Houston, Texas, 24 January 2019

QUARTERLY ACTIVITIES REPORT 4RD QTR 2018

Freedom Oil & Gas Ltd ("FDM", "Freedom", and "Company") is pleased to provide its quarterly activities report for the quarter ended December 31, 2018

KEY ACTIVITIES AND HIGHLIGHTS

Continuous developmental drilling program ongoing in the Eagle Ford Shale

- After two years of focus on building an initial asset base, capable operations team and appropriate financing sources, Freedom is executing on a drilling program in the Eagle Ford formation in Dimmit Co., Texas;
- Six horizontal appraisal wells (Phase 1 & 2), drilled in 2017 and the first half of 2018, are currently on production and continue to produce above the proved reserves type curve;
- Commenced continuous drilling program (Phase 3) in August 2018, under which nine new wells have been drilled, with three in early stages of production and six in various stages of completion;
- Expect to see meaningful increase in production and cash flow in the first half of 2019 as the recently completed Vega 1H, 2H & 3H wells come on production in Q1 2019, and six additional drilled wells are also completed and brought online;
- Efficiencies realized in drilling and completions with improved costs while shortening drilling time to less than 10 days per well;
- Average daily production in 4Q 2018 of 1,939 barrels of oil equivalent per day (BOEPD), of which 44% was crude oil, 30% was natural gas liquids ("NGL's") and 26% was natural gas. The crude oil receives a premium of US$5 to $6 above WTI as a result of Houston Gulf Coast (formerly LLS) price realization;
- Freedom plans to resume its developmental drilling following a brief pause to address frac water interference, well spacing and corresponding optimal frac design;
- Evaluating upside opportunities for potential development within the existing leasehold in Upper Eagle Ford and Austin Chalk formations and plan to drill the first Upper Eagle Ford well in the next 90 days.

Funding in place for completion of current drilling program

- Executed updated Wells Fargo RBL facility documents in October 2018 and completed the initial US$20 million draw on reserves-based lending (RBL) facility in January 2019;
- Availability under the RBL will be re-determined in 1Q 2019 and every six months thereafter;
- RBL facility availability is expected to increase as production growth is realized and will be used to support on-going development drilling activities.

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

Freedom Oil & Gas Ltd is a USA focused oil and gas company. The Company owns ~9,400 net acres in the liquids-rich region of the Eagle Ford Shale (EFS) in Dimmit County, Texas. Results from the Company's initial six wells exceeded expectation, and to date, an additional nine new wells have been successfully drilled as part of a continuous horizontal drilling program.

FDM's acreage is in one of the most active drilling areas in the thickest interval of the EFS. It is surrounded by over 350 offset producing wells which show excellent reservoir characteristics in multiple intervals for oil in place, reservoir pressure and brittleness which enables effective hydraulic fractured stimulation.

FDM's contiguous acreage can support long lateral lengths, averaging over 7,750 feet targeting the Lower Eagle Ford. The modern completion techniques, including multi-stage hydraulic fracturing, applied to FDM's first six wells have continued the trend of larger completions at lower costs. The wells are currently producing premium-priced light, sweet crude oil and high liquids-rich natural gas.

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Generating Solid Economic Returns

- Average realized oil prices of ~US$5-$6 per barrel above WTI pricing;
    - 101,882 barrels of crude oil hedged for calendar 2019 at US$66.40 per barrel with positive basis swap of $5.10 per barrel;
    - 58,889 barrels of crude oil hedged for calendar 2020 at US$64.00 per barrel with positive basis swap of US$3.65 per barrel;
    - 26,160 barrels of crude oil hedged for first half of calendar 2021 at US$61.50 per barrel with positive basis swap of US$3.00 per barrel;
- Moderate reservoir depths allow efficient drilling & completions (D&C) at costs originally projected at approximately US$5.3 million per well. Recent D&C costs averaging about 8%-10% lower than projections;
- Low operating and transportation expenses are enhancing returns and benefiting cash flow;
- Attractive well economics using Estimated Ultimate Recovery (EUR) across a range of outcomes.

Reserves

- Currently working with independent reservoir engineers to finalize year-end (December 31, 2018) reserve estimates that will reflect continued operational success but lower realized commodity prices.

Leadership Update and Subsequent Events

In late December 2018, Freedom strengthened its Board with the appointment of Winston Talbert. Mr. Talbert, formerly the CFO of Sable Permian Resources and Plains Exploration & Production, has tremendous business development expertise gathered through international finance activities, substantially all forms of banking and corporate finance activities, investor relations work, successful integration of acquired entities, and the creation of successful hedging programs. He has also led the financing efforts of major acquisitions totaling over US$14 billion.

