



ASX ANNOUNCEMENT

11 March 2021

## INVESTOR PRESENTATION AND WEBINAR

**Fremont Petroleum Corporation Ltd (ASX: FPL) ('Fremont' or 'the Company')** provides the attached presentation to shareholders to accompany the webinar to be held today **11 March 2021 at 11.30am AEDT**.

Shareholders and other interested parties can register here:

<https://attendee.gotowebinar.com/register/6221002019069447950>

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

-ENDS-

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### ABOUT FREMONT PETROLEUM CORPORATION LTD

Fremont Petroleum Corporation Limited (ASX: FPL) is an Oil & Gas production and development company with operations in Colorado and Kentucky. The Company's focus is to aggressively grow daily production by improving current asset performance and opportunistically acquiring onshore USA oil & gas assets with the following characteristics: producing conventional oil & gas wells; production can be enhanced through low-cost field operations and workovers; leases are held by production and do not require ongoing drilling commitments; and economies of scale can be achieved by acquiring and enhancing similar assets nearby.

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**FREMONT**  
PETROLEUM CORPORATION

*INVESTOR PRESENTATION*  
*March 2021*  
*MHP Acquisition and Growth Strategy*

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# Profitable, highly scalable conventional natural gas business



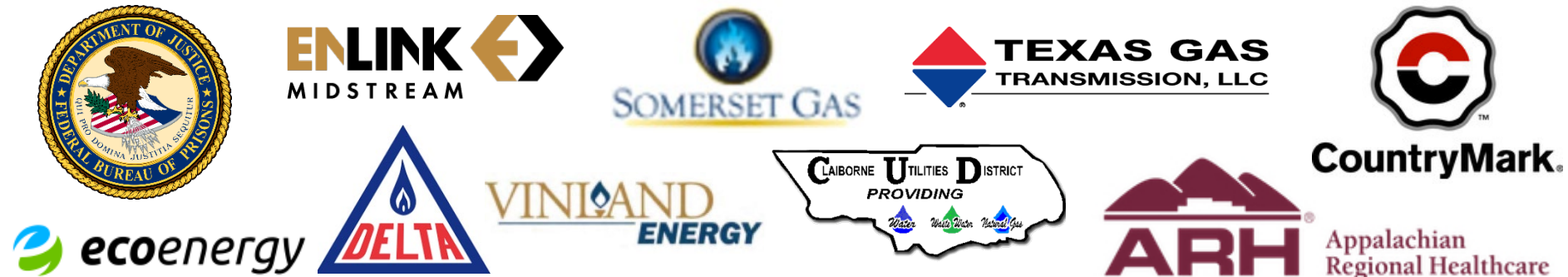
## Quality Assets with huge upside

- Portfolio of ~1,300 conventional producing natural gas wells in Kentucky, Virginia and Tennessee – 100% ownership
- Upside from basic well workover program – 80% of current production is from only ~25% of the wells
- ~100,000 net acres HBP – 63% of field is undeveloped
- Extensive gas gathering, pipelines, vehicle fleet, workshops and equipment
- Turnkey operation with an experienced and dedicated 35-person team in place

## Compelling production, robust financials and immediate upside

- Producing ~8 MMcf/day, ~100 BOPD + 16,000 gallons NGLs/day
- Generating gross monthly revenue of ~A\$1.0m and operationally profitable
- Manageable low-cost upgrade works increases production ~20% within 90 days
- No material investment in the field since 2014 so lots of running room to enhance production; producing since 1995

## Currently 13 customer contracts/offtake agreements:



# Profitable, highly scalable conventional natural gas business



## Transaction summary

- Asset regarded as non-core by vendor – FPL has successfully taken advantage of depressed asset prices in USA
- Extensive due diligence already undertaken - team first commenced negotiations in May 2020
- Attractive terms – nominal US\$425,000 purchase price deducted from accounts payable (AP)

