

QUARTERLY REPORT FOR THE PERIOD ENDED 31 MARCH 2017

EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER COMMENTARY

Commenting on key areas of focus, Executive Chairman and Chief Executive Officer, J. Michael Yeager said, "As announced on February 3, 2017, we have hired Patterson-UTI to drill our first two Eagle Ford wells on our new acreage in Dimmit County, Texas. The rig is finishing a contract with another company, and we expect it to be released to come to work for Freedom in early May. This anticipated drilling program will be a 'game-changer' for the Company, affecting our daily activities as we have known them, but I am pleased to say that we are getting fully prepared to handle these operations when they commence.

A number of steps have to take place before we are ready to drill. The first step, preparing the drilling location, has already been completed, and the well site where the rig will sit, has been configured as a large hard-packed gravel location, measuring approximately 400 by 600 square feet. Also located at the site will be the production equipment required to separate the oil, gas and water for sales and handling. Below is a view of the well site and the setting of the conductor pipes that will be the exact location where the rig will commence drilling. Other views are available on our website at www.freedomog.com and more photos will be added as operations progress. So overall we are ready to receive the rig.





Our next steps after drilling the vertical and lateral sections to desired depths and lengths will be to stimulate the two wells with hydraulic fracturing (frac) technology to maximize well productivity. While we are in the process of finalizing the planning stage for these large operations, before we commence drilling we expect to announce the service company that will perform our frac operations. A full explanation of the drilling of our horizontal wells and the hydraulic fracturing operations can be found in a short video on our website that we encourage you to view <http://www.freedomog.com/our-operations/eagle-ford-shale/video-oil-well-lifecycle>.

We have designed our new production facilities, and the equipment is currently on order. At present, substantially all of the equipment we need appears to be available, so we are expecting timely deliveries and the facilities construction to be complete after the hydraulic fracturing is complete.

Finally, we are in ongoing negotiations with the pipeline companies that will transport our oil and gas for sales into the local markets. The pipeline infrastructure is already in place and located within one mile of our acreage, and because the pipelines have available capacity for our products, we are not foreseeing any significant delays in tying into their systems.

Overall, we are very active in our preparations to drill, but we are not the only ones that are active in the Dimmit County region. Favorable drilling economics in the area are attracting both buyers and sellers, and on all four sides of us, major acquisitions of surrounding acreage and associated production have recently taken place, with the most noteworthy transactions in the last several months by Protégé, Sanchez and Venado. The use of more sophisticated technology is resulting in higher production rates and larger proven reserves per well. We plan to apply this improved technology in our wells, and the recent acquisitions demonstrate the value that others place on acreage in this area.

Our captured acreage still sits at 9,320 acres, but our goal is to ultimately acquire over 10,000 acres. We are in the process of preparing final agreements on the remaining acreage, and the timing of an announcement is dependent on the how quickly we can move from the negotiations to signing a final contract.

We have completed our geological 'homework' and acquired 3D seismic and information on the five cored wells around us. We have contracted with a well-known, quality drilling company, are using top-tier service companies and have our execution plans ready. We look forward to keeping you updated as we commence our operations.

Thank you for your continued support."

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HIGHLIGHTS

- Oil and gas capital expenditures of US\$1.4 million were spent in the first quarter of 2017 versus US\$2.8 million in the fourth quarter of 2016. On the announced Eagle Ford acreage leasing program, we continued our leasing activities by acquiring approximately 1,400 acres during the first quarter for US\$1.4 million versus the US\$2.3 million spent in the fourth quarter. We had no expenditures for seismic and core data in the first quarter of 2017 versus expenditures of US\$0.4 million in support of our upcoming drilling activities during the fourth quarter of 2016. We had no capital expenditures for drilling activities in the current quarter or in the prior quarter.
- Due to last year's sale of Blue Ridge Field, the Company did not have any production, revenue or lease operating expenses during the current quarter.
- No wells were drilled in the current or the prior quarter.
- Cash at 31 March 2017 totaled US\$14.7 million.

SUMMARY OF EXPLORATION ACTIVITIES

- There are no exploration activities to report for the quarter ended 31 March 2017.

BOARD INFORMATION

Current board members are:

J. Michael Yeager	Executive Chairman and Chief Executive Officer
Roger Clarke	Vice Chairman and Non-executive Director
Lee Clarke	Non-executive Director
Joseph Camuglia	Non-executive Director
Nigel Smith	Non-executive Director

CONTACT

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About Freedom Oil and Gas Ltd, ACN 128 429 158 (ASX: FDM, OTCQX: FDMQF)

Freedom Oil and Gas Ltd is a development stage independent oil and gas company. The Company continues to acquire undeveloped acreage in the liquids rich area of the Eagle Ford Shale in South Texas, in the United States.