FREMONT
PETROLEUM CORPORATION

Drilling Operations on J.W. Powell 23-25 Well. Fremont County, Colorado

FREMONT PETROLEUM CORPORATION LIMITED

INTERIM FINANCIAL & OPERATIONAL REPORT

HALF YEAR ENDED 31 DECEMBER 2018

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DIRECTORS' AND ACTIVITIES REPORT

Your Directors submit the financial report of the consolidated entity for the half-year ended 31 December 2018

DIRECTORS

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

Mr Guy Thomas Goudy (Executive Chairman)
Mr Tim Hart (Chief Executive Officer & Managing Director)
Mr Stuart Middleton (Non-Executive Director)
Mr Andrew Blow (Non-Executive Director)
Mr Sam Jarvis (Appointed Non-Executive Director on February 28, 2018)

COMPANY SECRETARY

Mr Robert Lees is the Company Secretary.

REVIEW OF ACTIVITIES & OPERATIONS

- **Gustavson Independent Reserves and Resources report updated with the P90 gas resource increased by 145% to 540 BCF (.54 TCF) and the oil resource up 55% to 55 million barrels.**
- **Half yearly production totals 15,923 barrels of oil**
- **Half yearly revenue from oil sales total AUD$650,561 not including $185,088 from Kentucky Joint Venture**
- **CY2018 production was up 33% to 31,628 BO (CY2017: 23,700 BO)**
- **2018 Net revenue from oil sales totals US$1,195,589.94 – an 88% year-on-year increase (CY2017: US$638,789)**
- **2018 drilling obligations met to maintain 100% of 21,500-acre property**

Fremont Petroleum Corporation Ltd is an oil and gas Production and Development Company that is the operator of its 100%-owned 21,500-acre Pathfinder project in the oil and gas rich region of Fremont County, Colorado, USA.

Importantly, all lease obligations that were required in 2018 to retain 100% of the Pathfinder property have been met.

Fremont's Pathfinder project is large enough to accommodate 500+ wells with the Company currently operating 26 oil and gas wells in the field with two additional wells in the development phase.

Independent estimates calculate a 90% probability that Pathfinder contains a resource of 54 million barrels of oil and 540 billion cubic feet of gas. This independent assessment was completed in August 2018 over a total of 19,500 acres at that time; however, the Company's increased total area is 21,500 acres, being a further 10.3% area.

Fremont also has a 50/50 JV in producing oil and gas properties in Kentucky. Fremont receives 100% of the revenue until its capital contribution is repaid through oil sales.

Success in this program would add further production, boost cash flows, increase in-ground reserves and confirm independent engineering assessments that have pointed at the Pathfinder Field being analogous to the prolific Wattenberg oil and gas field in Colorado.

Production & Revenue

Total gross production for the December 31 half was 15,641 barrels of oil. 11,584 barrels were produced in Colorado and 4,057 barrels in Kentucky.

As well, Fremont held unsold inventory of 3,091 barrels of oil in the storage tanks at 31 December.

Significant Calendar Year-on-Year Production and Revenue Increases Achieved

The Company recorded a year-over-year oil production increase of 33% and an 87% increase in net revenues received.

These increases come off the back of successful work over programs at the Company's oil and gas assets in Colorado and Kentucky, and off the back of strengthening oil prices which hit a high of $72/bbl in September 2018.

The Company's production and revenue profiles for 2017 & 2018 are as follows:

	Colorado Pathfinder Property	Kentucky	Total
	100% Working Interest - 21,500 acres	50/50 JV Approx 1,500 acres	
	Oil Produced	Oil Produced	
2018	**24,480**	**7,148**	**31,628**
2017	17,357	6,343	23,700
	Net Revenue - USD	Net Revenue – USD	
2018	**$941,247.21**	**$254,342.73**	**US$1,195,589.94**
2017	$440,132.06	$198,656.56	US$638,788.62

Gas operations and sales negotiations

It is clear that the Pathfinder field contains a large amount of natural gas and significant oil.

The Company is in the final negotiation stages for a long-term gas off-take agreement with a large, industrial Company with large-scale manufacturing operations.

The Company looks forward to executing a gas sales agreement as soon as possible.

Drilling Operations

The Company's primary focus for the first half of FY 2019 was the drilling of the Amerigo Vespucci # 1 Well and the J.W. Powell #23-25 wells at the Company's 21,500-acre Pathfinder property in Colorado.

