Fremont Petroleum Corporation Ltd and Controlled Entities

Annual Report and Financial Statement
for the year ended
30 June 2019

USA Office: 113 North Santa Fe, Florence, Colorado 81226 | P: +1 719 784 7616
Australia Office: Suite 302, Level 3, 17 Castlereagh Street, Sydney NSW 2000 | P: +61 2 9299 9580

www.fremontpetroleum.com

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CHAIRMAN'S & CEO'S REPORT

Dear Fellow Shareholders,

The past 12 months has been a successful period for your Company.

We are very pleased to report that the Company has successfully drilled and completed over 12,000 feet of new well-bore and have done so safely with no lost time accidents or phase 1 environmental incidents. Our safety culture is something of which we are exceptionally proud, and the safety and concern of our people will always be at the forefront of everything we do at Fremont Petroleum Corporation.

Our 100% controlled Pathfinder property is a highly valuable stacked-pay, oil and gas asset. Yet again, we discovered oil and gas hydrocarbons in both the J.W. Powell and Amerigo Vespucci wells. Every well we have ever drilled at Pathfinder has encountered hydrocarbons, which is rare in the oil patch.

It has been a year where we have, beyond doubt, confirmed the prolific nature of the Niobrara formation at Pathfinder and by doing so, we have solidified our belief that we are sitting on a very large untapped hydrocarbon asset that holds considerable unlocked value.

We are also highly encouraged by the potential of the Greenhorn formation that has been discovered through our exploration efforts. Oil and gas was discovered in this formation during the drilling of our Amerigo Vespucci #1 well. As a result, the Company's Geologist is currently undertaking a detailed geological and technical review of the formation with the view that it will be a future oil and gas producing formation.

It is clear that Pathfinder contains large amounts of natural gas and monetising this gas is an absolute priority for the Company and negotiations continue to move forward positively.

As well, Fremont is actively progressing a second sales channel into the Kinder Morgan Interstate Gas Pipeline which opens up a broad range of potential off-takers.

With an existing P9 contingent resource of 54 million barrels of oil and 540 billion cubic feet of gas in place and given the exploration success of the J.W. Powell and Amerigo Vespucci wells, we are looking forward to significantly adding to the Company's reserves and resource base.

Work has commenced on the Company's 2019 independent Reserves and Resources report which will be completed by world renowned oil and gas appraisal firm, Gustavson Associates.

We were pleased to receive independent confirmation from Gustavson during the year that our Pathfinder property is a geologic extension of the prolific Denver Julesberg Basin. This is one of the most well-defined oil and gas basins in North America and quality acreage in this basin is in high demand and hard to acquire.

The DJ Basin is dominated by a handful of large oil and gas Company's and recent transactions have seen core acreage selling from anywhere from US$5,000.00 to $15,000.00 per acre. Through our drilling efforts, we have been able to establish that the Niobrara formation at Pathfinder is actually considerably thicker, with total formation thickness of in excess of 500 feet.

Post the drilling of our J.W Powell Well, we received further validation of this through a Schlumberger petrophysical analysis which confirmed the Niobrara at Pathfinder is analogous to the prolific Wattenberg Field in the DJ Basin.

It has been a year where we have formed a great collaboration with Schlumberger, the world's largest oil and gas services Company. Through this collaboration, we have been able to apply state-of-the art technology to our Pathfinder field that has the ability to revolutionize the way in which unconventional wells are completed.

This is a most valuable relationship for our Company and places Fremont at the forefront of latest oil field technology available, anywhere in the world.

We thank our Board for their continued service to the Company and our shareholders. The Board's commitment and focus to driving shareholder value is greatly appreciated.

We're also of course grateful to our small and fiercely committed team on the ground and we can't thank them enough for their dedication to the tasks at hand over the past 12 months. This hard work has continued to drive growth and value in your Company.

We also thank Fremont's corporate secretary, Robert Lees, for his continued work for the Company over the past 12 months.

However, none of this would be possible without the support of you, our loyal shareholders and we extend our sincere gratitude for your continued support of the Company.

Make no mistake about it. We have an exciting future ahead of us and are fully committed to unlocking the huge amount of value that awaits us at our Pathfinder property and ultimately, your Company.

Yours sincerely,

Guy T. Goudy
Executive Chairman

Timothy B. Hart
Managing Director & CEO

REVIEW OF OPERATIONS AND ACTIVITIES

Fremont Petroleum Corporation Ltd is an oil and gas Exploration & Production 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.

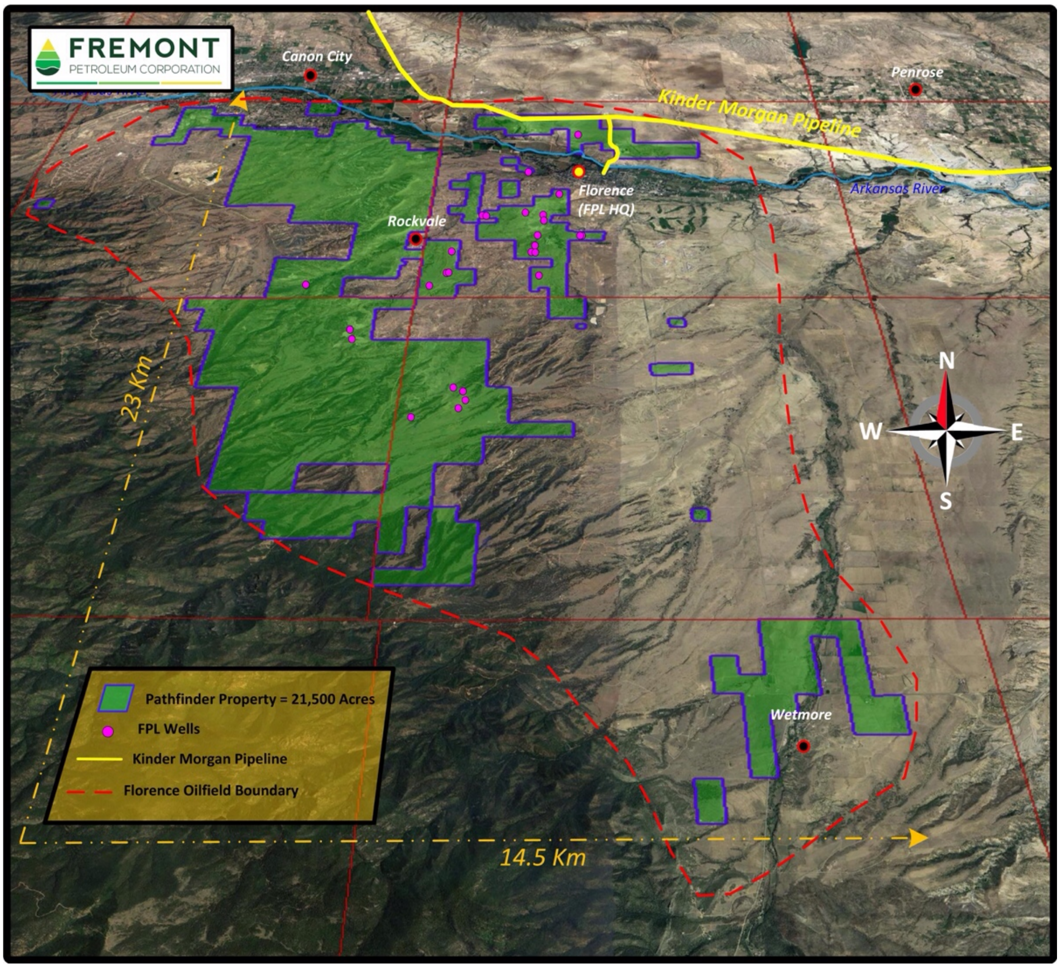
Fremont's Pathfinder project is large enough to accommodate 500+ wells with the Company currently operating 25 producing oil and gas wells in the field with two additional wells in the development phase.

Independent estimates calculate a 90% probability that Pathfinder contains a resource of 54 million barrels of oil and 540 Billion cubic feet of gas.

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

PATHFINDER PROJECT – FREMONT COUNTY COLORADO

- 100% 21,500-acre Oil and Gas Property, Denver Julesburg Basin. (1,660 acres under option)
- Fremont is the Operator of this project.
- 25 oil and gas wells.
- Primary Objectives: Niobrara & Pierre Shale formations.
- Secondary Objectives: Greenhorn, Codell and Grenaros formations.



Pathfinder Property – 21,500 acres

Current Drilling Operations:

Amerigo Vespucci # 1 Well:

The Company was pleased to complete the drilling of the Amerigo Vespucci #1 well to its target depth of 5,977 feet (1,822 metres).

The Amerigo Vespucci #1 well was drilled as a vertical well, with the primary production target being Niobrara Formation, the same formation that yielded favourable oil & gas flow rates from the recently completed J.W. Powell 23-23 well.

An independent mud-logging company was contracted to collect and microscopically analyse drill cuttings during the drilling phase of the well. Results of the mud-logging analysis revealed evidence of strong oil and gas shows in the drill cuttings throughout the bottom 1,000ft of the production section of this well.

This was further validated by the electronic logging results that indicated that the primary target for this well, the Niobrara formation, totaled 546 feet thick, with the A, B, C & D benches well defined. Encouragingly, the logs revealed the presence of oil and gas hydrocarbons throughout the formation.

Following logging, an extensive geophysical and petrophysical analysis was completed. The analysis identified the target zones for stimulation and completion.

The well was then stimulated over five vertical stages at depths between 5,100 feet and 5,500 feet, within the Niobrara formation.

This is the first time Fremont has stimulated all 4 benches of the Niobrara formation (compared to 2 benches in the J.W. Powell well). Due to the Niobrara D bench naturally liberating crude oil to surface during drilling operations, the Company completed a two-stage stimulation in this bench alone.

Fremont again collaborated with Schlumberger on the Amerigo Vespucci #1 well and further completion enhancements of the technology used on the J.W. Powell have been applied.

Atlas Copco RD20 Drill Rig and Associated Equipment on location at Amerigo Vespucci #1 well site

Amerigo Vespucci #1 Well: 154 joints of drill string (4,620 feet) covered in crude oil

Schlumberger Petrophysical Evaluation:

Fremont was pleased to receive independent confirmation from Schlumberger, that Fremont's Pathfinder Field is geologically analogous to the massive North American, Wattenberg oil and gas field

Schlumberger completed an Executive Summary following their independent petrophysical evaluation of the Niobrara Formation in the J.W. Powell #23-25 well. The following executive summary and evaluation results have been approved by Schlumberger for public release:

Executive Summary

The JW Powell #23-25 was logged by Schlumberger on 13 January 2019.

The Platform Express* integrated wireline logging tool (triple combo) and a Sonic Scanner* acoustic scanning platform were run in the hole. The Platform Express tool included an electrical induction log along with gross gamma, thermal neutron, bulk density, Pe, and caliper. The Sonic Scanner platform included compressional slowness and Stoneley slowness, plus fast and slow shear slownesses.

A petrophysical evaluation was performed by Schlumberger, and the results were presented to Fremont Petroleum on 17 January 2019.

Evaluation Results

The Niobrara formation in this well is analogous to examples evaluated in the past by Schlumberger in the DJ Basin/Wattenberg Fields.

The formation is quite calcareous, and most of the section is organic rich.

Based on the petrophysical results three intervals were highlighted for stimulation. They were selected based on reservoir quality (RQ) and, more importantly, on the completion quality (CQ) based on the triple combo results.

The intervals that were chosen on the J.W Powell Well for stimulation demonstrated good Reservoir Quality (RQ) and where the Neutron Porosity (NPHI) and Clay Volumes (VCL) were low. We have found that higher clay leads to difficulty in drilling and keeping an open hydraulic fracture adjacent to the well.

Oil & Gas Lab Analysis from J.W. Powell Well

The Company completed an Independent Laboratory analysis results on the hydrocarbons being produced from the J.W. Powell #23-25 well.

A crude oil assay and an extended natural gas analysis was undertaken by EMPACT Analytical Systems Inc. out of Brighton, Colorado.

The analysis concluded that the oil and gas being produced from the Niobrara Formation is of a very high quality.