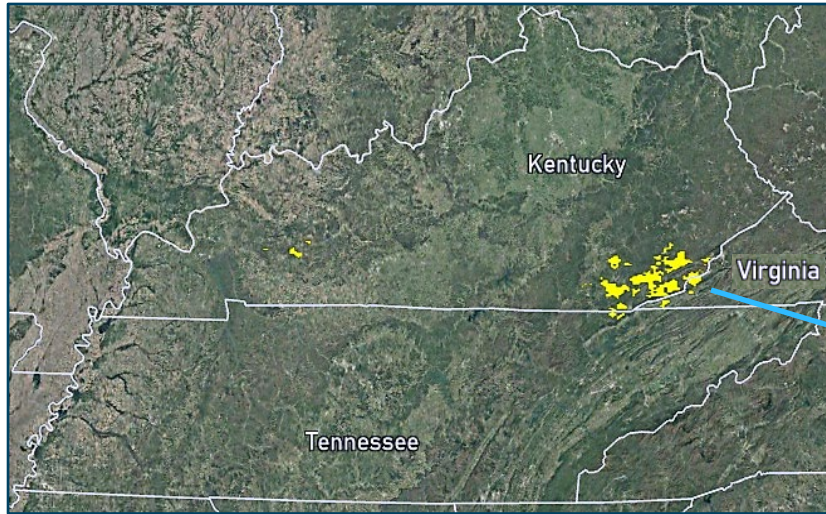
## Transaction rationale

- Adds a large natural gas revenue stream and dependable cash flows
- Mature wells with low declines and minimal risks in 2 of the most mature Oil & Gas basins in the US
- Meets all of our criteria – conventional, low-cost, immediate upside from low-cost workovers, vastly under-developed
- Complements existing operations in Kentucky and takes total well count to over ~1,500 conventional wells
- Brings a committed and highly experienced operations team of 35 people who are motivated to deliver