The primary objectives of these two wells is to test and produce the Niobrara formation.

These wells are being drilled as vertical wells and are targeting production from a multi-stage fracture stimulation in the B and C Benches of the Niobrara Formation (Primary Objective).

J.W. Powell #23-25 Well:

The J.W. Powell #23-25 well safely spudded on Sunday 16 December. The primary target, the Niobrara Formation recorded a total thickness of 537 feet in this well.

The well reached its target depth of 6,072 ft on Saturday 12 January, 2019. The well was drilled to plan, safely and on budget.

Oil and Gas hydrocarbon shows were reported by the on-site, independent mud-logger throughout the Niobrara section. Oil and gas shows where also evident in deeper Codell and Greenhorn Formations but testing will only occur on the Niobrara Formation.

Extensive open-hole logging and sidewall coring have been completed. Pleasingly, several side wall core samples retrieved from the Niobrara Formation were covered in crude oil.

The Company was pleased to secure the services of a leading, globally recognised oilfield services company to fracture stimulate and complete this well and fracking and completion operations were successfully performed.

Flow back of frack fluids have commenced and the Company looks forward to the results of the well and, should it be successful, placing it in to production.

Amerigo Vespucci # 1 Well:

The Amerigo Vespucci #1 well safely spudded on Friday 9 November.

Whilst drilling through the Pierre formation, a secondary objective on this well, drill cuttings were observed to have abundant mineral fluorescence and thus strong evidence of gas and oil. The hole also intersected several sections in the formation where extensive natural fractures are evident.

As such, the Company made the decision suspend drilling at 4,800 feet and complete an oil and gas production test on the Pierre Formation of the well. Steel casing has been run into the well including 200 feet of slotted production casing.

If the production test delivers commercial quantities of oil and gas, the well will be put into production in the Pierre formation. If not, the well will then be drilled down to its primary objective being the Niobrara Formation. The remaining drilling, being ~1,200 feet, will occur after the next well, the Powell #1, is drilled and completed.

WORKPLACE AND ENVIRONMENTAL SAFETY

The Company 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 headquarters in Florence Colorado as well as several OSHA safety programs that are held throughout the year.

The Company is proud that it maintains an impeccable 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.

INDEPENDENT CONSULTANT'S ANALYSIS

An update of Fremont's independently compiled oil and gas Resources & Reserve report was updated and finalised in August 2018 across 19,500 acres.

The P90 gas resource increased by 145% to 540 BCF (.54 TCF) and the oil resource up 55% to 55 million barrels.

It is important to note that as the Pathfinder property is developed, contingent resources are expected to move in to the reserves category.

However, a key highlight was Gustavson's assessment that the Pathfinder Field's geology is comparable to Colorado's prolific Wattenberg Field.

Based on comparable well logs in the Pathfinder and Wattenberg Fields, the Niobrara, Codell, and Greenhorn Formations appear to be similar in character in both areas. The report illustrates that the physical properties of the Niobrara Formation are similar between the two areas indicating potentially similar production performance.

The report was completed by Gustavson Associates in accordance with the VALMIN Code promulgated by the Australasian Institute of Mining and Metallurgy, and as specified in the VALMIN Code, the reserves and resources definitions found in the Petroleum Resources Management System (PRMS).

A table with the updated Resource and Reserve calculations can be found below in the Independent Consultant Analysis section.

Summary of Oil and Gas Resources

	P_{90} (1C)	P_{50} (2C)	P_{10} (3C)
Niobrara			
Contingent Oil Resources, MMBbl	25.4	31.4	38.1
Contingent Gas Resources, BCF	312	366	425
Pierre			
Contingent Oil Resources, MMBbl	20.7	25.6	31.3
Contingent Gas Resources, BCF	79.2	102.2	129.7
Greenhorn			
Contingent Oil Resources, MMBbl	7.6	16.3	35.0
Contingent Gas Resources, BCF	149	196	253
Kentucky			
Contingent Oil Resources, MMBbl	0.3	0.5	0.7
Contingent Gas Resources, BCF	0.1	0.1	0.2
Total Contingent Oil Resources, MMBbl	54.0	73.9	105.1
Total Contingent Gas Resources, BCF	540	664	808

