

## QUARTERLY REPORT FOR THE PERIOD ENDED 30 June 2017

**Commenting on key activities during the quarter, Executive Chairman and Chief Executive Officer, J. Michael Yeager said:**

“It has been a busy quarter for our Company as we move forward with the execution of our Eagle Ford shale drilling program in South Texas. As reported, we have finished the drilling of our first two wells, the Wilson BE-1 and Wilson BE-2. These wells are located in the southern end of our acreage adjacent to producing wells from Protégé Energy and Chesapeake Energy. The wells were drilled to a depth of approximately 6,500 feet, and then drilled horizontally at that depth for a lateral length of 7,000 feet in the first well and 6,800 feet in the second. The wells were drilled by Patterson-UTI Drilling Company, Rig 266. We are very pleased to drill both wells to their designed length without any unplanned events.



As part of our initial drilling program, we drilled a vertical pilot hole in the first well, the Wilson BE-1, in order to gain critical information for planning purposes. This vertical well penetrated all of the potential development horizons. In addition to the Eagle Ford shale, we drilled through the upper Eagle Ford marl, the Austin Chalk and the Buda formations and were able to measure the rock characteristics and oil content in all three formations. We were very pleased to find these measurements to be as good as we had expected, and a few key rock measurements were better than expected. All of the Eagle Ford shale data has now been incorporated into designing the hydraulic fracturing of the two wells, which will commence in the third quarter.

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We are pleased to announce that Schlumberger will execute the fracturing of our first two wells. Schlumberger had already performed all of the logging and data gathering during the drilling of the wells, so now their hydraulic fracturing operations will allow us to tie all of our technology into one common effort.

While we are waiting to commence the hydraulic fracturing, we are building the production facilities and installing the tanks needed to produce the oil. Below is a picture of the facilities being installed, and we expect this construction to be completed by mid-August.



Once hydraulically fractured, both wells will be produced into the new facilities in order to commence oil sales. We expect this to occur in September. We will use all of the information gained from drilling, hydraulic fracturing and production of these first two wells to improve the performance of our next phase of drilling. Our goal to continuously improve our drilling and production performance is aided by our focus on small incremental improvements in each step of the operation.

As part of our planned development, we also closed on a A\$5 million finance facility on 3 July. This debt facility provides additional financial flexibility to carry out all of these necessary activities prior to receiving the initial cash flow from these first wells. We will use this additional flexibility to prepare for the next phase of development which we hope to announce in the third quarter.”



## HIGHLIGHTS

- Oil and gas capital expenditures were US\$4.5 million in the current quarter versus US\$1.4 million in the prior quarter. All expenditures this quarter were to support drilling operations.
- During the second quarter two wells were drilled to their total depths, as compared to the prior quarter which had no drilling activity.
- There was no production in the quarter while the initial wells were being drilled.
- Cash at 30 June 2017 totaled US\$11.7 million, prior to including the new A\$5 million debt facility.

## SUMMARY OF EXPLORATION ACTIVITIES

- There were no exploration activities in the quarter.

## 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 has commenced the development of its acreage in the liquids rich area of the Eagle Ford Shale in South Texas, in the United States.