The gas being produced from this well has a high calorific value of 1201 BTU's and has increased energy/heating value. The majority of the molecular components of natural gas is 80.6% methane, 8.5% ethane and 5.3% propane. The composition of the gas is consistent with the DJ Basin and a full break-down is listed below.

The natural gas liquids (condensate) contained within the produced gas is 2.3626 gallons per MCF (excluding methane).

The heavy components of the produced gas can be processed and are extremely valuable. Typically, heavy gases yield 60% of the WTI price.

Further, the well produced a quality light, sweet crude with an API gravity 34.8. The crude sampled does not contain sulphur nor hydrogen sulphur. Oil of this quality is in high demand and does not receive any discounts from the refineries.

2019 Pathfinder 3D Seismic Program

The Company was pleased to complete the acquisition phase of its 2019 3D seismic program in July.

The objective of this 3D seismic program was to build on the extensive data obtained from the J.W. Powell & Amerigo Vespucci wells, as well as other nearby wells to significantly enhance the Company's understanding of this high opportunity field.

The 3D seismic program was designed to assess additional oil and gas targets over 1,173 acres of the 21,500-acre Pathfinder Field, Colorado.

The seismic was undertaken over an area of the Pathfinder Field near to the recently completed Amerigo Vespucci and J.W. Powell wells where the Company has intersected oil and gas hydrocarbons in 2019.

The 3D seismic program focuses on imaging geological features throughout the target area from the Pierre Shale Formation beginning at approximately 2,000 feet below ground level to the base of the Greenhorn Formation at approximately 6,000 feet below ground level, including the Niobrara Formation and Codell Sandstone Formation

3D seismic interpretation increases the Company's ability to access possible increased oil & gas production by providing visibility to subsurface geologic anomalies such as faulting and fracturing which are known to trap hydrocarbons. Understanding where these anomalies are located in the Pathfinder Field is essential to future development and further enhances the chances of success during well location selection and allows the Company to better anticipate potential sub-surface changes whilst drilling.

The 3D seismic recording was conducted using 523 small explosive charge source points placed 20'-30' below ground level by buggy-mounted drills and 1,443 hand-placed geophone receivers connected by a series of cables to the recording truck. After all sources and receivers were in place, each source point charge was detonated individually by field crews while all of the receivers in the survey actively recorded data. The recording process was continually monitored for data quality.

As well as supporting a re-valuing of the Pathfinder property acreage, the detailed picture of the subsurface that this seismic survey provides will significantly improve the Company's probabilities of further drilling success on future well locations, further de-risking the Pathfinder Field.

The 3D seismic program is now in the processing and interpretation phase. The Company looks forward to reporting the results of the 3D seismic study when complete.

Seismic track drill machine

Seismic buggy drill machine

Crews detonating source point's

Seismic Recording Truck

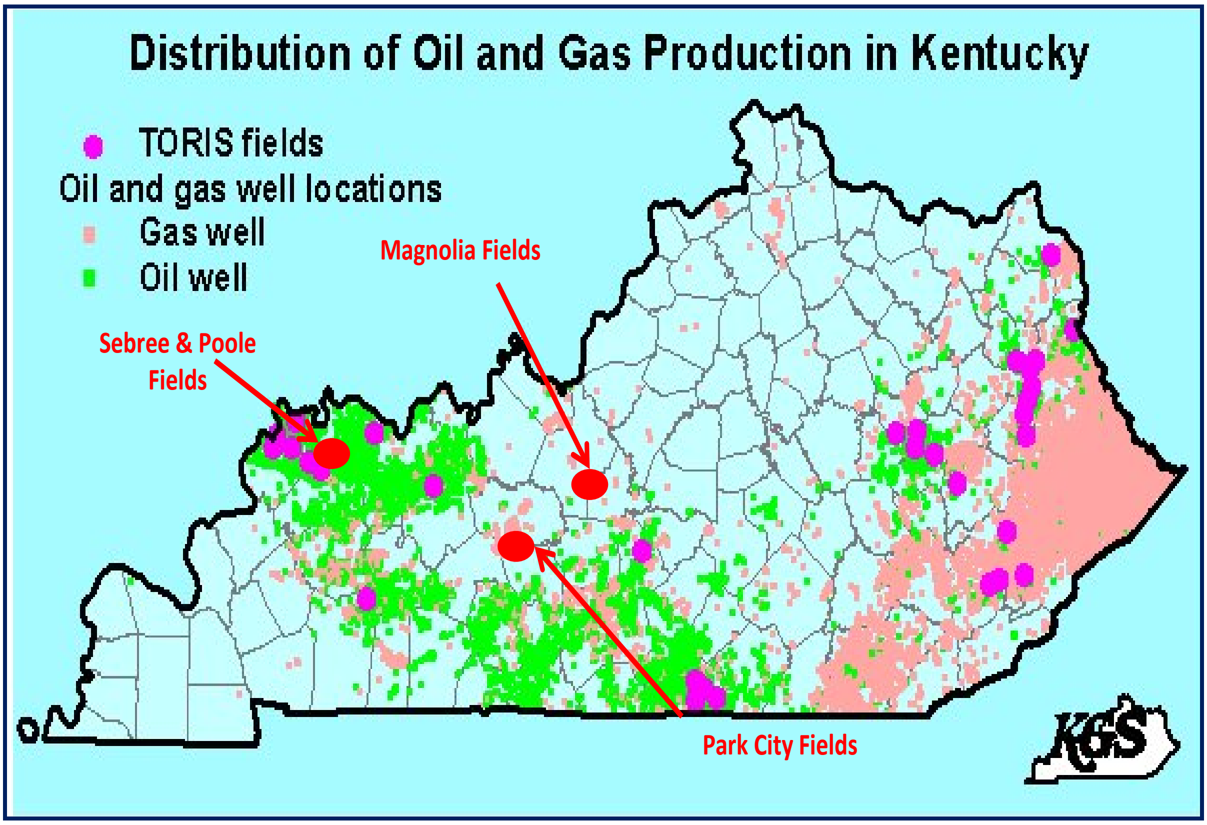
KENTUCKY OIL AND GAS PROPERTY

Kentucky Exploration LLC is a 50/50 Joint Venture with a private Australian Investment Company

- Primary Hydrocarbon targets: Jackson Formation, Cyprus Formation, Niagara Sand, and McCloskey Formation.

Current Operations

- Leases with high operational expenses and high-water haulage, electricity and chemical programs have been put on idle until the price of oil recovers.
- Low-cost, shallow, high-impact drilling program in Kentucky provides an additional source of low-risk and long-life production, and cash flow, for the Company.



The above map illustrates Fremont Petroleum Corporation's leases in Kentucky.

WORKPLACE AND ENVIRONMENTAL SAFETY

The Company is pleased to report that no lost time safety accidents or phase 1 environmental incidents occurred over the year.

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.

WELL INVENTORY AND STATUS

Well name	NRI (%)	Type	Formation	Status
Colorado				
Amerigo Vespucci 1	75%	Vertical & Radial	Niobrara	In flow-back
J.W Powell 23-25	75%	Vertical & Radial	Niobrara	Shut in - Gas
Liberty 32-32	78.9%	Horizontal	Pierre	Producing
Greenback	76.5%	Deviated	Pierre	Producing
Lake 34-29	72%	Deviated	Pierre	Producing
Paiute #34-29	75.5%	Deviated	Pierre	Producing
Mackinaw 12-28	79.1%	Deviated	Pierre	Producing
King 12-28	78%	Deviated	Pierre	Producing
Buck Garrett	80.1%	Horizontal	Pierre	Producing
Elliott Ness	82.6%	Vertical	Pierre	Producing
Blue Marlin 44-19	78.2%	Horizontal	Pierre	Producing
Orca 44-19	82%	Horizontal	Pierre	Producing
Dolly Varden 41-20	79%	Vertical	Pierre	Producing
Apache 33B-20	79%	Vertical	Pierre	Producing
Flathead 34-20	79%	Deviated	Pierre	Producing
Apache Gold	79%	Deviated	Pierre	Producing
Wooley Bugger	79%	Deviated	Pierre	Producing
Rainbow 23-20	79%	Deviated	Pierre	Producing
Oilfish 24-30	80.8%	Horizontal	Pierre	Producing
Trumpetfish 22-31R	80.8%	Deviated	Pierre	Producing
Triggerfish 22-31R	81.5%	Deviated	Pierre	Producing
Swordfish	80.8%	Horizontal	Pierre	Producing
Pattie #1	72%	Deviated	Pierre	Shut in
Hudson #1	75%	Vertical	Niobrara	Shut in
Pathfinder C11-12 #1HZ	75%	Horizontal	Niobrara	Producing
Pathfinder #2	75%	Vertical	Greenhorn	Idle
Columbus #1*	75%	Deviated	Pierre	Shut in - Gas
Marco Polo #1*	75%	Deviated	Pierre	Shut in – Gas
Magellan #1	75%	Deviated	Pierre	Producing
Bird 13-18	75%	Deviated	Pierre	Shut in
Lease Name	NRI (%)	Type	Formation	Status
Kentucky				
McKinley	82%	Vertical	Niagara Sand	Producing
Lorene Busby	82%	Vertical	Niagara Sand	Producing
Busby A	82%	Vertical	Niagara Sand	Producing
Knight-Griffin	87.5%	Vertical	Niagara Sand	Producing
Griffin-Knight	87.5%	Vertical	Niagara Sand	Producing
Robards-Launstein	82%	Vertical	Niagara Sand	Producing
RC Duncan	87.5%	Vertical	O'Hara	Producing
Felty	80%	Vertical	Niagara Sand	Producing
Cleveland	80%	Vertical	Niagara Sand	Idle
Tapp	75%	Vertical	Jackson Sand	Idle
Dacy	75%	Vertical	Hardinsburg	Producing
Russell	75%	Vertical	Tar Springs	Producing
Ted Majors	75%	Vertical	McCloskey	Producing
Ashby	81.4%	Vertical	Cypress	Producing

INDEPENDENT CONSULTANT'S ANALYSIS

Gustavson Associates

Gustavson Associates LLC was retained by Fremont Petroleum Corporation Ltd to prepare a Report regarding the reserves and resources underlying acreage positions owned by Austin in the states of Colorado and Kentucky. This Report is limited to a report on these properties' oil and gas reserves and resources underlying the acreage position. The Report does not attempt to place a Market Value thereon. The effective date of this Report was May 2018, with report finalization in August 2018. Estimates in the report have been prepared according to the VALMIN standards which rely on the definitions found in the Petroleum Resources Management System.

Summary of Gross Contingent 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**

Summary of Net Reserves and Projected Before Tax Cash Flow

Reserves Category	Net Oil Reserves (MBO)	Net Gas Reserves, MMcf	Net Present Value, thousands of US$ Discounted at	
			0%	10%
Proved Developed Producing				
Colorado	157.81	0.00	$4,367.36	$3,026.72
Kentucky	17.03	0.00	$320.90	$260.01
Total	174.84	0.00	$4,688.25	$3,286.72
Proved Undeveloped	169.58	0.00	$3,407.80	$1,796.78
Total Proved	**344.42**	**0.00**	**$8,096.05**	**$5,083.50**
Probable Developed Non-Producing	32.65	1,166.07	$3,692.86	$1,862.04
Probable Undeveloped	1,135.10	0.00	$21,585.72	$10,236.40
Total Proved plus Probable	**1,512.17**	**1,166.07**	**$33,374.63**	**$17,181.94**

(M=1,000, MM=1,000,000, BCF=Billion Cubic Feet, P=Probability, P90=90% probability)

REVIEW OF OPERATIONS

A review of the operations of the economic entity during the financial year and the results of those operations are as follows:

State in USA	**Kentucky**	**Colorado**
Well Name(s)	See above Well Inventory and Status	See above Well Inventory and Status
Location	Henderson, Webster & Hopkins County Kentucky USA	DJ Basin – Fremont County, Colorado, USA
Ownership Interest	50% Joint. Venture. Net Revenue Interest to the 100% Working Interest is 75% - 80%	Working Interest 100% Net Revenue Interest 75% - 80%
Partners / Operators	Kentucky Exploration, LLC- 50% JV with Private Australian Investment group. Austin is the Operator	Austin is the Operator and controls a 100% Working Interest
Objective / Focus	Jackson Formation, Cyprus Formation Secondary Targets: Palestine, McCloskey, Fort Payne, New Albany Shale, Hardensburg	Primary targets = Niobrara and Pierre Shales. Secondary targets = Grenaraos, Greenhorn, Codell, Dakota
Independent Evaluations	- CNI 51:101 Gustavson Reserves Report 2018	Gustavson Associates LLC 2018
Current Status	Oil production from multiple leases. Currently producing at approx. 20 -25 barrels/day. Several leases have been idled that are currently considered as uneconomic at low oil prices.	Current production at approx. 70 – 80 Bopd. Preparations underway to commence two wells targeting production from the Niobrara formation
Next Steps	Maintain production levels	Ongoing Exploration & Development

CORPORATE GOVERNANCE STATEMENT

Fremont Petroleum Corporation Ltd ('Fremont') through its Board of Directors ('Board') is responsible for the overall corporate governance of Fremont and has adopted as a guiding principle that it acts honestly, conscientiously and fairly in accordance with the law and in the interests of the shareholders with a view to building sustainable value for them, the Company's employees and other stakeholders in the Company.

