



ASX ANNOUNCEMENT

13 MAY 2021

OPERATIONS UPDATE

HIGHLIGHTS

- Stockpiled oil inventory of 28,070 bbl now being sold at a rate of ~2,000 bbl per week with FPL benefiting from renegotiated transport rates and strengthening WTI oil price of ~US\$65 per bbl
- Based on the current WTI price, FPL is netting ~US\$63 per bbl sold *after* transport fees
- Fremont to shortly release Reserves & Resources and Asset Retirement Obligation reports
- Well-funded to execute on workovers and production enhancements underway

Fremont Petroleum Corporation Ltd (ASX: FPL) ('Fremont', 'Company') is pleased to provide this update to shareholders on its oil inventory sell down and other undertakings.

Sell-down of oil inventory and re-negotiated oil transport costs: Fremont reported in its March quarterly report that unsold oil inventory totalled 25,646 bbl and substantial effort was being made to sell this down. Inventory has since increased to 28,070 bbl and Fremont is now taking advantage of the stronger oil price of ~US\$65 per bbl and selling MHP inventory at a rate of 2,000 bbl per week to strengthen the cash base. As well, the Company has reduced its cost of transport from US\$6.50 per bbl to US\$2 per bbl. Revenue from this sell down is in addition to that being generated from ongoing gas, NGL and oil production from all leases which are all performing consistently.

Gas forward pricing: The Company took advantage of price strength in Q1 to forward price a significant portion of its gas production through summer, with the remaining to be sold into an improving spot market.

Reserves & resources reports: Since completing the MHP acquisition, the Company has commissioned independent oil & gas consulting firm Wright & Company, Inc. to prepare reserves & resources reports for the MHP leases and the Trey Exploration leases. The report will likely be published next month. All leases have excellent long-term production characteristics and the reports will independently verify this.

Asset retirement obligations (ARO): Coinciding with the updated reserves & resources reports, the Company has commissioned Opportune, LLC. to recalculate the ARO liability and this information will also be released in due course. The Company can report that an agreement is in place with the Commonwealth of Kentucky Division of Oil & Gas (the 'Multi-Year Well Abatement Plan') requiring it to Plug & Abandon only ten (10) wells per year which represents a minimal annual cost and therefore liability for the Company.

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Funding: With the growing revenue from the oil inventory sell down, ongoing sales of oil, gas and NGLs, existing cash reserves and funds to be raised from the conversion of unlisted options, Fremont is very well funded to execute its low-cost workover and production enhancement program.

The Company will continue to update shareholders on progress.

This announcement has been authorised by the Board of Fremont Petroleum Corporation Ltd.

END

FURTHER INFORMATION

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ABOUT FREMONT PETROLEUM CORPORATION, LIMITED

Fremont Petroleum Corporation Limited (ASX: FPL) is an oil & gas production and development company with operations in Kentucky, Illinois, Tennessee, and Virginia. FPL's focus is to aggressively grow daily production by improving current asset performance and opportunistically acquiring onshore USA oil & gas assets with the following characteristics: producing conventional oil & gas wells; production that can be enhanced through low-cost field operations and workovers; leases which are held by production and which do not require ongoing drilling commitments; and economies of scale which can be achieved by acquiring and carrying out similar enhancement strategies on contiguous or nearby fields with similar characteristics.

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. Hydrocarbon production rates fluctuate over time due to reservoir pressures, depletion, down time for maintenance and other factors. The Company does not represent that quoted hydrocarbon production rates will continue indefinitely.