The Summary tables of the analysis are as follows (M = 1,000, MM = 1,000,000, BCF = Billion Cubic Feet, P = Probability, P90 = 90% probability):

Summary of Oil and Gas Reserves and Economics

Reserves Category	Net Oil Reserves (MBO)	Net Gas Reserves, MMcf	Net Present Value, Millions of US$ Discounted at	
			0%	10%
Proved Developed Producing (P1)				
Colorado	157.81	0.00	$4.37	$3.03
Kentucky	17.03	0.00	$0.31	$0.26
Total	174.84	0.00	$4.69	$3.29
Proved Undeveloped	169.58	0.00	$3.41	$1.80
Total Proved	**344.42**	**0.00**	**$8.10**	**$5.08**
Probable Developed Non-Producing (P2)	32.65	1,166.07	$3.69	$1.86
Probable Undeveloped	1,135.10	0.00	$21.59	$10.24
Total Proved plus Probable	**1,512.17**	**1,166.07**	**$33.37**	**$17.18**

The Summary tables of the analysis are as follows (M = 1,000, MM = 1,000,000, BCF = Billion Cubic Feet, P = Probability, P90 = 90% probability):

FREMONT PETROLEUM CORPORATION LIMITED
AUDITOR'S INDEPENDENT DECLARATION

AUDITOR'S DECLARATION

The auditor's independence declaration as required under section 307C of the corporations Act 2001 is set out on page 11 of the financial report.

Signed in accordance with a resolution of the Board of Directors

Mr. Guy Goudy
Chairman
Dated this 12th day of March 2019

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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 2018. 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

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 12 March 2019

FREMONT PETROLEUM CORPORATION
CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
For the half-year ended 31 December 2018

	Note	Consolidated Group 31 Dec 2018 $	31 Dec 2017 $
Revenues			
Revenue	2	613,029	366,588
		613,029	366,588
Expenses			
Lease operating expense		(266,758)	(130,248)
Employee benefits expense		(254,850)	(285,227)
Share based payment expense		(119,250)	(18,250)
Depreciation and amortisation expense		(222,502)	(187,483)
Professional fees		(319,581)	(359,997)
Other expenses		(292,634)	(217,809)
Travel and accommodation expense		(69,589)	(39,853)
Impairment expense	4	-	(7,057,850)
		(932,135)	(7,930,129)
Joint venture contribution		-	-
Profit/(Loss) before income tax expense		(932,135)	(7,930,129)
Income tax expense		-	-
Profit/(Loss) from continuing operations		(932,135)	(7,930,129)
Profit/(Loss) for the period		(932,135)	(7,930,129)
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Exchange rate differences on translating foreign operations		430,882	(178,299)
Total comprehensive income profit/(loss) for the period net of tax		(501,253)	(8,108,428)
Basic earnings per share	9	($0.0011)	($0.0280)
Diluted earnings per share	9	($0.0011)	($0.0280)

Notes to the financial statements are included on pages 16 – 24

FREMONT PETROLEUM CORPORATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

	Note	Consolidated Group 31 Dec 2018 $	30 June 2018 $
CURRENT ASSETS			
Cash and cash equivalents		1,329,056	514,399
Trade and other receivables		97,341	115,016
TOTAL CURRENT ASSETS		1,426,397	629,415
NON-CURRENT ASSETS			
Property, plant and equipment		237,587	240,055
Development and producing assets	3	1,941,599	1,862,984
Exploration and evaluation assets	3	9,513,878	6,934,387
Other non-current assets		451,888	81,048
TOTAL NON-CURRENT ASSETS		12,144,952	9,118,474
TOTAL ASSETS		13,571,349	9,747,889
CURRENT LIABILITIES			
Trade and other payables		826,630	275,774
Interest bearing liabilities		395,064	332,310
TOTAL CURRENT LIABILITIES		1,221,694	608,084
NON-CURRENT LIABILITIES			
Other long-term liabilities		68,941	129,064
Asset retirement obligations		1,012,921	920,400
Deferred tax liability		245,487	233,688
TOTAL NON-CURRENT LIABILITIES		1,327,349	1,283,152
TOTAL LIABILITIES		2,549,043	1,891,236
NET ASSETS		11,022,306	7,856,653
EQUITY			
Issued capital	6	85,729,736	82,302,080
Reserves		10,449,163	9,779,031
Retained earnings / (Accumulated Losses)		(85,156,593)	(84,224,458)
TOTAL EQUITY		11,022,306	7,856,653