The Board has adopted a suite of governance materials, which are available in the Corporate Governance section of the Company's website. The governance materials have been prepared and adopted on the basis that corporate governance procedures can add to the performance of the Company and the creation of shareholder value and help to engender the confidence of the investment market.

ASX Corporate Governance Principles and Recommendations

This statement sets out the material governance principles and processes adopted by the Board. The Board supports the Corporate Governance Principles and Recommendations, 3rd edition as released by the ASX Corporate Governance Council ("**ASX Principles or "ASXCGC**"). The Board considers and applies these recommendations to the extent there is a sound reason to do so given the circumstances of the Company. The Corporate Governance Statements were reviewed and approved by the Board on 6 March 2019 and are available on the Company's website:

https://www.fremontpetroleum.com/wp-content/uploads/2019/06/CORPORATE-GOVERNANCE-STATEMENT-2019-Final.pdf

DIRECTORS' REPORT

The Directors of Fremont Petroleum Corporation Ltd ("Fremont") present their report, together with the financial statements of the Group, being the Group and its controlled entities, for the financial year ended 30 June 2019.

Directors

Directors in office during the year and to the date of this report are:

Mr Guy Thomas Goudy

Executive Chairman & Executive Director from 15 July 2016 (formerly Managing Director & Chief Executive Officer - appointed a director on 13 July 2009; became CEO effective 1 July 2015)

Guy joined Fremont Exploration in 2009 and has served the Company in various roles including Chief Operating Officer, Managing Director and Chief Executive Officer and was promoted to the role of Executive Chairman in July 2016. Guy was instrumental in navigating the Company through the severe down-turn in oil prices and the elimination of the Company's debt from 2014 to 2017. Guy has over 10 years of oil and gas investment experience and has an extensive network of global industry, financial and political contacts. Prior to his appointment at Fremont, Mr. Goudy was employed in the financial services sector and was an authorized representative with a leading stock broking and financial advisory firm in Sydney.

Mr. Goudy was trained at the University of Technology, Sydney (UTS) where he holds various formal qualifications in Business. He has also completed Mineral Economics course work at the Colorado School of Mines.

Other current or former listed directorships: Nil

Mr Timothy Brian Hart

Managing Director & Chief Executive Officer (Appointed 15 July 2016; formerly COO)

Tim joined Fremont Explorations Management team in 2011 as VP/GM of Fremont's Kentucky Business Unit and responsible for transitioning the Business unit from a gas exploration business into a cash flow positive oil and gas producer. In 2015 Tim was promoted to Fremont's Chief Operating Officer where he was responsible for the performance and development of Fremont's oil and gas portfolio spanning across Colorado, Kentucky, Texas and Mississippi. After his significant contribution to the successful transformation of our company into a very low cost, highly productive, "do it yourself" drilling & exploration company, in 2016 Mr. Hart was promoted to Managing Director and CEO.

Mr. Hart has a Bachelor of Science in Engineering from Penn State University (PSU) with an extensive professional history in business and technology. He has held numerous senior level management positions with expertise in Electrical Engineering, Information Technology, Technical Project Management, Vendor Management, Contract Negotiation, Operational Efficiency, Process Development, and Budget Development & Compliance.

Mr. Hart brings a strong management, engineering and technology background to the Oil and Gas Industry and has worked with numerous local vendors to improve their processes and service offerings to accommodate the enhanced technical, safety and environmental requirements of our business.

Other current or former listed directorships: Nil

Mr Stuart Middleton

Non-Executive Director (Appointed 15 April 2015)

Mr Middleton has recently returned to Australia from a 10-year assignment in China as the Group Executive for TDS, Banpu Plc, Asian Energy Company with assignments in China, Mongolia, Indonesia, Australia and Thailand. Mr. Middleton has also worked in the USA, Indonesia and Columbia. During his time in China he was highly involved with oil and gas, in both conventional and unconventional drilling for CBM and oil/gas; he advised both government and a major Asian Energy group relating to Asian American Gas Company, extensive JV vertical and multi-lateral directional wells as well as technology transfer from oil/gas to underground degas directional drilling and degas to mitigate dangerous outburst challenges.

Australian by background, Stuart has a Bachelor's degree in engineering and a Master's Commerce degree with double majors in Finance and Technology Management from The University of Sydney. He is a chartered professional engineer. Mr Middleton was the general manager of the Baal Bone operation in Lithgow, Australia and served on the Oakbridge board in Sydney and the Queensland North Goonyella Pty. Ltd board in Mackay.

Mr. Middleton also has a strong background in strategic planning and financial strategy. In addition, he has been engaged as a "Specialist Expert" for major companies and has prepared, or had input into, many Due Diligence and Valuation reports. A particular strength being acutely tuned to operations, technical and developing the underlying fundamental value of resources with 37 years of hands-on planning, operating / improvement and management experience.

Other current or former listed directorships: Nil.

Mr Samuel Jarvis

Non-Executive Director (Appointed 28 February 2018)

Mr Samuel Jarvis was appointed as Non-Executive Director 28 February 2018. He has extensive experience in commercial management and development drilling as well as knowledge of the upstream oil and gas value chain. For the past 15 years, he has held senior Executive roles with leading global oil and gas drilling companies in South-East Asia.

Mr Jarvis graduated with honours in engineering in 1995 and also holds a degree in economics with a Finance Major.

Other current or former listed directorships: Hipo Resources Ltd (ASX: HIP).

Mr Andrew William Blow

Non-Executive Director (Appointed 15 August 2016)

Andrew Blow was appointed as a Non-Executive director based out of Sydney, Australia. He has more than 10 years' experience working in media, government and public affairs. Andrew specialises in the provision of high-end strategic advice to Government and his services have been utilised extensively by some of Australia's most senior decision makers. He has regularly provided communications to the Prime Minister. He has also worked directly with both state and federal Ministers for Mines, Energy and Natural Resources. He has experience in managing public engagement on Government policies, with a particular focus on infrastructure and means by which Government can leverage private sector investment in major projects. While a senior producer for one of Australia's largest commercial television networks, Andrew had editorial responsibility for news output and was charged with management of scarce resources including camera crews and live assets.

Andrew holds a Bachelor's Degree in Communications from Charles Sturt University in New South Wales.

Other current or former listed directorships: Nil

Company Secretary

Mr Robert Edward Lees (Appointed on 30 June 2015)

Mr Lees is a member of both the Chartered Accountants Australia and New Zealand and Governance Institute of Australia. He is a graduate of the University of Technology, Sydney, holding a Bachelor of Business (Accounting) and a Graduate Diploma in Data Processing. He also holds a Graduate Diploma in Corporate Governance. In the last 14 years he has provided company secretarial services to small ASX-listed companies.

Directors' Meetings

The number of director's meetings and number of meetings attended by each of the directors of the Group during the financial year are:

Director	Director's Meetings		Audit Committee Meetings	
	A	**B**	**A**	**B**
Timothy Hart	4	4	2	2
Stuart Middleton	4	4	2	2
Andrew Blow	4	4	2	2
Guy Goudy	4	4	2	2
Samuel Jarvis	2	2	-	-

A Number of Meetings attended

B Number of Meetings held while the director was in office

The Group notes that a Remuneration and Nominations Committee existed however it did not formally meet during the year.

Principal Activities

The principal activities of the Group during the year consisted of the accumulation and operation of mineral prospective areas and the exploration for oil and gas in the United States of America.

Financial Position

The net loss after income tax of the Consolidated Entity for the year ended 30 June 2019 was $2,809,686.

Dividends Paid or Recommended

No dividends were paid or declared since the start of the year. No recommendation for payments of dividend has been made.

Review of Operations

A review of the operations of the economic entity during the financial year and the results of those operations are as follows:

a) Exploration, Development and Production

Fremont Petroleum Corporation Ltd 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. Fremont is the operator and is in control of expenses at its properties in Colorado and Kentucky. The primary focus is the development of an extension of the second oldest oilfield in the US in Fremont County. The Florence Oil field which hosts FPC's 21,500-acre Pathfinder project was discovered in 1881. Standard Oil & Continental Oil (Conoco) were producers. With new technology, the Florence Oil field is potentially one of the most economic fields in the US and is much larger and more prolific than originally understood. The mineral leases that have producing wells drilled on them during the primary lease term will be held as producing leases. As a result of the down-turn in the oil and gas sector, the Company in 2014 to 2016 divested of its properties in Mississippi and Texas where it was not the operator and did not have full control over expenditures which the Company considers paramount in the low oil price environment.

b) Corporate Matters

Capital Raising

- On 14 September 2018, the Company issued 172,835,425 shares at $0.007 share to raise $1,209,848.
- On 14 November 2018, the Company issued 257,551,594 shares at $0.007 share to raise $1,802,861.
- On 22 November 2018, the Company issued 11,470,130 shares at $0.007 share to raise $80,291.
- On 3 December 2018, the Company issued 99,571,429 shares at $0.007 share to raise $697,000.
- On 21 March 2019, the Company issued Performance Rights of 12,000,000 shares at $0.009 for directors totalling $108,000.
- On 21 March 2019, the Company issued Performance Rights of 11,250,000 shares at $0.007 for management totalling $78,750.
- On 21 March 2019, the Company issued 17,142,855 shares at $0.007 share in lieu of directors fees totalling $120,000.
- On 29 March 2019, the Company issued 318,251,953 shares at $0.013 share to raise $4,137,275.
- On 21 May 2019, the Company issued 67,188,217 shares at $0.013 share to raise $873,447.
- On 22 March 2019, the Company issued 9,731,828 shares at $0.013 share to raise $126,514.

Changes of Officers and Directors

Mr Samuel Jarvis was appointed as a Non-Executive Director in 28 February 2018.

Significant Changes in the State of Affairs

The following significant changes in the state of affairs of the Group occurred during the financial year:

- On 5 September 2018, the Company completed a two-tranche placement of its securities to raise AUD $3.75M (before costs) to advance the development of the Company's 100% owned, 21,500 acre Pathfinder property in Colorado:

- Tranche 1 comprised 172,835,425 shares which were issued on 14 September 2018 at an issue price of $0.007 out of the Company's annual placement capacity; and
- Tranche 2 comprised a total of 341,450,296 shares which were issued on the following dates:
    - 257,551,594 shares were issued on 14 November 2018;
    - 11,470,130 shares were issued on 23 November 2018;
    - 99,571,429 were issued on 3 December 2018;

  At an issue price of $0.007 for which shareholder approval was obtained on 16 October 2018.