On January 14, 2019, J. Russell Porter, an experienced oil and gas executive, joined Freedom as President and Chief Executive Officer and was appointed to the Board of Directors. Mr. Porter has significant expertise in the U.S. shale development business, property acquisition, energy finance and oil and natural gas marketing. He has over 25 years of experience as a senior executive at publicly-traded upstream energy companies operating in the U.S. along with five prior years of energy banking experience specializing in the natural resources industry. His predecessor, J. Michael Yeager, will remain as Freedom's non-executive Chairman.

In January 2019, the Company executed its initial draw of US$20 million on its RBL with Wells Fargo Bank. The funds will be used toward development of Freedom's Eagle Ford acreage which is expected to expand the Company's proved reserve base and increase production volumes and operating cash flow.

Freedom has recently announced that it has given a 100-day notice to Deutsche Bank, its American Depository Receipt (ADR) sponsor, to halt the program. Investors in the US have shown a preference over the last 24 months to invest in Freedom using the U.S. Over-the-Counter listing of FDMQF.

Operational Update

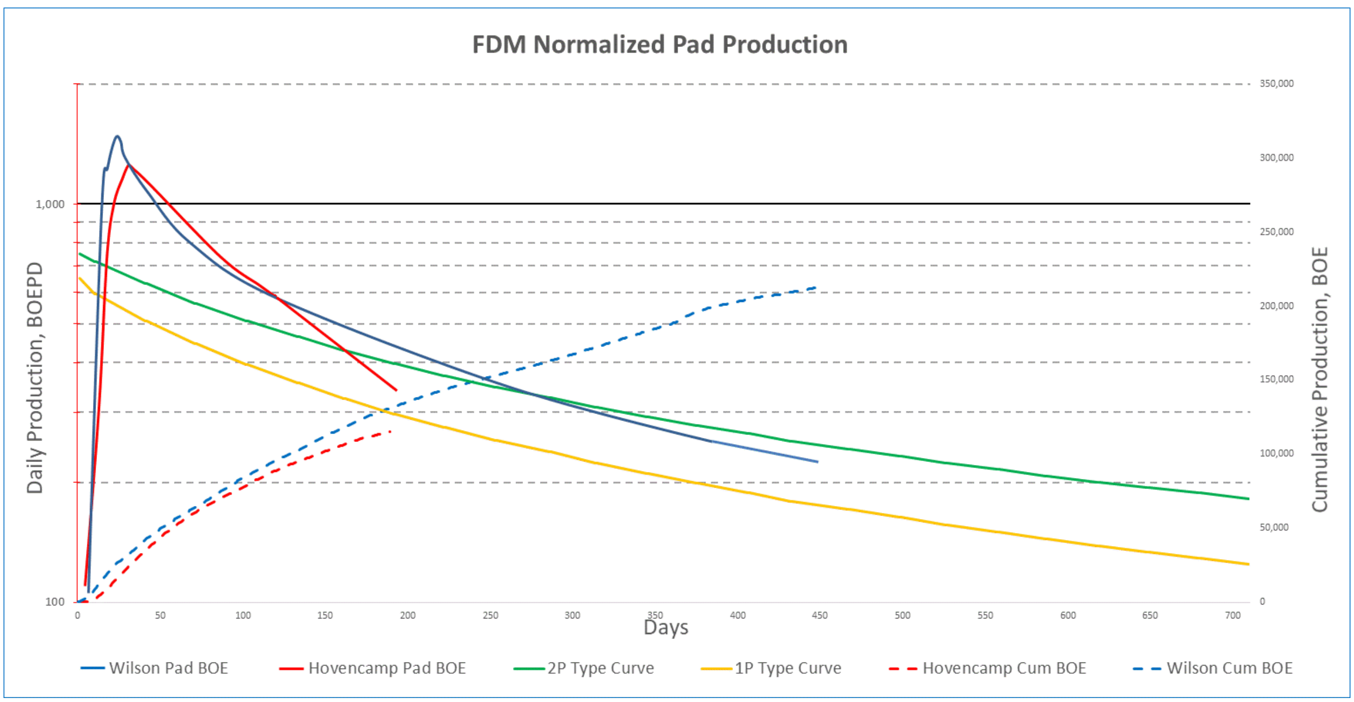
Operationally, Freedom's drilling performance continues to improve with a recent average of approximately 10 days to drill its lower Eagle Ford wells to total depth. Based on improvements in drilling performance along with enhancements to its frac design, current total anticipated D&C costs are estimated to have improved by approximately 8% to 10% for Freedom's most recent three wells.