Notes to the financial statements are included on pages 16 - 24

FREMONT PETROLEUM CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2018

	Consolidated Group	
	31 Dec 2018 $	31 Dec 2017 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	656,424	358,977
Payments to suppliers and employees	(857,168)	(1,069,955)
Interest received	1,049	232
Interest paid	(16,143)	(32,583)
NET CASH USED IN OPERATING ACTIVITIES	(215,838)	(743,329)
CASH USED IN INVESTING ACTIVITIES		
Payments for JV investment	(119,366)	(37,264)
Payments for fixed assets	(31,520)	(25,524)
Payments for exploration expenditure	(2,039,492)	(958,348)
Payments for development activities	(161,746)	-
NET CASH USED IN INVESTING ACTIVITIES	(2,235,124)	(1,021,136)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(53,546)	(100,000)
Proceeds from the issue of ordinary shares	3,790,000	2,078,000
Share issue costs	(346,545)	(250,629)
NET CASH USED IN FINANCING ACTIVITIES	3,389,909	1,727,371
Net (decrease) increase in cash held	821,947	(37,094)
Cash at beginning of period	514,399	72,341
Foreign currency movement	(7,290)	3,324
Cash at end of period	1,329,056	38,571

Notes to the financial statements are included on pages 16 – 24

FREMONT PETROLEUM CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2018

	Issued Capital $	Performance Rights Reserve $	Shares to Be Issued $	Foreign Currency Reserve $	Retained Profits/ (losses) $	Total $
BALANCE AT 1 JULY 2018	82,302,080	67,500	-	9,711,531	(84,224,458)	7,856,653
Issue of share capital	3,790,000	-	-	-	-	3,790,000
Transaction costs	(362,344)	-	-	-	-	(362,344)
Performance rights	-	119,250	-	-	-	119,250
Shares to be issued	-	-	120,000	-	-	120,000
Profit or loss	-	-	-	-	(932,135)	(932,135)
Total other comprehensive income	-	-	-	430,882	-	430,882
BALANCE AT 31 DECEMBER 2018	85,729,736	186,750	120,000	10,142,413	(85,156,593)	11,022,306
BALANCE AT 1 JULY 2017	77,860,457	31,950	-	9,446,210	(75,649,077)	11,689,540
Issue of share capital	2,224,875	-	-	-	-	2,224,875
Transaction costs	(337,630)	-	-	-	-	(337,630)
Performance rights	-	18,250	-	-	-	18,250
Profit or loss	-	-	-	-	(7,930,129)	(7,930,129)
Total other comprehensive income	-	-	-	(178,299)	-	(178,299)
BALANCE AT 31 DECEMBER 2017	79,747,702	50,200	-	9,267,911	(83,579,206)	5,486,607

Notes to the financial statements are included on pages 16 – 24

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – BASIS OF PREPARATION

Basis of Preparation of the Half-Year Financial Report

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

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 2018, together with any public announcements made during the half-year.

Fremont Petroleum Corporation Limited is domiciled in Australia. The consolidated annual financial report of the consolidated entity for the year ended 30 June 2018 is available at www.fremontpetroleum.com.

New Accounting Standards

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

<u>AASB 15 *Revenue from Contracts with Customers*</u>

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related interpretations. The new Standard has been applied as at 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated. In accordance with the transition guidance, AASB 15 has only been applied to contracts that are incomplete as at 1 July 2018.

While this represents significant new guidance, the implementation of this new guidance had no impact on the timing or amount of revenue recognised by the Group during the half year. The adoption of AASB 15 had no impact on the Group's statement of cash flows.

<u>AASB 9 *Financial Instruments*</u>

AASB 9 *Financial Instruments* replaces AASB 109 *Financial Instruments: Recognition and Measurement*. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

When adopting AASB 9, the Group has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 July 2018.

While this represents significant new guidance, the implementation of this new guidance had no impact on the financial assets or the impairment of financial assets for the Group as at 31 December 2018.

Significant Accounting Policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2018 and the corresponding interim reporting period, except as described below.

Revenue

Revenue from oil and gas is recognised at a point in time when the Group has transferred control of the assets to the customer. Control of the asset is considered to transfer to the buyer at the time of delivery of the oil or gas to the customer.

