREMONT PETROLEUM CORPORATION LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2020

	Issued Capital	Convertible Note	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	-	-	212,000	-	-	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 2020	92,101,477	175,967	-	10,591,862	(96,192,150)	6,677,156
Issue of share capital	3,938,379	-	-	-	-	3,938,379
Transaction costs	(168,412)	-	-	-	-	(168,412)
Conversion of convertible notes	3,729,176	(175,967)	-	-	-	3,553,209
Profit or loss	-	-	-	-	(1,344,687)	(1,344,687)
Total other comprehensive income	-	-	-	(1,138,608)	-	(1,138,608)
BALANCE AT 31 DECEMBER 2020	99,600,620	-	-	9,453,254	(97,536,837)	11,517,037

Notes to the financial statements are included on pages 13 – 24

FREMONT PETROLEUM CORPORATION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2020

NOTE 1 – BASIS OF PREPARATION

Basis of Preparation of the Half-Year Financial Report

The Financial Report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this Financial Report are presented below and have been consistently applied unless otherwise stated.

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 2020, together with any public announcements made during the half-year.

Fremont Petroleum Corporation Limited is domiciled in Australia.

Changes in Significant Accounting Policies

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

FREMONT PETROLEUM CORPORATION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2020

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 2020	6 Months Ending 31 December 2019
	\$	\$
Sale of oil and gas – point in time	308,126	433,679
Interest received	1,178	160
Total	309,304	433,839

NOTE 3 – EXPLORATION, DEVELOPMENT AND PRODUCING ASSETS

Movement in Exploration and Evaluation Expenditure Capitalised

	CONSOLIDATED GROUP	
	6 Months Ending 31 December 2020	12 Months Ending 30 June 2020
	\$	\$
Balance at beginning of period	12,222,252	13,280,139
Additions	103,732	4,694,787
Exchange rate difference	(1,279,338)	294,027
Exploration expenditure impairment	(21,159)	(6,046,701)
	11,025,487	12,222,252

Movement in Development and Producing Assets

	CONSOLIDATED GROUP	
	6 Months Ending 31 December 2020	12 Months Ending 30 June 2020
	\$	\$
Balance at beginning of year	1,676,904	1,818,277
Additions	1,516,288	-
Exchange rate difference	(264,792)	34,157
Amortisation expense	(74,234)	(175,530)
	2,854,166	1,676,904

FREMONT PETROLEUM CORPORATION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

Trey Acquisition

Fremont acquired a portfolio of producing oil and gas leases located in the Illinois Basin from Indiana-based Trey Exploration, Inc in early October 2020. Fremont made an initial payment of US\$1M on the execution of the Asset Purchase Agreement. A second payment of US\$0.45M was made 2 April 2021 and Fremont expects to make a final payment of US\$0.45M in October 2021. As Fremont asserted control over Trey during the period beginning October 1, 2020, the US\$1M initial investment has been recorded as development assets (cash flows for tenements) and the revenue and expense associated with these assets has been consolidated into the Fremont financials.

NOTE 4 – IMPAIRMENT CHARGE

Exploration and Evaluation and Development and Producing Assets

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 \$21K during the six months ended 31 December 2020. This reflects the write down of previously incurred costs related to exploration and evaluation. 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.

The Company's exploration and evaluation assets were impaired by \$6M during the twelve months ended 30 June 2020. This reflects the write down of the Powell and Vespucci wells to their projected cost and the write down of all non-producing Ausco Petroleum Inc. wells, excluding Seismic and Cimarex, to \$0.

Interests in Joint Ventures

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. Its financial statements have been incorporated into the consolidated financial statements using the equity method of accounting.

At each year end, the Directors' review the carrying values of the Kentucky Exploration LLC exploration and evaluation and development and producing assets to determine whether there is any indication that those assets are impaired. For those prospects where the Directors believe such an indication exists at period end, they compare the asset's fair value less costs to sell and value in use to the asset's carrying value. Where it is not possible to estimate the recoverable amount of an individual asset, the Directors' estimate the recoverable amount of the cash-generating unit to which the asset belongs.