- On 12 December 2018, the Company released a prospectus containing the following offers:
    - An issue of 257,142,861 options on the basis of one new option for every two shares subscribed for under the Placement to eligible applicants who participated in the Placement;
    - An issue of 50,000,000 advisor options to the Advisors as part of the consideration for assisting with the Placement offer;
    - An issue of 13,571,429 options to Directors under the Placement;
    - An issue of 357,143 options to the Previous Placement Subscriber under the Previous Placement;

- On 26 March 2019, the Company completed a two-tranche placement through the issue of 395,171,998 new fully paid ordinary shares to sophisticated and professional investors at $0.013 per share to raise AUD $5.1M before costs. Funds are being used to advance the development of the Company's 100% owned, 21,500-acre Pathfinder property in Colorado.
    - Tranche 1 comprised 318,251,953 shares issued on 29 March 2019;
    - Tranche 2 comprised 76,920,045 shares issued on 21 May 2019

- Net increase in issued capital to $90,747,407 (2018: $82,302,080). See Capital Raising section above for details.

Likely Developments

The likely future developments of the Group during the next financial year and beyond will involve the ongoing principal activity of oil and gas exploration, development and operations. Successful drilling should lead to increased revenues and in-ground oil and gas reserves and resources. The Company is also actively growing its acreage position in Colorado which is being disclosed through ASX announcements. The Group anticipates a growing stream of revenues from its Pathfinder projects in Colorado.

Environmental Regulations

The Group is subject to significant environmental regulations under Federal and/or State laws in the USA. The Group has not been advised of any environmental breaches during the year.

Proceedings on Behalf of Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings. The Group was not a party to any such proceedings during the year.

Events Arising Since the end of the Reporting Period

The following matters or circumstances have arisen since the end of the year that have significantly affected or may significantly affect either:

- The entity's operations in future financial years;
- The results of those operations in future financial years; or
- The entity's state of affairs in future financial years.

REMUNERATION REPORT - AUDITED

This report details the nature and amount of emoluments for each key management person of the Group, and for the executives receiving the highest remuneration.

Remuneration Policy

The Group's remuneration policy has been designed to align director and executive objectives with shareholder and business objectives, by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Group is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the Board;
- All executives may receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and performance incentives;
- The Board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

The performance of executives is measured against criteria agreed annually with each executive and is based on a basket of measures including financial results, share price, production targets, safety and environmental issues. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the Performance Rights Plan providing an opportunity to obtain further shares.

Other than superannuation guarantee contributions, Australian directors do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Group and is expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

The Board's intention is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Remuneration and Nomination Committee determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and currently stands at $500,000 in total. Fees for non-executive directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Group (but not trade in them) and have in the past been granted options.

Performance of Shareholder's Wealth

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous four financial years:

	2019	2018	2017	2016	2015
EPS	($0.0024)	($0.0204)	($0.0238)	($0.1376)	($0.1464)
Net profit/loss	(2,809,686)	(8,575,381)	(3,713,088)	(6,009,857)	(44,230,560)
Share Price	0.0090	0.0060	0.0210	0.0138	0.0200

Remuneration Details

Details of the remuneration of the directors, the key management personnel of the Group (as defined in AASB 124 Related Party Disclosures) and executives of the Group are set out in the following tables.

Directors	Position held at 30 June 2019 and any changes during the year	Contract Details (Duration and Termination)	Proportions of elements of remuneration not related to performance
Mr. Timothy Hart	Managing Director and Chief Executive Officer	Three-year contract	80%
Mr. Guy Goudy	Executive Director and Executive Chairman	Retirement by Rotation	80%
Mr. Stuart Middleton	Non–Executive Director	Retirement by Rotation	100%
Mr. Samuel Jarvis	Non-Executive Director	Retirement by Rotation	100%
Mr. Andrew Blow	Non-Executive Director	Retirement by Rotation	100%
Group Key Management Personnel	**Position held at 30 June 2019 and any changes during the year**	**Contract Details (Duration & Termination)**	**Proportions of elements of remuneration not related to performance**
Mr. Lonny Haugen	Chief Financial Officer	Two-year contract	80%

The Group utilises the following service contract:

- Accounting and taxation services of CFO Colorado. Mr Lonny Haugen is an owner of CFO Colorado.

	Short-term Benefits		Post employ-ment	Equity-settled Share-based Payments				
2019	Salary & Fees Paid	Non–Monetary Benefits	Super-annuation Contribu-tions	Perform-ance Rights Accrued	Options	Shares	Total	% of Performance Based Remuneratio
Directors	$	$	$	$	$	$	$	
Mr. Timothy Hart[1]	275,080	-		40,500	-	48,000	363,580	11%
Mr. Guy Goudy[2]	252,613	-		40,500	-	48,000	341,113	12%
Mr. Stuart Middleton	-	-	5,138	13,500	-	54,084	72,722	19%
Mr. Samuel Jarvis[4]	-	-			-	48,000	48,000	-%
Mr. Andrew Blow	-	-	5,138	13,500	-	54,084	72,722	19%
Key Management Personnel								
Mr. Lonny Haugen[3]	-	-	-	21,000	-	-	21,000	100%
	527,693	**-**	**10,276**	**129,000**	**-**	**252,168**	**919,137**	

	Short-term Benefits		Post employ-ment	Equity-settled Share-based Payments				
2018	Salary & Fees Paid	Non–Monetary Benefits	Super-annuation Contribu-tions	Perform-ance Rights Accrued	Options	Shares	Total	% of Performance Based Remuneratio
Directors	$	$	$	$	$	$	$	
Mr. Timothy Hart[1]	219,016	-	-	7,500	-	16,000	242,516	3%
Mr. Guy Goudy[2]	214,330	-	-	7,500	-	16,000	237,830	3%
Mr. Stuart Middleton	8,000	-	760	2,500	-	16,000	27,260	9%
Mr. Samuel Jarvis[4]	-	-	-	-	-	8,000	8,000	-%
Mr. Andrew Blow	8,000	-	760	2,500	-	16,000	27,260	9%
Key Management Personnel								
Mr. Lonny Haugen[3]	51,844	-	-	-	-	-	51,844	-%
	501,190	**-**	**1,520**	**20,000**	**-**	**72,000**	**594,710**	

Amounts above are in AUD; however, Mr. Timothy Hart and Mr. Guy Goudy reside in the United States and are therefore paid in USD, the local currency. Mr. Hart's and Mr. Goudy's total 2019 USD salary, bonus and fees paid were USD $196,655 and USD $180,593, respectively.

1 Tim Hart salary and fees USD $196,655 (2018: $159,435)
2 Guy Goudy salary and fees USD $180,593 (2018: $156,024)
3 Lonny Haugen salary and fees USD $0 (2018: $37,740)
4 Samuel Jarvis appointed 28 February 2018

Share-based Compensation

KMPs received a total of 10,125,000 performance rights during the year ended 30 June 2019 as detailed below in the KMP Shareholdings table.

Directors fees of $120,000 were issued in shares for a portion of the twelve months ending 30 June 2019. No options were issued as remuneration for the year ended 30 June 2019.

Shares Provided on Exercise of Remuneration Options

No options were exercised during the year ended 30 June 2019.

Directors Interests in Shares and Options

KMP Shareholdings

The number of ordinary shares in Fremont Petroleum Corporation Ltd held by each KMP of the Group during the financial year is as follows:

2019	Balance 01.07.2018	Granted	Purchased	Balance 30.06.2019
Mr T Hart	6,242,355	7,928,571	1,428,571	15,599,497
Mr A Blow	3,349,999	4,928,571	714,286	8,992,856
Mr G Goudy	6,913,639	7,928,571	1,428,571	16,270,781
Mr S Middleton	6,228,571	4,928,571	2,142,857	13,299,999
Mr S Jarvis	74,785,716	3,428,571	21,428,572	99,642,859
Mr L Haugen	611,447	3,000,000	-	3,611,447
Total	98,131,727	32,142,855	27,142,857	157,417,439

2018	Balance 01.07.2017	Granted	Purchased	Balance 30.06.2018
Mr T Hart	663,783	2,435,714	3,142,858	6,242,355
Mr A Blow	50,000	2,335,714	964,285	3,349,999
Mr G Goudy	1,335,068	2,435,714	3,142,857	6,913,639
Mr S Middleton	750,000	2,335,714	3,142,857	6,228,571
Mr S Jarvis	-		74,785,716	74,785,716
Mr L Haugen	371,447	240,000	-	611,447
Total	3,170,298	9,782,856	85,178,573	98,131,727

KMP Options Holdings

KMP have listed options associated with Rights Issue at no cost. KMP have no outstanding unlisted performance options in place.

The number of options over ordinary shares held by each KMP of the Group during the financial year is as follows:

2019	Balance 01.07.2018	Options Exercised	Options Granted	Options Purchased	Other	Balance 30.06.2019
Mr G Goudy	1,280,196	-	-	714,286	(208,767)	1,785,715
Mr A Blow	357,143	-	-	357,143	-	714,286
Mr T Hart	1,087,746	-	-	714,286	(16,317)	1,785,715
Mr S Middleton	1,071,429	-	-	1,071,429	-	2,142,858
Mr S Jarvis	36,821,429	-	-	10,714,286	-	47,535,715
Total	40,617,943	-	-	13,571,430	(225,084)	53,964,289

Other in 2019 indicates expired options.

2018	Balance 01.07.2017	Options Exercised	Options Granted	Options Purchased	Other	Balance 30.06.2018
Mr G Goudy	279,434	-	-	1,071,429	(70,667)	1,280,196
Mr A Blow	-	-	-	357,143	-	357,143
Mr T Hart	33,547	-	-	1,071,429	(17,230)	1,087,746
Mr S Middleton	-	-	-	1,071,429	-	1,071,429
Mr S Jarvis*	-	-	-	36,821,429	-	36,821,429
Total	312,981	-	-	40,392,859	(87,897)	40,617,943

Other in 2018 indicates expired options.
*Mr S Jarvis became a Non-Executive Director 28 February 2018.

Performance Rights Plan

The number of performance rights accrued during the financial year, are as follows:

2019	Balance 01.07.2018	Performance Rights Accrued	Issued	Share Consolidation	Balance 30.06.2019
Mr S Middleton	1,000,000	1,000,000	(1,500,000)	-	500,000
Mr G Goudy	3,000,000	2,500,000	(4,500,000)	-	1,000,000
Mr T Hart	3,000,000	2,500,000	(4,500,000)	-	1,000,000
Mr A Blow	1,000,000	1,000,000	(1,500,000)	-	500,000
Mr S Jarvis	-	500,000	-	-	500,000
Mr L Haugen	1,000,000	2,625,000	(3,000,000)	-	625,000
Total	9,000,000	10,125,000	(15,000,000)	-	4,125,000

2018	Balance 01.07.2017	Performance Rights Accrued	Issued	Share Consolidation	Balance 30.06.2018
Mr S Middleton	25,000	1,025,000	(50,000)	-	1,000,000
Mr G Goudy	75,000	3,075,000	(150,000)	-	3,000,000
Mr T Hart	75,000	3,075,000	(150,000)	-	3,000,000
Mr A Blow	25,000	1,025,000	(50,000)	-	1,000,000
Mr L Haugen	120,000	1,120,000	(240,000)	-	1,000,000
Total	320,000	9,320,000	(640,000)	-	9,000,000

The Company's Performance Rights Plan ("Plan") was approved by shareholders at the General Meeting held on 20 December 2016. The Plan enables the Company to grant entitlements to shares ("Performance Rights") and issue shares on conversion of Performance Rights, without impacting on the Company's ability to issue up to 15% of its total ordinary securities without shareholder approval in any 3-year period. The Company is required to accrue for these performance rights during the year despite the rights requiring Shareholder approval.

Directors performance rights were issued on 21 March 2019 at $0.009 amounting to $108,000 for meeting three of four targets in the 2018 Plan. A performance rights accrual is recorded in 2019 based on the likelihood of achieving one of four targets of the 2019 plan agreed to 29 November 2018 and has been calculated at the then current share price of $0.006.