Trade and Other Receivables

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. As all oil and gas sales are to a small number of customers, there is no expected credit loss allowance as at 31 December 2018.

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 2018 $	**6 Months Ending 31 December 2017 $**
Sale of oil and gas – point in time	611,980	366,356
Interest received	1,049	232
Total	**613,029**	**366,588**

NOTE 3 – EXPLORATION, DEVELOPMENT AND PRODUCING ASSETS

Movement in Exploration and Evaluation Expenditure Capitalised

	CONSOLIDATED GROUP	
	6 Months Ending 31 December 2018 $	**12 Months Ending 30 June 2018 $**
Balance at beginning of year	6,934,387	12,135,764
Additions	2,267,873	1,767,757
Exchange rate difference	311,618	216,809
Reclassification to development and producing	-	(129,050)
Exploration expenditure impairment	-	(7,056,893)
	9,513,878	**6,934,387**

Movement in Development and Producing Assets

	CONSOLIDATED GROUP	
	6 Months Ending 31 December 2018 $	**12 Months Ending 30 June 2018 $**
Balance at beginning of year	1,862,984	1,821,563
Reclassification from exploration and evaluation	-	129,050
Additions	161,746	117,598
Exchange rate difference	93,650	55,039
Amortisation expense	(176,781)	(260,266)
	1,941,599	**1,862,984**

NOTE 4 – IMPAIRMENT CHARGE

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

There was no impairment during the six months ended 31 December 2018. The company's exploration and evaluation assets were impaired by $7,056,893 to $6,934,387 as of 30 June 2018. This reflects the write down of previously incurred costs related to drilling the Pierre wells, which due to drilling results during the year have been put on hold to pursue other projects which the directors believe will provide increased value to shareholders. The company continues to pursue oil & 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.

NOTE 5 – OPERATING SEGMENTS

Segment Information

(i) Segment Performance

	6 months to 31 December 2018 Australia $	6 months to 31 December 2018 USA $	Total $
Total segment revenue	1,048	611,981	613,029
Segment net (loss)/profit before tax	(451,859)	(439,293)	(891,152)

	6 months to 31 December 2017 Australia $	6 months to 31 December 2017 USA $	Total $
Total segment revenue	232	366,356	366,588
Segment net (loss)/profit before tax	(392,709)	(7,537,420)	(7,930,129)

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(ii) Segment Assets

	Australia 31 December 2018 $	USA 31 December 2018 $	Total 31 December 2018 $
Segment Assets	62,271,625	13,468,259	75,739,884
Inter segment elimination	(62,168,535)	-	(62,168,535)
	103,090	**13,468,259**	**13,571,349**

	Australia 30 June 2018 $	USA 30 June 2018 $	Total 30 June 2018 $
Segment Assets	59,085,629	9,592,113	68,677,742
-Inter segment elimination	(58,929,853)	-	(58,929,853)
	155,776	**9,592,113**	**9,747,889**

(iii) Segment Liabilities

	Australia 31 December 2018 $	USA 31 December 2018 $	Total 31 December 2018 $
Segment Liabilities	65,766	96,638,382	96,704,148
Inter segment elimination	-	(94,155,105)	(94,155,105)
	65,766	**2,483,277**	**2,549,043**

	Australia 30 June 2018 $	USA 30 June 2018 $	Total 30 June 2018 $
Segment Liabilities	53,834	88,335,348	88,389,182
Inter segment elimination	-	(86,497,946)	(86,497,946)
	53,834	**1,837,402**	**1,891,236**

NOTE 6 – ISSUED CAPITAL

Ordinary Shares

6 months to 31 December 2018	**Number**	**$**
As at 1 July 2018	691,341,981	82,302,080
Issue 172,835,425 shares at $0.007 per share	172,835,425	1,209,848
Issue 257,551,594 shares at $0.007 per share	257,551,594	1,802,861
Issue 11,470,130 shares at $0.007 per share	11,470,130	80,291
Issue 99,571,429 shares at $0.007 per share	99,571,429	697,000
Less: Costs of Capital Raising	-	(362,344)
At 31 December 2018	**1,232,770,559**	**85,729,736**