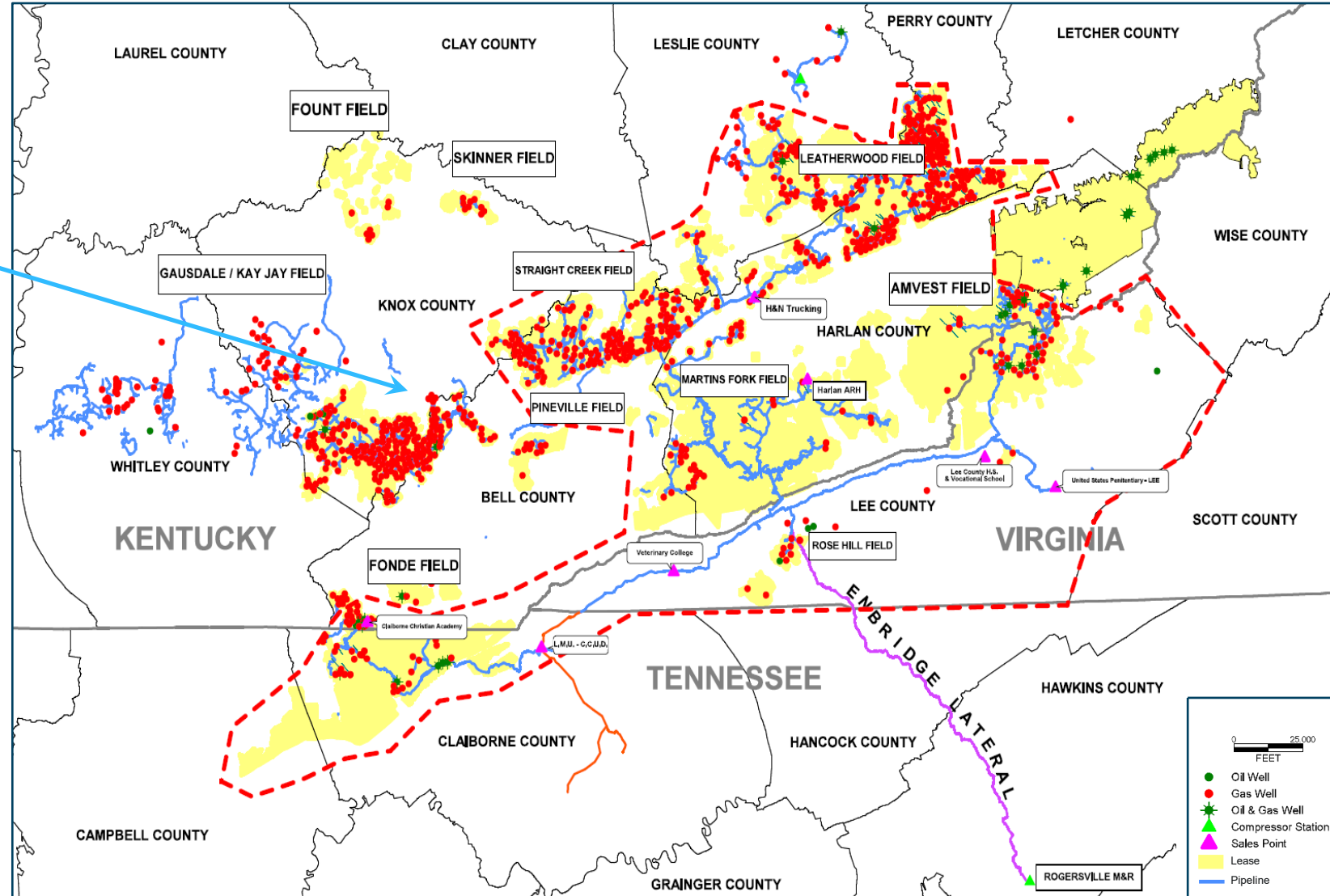
## 90 Day Growth plan underway

- Focused now on delivering immediate production gains
- Sales contracts have been scrutinized for economic improvements and many contract revisions are currently underway
- Opportunities identified to materially increase gas, oil and NGL sales progressively over the next 90 days
- Planning has started to increase current NRI of 73%

# MHP lease overview



**Production: Natural Gas / NGL / Oil**  
**77% gas / 22% NGL / 2% oil**  
**Over 95% operated**  
**% Avg Working 88% / NRI: 73%**  
**Net Acres: 100,000**



