



Freedom Oil & Gas Mid-Year Proved Reserves Increased 43 Percent in First Six Months of 2018

Houston, September 23, 2018: Freedom Oil & Gas Ltd (ASX: FDM, US OTC: FDMQF) (“Freedom”) is pleased to provide proved reserves as of 1 July 2018 associated with its acreage position and current successful drilling program in the Eagle Ford Shale in Dimmit County, Texas.

Mid-Year 2018 Reserves Update

- Proved reserves at the end of June 2018 increased 43 percent to 19.1 million barrels of oil equivalent (“MMBOE”) over year-end December 2017 proved reserves of 13.4 MMBOE.
- Present value of the proved reserves, discounted at 10 percent (“PV-10”), is US\$157.8 million, a 98 percent increase from the proved reserves PV-10 at the end of December 2017.
- Liquids represented 76 percent of the proved reserves, of which 52 percent was crude oil and 24 percent was condensate and natural gas liquids.
- For both proved and probable reserves, the PV-10 value at the end of June 2018 is US\$389.8 million.

Freedom’s proved reserves as of the end of June 2018, which increased 43 percent since the end of December 2017 to 19.1 MMBOE, are based on six producing wells, four of which were drilled and placed on production in June of 2018. These reserve estimates were prepared by Netherland Sewell Associates, Inc. (“NSAI”), an internationally renowned reserve engineer company. In addition to Freedom’s six proved developed producing wells, NSAI has also verified that 61 proved undeveloped locations make up the Company’s proved reserve drilling inventory. Currently, all of the proved reserves and proved undeveloped drilling locations are entirely related to the Lower Eagle Ford formation, and no credit has been given to the Upper Eagle Ford formation or the Austin Chalk, which are shallower productive formations where wells have already been drilled by offset operators.

The PV-10 proved reserve value of US\$157.8 million is a 98 percent increase from the end of December 2017 PV-10 proved reserve value of US\$79.5 million. The proved reserves are weighted 76 percent to liquids including crude oil, condensate and natural gas liquids and the remaining 24 percent is natural gas.

Additionally, due to Freedom’s early stage development, information on the probable reserves is provided. Probable reserves estimated by NSAI are 18.7 MMBOE, bringing total proved and probable reserves to 37.8 MMBOE with a PV-10 value of US\$389.8 million.

J. Michael Yeager, Freedom Chairman and Chief Executive Officer commented, “Since the end of 2017, we have continued to demonstrate the quality of our acreage position. We have successfully drilled four additional wells to prove the high level of productivity of the Lower Eagle Ford formation. This reserve update and the increases in proved reserves and PV-10 value gives additional confidence to our planned development of drilling additional wells offsetting our current producing wells. With a very attractive oil price environment, and wells that are producing approximately 80 percent liquids, we are excited to be moving forward with a continuous drilling program for the second half of 2018.



“We are also pleased that with this mid-year reserves report in place, we are now positioned to finalize in the next few weeks a reserve-based lending facility with Wells Fargo to provide additional funding for our higher level of drilling activity. With a dedicated rig now drilling to further develop the Lower Eagle Ford formation, we will be able to add significant production volumes, operating cash flow and proved reserves. Also, currently our proved reserves are based solely on the Lower Eagle Ford formation, and we expect to test potential upside value in developing the Upper Eagle Ford formation as well as other potentially productive formations on our acreage in the future.” concluded Yeager.

Pricing used for the NSAI analysis is an average of 20 of the largest banks and their price forecasts as of 1 July 2018. 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)	66.47	64.87	65.74	64.7	61.57
Natural Gas (NYMEX, US\$ / mmbtu)	2.92	3.01	3.04	3.06	3.04

Footnotes:

Reserves Reporting

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

- 1) is effective as at 1 July 2018 (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.

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.