



## Freedom Oil & Gas Provides December 2018 Proved Reserves

**Houston, February 14, 2019:** Freedom Oil & Gas Ltd (ASX: FDM, US OTC: FDMQF) ("Freedom") is pleased to announce its proved reserves as of 31 December 2018 associated with its acreage position in the Eagle Ford Shale in Dimmit County, Texas.

### Year-End 2018 Reserves Update

- Net Proved Reserves ("1P") at year-end December 2018 totaled 17.2 million barrels of oil equivalent ("MMBOE");
- Liquids represented 76% of the proved reserves, of which 51% was crude oil and 25% was condensate and natural gas liquids;
- Present value of the December 2018 1P reserves, discounted at 10% ("PV-10"), is US\$158.0 million;
- For Proved and Probable reserves ("2P Reserves"), the PV-10 value at the end of December 2018 is US\$340.4 million. For Proved, Probable and Possible reserves ("3P Reserves"), the PV-10 value at year-end was US\$538.6 million.

Freedom's year-end December 2018 proved reserves are based on nine producing wells, three of which were placed on production since mid-year June 2018. These reserve estimates were prepared by Netherland Sewell Associates, Inc. ("NSAI"), an internationally renowned reservoir engineering company. In addition to Freedom's nine proved developed producing ("PDP") wells and three proved developed non-producing ("PDNP") wells, NSAI has also estimated that an additional 58 proved undeveloped ("PUD") locations make up the Company's proved reserve drilling inventory. Currently, all of the proved reserves and proved undeveloped drilling locations are related to the Lower Eagle Ford formation.

The PV-10 proved reserve value of US\$158.0 million is comprised of PDP reserves valued at of US\$44.4 million, PDNP reserves valued at US\$20.7 million and PUD reserves valued at US\$92.9 million. The proved reserves are weighted 76% to liquids including crude oil, condensate and natural gas liquids and the remaining 24% is natural gas.

Additionally, due to Freedom's early stage development, information on the 2P and 3P reserves are provided. The 2P reserves estimated by NSAI are 34.5 MMBOE while 3P reserves are estimated by NSAI to total 55.2 MMBOE, with respective PV-10 values of US\$340.4 million and US\$538.6 million.

J. Russell Porter, Freedom's newly appointed President and Chief Executive Officer commented, "Freedom has continued to develop its Lower Eagle Ford asset in Dimmitt County, Texas with the addition of three more producing wells in this report (the Vega wells) to the PDP category. Our mid-year 2019 report will move an additional six producing wells (three Persimmon and three Katherine Brown wells) from the PDNP and PUD to the PDP category. We expect to commence drilling four additional wells in March, including our first well targeting the Upper Eagle Ford formation, which should be completed in the second quarter of 2019 and also contribute to mid-year reserve PDP volumes.



“Since the beginning of our Eagle Ford drilling program in 2017, we have drilled and completed nine horizontal wells while testing several completion designs and working to determine the optimum lateral length, well spacing, water and sand concentration, and hydraulic fracture density, among other aspects. We have made excellent progress in understanding how best to develop our acreage position, but that work is not complete.”

“The Vega, Persimmon and Katherine Brown wells were all drilled 660’ apart from one another and early production data indicates that wider spacing between wells may result in improved performance going forward. The three Vega wells were also completed with significantly larger amounts of fluids and appear to have just recently reached peak production after delays related to shut-ins required to accommodate near-by completion activities on other wells. While the Vega wells have not yet achieved an IP 30-day production rate, early performance indicates that the wells will have lower initial 30-day rates as compared to our earlier announced results. Freedom is working to optimize well spacing assumptions and frac design for future development wells which should result in better wells and overall fewer wells, thus requiring less total capital to develop our acreage,” Mr. Porter added.

Pricing used for the NSAI report is based on an average of the price forecasts of the 20 largest banks as of 31 December 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.

	2019	2020	2021	2022+
<b>Crude Oil (WTI, US\$/Bbl)</b>	64.07	65.85	66.48	67.52
<b>Natural Gas (NYMEX, US\$/MMBtu)</b>	3.03	3.01	2.90	2.88

#### Footnotes:

#### Reserves Reporting

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

- 1) is effective as at 31 December 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% to 25% 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](http://www.freedomog.com).