FREMONT PETROLEUM CORPORATION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2020

50% of Kentucky Exploration LLC's loss was recorded in Fremont's consolidated financials annually, except beginning the year ended 30 June 2017, in which only the portion of the loss that reduced the investment to \$0 was recorded. No loss was recorded in 2020 or 2019 as the investment had already been reduced to \$0.

During the six months ended 31 December 2020 and 30 June 2020, equity contributions of \$91K and \$50K, respectively, were made to the Company's joint venture Kentucky Exploration LLC. The corresponding loan receivable was written down by these amounts as of 31 December 2021 and 30 June 2020, respectively.

FREMONT PETROLEUM CORPORATION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2020

NOTE 5 – OPERATING SEGMENTS

Segment Information

(i) Segment Performance

	Australia 6 months to 31 December 2020	USA 6 months to 31 December 2020	Total 6 months to 31 December 2020
	\$	\$	\$
Total segment revenue	109	309,195	309,304
Segment net (loss)/profit before tax	(837,448)	(507,239)	(1,344,687)

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

(ii) Segment Assets

	Australia 31 December 2020	USA 31 December 2020	Total 31 December 2020
	\$	\$	\$
Segment Assets	73,580,947	14,578,537	88,159,484
Inter segment elimination	(71,793,422)	-	(71,793,422)
	1,787,525	14,578,537	16,366,062

	Australia 30 June 2020	USA 30 June 2020	Total 30 June 2020
	\$	\$	\$
Segment Assets	70,626,021	14,549,812	85,175,833
Inter segment elimination	(69,370,547)	-	(69,370,547)
	1,255,474	14,549,812	15,805,286

FREMONT PETROLEUM CORPORATION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2020

(iii) Segment Liabilities

	Australia 31 December 2020 \$	USA 31 December 2020 \$	Total 31 December 2020 \$
Segment Liabilities	447,741	99,233,489	99,671,230
Inter segment elimination	-	(94,822,205)	(94,822,205)
	447,741	4,401,284	4,849,025

	Australia 30 June 2020 \$	USA 30 June 2020 \$	Total 30 June 2020 \$
Segment Liabilities	3,978,542	108,560,208	112,538,750
Inter segment elimination	-	(103,410,620)	(103,410,620)
	3,978,542	5,149,588	9,128,130

FREMONT PETROLEUM CORPORATION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2020

NOTE 6 – ISSUED CAPITAL

Ordinary Shares

	Number	\$
6 months to 31 December 2020		
As at 1 July 2020	2,135,587,947	92,101,477
Issue 1,243,058,600 shares at \$0.003 per share	1,243,058,600	3,729,176
Issue 97,560,976 shares at \$0.0035 per share	97,560,976	341,463
Issue 15,638,333 shares at \$0.003 per share	15,638,333	46,916
Issue 250,000,000 shares at \$0.003 per share	250,000,000	750,000
Issue 183,333,332 shares at \$0.003 per share	183,333,332	550,000
Issue 83,333,333 shares at \$0.003 per share	83,333,333	250,000
Issue 66,666,667 shares at \$0.003 per share	66,666,667	200,000
Issue 599,999,998 shares at \$0.003 per share	599,999,998	1,800,000
Less: Costs of Capital Raising	-	(168,412)
At 31 December 2020	4,675,179,186	99,600,620
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

During the six-month period ending 31 December 2020, shares were issued in connection with the conversion of the convertible note from debt to equity, directors fees in lieu of cash and fund raising.

During the six-month period ending 31 December 2019, a convertible note was entered into for which \$176K of the compound financial instrument was attributed to equity. See Note 9, Convertible Note, for further details.

FREMONT PETROLEUM CORPORATION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2020

Options

	Number
6 months to 31 December 2020	
As at 1 July 2020	12,500,000
- Issued 9 September 2020	849,999,998
- Issued 30 November 2020	66,666,667
- Issued 1 December 2020	83,333,333
At 31 December 2020	1,012,499,998

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

Options Outstanding by Class

	31 December 2020 Number	31 December 2019 Number
Unlisted Options		
- \$0.045 expire 30 June 2021	12,500,000	12,500,000
- \$0.003 expire 30 September 2021	849,999,998	-
- \$0.003 expire 30 November 2021	150,000,000	-
At Period End	1,012,499,998	12,500,000
Listed Options		
- \$0.02 expire 31 March 2020	-	518,914,308
At Period End	-	518,914,308