# HQ & Field Operations Images

Corporate Headquarters, Lexington, KY



Field Office, Coldiron, KY



Oil Loading Zone – 1 of 9



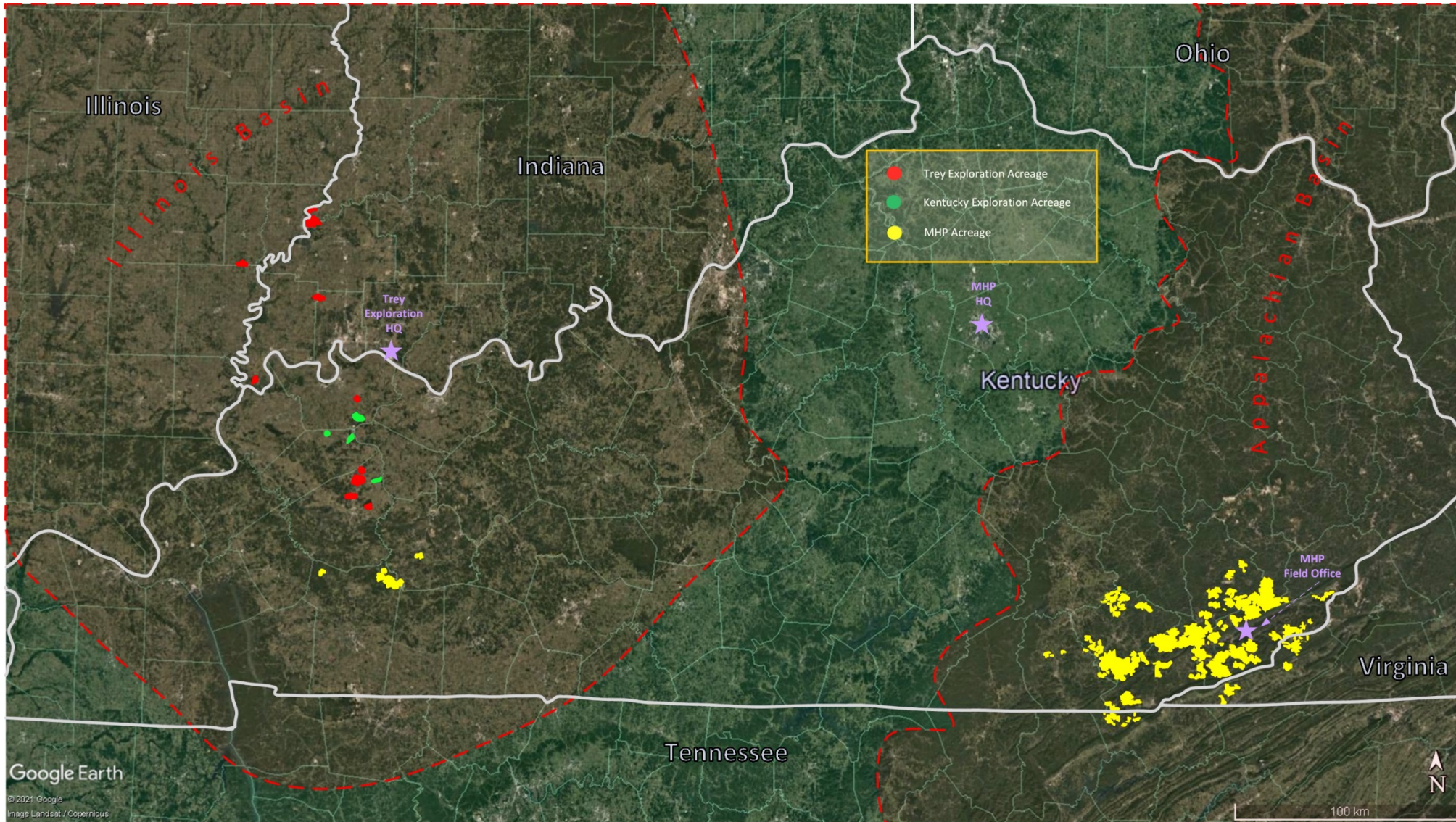
Gas Field Compressor Station – 1 of 5



Federal Prison Sales Point



# Portfolio of +1,500 wells largely across Illinois & Appalachian Basins





# Trey Exploration has compelling upside and it's a huge focus



<b>Overview and rationale</b>	<ul style="list-style-type: none"><li>▪ Trey Exploration has accumulated some of the most desirable leases in the Illinois Basin covering 4,600 acres</li><li>▪ No additional drilling is required for production enhancements</li><li>▪ Current production is ~90 BOPD with ~115 conventional oil wells (nearly half inactive &amp; ripe for enhancement)</li><li>▪ FPL is now aggressively accelerating production; 20 workovers + 4 fracture stimulations underway</li></ul>
<b>Mt Carmel East Field Indiana</b>	<ul style="list-style-type: none"><li>▪ 1,374 acres in Knox County Indiana - one of the largest under-developed leases in a traditional oil fairway in the Illinois Basin; vast majority of oil is still in place</li><li>▪ Multiple low-cost re-fracture targets; previous re-fracs have yielded initial production rates of 50 - 100 BOPD</li><li>▪ Local wells drilled into Salem formation at ~2,700 ft have yielded 200-300 BOPD from slick water frac jobs</li></ul>
<b>North Hanson Field Kentucky</b>	<ul style="list-style-type: none"><li>▪ Former Exxon field ~1,300 acres; historically a very large daily producer; multi-million barrels of recoverable oil;</li><li>▪ 5 shallow formations all productive down to 2,880ft</li><li>▪ 5 active producing wells; 17 <i>in-active</i> wells</li><li>▪ All 17 inactive wells to be tested and many expected to react to zone isolated acid and frac stimulation</li></ul>