2019 Targets

KPI#1	No safety LTA or Phase 1 environmental accidents
KPI#2	Production boost of 25% year over year
KPI#3	Achieve production of 200 Bopd for a minimum of 90 days
KPI#4	VWAP of $0.02 over 20 consecutive trading days

2018 Targets

KPI#1	No safety LTA or Phase 1 environmental accidents
KPI#2	Production boost of 25% year over year for minimum of 90 consecutive days
KPI#3	Achieve a cash flow positive position for a minimum of 90 consecutive days
KPI#4	Share price of $0.06 for 30 consecutive days

KMP performance rights were issued on 21 March 2019 at $0.007 amounting to $21,000 for meeting three of four targets in the 2018 Plan. A performance rights accrual is recorded in 2019 based on the likelihood of KMP achieving one of the KMPs two targets of the 2019 plan agreed to 29 November 2018 and has been calculated at the then current share price of $0.008.

END OF AUDITED REMUNERATION REPORT

Retirement, Election and Continuation in Office of Directors

Directors are subject to retirement by rotation and election by shareholders at a general meeting. No director other than the Chief Executive Officer may remain on the Board for more than three years without re-election. Where a director is appointed during the year, the director will hold office until the next Annual General Meeting and then be eligible for election.

Indemnifying Officers and Auditors

The Group has entered into Deeds of Indemnity with each of the Directors and Company Secretary and has taken out Directors and Officers Insurance (D&O) on behalf of each of the Directors and Company Secretary.

No liability has arisen under this indemnity as at the date of this report.

Shares Under Option

As at 30 June 2019, there are two series of unissued ordinary shares of Fremont Petroleum Corporation Ltd under an option.

- 518,914,308 listed options convertible to shares on the payment of $0.02 on or before 31 March 2020.
- 12,500,000 unlisted options convertible to shares on the payment of $0.045 on or before 30 June 2021 issued as brokerage.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Non-Audit Services

No Non-Audit Services were performed by the auditor during the financial year ended 30 June 2019.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included.

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

Sincerely,

Guy Goudy
Executive Chairman

Tim Hart
Managing Director

Dated this 30th day of September 2019

Collins Square, Tower 5
727 Collins Street
Melbourne VIC 3000

Correspondence to:
GPO Box 4736
Melbourne VIC 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

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 audit of Fremont Petroleum Limited for the year ended 30 June 2019, 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 audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 30 September 2019

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019

	Note	Consolidated Group 2019 $	2018 $
Revenues from operations	4	1,062,549	1,011,912
Lease operating expense		(569,290)	(341,777)
Share based payments		(165,650)	(178,321)
Employee benefits expense		(625,346)	(440,163)
Depreciation and amortisation expense	5	(403,934)	(349,842)
Professional fees		(678,902)	(573,517)
Other expenses	5	(538,910)	(454,970)
Travel and accommodation expense		(134,854)	(70,514)
Regulatory compliance		(518,695)	-
Impairment charge	15	-	(7,056,893)
Share of profit/loss from equity method Investments	13	(236,654)	(121,296)
Loss before income tax		**(2,809,686)**	**(8,575,381)**
Income tax expense	6	-	-
Loss for the year		**(2,809,686)**	**(8,575,381)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange rate differences on translation of foreign operations		461,818	265,321
Other comprehensive income for year Net of tax		**461,818**	**265,321**
Total comprehensive loss for year		**(2,347,868)**	**(8,310,060)**
Loss for the year attributable to:			
Members of the parent entity		(2,809,686)	(8,575,381)
		(2,809,686)	**(8,575,381)**
Total comprehensive loss attributed to:			
Members of the parent entity		(2,347,868)	(8,310,060)
		(2,347,868)	**(8,310,060)**
Earnings per share for loss from continuing operations:			
Basic earnings per share	9	($0.0024)	($0.0204)
Diluted earnings per share	9	($0.0024)	($0.0204)

This statement should be read in conjunction with the notes to the financial statements.

Fremont Petroleum Corporation Ltd and Controlled Entities ABN 98 114 198 471
Consolidated Statement of Financial Position as at 30 June 2019

	Note	Consolidated Group 2019 $	2018 $
Current Assets			
Cash and cash equivalents	10	1,558,697	514,399
Trade and other receivables	11	89,605	115,016
Total Current Assets		**1,648,302**	**629,415**
Non-Current Assets			
Property, plant and equipment	12	196,217	240,055
Development and producing assets	14	1,818,277	1,862,984
Exploration and evaluation assets	15	13,280,139	6,934,387
Other assets	16	406,852	81,048
Total Non-Current Assets		**15,701,485**	**9,118,474**
Total Assets		**17,349,787**	**9,747,889**
Current Liabilities			
Trade and other payables	17	1,543,166	275,774
Interest bearing liabilities	18	350,541	332,310
Total Current Liabilities		**1,893,707**	**608,084**
Non-Current Liabilities			
Other long-term liabilities		93,933	129,064
Asset retirement obligations	19	1,062,626	920,400
Deferred tax liability	6	246,509	233,688
Total Non-Current Liabilities		**1,403,068**	**1,283,152**
Total Liabilities		**3,296,775**	**1,891,236**
Net Assets		**14,053,012**	**7,856,653**
Equity			
Issued Capital	20	90,747,407	82,302,080
Reserves	21	10,339,749	9,779,031
Retained earnings / (Accumulated losses)		(87,034,144)	(84,224,458)
Total Equity		**14,053,012**	**7,856,653**

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity
For the year ended 30 June 2019

Consolidated Group	Issued Capital $	Performance Rights Reserve	Foreign Currency Reserve $	Retained Profits/ (losses) $	Total $
Balance at 30 June 2017	77,860,457	31,950	9,446,210	(75,649,077)	11,689,540
Share issued during the year	4,912,146	-	-	-	4,912,146
Performance rights	70,200	35,550	-	-	105,750
Share issue costs	(540,723)	-	-	-	(540,723)
Profit or loss	-	-	-	(8,575,381)	(8,575,381)
Movement in FX reserve	-	-	265,321	-	265,321
Balance at 30 June 2018	82,302,080	67,500	9,711,531	(84,224,458)	7,856,653
Share issued during the year	9,233,986	-	-	-	9,233,986
Performance rights		98,900	-	-	98,900
Share issue costs	(788,659)	-	-	-	(788,659)
Profit or loss	-	-	-	(2,809,686)	(2,809,686)
Movement in FX reserve	-	-	461,818	-	461,818
Balance at 30 June 2019	90,747,407	166,400	10,173,349	(87,034,144)	14,053,012

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows
For the year ended 30 June 2019

	Note	Consolidated Group 2019 $	2018 $
Cash Flow from Operating Activities			
Receipts from customers		1,097,844	969,414
Payments to suppliers and employees		(1,741,471)	(1,808,367)
Interest received		2,916	697
Interest paid		(32,814)	(77,398)
Regulatory compliance		(518,694)	-
Net cash used in operating activities	24	(1,192,219)	(915,654)
Cash Flow from Investing Activities			
Payments for plant and equipment		(31,917)	(15,502)
Loans to joint venture investment		(146,111)	(47,544)
Payments for development activities		(171,831)	(232,463)
Payments for exploration activities		(5,272,563)	(1,716,361)
Net cash used in investing activities		(5,622,422)	(2,011,870)
Cash Flow from Financing Activities			
Repayment of borrowings		(41,439)	(809,730)
Proceeds of issue of shares		8,927,235	4,684,300
Share issue costs		(852,183)	(488,441)
Net cash provided by financing activities		8,033,613	3,386,129
Net increase in cash held		1,218,972	458,605
Cash at the beginning of the year		514,399	72,341
Effects of exchange rate changes on cash and cash equivalents		(174,674)	(16,547)
Cash at the end of the year	10	1,558,697	514,399

This statement should be read in conjunction with the notes to the financial statements.

The financial report includes the consolidated financial statements and notes of Fremont Petroleum Corporation Ltd and controlled entities (Group) of Fremont Petroleum Corporation Ltd which is a listed public Group, incorporated and domiciled in Australia.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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.

The financial report of Fremont Petroleum Corporation Ltd for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the directors on 30 September 2019.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Fremont Petroleum Corporation Ltd is a for-profit entity for the purpose of preparing the financial statements.

Changes in Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the Group’s last consolidated annual financial statements for the year ended 30 June 2018, except as described below. Note that the changes in accounting policies specified below only apply to the current year. The accounting policies included in the Group’s last consolidated annual financial statements for the year ended 30 June 2018 are the relevant policies for the purposes of comparatives.

AASB 9: Financial Instruments

Impact of adoption of AASB 9

The Group applied AASB 9 (as revised in July 2014) and the related consequential amendments to other AASBs. New requirements were introduced for the classification and measurement of financial assets and financial liabilities, as well as for impairment and general hedge accounting.

The date of initial application was 1 July 2018. The Group has taken the modified approach outlined below.

Financial Instrument as at 30/6/2018	AASB 139 Classification	AASB 9 Classification	Carrying amount as at 30/6/2018 under AASB 139	Carrying amount as at 1/7/2018 under AASB 9
Trade and other receivables	Receivables	Amortised cost	115,016	115,016
Trade and other payables	Amortised cost	Amortised cost	275,774	275,774
Interest bearing liabilities	Payables	Amortised cost	332,310	332,310

Impact of transition to AASB 9

The impact of the transition to AASB 9 both retrospectively and to 30 June 2019 were considered immaterial to the consolidated financial statements and thus no adjustments were made.

AASB 15 Revenue from Contracts with Customers

Impact of Adoption of AASB 15

The Group applied AASB 15 and the related consequential amendments to other AASBs. AASB 15 replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and some revenue-related Interpretations. AASB 15 establishes a new revenue recognition model, changes the basis for deciding whether revenue is to be recognised over time or at a point in time, provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing) and expands and improves disclosures about revenue.

Impact of transition to AASB 15

The impact of the transition to AASB 15 both retrospectively and to 30 June 2019 were considered immaterial to the consolidated financial statements and thus no adjustments were made.

New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards. The following paragraphs summarise those future requirements, and their impact on the Group where the standard is relevant.

AASB 16: Leases - Effective 1 January 2019

This standard replaces AASB 117 Leases and some lease-related Interpretations. It requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases and provides new guidance on the application of the definition of lease and on sale and lease back accounting. This standard largely retains the existing lessor accounting requirements in AASB 117 however requires new and different disclosures about leases.

When this Standard is first adopted for the year ending 30 June 2020, there will be no material impact on the transactions and balances recognised in the consolidated financial statements.

(b) Principles of consolidation

A controlled entity is any entity over which Fremont Petroleum Corporation Ltd, is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 23 to the financial statements. All controlled entities have a June financial year end.

As at the reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered/(left) the consolidated Group during the year, their operating results have been included/(excluded) from the date control was gained/(ceased).

All inter-Group balances and transactions between entities in the consolidated Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

(c) Revenue

Revenue from contracts with customers is recognised in the income statement when or as the Group transfers control of goods or services to a customer at the amount the Group expects to be entitled.

Interest revenue is recognised on a proportional basis using the effective interest method taking into account the interest rates applicable to the financial assets.

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.

Revenue from interest is recognized using the effective interest method.

All revenue is stated net of the amount of goods and services tax (GST).

(d) Income tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted or are substantially enacted as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authorities.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which the benefits of the deferred tax asset can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(e) Trade and other receivables

Trade receivables and other receivables are carried at amounts due less any allowance for expected credit losses.

(f) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Interests in joint arrangements

The consolidated Group's share of the assets, liabilities, revenue and expenses of joint operations are included in the appropriate items of the consolidated financial statements. Details of the consolidated Group's interests are shown at Note 13.

The consolidated Group's interests in joint ventures are brought to account using the equity method of accounting in the consolidated financial statements.

Under the equity method, the share of the profit and losses of the joint venture is recognised in the profit or loss, and the share of post-acquisition movements in reserves recognised in other comprehensive income.

Unrealised gains and losses on transactions between the Group and its joint ventures are eliminated to the extent of the Group’s interest in those entities. Where unreleased losses are eliminated, the underlying asset is also tested for impairment.

(h) Exploration, evaluation and development expenditure and restoration provisions

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Development and producing assets are accounted for under AASB 116 Property, Plant and Equipment.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.
Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(i) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The net expected cash flows have been discounted to their present values in determining recoverable amounts.

(j) Depreciation

Items of property, plant and equipment, are depreciated over their estimated useful lives ranging from 3 to 40 years to write off the net cost of each asset during its expected useful life to the Group. The straight line method of depreciation is used.

