



Freedom Oil & Gas More Than Doubles Year-End 2017 Proved Reserves and Commences Four Well Drilling Program

Houston, February 20, 2018: Freedom Oil and Gas Ltd (ASX: FDM, OTCQX: FDMQF) is pleased to provide proved reserves as of 31 December 2017 associated with its acreage position in the Eagle Ford shale. The Company also announces that the first well of its four well drilling program has commenced drilling.

2017 Reserves Update

- Proved reserves at year-end 2017 increased 109% to 13.4 million barrels of oil equivalent (“MMBOE”) over year-end 2016 proved reserves of 6.4 MMBOE.
- Liquids represented 78% of the proved reserves, of which 55% was crude oil.
- Present value of the proved reserves, discounted at 10% (“PV-10”), is US\$79.5 million, a 320% increase from PV-10 in 2016.

Freedom’s year-end 2017 proved reserves of 13.4 MMBOE are based on two new producing wells placed on production in the fourth quarter of 2017, in addition to the direct offset well performance immediately adjacent to Freedom’s acreage. The reserve estimates were prepared by Netherland Sewell and Associates, Inc. (“NSAI”). A total of two proved developed producing wells and 55 proved undeveloped locations have been verified by NSAI as making up the proved reserve well inventory. The PV-10 proved reserve value of US\$79.5 million is more than a 300% increase from the year-end 2016 PV-10 proved reserve value of US\$19.0 million. The proved reserves are weighted 78% to liquids including crude oil, condensate and natural gas liquids and the remaining 22% is natural gas.

Additionally, due to the early stage development, information on the probable reserves is provided. Probable reserves estimated by NSAI are 21.4 MMBOE bringing total proved and probable reserves to 34.8 MMBOE with a value of US\$303.2 million.

J. Michael Yeager, Freedom Chairman and Chief Executive Officer commented, “As we have stated previously, our Eagle Ford acreage has had significant drilling activity immediately offsetting it with over 300 wells drilled nearby, providing substantial data to understand the regional geology. The diligent work of our team this past year to understand the foot by foot characteristics of the Eagle Ford shale has allowed us to execute a successful drilling plan. We have effectively identified the landing zone within the Eagle Ford shale formation and drilled precisely in the desired window of that zone. We then, with the aid of industry experts, implemented newer technology completions with higher sand concentrations, tighter spacing and more perforation clusters. The results are two excellent wells with lateral lengths of approximately 7,000’ that have exceeded our expected performance by over 20%. Netherland Sewell’s analysis is further indication of the expected quality of this acreage in the Eagle Ford Shale. We are now drilling our next four horizontal wells near our first two wells and have significant confidence in their outcome.” concluded Yeager.



Pricing used for the NSAI [reserves and PV-10] analysis is an average of 15 of the largest banks and their price forecasts as of 31 December 2017. Actual prices used for oil and gas are noted in the table below. These prices were adjusted for quality, energy content, location differentials and transportation fees to arrive at the actual price received.

	2018	2019	2020	2021	2022+
Crude Oil (WTI, US\$ / bbl)	60.41	60.33	59.99	59.80	59.71
Natural Gas (NYMEX, US\$ / mmbtu)	3.07	3.02	3.05	3.10	3.09

Footnotes:

Reserves Reporting

Pursuant to ASX Listing Rules ("LR") the reserves information in this document:

- 1) is effective as at 31 December 2017 (LR 5.25.1)
- 2) has been estimated and is classified in accordance with SPE-PRMS (Society of Petroleum Engineers – Petroleum Resources Management System) (LR 5.25.2)
- 3) is reported according to the Company's economic interest in each of the reserves and net of royalties (LR 5.25.5)
- 4) has been estimated and prepared using the deterministic method (LR 5.25.6)
- 5) has been estimated using a 6:1 BOE conversion ratio for gas to oil (LR 5.25.7)
- 6) relates only to reserves that are commercially recoverable (LR 5.26.2)
- 7) represent aggregated estimates of petroleum reserves (LR 5.26.7)

Additional Reserves Information

All reserves reported are net of a 22.5 percent to 25 percent royalty. Well spacing and lateral lengths are generally described in previous ASX announcements, including the investor presentation released on November 27, 2017.

Competent Person Statement

The evaluation of reserves referred to in this presentation are based on, and fairly represent, information and supporting documentation prepared by Richard B Talley, Jr., a qualified petroleum reserves and resources evaluator. Mr. Talley is a Senior Vice President at Netherland, Sewell & Associates, Inc. ("NSAI"), a worldwide leader of petroleum property analysis for industry and financial organizations and government agencies. NSAI was founded in 1961 and performs consulting petroleum engineering services under Texas Board of Professional Engineers Registration No. F-2699. Mr. Talley is a registered professional engineer licensed in the State of Texas, Registration No. 102425 and is a qualified petroleum reserves and resources evaluator. The reserves estimates are consistent with the definitions of proved reserves defined in the ASX Listing Rules. Compensation for the required investigations and preparation of third party reserve reports are not contingent upon the results obtained and reported, and the third party reserve engineers have not performed other work for us that would affect their objectivity. NSAI has consented to the use of the reserves figures in this report in the form and context in which they appear.



FORWARD LOOKING STATEMENTS

This release may contain forward looking statements. Forward looking statement may be based on assumptions which may or may not prove to be correct. None of Freedom, its respective officers, employees, agents, advisers or any other person named in this release makes any representation as to the accuracy or likelihood of fulfillment of the forward looking statements or any of the assumptions upon which they are based and disclaim any obligation or undertaking to revise any forward looking statement, whether as a result of new information, future event or otherwise.

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

Freedom Oil and Gas Ltd is a development stage independent oil and gas company. The Company has commenced the drilling of its acreage in the liquids rich area of the Eagle Ford Shale in South Texas, in the United States. For more information, visit www.freedomog.com.