# Illinois Basin Stratigraphic Column

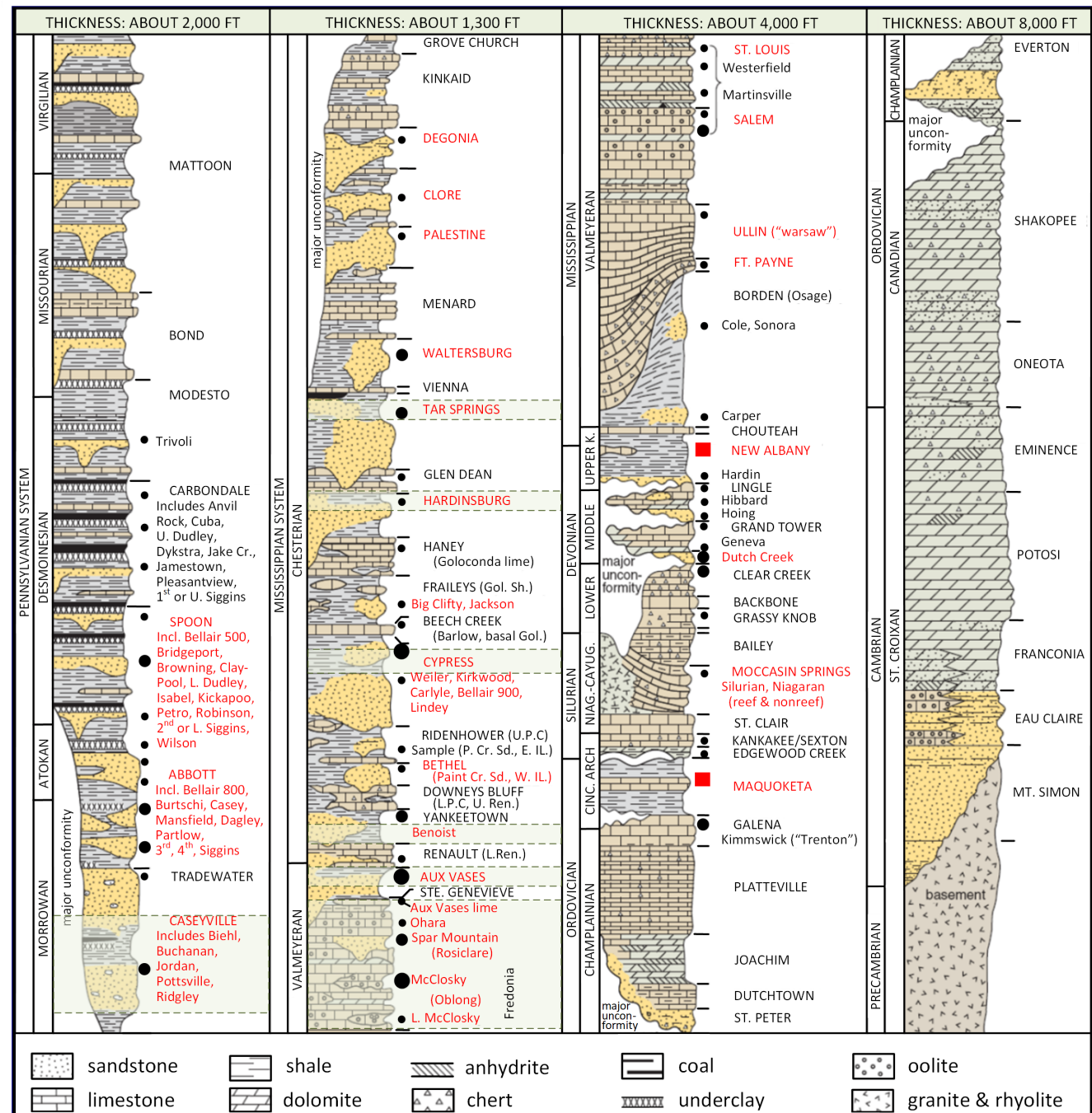
## Trey Exploration - Producing Formations

Formation Name	Lithology	Depth (ft) *
Biehl	Sandstone	1810
Tar Springs	Sandstone	1960
Hardinsburg	Sandstone	2100
Cypress	Sandstone	2290
Benoist	Sandstone	2413
Aux Vases	Sandstone	2480
O'Hara	Limestone	2580
Rosiclare	Limestone	2650
McClosky	Limestone	2690