The assets residual values and useful lives are reviewed and adjusted if appropriate at each reporting date. An asset's carrying amount is written down immediately from its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses are determined by comparing proceeds received with the asset's carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

(k) Leases

Leases of plant and equipment are classified as operating leases where the lessor retains substantially all of the risks and benefits of ownership. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

(l) Foreign currency transactions and balances

(i) Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the year-end exchange rate. Exchange differences arising on the translation of monetary items are recognised in statement of profit or loss and other comprehensive income.

Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

(iii) Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date; and
- Income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

(m) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date in respect of wages and salaries, annual leave and long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Employee benefits that are expected to be settled wholly within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be payable later than one year are measured as the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on high quality corporate bonds with terms to maturity which match the expected timing of cash flows.

Contributions made by the Group to employee superannuation funds are charged to expenses as incurred.

(n) Equity-settled compensation

The Group operates equity-settled share-based payment employee option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase in an equity account. The fair value of options is determined by an independent valuer using a Black-Scholes option pricing model which incorporates all vesting conditions. In determining fair value, no account is taken of any performance conditions other than those related to market conditions. The cumulative expense recognised between grant date and vesting date is adjusted to reflect the directors' best estimate of the number of options that will ultimately vest because of internal conditions of the options, such as the employees having to remain with the Group until vesting date, or such that employees are required to meet internal sales targets. No expense is recognised for options that do not ultimately vest because internal conditions were not met. An expense is still recognised for options that do not ultimately vest because a market condition was not met.

(o) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Group.

(p) Financial assets and liabilities

Classification

The Group classifies its financial assets and liabilities in the following categories: financial assets at fair value through profit and loss and amortised cost. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Amortised cost

The Group classifies its financial assets as at amortised cost only if the asset is held within a business model whose objective is to collect the contractual cash flows, and the contractual terms give rise to cash flows that are solely payments of principal and interest.

(iii) Classification and subsequent measurement of financial liabilities

The Group's financial liabilities including borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss. All derivative financial instruments that are not designated and effective as hedging instruments are accounted for at FVTPL.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are including within finance costs or finance income.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised as trade-date — the date on which the Group commits to purchase or sell an asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Subsequent measurement

Changes in the value of monetary securities denominated in a foreign currency and classified as financial assets at fair value through profit and loss are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available for sale are recognised in equity.

Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or Group of financial assets is impaired. In the case of equity securities a significant or prolonged decline in the fair value below its cost is considered as an indicator that the securities are impaired. If any such evidence exists, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss is recognised in the statement of profit or loss and other comprehensive income.

(q) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalent includes cash on hand and at call in banks net of overdrafts.

(r) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as expenses in the period in which they are incurred.

(s) Issued Capital

Ordinary share capital is recognised at the fair value of the consideration received. Any transaction costs arising on the issue of shares are recognised (net of tax) directly in equity as a reduction in the share proceeds received.

(t) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(u) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates — Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets, such as outcomes of drilling projects, the company's portfolio priorities and leasing requirements. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Exploration and evaluation

The Group's policy for exploration and evaluation is discussed at Note 1(h). The application of this policy requires management to make certain estimates and assumptions as to future events and circumstances.

Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sales or exploitation, then the relevant capitalised amount will be written off through the statement of profit or loss and other comprehensive income.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

(v) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(w) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

(x) Parent Entity Financial Information

The financial information for the parent entity, Fremont Petroleum Corporation Ltd, disclosed in Note 3 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of Fremont Petroleum Corporation Ltd.

(y) Business Combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of: (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquire, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

NOTE 2: GOING CONCERN

The financial report has been prepared on the basis of a going concern. The Group had net operating cash outflows for the year of $1,192,219 and a closing cash position of $1,558,697.

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. No allowance for such circumstances has been made in the financial report.

The Company raised a total of $5.1M in March and May 2019 to fund additional development through drilling. This demonstrates the Company's ability to raise capital.

NOTE 3: PARENT ENTITY FINANCIAL INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

	2019 $	2018 $
Statement of financial position		
Total current assets	119,618	105,776
Total non-current assets	50,000	50,000
Total assets	**169,618**	**155,776**
Total current liabilities	81,437	53,834
Total liabilities	**81,437**	**53,834**
Share capital	14,564,482	13,652,745
Reserve for performance rights	166,400	67,500
Accumulated losses	(14,642,701)	(13,618,303)
Total Equity	**88,181**	**101,942**

Statement of profit or loss and other comprehensive income		
Profit/(Loss) for the year after tax	(1,024,398)	(745,967)
Total comprehensive income/loss	**(1,024,398)**	**(745,967)**

The parent entity has not provided any financial guarantees on behalf of its subsidiary.
The parent entity accounts for Joint Ventures at cost.
The parent entity did not have any contingent liabilities as at 30 June 2019 (2018 Nil).
The parent entity had no contractual commitments as at 30 June 2019 (2018: Nil).

NOTE 4: REVENUE

From continuing operations:

	2019 $	2018 $
Gas and Oil Sales	1,059,633	1,011,215
Interest received	2,916	697
Total Revenue	**1,062,549**	**1,011,912**

NOTE 5: LOSS FOR THE YEAR

Losses before income tax have been determined after:

	2019 $	2018 $
Depreciation expense	87,880	78,234
Amortisation expense	316,054	271,608

	2019 $	2018 $
Other Expenses:		
Insurance	167,861	119,709
Telephone	19,251	21,355
Rent on land & buildings	21,975	23,881
Property tax	45,406	52,773
Annual surface use agreements	61,002	36,134
Repairs and maintenance	16,665	30,199
Marketing	350	825
GST Expense	61,575	33,986
Other Expenses	93,288	50,745
Subscriptions	377	3,072
Office Supplies	18,346	4,893
Interest expense	32,814	77,398
	538,910	**454,970**

NOTE 6: INCOME TAX EXPENSE

	2019 $	2018 $
(a) The components of income tax expense comprise:		
Current Tax	-	-
Deferred Tax	-	-
	-	-
(b) The prima facie tax benefit on loss from ordinary activities is reconciled to the income tax as follows:		
Net Loss	(2,809,686)	(8,575,381)
Prima facie tax benefit on loss from ordinary activities before income tax at 30%	(842,906)	(2,572,614)
Add/(less) the tax effect of:		
- Differences in tax rate for US	(61,629)	(18,981)
- Other allowable / (non-allowable) items		
- Impairment and write down	70,996	2,153,457
- Amortisation	94,816	81,482
- Share based payment	49,695	53,496

Tax effect of tax losses and temporary differences not brought to account as they do not meet the recognition criteria	689,028	303,160
Income tax attributable to operating loss	-	-
(c) Unused tax losses and temporary differences for which no deferred tax asset has been recognised:		
- In Australia at 27.5%	8,819,127	7,960,378
- In USA at 35%	8,117,735	6,885,155
	16,936,862	14,845,533

NOTE 7: INTEREST OF KEY MANAGEMENT PERSONNEL (KMP)

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2019.

The totals of remuneration paid to KMP of the Group and the Group during the year are as follows:

	2019 $	2018 $
Short term employee benefits	527,693	501,190
Post-employment benefits	10,276	1,520
Share based payments	381,168	92,000
	919,137	594,710

NOTE 8: AUDITORS' REMUNERATION

		2019 $	2018 $
Remuneration of auditor of consolidated Group for:			
Auditing the financial report			
	Australia	77,650	77,500

NOTE 9: EARNINGS PER SHARE & DILUTED EARNINGS PER SHARE

	2019 $	2018 $
Net loss attributed to ordinary equity holders	(2,809,686)	(8,575,381)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	1,153,668,662	420,691,334
Basic Earnings per share	($0.0024)	($0.0204)
Diluted Earnings per share	($0.0024)	($0.0204)

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. See Note 20 for details of options.

NOTE 10: CASH AND CASH EQUIVALENTS

	2019 $	2018 $
Cash at bank and in hand	1,558,697	514,399

The effective interest rate on cash at bank was 0.28% (2018: 1.00% pa.).

NOTE 11: TRADE AND OTHER RECEIVABLES

	2019 $	2018 $
Trade and Other receivables*	69,086	102,392
GST Receivable	20,519	12,624
	89,605	**115,016**

* 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 30 June 2019.

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	2019 $	2018 $
Plant and equipment:		
- At cost	596,693	534,838
- Less: Accumulated depreciation	(400,476)	(294,783)
	196,217	**240,055**

Movement in Property, Plant and Equipment at Cost

	2019 $	2018 $
Plant and equipment:		
- At cost	534,838	435,743
- Add: Additions	31,915	79,235
- Add: Foreign currency difference	29,940	19,860
	596,693	**534,838**

Movement in Property, Plant and Equipment Accumulated Depreciation

	2019 $	2018 $
Plant and equipment:		
- Opening: Accumulated depreciation	(294,783)	(205,207)
- Add: Depreciation	(87,880)	(78,234)
- Add: Foreign currency difference	(17,813)	(11,342)
	(400,476)	**(294,783)**

NOTE 13: 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 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.

	2019 $	2018 $
Sales and other operating revenues	320,803	295,963
Finance costs and other finance expense	(1,209,298)	(1,115,661)
Profit/(Loss) before taxation	**(888,495)**	**(819,698)**
Taxation	-	-
Profit/(Loss) for the year	**(888,495)**	**(819,698)**
Interest profit/(loss) for the year	**-**	**-**
Non-current assets	215,836	204,611
Current assets	117,695	111,574
Total assets	**333,531**	**316,185**
Non-current liabilities	2,879,317	2,729,568
Current liabilities	141,022	133,687
Total liabilities	**3,020,339**	**2,863,255**

Impairment

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.

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 2018 or 2019 as the investment was already reduced to $0.

As of 30 June 2019 and 30 June 2018, equity contributions of $236,654 and $121,296, respectively, were made to the Company's joint venture Kentucky Exploration LLC. Losses from equity-method investments were recognised totalling these amounts in the respective periods.

NOTE 14: DEVELOPMENT AND PRODUCING ASSETS

	2019 $	2018 $
Producing assets at cost	2,584,735	2,284,373
Accumulated amortisation	(766,458)	(421,389)
	1,818,277	**1,862,984**

Movement in Carrying Amounts

	2019 $	2018 $
Balance at beginning of year	1,862,984	1,821,563
Transfers from Exploration and Evaluation	-	129,050
Additions	171,831	117,598
Exchange rate difference	81,703	55,039
Amortisation expense	(298,241)	(260,266)
	1,818,277	**1,862,984**

Impairment

At each period end, the Directors' review the carrying values of its 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.

There was no impairment in the carrying amounts of developing and producing assets during the years ending 30 June 2019 and 30 June 2018.

NOTE 15: EXPLORATION AND EVALUATION EXPENDITURE

	2019 $	2018 $
Exploration and evaluation assets at cost	13,280,139	6,934,387

Movement in Carrying Amounts:

	2019 $	2018 $
Balance at beginning of year	6,934,387	12,135,764
Additions	5,858,739	1,767,757
Exchange rate difference	487,013	216,809
Reclassification to Development and Producing	-	(129,050)
Exploration expenditure impairment	-	(7,056,893)
	13,280,139	**6,934,387**

During the year ended 30 June 2019, revenues from exploration assets have been offset against the Company's capitalised exploration asset balance.

During the year ended 30 June 2018, $7.1M of Colorado exploration and evaluation assets were written down to estimated fair value. Exploration and evaluation assets were impaired on December 31, 2017 as a result of several factors; results in the first six months of FY 2018 drilling did not meet expectations due to an unforeseeable geological anomaly, the Company's portfolio priorities, and an imbalance condition between the Company's market cap on December 31 as compared to the value of the exploration and evaluation assets on the books at that time. The recoverable amount of exploration and evaluation assets was $4.9M based on the value in use calculations performed. See Note 14 for impairment details. The ultimate recoupment of costs carried forward is dependent on the successful development and commercial exploration or sale of the respective areas.

No write-offs of exploration and evaluation assets were considered necessary during the year ended 30 June 2019.