6 months to 31 December 2017	**Number**	**$**
As at 1 July 2017	195,727,735	77,860,457
Issue of 2,395,000 shares @ $0.025 per share	2,395,000	59,875
Issue of 48,900,000 shares @ $0.02 per share	48,900,000	978,000
Issue of 50,000,000 shares @ $0.02 per share	50,000,000	1,000,000
Issue of 5,000,000 shares at $0.02 per share	5,000,000	100,000
Issue of 4,350,000 shares at $0.02 per share	4,350,000	87,000
Less: Costs of Capital Raising	-	(337,630)
At 31 December 2017	**306,372,735**	**79,747,702**

During the six-month periods ending 31 December 2018 and 31 December 2017, shares were issued in connection with fundraising and some stock related service invoices were paid in shares.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

Options

	Number
6 months to 31 December 2018	
As at 1 July 2018	272,271,838
- Issued 16 July 2018	17,000,000
At 31 December 2018	**289,271,838**

	Number
6 months to 31 December 2017	
As at 1 July 2017	80,500,260
- Issued 5 July 2017	500,000
- Issued 4 September 2017	64,450,000
- Expired 18 September 2017	(2,071,283)
At 31 December 2017	**143,378,977**

Options Outstanding by Class

	31 December 2018 Number	31 December 2017 Number
Unlisted Options		
- $0.45 expire 30 June 2018	-	51,950,014
- $0.10 expire 30 June 2019	4,840,000	4,840,000
- $0.045 expire 30 June 2021	12,500,000	12,500,000
- $0.02 expire 31 March 2020	197,842,875	-
At Period End	**215,182,875**	**69,290,014**
Listed Options		
- $0.06 expire 30 June 2019	74,088,963	74,088,963
At Period End	**74,088,963**	**74,088,963**

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 Director-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 AUD $86,353 excluding GST. Mr. Lonny Haugen is the President of CFO Colorado Accounting & Tax Services.

NOTE 8 – CONTINGENT LIABILITIES

There has been no material change to contingent liabilities since the last annual reporting date.

NOTE 9 – EARNINGS PER SHARE & DILUTED EARNINGS PER SHARE

	CONSOLIDATED GROUP	
	31 December 2018 $	**31 December 2017 $**
Net loss attributed to ordinary equity holders	(932,135)	(7,930,129)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	876,159,839	282,958,740
Basic earnings per share	($0.0011)	($0.0280)
Diluted earnings per share	($0.0011)	($0.0280)

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 10 – 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 ended 31 December 2018 of AUD $215,838 and a closing cash position of AUD $1,329,056.

The Group's ability to continue as a going concern is contingent upon further successful drilling & field development and raising capital, via debt, equity, farm-outs, joint ventures, or a combination of these. If the Company 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, other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

The Company raised a total of AUD $3.8M in September, November and December 2018 to fund additional development through drilling. This demonstrates the Company's ability to raise capital.

NOTE 11 – EVENTS OCCURRING AFTER THE REPORTING DATE

On 14 February 2019, the Company announced that fracking and completion operations have been successfully performed on the JW Powell #23-25 well located in the 100% owned 21,500-acre Pathfinder Field, Colorado. Flow back of frack fluids has commenced. The JW Powell well was successfully drilled to a total vertical depth of 6,072 feet (1,851 metres) and is targeting production from a multi-stage fracture stimulation in the B and C Benches of the Niobrara Formation.

DIRECTORS' DECLARATION

The directors of the Group declare that:

1. The financial Statements and Notes, as set out on pages 16 to 24 are in accordance with the Corporations Act 2001,
    a) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2018, 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 Company 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.

Timothy B. Hart

Mr. Timothy B. Hart
President & Chief Executive Officer
Dated this 12th day of March 2019

Mr. Guy T. Goudy
Executive Chairman
Dated this 12th day of March 2019

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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 2018, 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, nothing has come to our attention that causes us to believe that the half year financial report of Fremont Petroleum Corporation Limited does not give a true and fair view of the financial position of the Group as at 31 December 2018, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Material uncertainty related to going concern

We draw attention to Note 10 in the financial report, which indicates that the Group incurred net operating cash outflows of $215,838 during the half year ended 31 December 2018 and, as of that date, the Group had a closing cash balance of $1,329,056. As stated in Note 10, these events or conditions, along with other matters as set forth in Note 10, 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 2018 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*. As the auditor of Fremont Petroleum Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 12 March 2019