\* Depth's are approx as they vary throughout the field

**RED Labels = Producing Horizons**

- ● ● Relative Oil Production
- Shale Resource
- ▤ Trey Producing Formations



## Deliverables for the next 90 days

### Increase gas and associated NGLs production

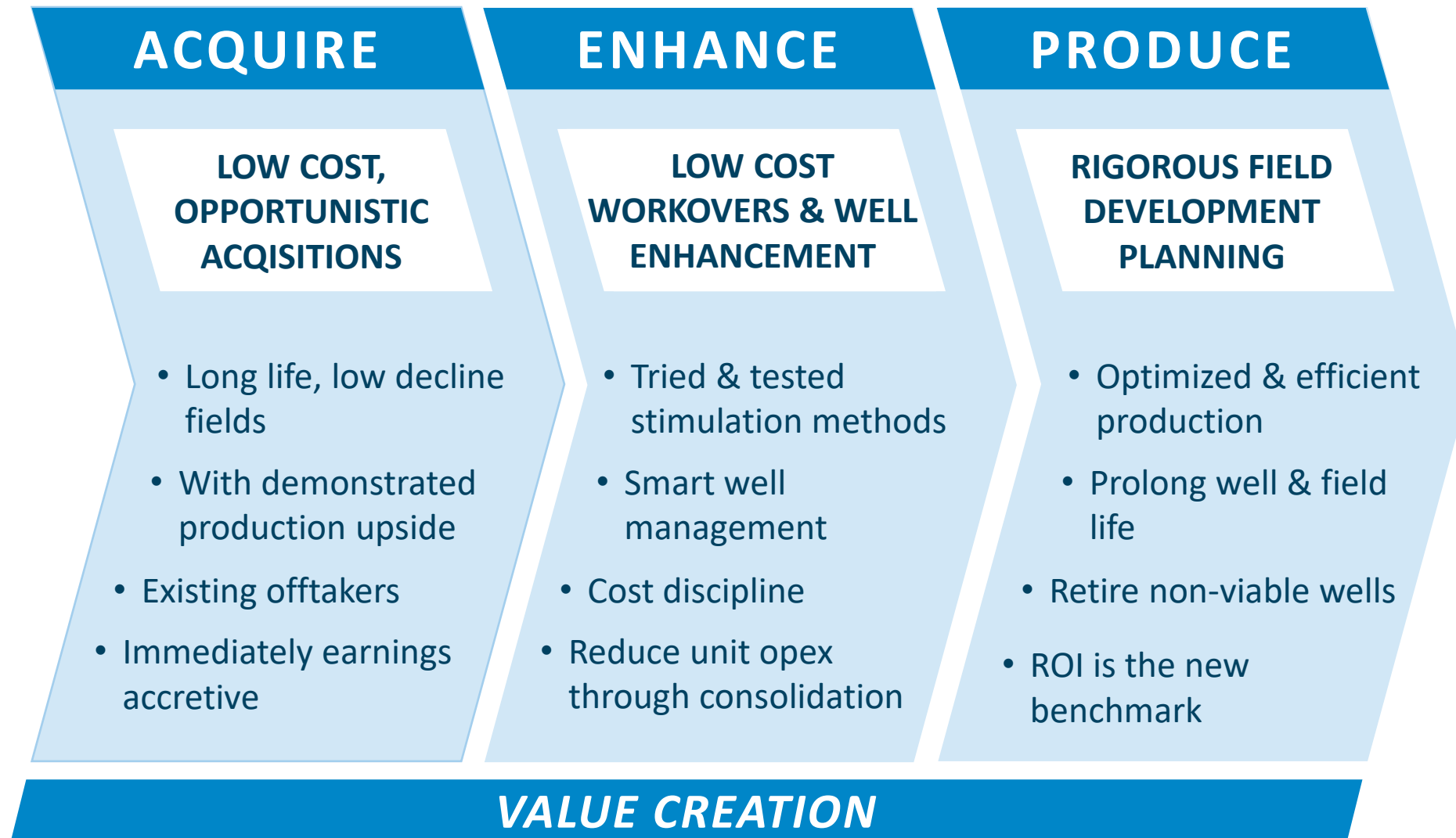
- By 20% from ~8.0 MMcf/day to ~ 9.6 MMcf/day
  - Basic pipeline repairs and field maintenance; funded from cash flows with gains reported progressively
  - NGL pricing being renegotiated

### Increase oil production and capitalise on strengthen WTI price

- Currently tracking at ~240 BBL per day across all leases coming out of Winter
- Short-term target is ~300 BBL/day
  - 11 workovers and 4 fracture stimulation projects underway across Trey Exploration/Kentucky JV leases
  - Assessing
  - Cost to deliver a new barrel of production through workovers is averaging ~US\$5,000
  - Transport cost renegotiated and logistics being improved to increase MHP oil production and margins

***SECOND PHASE PRODUCTION GROWTH TARGETS TO BE DEFINED AFTER THE ABOVE PRODUCTION IS ACHIEVED***

# Fremont's business model





**FREMONT**  
PETROLEUM CORPORATION

*Appendices*

# Capital Structure



<b>ASX code</b>	
<b>Shares on issue</b>	<b>4,678,512,520</b>
<b>\$0.003 options (expiring Sept + Nov 2021)</b>	<b>996,666,664</b>
<b>\$0.005 options (subject to shareholder approval)</b>	<b>300,000,000</b>
<b>Market capitalization @\$0.004</b>	<b>~A\$23M</b>
<b>52 week high – low</b>	<b>.002c to .006c</b>
<b>Top 20 shareholders</b>	<b>66%</b>
<b>Board &amp; Management</b>	<b>~12%</b>

<b>Board &amp; Management</b>	
<b>Non-executive chairman</b>	Peter Crown
<b>Non-Executive Director</b>	Sam Jarvis
<b>Non-Executive Director</b>	Stuart Middleton
<b>Chief Executive Officer</b>	Tim Hart

