

QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

Commenting on key areas of focus, Executive Chairman and Chief Executive Officer, J. Michael Yeager said:

“It has been a very solid fourth quarter for our Company with many significant accomplishments. At the end of the third quarter on 30 September 2017, we had announced that our first two Eagle Ford horizontal wells, the Wilson B-1 and Wilson B-2, were fully completed and beginning to produce. As expected, the wells initially produced a high percentage of water that had been used to hydraulically fracture the wells, but over the course of the fourth quarter ending 31 December 2017, the two wells have turned into very strong producers.

“As reported on 8 November, the Wilson B-1 and Wilson B-2 each averaged about 1,250 barrels of oil equivalent per day (BOED) over their initial 30-day producing period. Since then, we have provided updates on our operations and production on our website in the Operations Section, and the wells have continued to produce very strongly over the three-month period. As of today, both wells continue to produce about 600 BOED, of which over 75 percent is liquids, both crude oil and natural gas liquids. This well performance is better than our expectations, so we are very pleased with our initial well results.

“As a result of the success of our first two wells and to support our next phase of development, on 4 December 2017 we announced an equity raise of A\$22.5 million (US\$17.0 million). We have since announced a drilling contract with Precision Drilling on 18 January 2018, where these funds will be used to drill our next four development wells. This next phase of drilling will be one-mile to the west of our first two wells, so our confidence in having continued strong well results is high. We expect to announce the commencement of drilling in the next few weeks and are doing all of the final preparation now.

“In preparation for our next phase of drilling, we have the benefit of the solid technical understanding we gained from the first two wells. The extra science we gathered will now be used again. We have also added more talent to our Freedom team, found ways to be more efficient in our drilling and completions, improved the cost of some of our services and currently, we are enjoying a higher oil price. So, overall we expect good technical and economic results. We continue to evaluate acquiring additional acreage to add to our leasehold.

In closing, we want to continue to thank you for your support, and we are working hard to build a more valuable Company.”



HIGHLIGHTS

- On 8 November 2017 the Company announced the 30 day average production from the Wilson B-1 and Wilson B-2 at 1,244 and 1,256 barrels of oil equivalent per day respectively.
- On 4 December 2017 the Company announced a A\$22.5 million (US\$ 17.0 million) share placement representing a total of 112,500,000 new shares.
- Gross production during the quarter ended 31 December 2017 was 118,364 barrels of oil equivalent. This included oil production for two and one half months and gas production for two months. Net production for revenue purposes is approximately 75 percent of gross production after the payment of royalty.
- Oil and gas development expenditures for the quarter totaled US\$2.06 million which included US\$1.46 million for wells and facilities, and US\$0.60 million for land.
- Gross oil price for the quarter averaged US\$56.09 per barrel. Natural gas prices and natural gas liquids prices averaged US\$2.74 per MCF and US\$22.50 per barrel.
- Cash on hand at 31 December 2017 is US\$26.4 million.

SUMMARY OF EXPLORATION ACTIVITIES

- There were no exploration activities in the quarter.

BOARD INFORMATION

Current board members are:

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|-------------------|--|
| 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, USOTC: 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.