NOTE 16: OTHER ASSETS

	2019 $	2018 $
Bond deposits	406,852	81,048

NOTE 17: TRADE AND OTHER PAYABLES

	2019 $	2018 $
Trade payables	1,394,942	223,490
Other payables	16,380	-
PTO accrual	31,743	21,694
Ad valorem	87,933	30,590
PAYG withholding	12,168	-
	1,543,166	275,774

NOTE 18: INTEREST BEARING LIABILITIES

	2019 $	2018 $
Line of credit	350,541	332,310

The Group obtained a $650,000 USD line of credit from ANB Bank in April 2017. The line of credit has a maximum borrowing amount of USD $250,000 as of 30 June 2018, of which $246,010 USD was drawn at 30 June 2019 and 30 June 2018, respectively. Interest only monthly payments are required under the line of credit agreement. The interest rate was 7.5% and 7% at 30 June 2019 and 30 June 2018 respectively. The line of credit is secured by oil and gas wells.

NOTE 19: ASSET RETIREMENT OBLIGATIONS

	2019 $	2018 $
Asset retirement obligations	1,062,626	920,400

The Group records the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation arises. The nature of restoration activities includes the removal of facilities, abandonment of wells and restoration of affected areas.

A restoration provision is recognised and updated at different stages of the development and construction of a facility and then reviewed on an annual basis. When the liability is initially recorded, the estimated cost is capitalized by increasing the carrying amount of the related exploration and evaluation assets. Over time, the liability is increased for the change in the present value based on a pre-tax discount rate appropriate to the risks inherent in the liability. The unwinding of the discount is recorded as accretion charge within lease operating expense.

NOTE 20: ISSUED CAPITAL

1,668,335,412 (2018: 691,341,981) fully paid ordinary shares

a. Ordinary shares

	2019 $	2018 $
At the beginning of reporting period	82,302,080	77,860,457
Shares issued during the year		
- Issued 5 July 2017		59,875
- Issued 19 July 2017		978,000
- Issued 25 August 2017		1,100,000
- Issued 4 September 2017		87,000
- Issued 13 February 2018		1,652,000
- Issued 23 February 2018		8,400
- Issued 28 February 2018		403,800
- Issued 4 April 2018		574,300
- Issued 6 June 2018		30,000
- Issued 28 June 2018		88,971
- Issued 14 September 2018	1,209,848	-
- Issued 14 November 2018	1,802,861	-
- Issued 22 November 2018	80,291	-
- Issued 3 December 2018	697,000	-
- Issued 21 March 2019	306,750	-
- Issued 29 March 2019	4,137,275	-
- Issued 21 May 2019	873,447	-
- Issued 22 May 2019	126,514	-
	91,536,066	82,842,803
- Less: Cost of capital raising	(788,659)	(540,723)
	90,747,407	**82,302,080**

	2019 Number	2018 Number
At the beginning of reporting period	691,341,981	195,727,735
Shares issued during the year		
- Issued 5 July 2017		2,395,000
- Issued 19 July 2017		48,900,000
- Issued 25 August 2017		55,000,000
- Issued 4 September 2017		4,350,000
- Issued 13 February 2018		236,000,000
- Issued 23 February 2018		1,200,000
- Issued 28 February 2018		51,555,000
- Issued 4 April 2018		82,042,816
- Issued 6 June 2018		4,285,716
- Issued 28 June 2018		9,885,714
- Issued 14 September 2018	172,835,425	-
- Issued 14 November 2018	257,551,594	-
- Issued 22 November 2018	11,470,130	-
- Issued 3 December 2018	99,571,429	-
- Issued 21 March 2019	40,392,855	-
- Issued 29 March 2019	318,251,953	-
- Issued 21 May 2019	67,188,217	-
- Issued 22 May 2019	9,731,828	-
At the end of the reporting period	**1,668,335,412**	**691,341,981**

At shareholder meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Options

	Class	2019 Number	2018 Number
At the beginning of the reporting period		272,271,838	80,500,260
- Issued 5 July 2017	FPLOA		500,000
- Issued 4 September 2017			64,450,000
- Expired 18 September 2017	FPLOA		(2,071,297)
- Issued 12 June 2018			2,142,858
- Issued 26 June 2018			178,700,017
- Expired 30 June 2018			(51,950,000)
- Issued 16 July 2018	FPLOB	17,000,000	-
- Issued 11 January 2019	FPLOB	321,071,433	-
- Expired 30 June 2019	FPLOA	(74,088,963)	
- Expired 30 June 2019		(4,840,000)	
At the end of the reporting period		**531,414,308**	**272,271,838**

FPLOA options issued prior to 30 June 2018 were transferred to FPLOB options during the fiscal year ended 30 June 2019.

Options Outstanding by Class

	2019 Number	2018 Number
Unlisted Options		
- $0.10 expire 30 Jun 2019	-	4,840,000
- $0.045 expire 30 Jun 2021	12,500,000	12,500,000
- $0.02 expire 31 March 2020	-	180,842,875
At the end of the reporting period	12,500,000	198,182,875

2018 $0.02 Unlisted Options moved to Listed Options in 2019.

Listed FPLOB Options	**FPLOB**	**FPLOA**
- $0.06 expire 30 Jun 2019	-	74,088,963
- $0.02 expire 31 March 2020	518,914,308	
At the end of the reporting period	518,914,308	74,088,963

FPLOA options issued prior to 30 June 2018 were transferred to FPLOB options during the fiscal year ended 30 June 2019.

c. Capital Risk management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure the Group continues as a going concern.

The Group's debt and capital includes ordinary share capital, share options and drilling advances payable and bank debt. Management effectively manages the Group's capital by assessing the financial risks and adjusting the capital structure in response to those risks. These responses include share issues.

	2019	2018
	$	$
Total Borrowings	350,541	332,310
Less: Cash and cash equivalents	1,558,697	514,399
Net Debt	**(1,208,156)**	**(182,089)**
Total Equity	14,053,012	7,856,653
Total Capital	90,747,407	82,302,080
Gearing Ratio	**-8.6%**	**-2.3%**

NOTE 21: RESERVES

	2019	2018
	$	$
- Foreign Currency Reserve	10,173,349	9,711,531
- Performance Rights Reserve	166,400	67,500
	10,339,749	**9,779,031**

Foreign Currency Reserve

This reserve is used to record foreign currency translation differences arising on the translation of financial statements of the Group’s foreign entities into Australian dollars.

Performance Rights Reserve

This reserve is used to record the fair value of performance rights.

NOTE 22: SEGMENT REPORTING

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of geographical location since the diversification of the Group's operations has notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted
Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Segment assets
Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities
Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment

(i) Segment Performance

	Australia 2019 $	**US Sub 2019 $**	**US JV 2019 $**	**Total 2019 $**
Total segment revenue	2,175	1,060,374	-	1,062,549
Segment net loss before tax	(1,024,398)	(1,785,288)	-	(2,809,686)

	Australia 2018 $	**US Sub 2018 $**	**US JV 2018 $**	**Total 2018 $**
Total segment revenue	696	1,011,216	-	1,011,912
Segment net loss before tax	(745,967)	(7,829,414)	-	(8,575,381)

(ii) Segment assets

	Australia 2019 $	USA 2019 $	Total 2019 $
Segment assets	66,633,061	17,180,169	83,813,230
Inter-segment elimination	(66,463,443)	-	(66,463,443)
	169,618	17,180,169	17,349,787

	Australia 2018 $	USA 2018 $	Total 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 2019 $	USA 2019 $	Total 2019 $
Segment liabilities	81,437	102,062,000	102,143,437
Inter-segment elimination	-	(98,846,662)	(98,846,662)
	81,437	3,215,338	3,296,775

	Australia 2018 $	USA 2018 $	Total 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 23: CONTROLLED ENTITIES

Controlled Entities	Country of incorporation	Equity Holding 2019	Equity Holding 2018
Parent Entity:			
Fremont Petroleum Corporation Ltd	Australia		
Subsidiaries of Fremont Petroleum Corporation Ltd:			
AusCo Petroleum Inc (Formerly Aus-Tex Exploration Inc)	USA	100%	100%
AusCo Petroleum Florence, LLC	USA	100%	100%

NOTE 24: CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Loss from Ordinary Activities after Income Tax	**2019 $**	**2018 $**
Loss from ordinary activities after income tax	(2,809,686)	(8,575,381)
Non-cash flows in loss from ordinary activities		
Share based payments	165,650	178,321
Directors fees paid in shares	240,000	-
Depreciation	87,880	89,576
Amortisation	316,054	260,266
Accretion	90,051	87,899
Accrued expenses	-	52,442
Impairment and write down	236,654	7,178,189
Changes in assets and liabilities		
(Increase)/decrease in receivables	30,315	(41,801)
Increase/(decrease) in trade payables	450,863	(145,165)
Cash flow from operations	**(1,192,219)**	**(915,654)**

NOTE 25: FINANCIAL INSTRUMENTS

Financial Risk Management Policies

The Group's activities expose it to a variety of financial risks: credit risk, market risk (including interest rate risk and currency risk) and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange and aging analysis for credit risk.

Risk management is carried out by the finance department under policies approved by the board of directors.

The Group holds the following financial instruments:

	2019 $	**2018 $**
Financial Assets		
Cash and cash equivalents	1,558,697	514,399
Trade and other receivables	89,605	115,016
	1,648,302	**629,415**

Financial Liabilities		
Trade and other payables	1,543,166	275,774
Line of credit	350,541	332,310
Other long-term liabilities	93,933	129,064
	1,987,640	**737,148**

(a) Market Risk

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in US dollars, was as follows:

	2019	**2018**
	USD	**USD**
	$	**$**
Cash and cash equivalents	1,024,266	311,766
Trade Receivables	48,484	75,801
Trade Payables	941,736	125,474

Foreign Currency Sensitivity

Based on the financial instruments held at 30 June 2019, had the Australian dollar weakened/strengthened by 10% against the US dollar with all other variables held constant, the Group's post-tax profit and equity for the year would have been the following:

	2019	**2018**
	$	**$**
Change in profit		
Improvement in AUD to USD by 10%	(499,454)	(2,020,766)
Decline in AUD to USD by 10%	499,454	2,020,766
Change in equity		
Improvement in AUD to USD by 10%	(499,454)	(2,020,766)
Decline in AUD to USD by 10%	499,454	2,020,766

Interest Rate Sensitivity Analysis

At 30 June 2019, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2019 $	2018 $
Change in profit		
Increase in interest rate by 2%	5,833	1,393
Decrease in interest rate by 2%	-	-
Change in equity		
Increase in interest rate by 2%	5,833	1,393
Decrease in interest rate by 2%	-	-

(b) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, revenue and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors, Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by wholesale customers is regularly monitored by line management. Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company entered into a $650,000 USD revolving line of credit with ANB Bank during the year ended 30 June 2017. This was an interest only payable loan that was reviewed every 12 months. The line of credit has a maximum borrowing amount of $250,000 effective 30 June 2018.

Management monitors rolling forecasts of the Group's cash flow position on the basis of expected cash flows. This is generally carried out at local level in accordance with the practice and limits set by the Group. These limits vary by location to take into account liquidity of the market in which the entity operates. Trade and other liabilities are expected to be paid in 30 days.

(d) Fair Value Measurements

The carrying value monetary financial assets and financial liabilities of the Group approximate their fair value.
No financial assets and financial liabilities are readily traded on organised markets in standardised form.

AASB 13 'Fair Value Measurement' requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTE 26: 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 parties:

i. Directors and executives

Disclosures relating to key management personnel are set out in Note 7.

ii Transactions with Director-related entities

During the year 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 $163,926 excluding GST (USD $117,190). Mr Lonny Haugen is President of CFO Colorado Accounting & Tax Services.

NOTE 27: CAPITAL COMMITMENTS RELATING TO JOINT VENTURES AND TENEMENTS

The Group is required to meet minimum expenditure requirements of various Government bodies and joint venture agreements.

These obligations may be subject to re-negotiation, may be farmed out or may be relinquished and have not been provided for in the financial statements.