# Energy Markets – US Gas Outlook<sup>(1)</sup>

## DEMAND

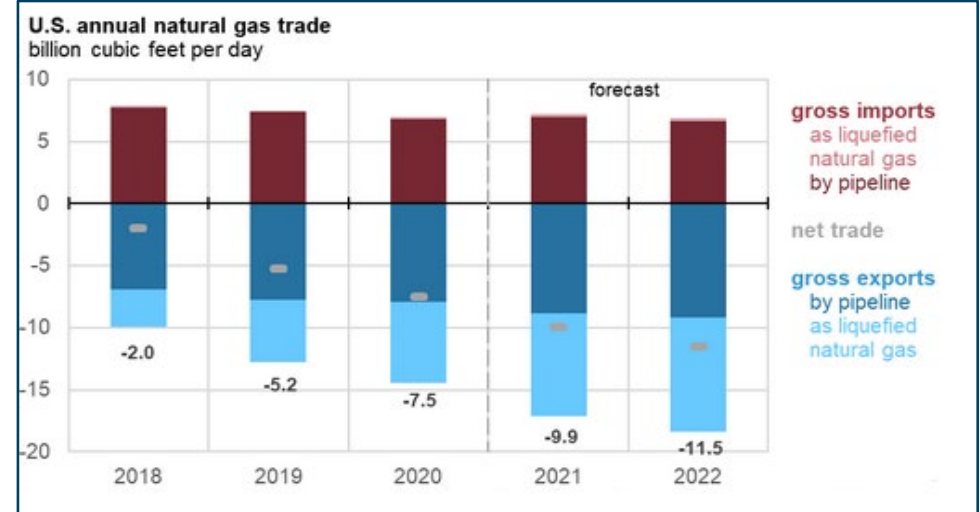
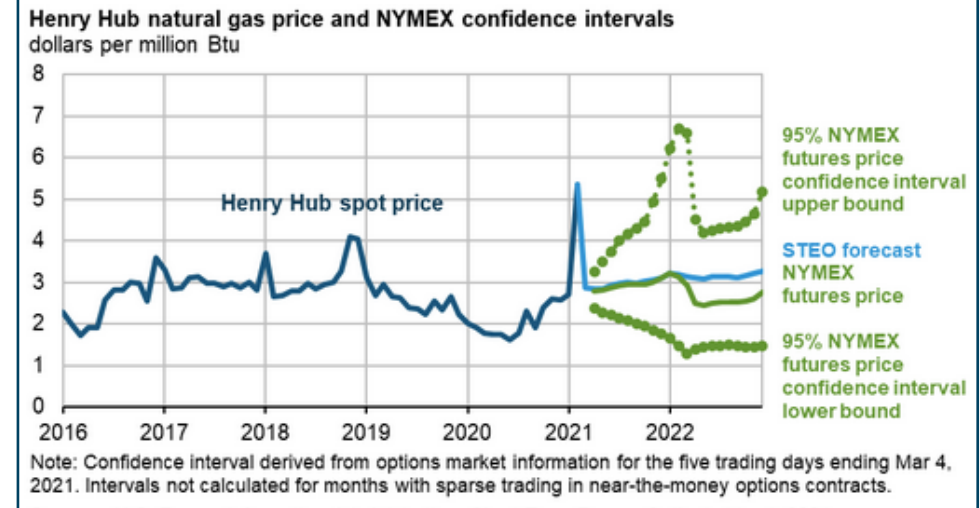
- Total natural gas consumption in February was the highest on record, at 111.8 Bcf/d, due to the cold weather across much of the U.S.
- EIA expects that U.S. consumption of natural gas will average 82.5 billion cubic feet per day (Bcf/d) in 2021, down only 0.9% from 2020. This decline is attributed to higher prices
- LNG and pipeline exports declined significantly in February due to weather and shipping constraints in the Gulf but despite the seasonal fluctuation, exports will continue to grow.

## SUPPLY

- EIA expects that overall dry natural gas production will average 91.4 Bcf/d, which is approximately equal to 2020's 91.35 Bcf/d, but with gross exports increasing significantly.

## PRICE OUTLOOK

- Henry Hub averaged **\$5.35/MMBtu** in February, the highest nominal monthly average HH price since February 2014. EIA expects that Henry Hub spot prices will average **\$3.14/MMBtu** in 2021, which is up from the 2020 average of \$2.03/MMBtu. Sproule forecasts HH at **\$3/MMBtu** for 2021.