FREMONT PETROLEUM CORPORATION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2020

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 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 \$61K 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 Group entered into secured convertible notes of US\$3.03M in October and November of 2019. Each convertible note has a face value of \$0.007 and an interest rate of 1.5% during the initial term, a period of four months commencing on the issue date. The notes were to mature four months from the issue date. As the notes were not repaid or converted at that time, interest accrued at 2.5% thereafter. The notes were determined to be convertible into shares at the face value of the convertible note plus accrued interest divided by the renegotiated conversion rate of \$0.003. The renegotiated rate enabled the extension of the conversion.

The Group accounted for the convertible note as a compound financial instrument, in which the loan, including accrued interest, was valued at \$3.36M and the equity was valued at \$176K as of 30 June 2020.

The Group received approval to issue shares to complete the debt for equity conversion at the General Meeting held 31 August 2020. On 3 September 2020, the Group announced the conversion of its \$3.03M note plus accrued interest into 1,243,058,600 shares at \$0.003 share.

FREMONT PETROLEUM CORPORATION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2020

NOTE 10 – EARNINGS PER SHARE & DILUTED EARNINGS PER SHARE

	CONSOLIDATED GROUP	
	31 December 2020	31 December 2019
	\$	\$
Net loss attributed to ordinary equity holders	(1,344,687)	(1,585,648)
Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS	3,338,185,905	1,668,335,412
Basic earnings per share	(\$0.0004)	(\$0.0010)
Diluted earnings per share	(\$0.0004)	(\$0.0010)

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 BASED PAYMENTS

Included as share based payments in the statement of profit and loss and other comprehensive income is \$341K and \$92K for the half year ended 31 December 2020 and 31 December 2019, respectively.

For the six months ended 31 December 2020, the Company, as per shareholder approval, issued 97,560,976 related party shares to Thomas Crown and Samuel Jarvis for successfully:

- Negotiating the conversion of the \$3.03M noteholder debt to equity
- Managing the Company's creditors
- Securing funding commitments, and
- Assessing future acquisitions

The shares were issued at a per share price of \$0.0041, which was the share price the date the share-based payment was formalised.

NOTE 12 – 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. See Note 4, Impairment Charge – Interests in Joint Ventures for additional details.

FREMONT PETROLEUM CORPORATION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

NOTE 13 – 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 ending 31 December 2020 of \$635K, a closing cash position of \$1.63M, and a deficit of working capital of \$1.64M as at 31 December 2020.

The Group's ability to continue as a going concern is contingent on the support of major creditors and its restructured payables obligations. The Group has successfully deferred 54% of current payables and is continuing to work with vendors to obtain additional deferrals.

The Group's ability to continue as a going concern is also contingent upon further work over of existing wells, successful drilling and field development and raising capital, via debt, equity, farm-outs, joint ventures, or a combination of these, as well as the exercise of options. If the Group 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. No allowance for such circumstances has been made in the Financial Report.

The Group raised a total of \$3.55M during the six months ended 31 December 2020. This demonstrates the Group's continuing ability to raise capital. Funds were raised for working capital purposes and to acquire Trey. The Group focus is to pursue opportunistic conventional oil and gas acquisitions focused on onshore USA.

Fremont finalised the Trey acquisition in early October with an initial payment of US\$1M. It will make two further payments of US\$0.45M, the first in April 2021 and a final payment in October 2021, to finalise the acquisition. Total acquisition cost is US\$1.9M. Trey holds highly prospective production leases and a portfolio of conventional wells that are currently producing approximately 75 barrels of oil per day in the states of Indiana, Illinois and Kentucky. Production can be enhanced through low-cost workovers and other field activities, and they add scale to the Group's Kentucky operations that are also being worked over for enhanced production.

Subsequent to the reporting period, as announced on 9th March 2021, Fremont closed the MHP acquisition. The total acquisition cost of the remaining 85% of MHP, which operates approximately 1,300 long life, low decline conventional natural gas wells located in Kentucky, Virginia and Tennessee, was U\$425K. Fremont has already commenced several programs to enhance production and deliver improved revenue and margins. Planning of further such enhancement programs is also underway.