Freedom continues to effectively execute its drilling program and is successfully drilling long horizontal sections in each well (averaging approximately 7,750 feet in length). Current development is focused on the Lower Eagle Ford Shale (EFS) B horizon, and subsequent development may include the Lower EFS A, Upper EFS and Austin Chalk formations. Freedom plans to drill its initial Upper Eagle Ford well as part of its next group of four wells.

The Company's acreage is close to existing oil and gas transportation lines, and transportation costs via trucks and pipelines average about US$3-$4 per barrel (Bbl) and US$2-$3/Bbl, respectively. Raw gas containing NGL's is connected to an external gas gathering, compression, transportation and processing network, with total gas processing and transportation costs of approximately US$1.00 per thousand cubic feet (Mcf).

Currently in Phase 3 of its horizontal drilling program, Freedom has successfully drilled nine additional wells, including three on the Wilson East pad and six on the Hovencamp North pad. Three of these wells are currently in the initial stages of production, and six of the Hovencamp North wells are being completed with hydraulic fracturing. All nine new wells will be on production over the next 60 days, bringing the total producing wells to fifteen in the lower EFS B.

Six producing wells continue to produce above the updated estimated reservoir type curves



The type curves in the graphic shown above were derived by independent reservoir engineers, Netherland, Sewell and Associates, Inc. (NSAI), at mid-year 2018 and are based on Freedom's six producing wells. The yellow type curve represents the proved reserves that NSAI has assigned to these wells. The green type curve represents both proved and probable reserves assigned to these wells. Within the guidelines set forth approved by the Society of Petroleum Engineers (SPE), proved reserves are defined as having a 90% probability that the quantities recovered will meet or exceed these estimates. The additional probable reserves have at least a 50% probability of meeting or exceeding these estimates.

As more wells are drilled and actual performance is observed, the proven category will become more certain and probable reserves may be re-categorized to the proven category. Freedom's mid-year 2018 reserve report assumes, as endorsed by NSAI, splits on crude/condensate, NGLs and natural gas at 52%, 24% and 24%, respectively on a barrel of oil equivalent (BOE) basis. The crude oil is a 45-degree API gravity, indicating premium quality, and the wellhead gas has a heating value of over 1,300 MMBtu. These characteristics lead to the total liquids content being approximately 75-80% of current production volumes.

Wells Fargo Reserve-Based Lending Facility

Freedom's objective is to continue to grow its asset base through a combination of internal development and M&A activity. Freedom believes that it has the talent, knowledge and access to financial resources necessary to meet this objective. In October 2018, a borrowing base of US$20 million was established on Freedom's Wells Fargo reserves-based lending facility and the Company made its initial US$20 million draw in January 2019. Freedom expects to use this low-cost source of capital to fund the current drilling and completion of existing wells.

The Wells Fargo facility's initial interest rate is LIBOR plus 3 percent or approximately 5.3% before tax. The borrowing base will be re-determined in the first quarter of 2019 and every six months thereafter. As Freedom continues to grow its production and proven reserve base, the size of the borrowing base of the credit facility can also grow, providing additional capital at attractive rates. Freedom's Wells Fargo facility may also be used to fund a portion of future acquisitions of producing oil and gas properties.

Nine successful new wells drilled under continuous horizontal program

After successfully testing its acreage position through the drilling of the six appraisal wells (Phase 1 & 2), the Company moved forward in August 2018 with a continuous horizontal drilling program and a dedicated drilling rig under a six-month drilling contract. As part of this continuous drilling program, the first three wells (Vega 1H, 2H and 3H) were drilled on the Wilson East pad with an average of 11.5 drilling days per well and an approximate drilling cost of US$1.35 million each. These three Vega wells are currently in the initial stages of production and flowing back frac water with oil and gas volumes growing.

On Freedom's Hovencamp North pad, three Persimmon wells were drilled with an average drilling time of nine days at a cost of US$1.2 million. The Persimmon wells were drilled to a depth of 6,500 feet, with horizontal lateral lengths over 7,500 feet, and have been hydraulically fracture stimulated, but currently are shut in pending the finalization of completions of other nearby wells. The three remaining wells on the Hovencamp North pad (Katherine Brown 1H, 2H & 3H) have been drilled, are currently being hydraulically fractured and will be brought online, along with the three Persimmon wells, in the late first or early second quarter of 2019.