	2019 **$**	**2018** **$**
- Due within one year	3,357,120	3,871,500
- Due between 2 and 5 years	10,071,360	15,486,000
- Due between 6 and 10 years	12,589,200	19,357,500
	26,017,680	**38,715,000**

NOTE 28: SHARE BASED PAYMENTS

Performance Rights

The number of performance rights accrued during the financial year, are as follows:

	2019	2018
Beginning of year	12,500,000	748,750
Accrued	17,425,000	12,906,250
Issued	(23,250,000)	(1,155,000)
End of year	**6,675,000**	**12,500,000**

Included under employee benefits expense and share based payments in the statement of profit and loss and other comprehensive income is $165,650 (2018: $178,321) and relates, in full, to the equity-settled share-based payment transactions.

The Company's Performance Rights Plan ("Plan") was approved by shareholders at the General Meeting held on 20 December 2016. The Plan enables the Company to grant entitlements to shares ("Performance Rights") and issue shares on conversion of Performance Rights, without impacting on the Company's ability to issue up to 15% of its total ordinary securities without shareholder approval in any 3-year period. The Company granted Performance Rights to the Directors of the Company in 2014. Based on the details contained in the Notice released to the market on 24th February 2014 performance rights were established for three of the Directors. The company is required to accrue for these performance rights during the year despite the rights requiring Shareholder approval.

Directors performance rights were issued on 21 March 2019 at $0.009 amounting to $108,000 for meeting three of four targets in the 2018 Plan. A performance rights accrual for directors is recorded in 2019 based on the likelihood of achieving one of four targets of the 2019 plan agreed to 29 November 2018 and has been calculated at the then current share price of $0.006.

2019 Director Targets

KPI#1	No safety LTA or Phase 1 environmental accidents
KPI#2	Production boost of 25% year over year
KPI#3	Achieve production of 200 Bopd for a minimum of 90 days
KPI#4	VWAP of $0.02 over 20 consecutive trading days

2018 Director Targets

KPI#1	No safety LTA or Phase 1 environmental accidents
KPI#2	Production boost of 25% year over year for minimum of 90 consecutive days
KPI#3	Achieve a cash flow positive position for a minimum of 90 consecutive days
KPI#4	Share price of $0.06 for 30 consecutive days

Employee and key management personnel performance rights were issued on 21 March 2019 at $0.007 amounting to $78,750 for meeting targets in the 2018 Plan. Targets vary and are specifically assigned to employees and key management personnel based on their roles and responsibilities. A performance rights accrual for employee and key management personnel is recorded in 2019 based on the likelihood of each employee and key management personnel achieving one of his or her targets in the 2019 plan agreed to 1 March 2019 and has been calculated at the then current share price of $0.008.

NOTE 29: CONTINGENT LIABILITIES

There are no material contingent liabilities that exist at reporting date (2018: Nil).

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 29 to 63 are in accordance with the *Corporations Act 2001*:
   a comply with Australian Accounting Standards including the Australian Accounting Interpretations and the *Corporations Regulations 2001*; and
   b giving a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date; 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.
3. The directors have been given the declarations by the Chief Executive Officer, Chief Financial Officer and Company Secretary required by Sec 295(a) of the Corporations Act 2001.
4. The consolidated financial statements comply with International Financial Reporting Standards as stated in Note 1(a).

This declaration is made in accordance with a resolution of the Board of Directors.

Mr. Guy T. Goudy
Executive Chairman

Dated this 30th day of September 2019

Collins Square, Tower 5
727 Collins Street
Melbourne VIC 3000

Correspondence to:
GPO Box 4736
Melbourne VIC 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report

To the Members of Fremont Petroleum Corporation Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Fremont Petroleum Corporation Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, 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 year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

b Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 to the financial report, which notes net operating cash outflows of $1,192,219 and a closing cash balance of $1,558,697 for the year ended 30 June 2019. This condition, along with other matters set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our report has not been modified in relation to this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Exploration and evaluation assets valuation Note 15	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the company is required to assess if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value at each reporting date. The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement. This area is a key audit matter due to the valuation of exploration and evaluation assets being a key estimate for management.	Our procedures included, amongst others: • obtaining management's reconciliation of capitalised exploration and evaluation expenditure and tying against the general ledger; • reviewing management's area of interest considerations against AASB 6; • conducting a detailed review of management’s assessment of trigger events prepared in accordance with AASB 6 including: – tracing material projects to supporting documentation to determine whether a right of tenure existed; – enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management’s cash-flow forecast models and budgeted expenditure; – understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; • assessing the accuracy of the impairment recorded for the year as it pertained to exploration interests in accordance with AASB 136 including: – understanding what portion of the capitalised expenditure management have determined is impaired; – assessing management’s justification and measurement of the recoverable amount of the unimpaired portion; • reviewing the appropriateness of the related disclosures within the financial statements.

Information other than the financial report and auditor’s report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 June 2019, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

In our opinion, the Remuneration Report of Fremont Petroleum Corporation Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 30 September 2019

Additional Information required by the ASX Limited Listing Rule 4.17 and not disclosed elsewhere in this report is set out below.

Shareholdings

a. Distribution of Shareholders as at 19 September 2019

Category	Holders of Ordinary Shares	% of Issued Capital	Holders of Listed Options	% of Listed Options
1 – 1000	190	0.004%	0	0.000%
1,001 – 5,000	157	0.025%	0	0.000%
5,001 – 10,000	97	0.045%	0	0.000%
10,001 – 100,000	786	2.125%	22	0.303%
100,001 – and over	731	97.801%	164	99.697%
Total number of security holders	**1,961**	**100.00%**	**186**	**100.00%**

b. Unmarketable Parcels as of 19 September 2019

	Minimum Parcel Size	Total Unmarketable Parcel Shares	Number of Holders	UMP%
Ordinary Shares	50,000	13,112,329	914	0.78595

c. Substantial shareholders

There are three substantial shareholders owning more than 5% of shares listed in the holding Group's register as at 19 September 2019.

RESILIENT INVESTMENT GROUP PTY LTD	119,230,769	7.15%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>*	100,972,401	6.05%
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	90,602,532	5.43%

*BNP Paribas Nominees PTY LTD holds FPL shares for Claymore Ventures Limited.

d. Voting Rights

Fully paid ordinary shares
Subject to any rights or restrictions attached to any class of shares, at a meeting of members, on a show of hands, each member present (in person, by proxy, attorney or representative) has one vote and on a poll, each member present (in person, by proxy, attorney or representative) has one vote for each fully paid share they hold.

Options
Options do not carry a right to vote.

e. Twenty largest shareholders

The names of the 20 largest holders of fully paid ordinary shares constituting a class of quoted equity securities on the Australian Securities Exchange Limited including the number and percentage held by those at 19 September 2019 are as follows:

Name	Number of Fully Paid Ordinary Shares Held	% held
RESILIENT INVESTMENT GROUP PTY LTD	119,230,769	7.15%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	100,972,401	6.05%
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	90,602,532	5.43%
MR BRIAN LAURENCE EIBISCH	67,553,785	4.05%
MR JOHN MACQUARIE CAPP	50,642,857	3.04%
MR BRUCE KENRIC GLOVER CROSSLEY	43,000,000	2.58%
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	38,988,038	2.34%
FIFTY SECOND CELEBRATION PTY LTD <MCBAIN FAMILY A/C>	30,000,000	1.80%
HOSANDA CORPORATION PTY LIMITED	29,672,985	1.78%
JETAN PTY LTD	28,500,000	1.71%
MR VICTOR LORUSSO	25,000,000	1.50%
MR WILLIAM LESLIE KELSO	21,690,000	1.30%
J C O'SULLIVAN PTY LTD <J C O'SULLIVAN P/L S/F A/C>	20,000,000	1.20%
MR JOHN MACQUARIE CAPP & MS SUSAN STRICKLAND CAPP <THE CAPP SUPER FUND A/C>	17,237,857	1.03%
MR PHILIP JOHN CAWOOD	16,460,857	0.99%
MR TIMOTHY HART	15,599,497	0.94%
MR GUY THOMAS GOUDY	14,999,497	0.90%
CARVET PTY LTD <THE ADAMSAS FAMILY A/C>	14,846,153	0.89%
SPINITE PTY LTD	14,000,000	0.84%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,925,489	0.83%
TOTAL	**772,922,717**	**46.33%**

Option holders

Listed Options – Exercisable on payment of $0.02 on or before 31 March 2020

The names of the 20 largest holders of listed $0.02 options including the number and percentage held by those at 19 September 2019 are as follows:

Name	Number of Listed Options Held	% held
CLAYMORE VENTURES LIMITED	47,535,715	9.16%
MR PHILIP JOHN CAWOOD	20,225,000	3.90%
KATO VENTURES PTY LTD	20,000,000	3.85%
MR JOHN MACQUARIE CAPP & MS SUSAN STRICKLAND CAPP <THE CAPP SUPER FUND A/C>	17,142,858	3.30%
MR JOHN MACQUARIE CAPP	16,000,000	3.08%
MR MARK ANDREW TKOCZ	15,000,000	2.89%
JETAN PTY LTD	14,250,000	2.75%
UBS NOMINEES PTY LTD	13,000,000	2.51%
MR BRUCE KENRIC GLOVER CROSSLEY	12,733,247	2.45%
MR BENJAMIN WILLIAM JARVIS	11,250,000	2.17%
AUSTRALIAN SHARE NOMINEES PTY LIMITED <AUSTRALASIAN HOLDING A/C>	11,250,000	2.17%
SOLAR MATE PTY LTD	10,000,000	1.93%
PRITDOWN PTY LTD <MCDONALD SUPER FUND A/C>	10,000,000	1.93%
LTL CAPITAL PTY LTD	10,000,000	1.93%
CHALEYER HOLDINGS PTY LTD <RUBBEN FAMILY A/C>	9,750,000	1.88%
MR STEVEN DONALD TERRELL	9,000,000	1.73%
FILMRIM PTY LTD	8,325,000	1.60%
LA TOMATINA PTY LTD	8,245,520	1.59%
TYCHE INVESTMENTS PTY LTD	8,060,572	1.55%
ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	8,060,000	1.55%
TOTAL	**279,827,912**	**53.93%**

Unquoted Securities

Options over Unissued Shares - Exercisable on payment of $0.045 on or before 15 July 2021

The names of all holders of unlisted options including the number and percentage held by those at 19 September 2019 are as follows:

Name	Number of Unlisted Options Held	% held
XCEL CAPITAL PTY LTD	7,096,151	56.769%
JP SECURITY HOLDINGS PTY LTD <CJ SECURITY HOLDINGS A/C>	2,903,849	23.231%
ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	2,500,000	20.000%
TOTAL	**12,500,000**	**100.0%**

Tenements

All tenements including locations and percentage interest are listed in the Review of Operations (page 5).

CORPORATE DIRECTORY

DIRECTORS

Mr Tim Hart	Managing Director and Chief Executive Officer
Mr Guy Goudy	Executive Chairman
Mr Stuart Middleton	Non-Executive Director
Mr Samuel Jarvis	Non-Executive Director
Mr Andrew Blow	Non-Executive Director

COMPANY SECRETARY

Mr Robert Lees

REGISTERED OFFICE AND PRINCIPAL ADMINISTRATIVE OFFICE

Fremont Petroleum Corporation Ltd
CoySec Services Pty Ltd
Suite 302
Level 3, 17 Castlereagh Street
Sydney, NSW 2000
Phone: 61 2 9299 9580
Website: www.fremontpetroleum.com

USA OFFICE

113 North Santa Fe
Florence, Colorado 81226
Phone +1 719 784 7616

SHARE REGISTRY

Boardroom Pty Limited
Grosvenor Place Level 12
225 George Street
Sydney, NSW 2000, Australia
Phone (inside Australia): 1300 737 760
Phone (outside Australia): 61 29290 9600

AUDITORS

Grant Thornton Audit Pty Ltd
Level 30, 525 Collins Street
MELBOURNE VIC 3000

AUSTRALIAN LEGAL ADVISORS

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

AUSTRALIAN SECURITIES EXCHANGE

The company is listed on the Australian Securities Exchange. The home exchange is Sydney.

ASX Codes:	Shares:	FPL
	Options:	FPLOB