1. Source: EIA Short-Term Outlook – Natural Gas Mar 2021, Sproule Price Forecast Feb 2021.

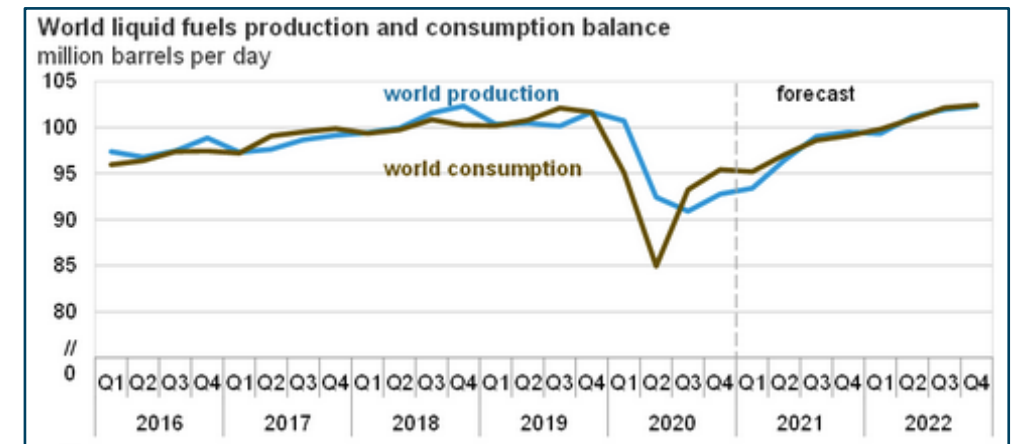
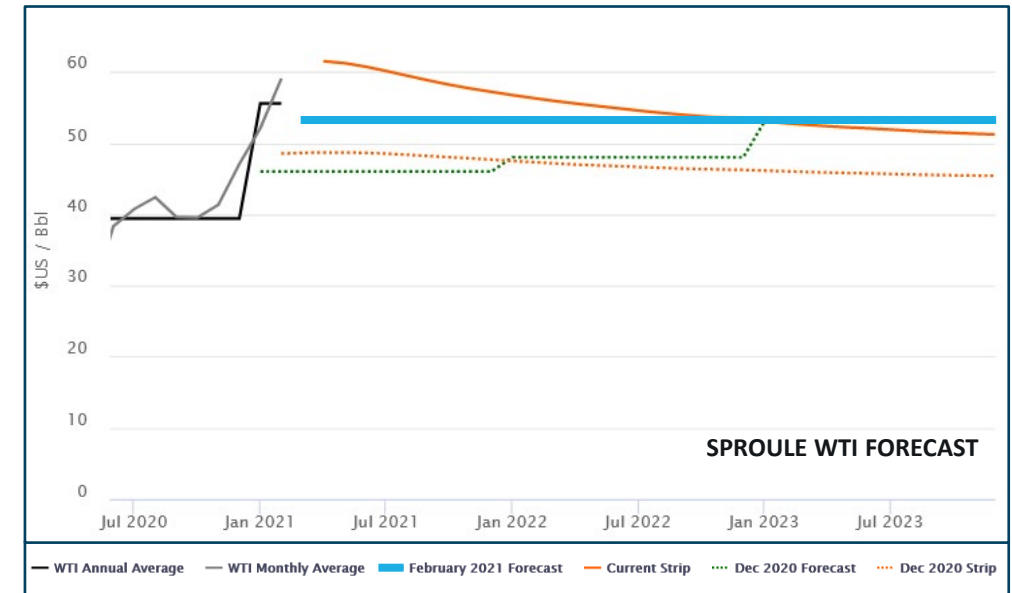
# Energy Markets – Global Oil Outlook<sup>(1)</sup>

## SUPPLY & DEMAND

- EIA estimates that the world consumed 95.9 million b/d of petroleum and liquid fuels in February, which is down 1.6 million b/d from February 2020. This would represent the smallest year-on-year decline since the COVID-19 outbreak began affecting oil consumption in January 2020
- OPEC+ surprised on the upside at its Mar 4 meeting with an extension of existing supply cuts through April, adding significantly to near-term upward oil price pressures
- The speed of actual demand recovery, based on vaccination rates and the degree to which travel, employment conditions and economic activity return to pre-COVID levels, remains an important uncertainty on the demand side.

## PRICE OUTLOOK

- EIA & Sproule expect WTI to trade well above **\$50/bbl** to end 2021 with EIA (Mar) forecasting Brent at **U\$67/bbl** through April, decreasing to \$58/bbl through to the end of 2021 and Sproule (Oct) forecasting WTI at **U\$53/bbl** from Mar 2021 and increasing fractionally through to 2023
- The Brent-WPI spread continues to narrow, demonstrating the proportionally larger drop in US shale production versus that of Brent benchmarked crudes



1. Source: EIA Short-Term Outlook – Global Liquids Mar 2021, Sproule Price Forecast Feb 2020, McKinsey Global oil outlook Feb 2021



# Corporate Information



## Fremont Petroleum Corporation Limited

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