Temporarily pausing continuous drilling program for approximately two months

Freedom's sixteenth well (the Noroma 1H), drilled in late December 2018, encountered a problem that impeded the ability to finalize drilling the well. The Noroma 1H was impacted by high-pressure frac water that entered the wellbore as the result of offset hydraulic fracturing of Freedom's recently drilled Persimmon wells. Freedom had to subsequently temporarily abandon the wellbore except for the top-hole section which will be reused later. Freedom plans to halt drilling temporarily in that immediate area until the high pressure has abated. The rig will move to an offset operator's location for approximately 60 days which will allow the Company to evaluate well performance and production timing. However, Freedom will continue to fracture and complete its drilled wells during this time, and plans to bring nine new wells on production within that 60-day period.

Once the rig is returned, Freedom plans to drill four additional wells to fulfill the final 45-day period under the rig contract. Three of those new wells will focus on the lower Eagle Ford shale and one will target the upper Eagle Ford shale formation. Freedom is also continuing to evaluate the potential for additional upper Eagle Ford shale and Austin Chalk locations on its Dimmit County leasehold. The decision whether to extend the drilling rig contract beyond the first six-month term will be made in March 2019.

Building Efficiencies in Current Development Plan

Freedom's immediate objectives are to optimize well spacing and frac design for its ongoing development program while continuing to effectively control costs. Except for the Noroma 1H well, which was hit by frac water during drilling, overall drilling performance has continued to improve. Each phase of drilling has resulted in faster completion times and lower costs as the Company's operations become more efficient. In Freedom's Phase 3 activities, it has improved productivity and reduced costs by drilling up to six wells from a single pad. This consolidated development requires less equipment and infrastructure. Also, in the weaker crude oil environment, frac crews have become more readily available, and resulting frac costs have come down. The average cost of drilling and completing our recent Persimmon wells has been below Freedom's initial budget of $5.3 million. We are gaining confidence that this is a repeatable outcome for each new well.

Hedge Strategy in Place at Above-Market Prices

In October 2018, Freedom hedged 50% of the projected proved producing oil volumes associated with its first six lower Eagle Ford wells as estimated in the mid-year 2018 NSAI reserve report. These hedges consist of an oil price swap and a swap on the basis differential between Argus WTI Houston and Argus WTI Cushing prices. The average oil price swap for calendar 2019 is US$66.40 per barrel with a positive basis locked in at US$5.10 per barrel. Calendar 2020 hedges utilize US$64.00 per barrel of oil with a positive basis differential of US$3.65 per barrel and hedges for the first half of 2021 are priced at US$61.50 per barrel with a positive basis differential of US$3.00 per barrel. We will continue to monitor oil prices and volatility and evaluate if any further hedges will be placed on the remaining available volumes.

Financial Update at 2018 Year-End

Gross Production for the quarter ending 31 December 2018 was 178,412 barrels of oil equivalent. This is comprised of 79,340 barrels of oil, 52,093 barrels of NGLs and 281,876 MCF of natural gas. This results in liquids being 74 percent of production for the quarter.

Oil and gas expenditures for the quarter were US$28.3 million. These expenditures were allocated between drilling US$9.9 million, completions US$15.3 million, facilities US$2.9 million and land US$0.2 million. Realized oil prices averaged US$64.72 per barrel for the quarter while realized natural gas and natural gas liquids prices averaged US$3.79 per MCF and US $26.58 per barrel respectively. Cash on hand at 31 December 2018 was US$13.6 million, not including the US$20.0 million drawn from the Wells Fargo RBL facility in January 2019.

There were no exploration activities in the quarter.

As at 31 December 2018 the Company's Dimmit County, Texas leasehold position totaled 10,103 gross acres or 9,337 net acres as compared to 10,103 gross acres and 9,400 net acres as of 30 September 2018. The decrease of 63 net acres is associated with expirations of minor interests within areas that are not anticipated to be included in future drilling units. Freedom continues to acquire leasehold interests within its area of focus.

Attributions

The information in this quarterly report relating to reserves is extracted from the FDM 2018 Mid-Year Reserves ASX market announcement released September 23, 2018 (Houston time). FDM confirms that it is not aware of any new information or data that materially affects the information included in the FDM 2018 Mid-Year Reserves ASX market announcement and that all material assumptions and technical parameters underpinning the reserve estimates in the FDM 2018 Mid-Year Reserves ASX market announcement continue to apply and have not materially changed.

Forward Looking Statements

This quarterly report may contain forward looking statements. Forward looking statements may be based on assumptions which may or may not prove to be correct. None of FDM, its respective officers, employees, agents, advisers or any other person named in this quarterly report 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.