NOTE 14: COVID-19 IMPACT

During the past year, Fremont Petroleum Corporation Ltd has been significantly impacted by the COVID-19 pandemic. The rapid rise of the virus saw an increasing level of restrictions on social gathering, "stay at home" orders in Australia and the US, and impacted United States of America's ability to operate amid significant volatility and instability in financial and commodity markets.

For the ten months ended 30 December 2020 COVID-19 has affected Fremont Petroleum Corporation specifically as follows:

FREMONT PETROLEUM CORPORATION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020

- Slowing of global economies dramatically reduced demand for oil.
- Resulting demand reduction dramatically impacted the market price for oil.
- The result was the shut-in of wells in Colorado and Kentucky as wells were, at that time, no longer economic to produce, resulting in – no generation of monthly revenue until the wells were brought back online in Q4 2020.
- Result was lack of operating income, even though some expenses/obligations continued (e.g. insurance, rent, salaries, fixed asset payments).
- Headcount reduced to two employees.
- Even with “stay at home” orders, monitoring of wells remained essential.
- State and Federal regulatory requirements were still in full force necessitating that the Group continue to undertake full compliance measures.
- Government assistance programs for US businesses were not available if the owner of the US operations was a foreign entity.
- Now that energy prices are stable and trending upwards, work has commenced in earnest to bring the wells back to full production, with well workovers and other work to enhance production.

The COVID-19 pandemic continues to evolve and may impact operations over the next six months; however, the full extent of the impacts cannot be quantified at this time.

NOTE 15 – EVENTS OCCURRING AFTER THE REPORTING DATE

Fremont announced the acquisition of Magnum Hunter Production, Inc. ('MHP') on the 9th of March 2021. Fremont acquired a minority 15% interest in MHP for US\$75K in November 2020. The announced acquisition is to acquire the remaining 85% equity for US\$425K. The acquisition is effective for 26 February 2021 expected to be finalized by the end of April 2021. The purchase price is subject to adjustment to reflect any change in working capital from the agreement date to final settlement.

Assets acquired and liabilities assumed at acquisition

Current Assets	\$6,595,330
Non-current Assets	\$11,082,269
Current liabilities	(\$6,776,378)
Non-current liabilities	<u>(\$9,640,790)</u>
	\$1,260,431

MHP is the operator of approximately 1,300 long life, low decline conventional natural gas wells located in Kentucky, Virginia and Tennessee. The wells are spread across the Illinois and Appalachian Basins. The acquisition is consistent with Fremont's strategy to acquire under-performing conventional oil and gas leases with immediate production upside achieved from low-cost workovers and re-stimulation resulting in improved return on investment.

Fremont made a second payments of US\$0.45M in April 2021 as part of its Trey acquisition, leaving a final payment of US\$0.45M to be made by October 2021 to finalise the acquisition.

FREMONT PETROLEUM CORPORATION LIMITED

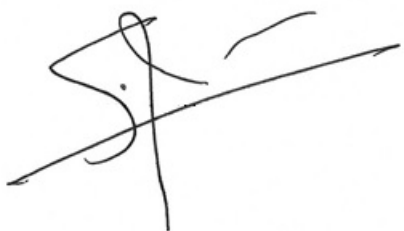
DIRECTORS' DECLARATION

DIRECTORS' DECLARATION

The directors of the Group declare that:

1. The financial Statements and Notes, as set out on pages 9 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 2020, 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 Group 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.

A handwritten signature in black ink, appearing to be 'S. Johnson', written over a horizontal line.

Simon Johnson
Non-Executive Chairman
Dated this 15th day of April 2021

Independent Auditor's Review 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 subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2020, 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, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Fremont Petroleum Corporation Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Fremont Petroleum Corporation Limited's financial position as at 31 December 2020 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 13 in the financial report, which indicates that the Group had net operating cash outflows of \$635,271 during the half year ended 31 December 2020 and, as of that date, the Group's cash position was \$1,630,357 and had a net working capital deficiency of \$1,642,083. As stated in Note 13, these events or conditions, along with other matters as set forth in Note 13, 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 2020 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*.

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.



Grant Thornton Audit Pty Ltd
Chartered Accountants



T S Jackman
Partner – Audit & Assurance

Melbourne, 15 April 2021