Annual Report and Financial Statement for the year ended 30 June 2018

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CHAIRMAN'S & CEO'S REPORT

Dear Fellow Shareholders,

We are pleased to report a productive 12 months for our Company.

Importantly, operations have been conducted safely by our people with zero lost time accidents occurring and no phase 1 environmental incidents to report. We thank our team for their continued focus and implementation of the Company's strong safety program. Safety is a part of our culture and at the forefront of everything we do at Fremont Petroleum Corporation.

We are the Operator and have a 100% interest of our DJ Basin, Pathfinder property which affords the Company full control and optionality over field operations and development.

Over the past 12 months, we have stabilized our production at 100 bopd which is delivering valuable and stable cash flow to the Company on a monthly basis, we have confirmed a very large gas resource at Pathfinder, increased the size of our Pathfinder property to 21,500 acres, and have strengthened our Board of Directors.

We are close to implementing a comprehensive gas sales solution, including securing bankable sales contracts, for our 540 BCF Pathfinder gas resource in Colorado which will add significant value to and change the economic scope of this field.

On the back of these successes, the Company's oil and gas reserves and resources were substantially upgraded in 2018. The P90 C1 gas resource increased by 145% to 540 BCF and the oil resource increased by 55% to 55 million barrels.

Your Company could not be in a better position to capitalise on this new era of higher oil prices and a strengthening US dollar.

If there was one development in the past 12 months that is particularly noteworthy, it was the Independent assessment of the geology of our Pathfinder property that was completed by Gustavson Associates. An extensive scientific comparison analysis was completed over our Pathfinder property and the prolific Wattenberg Field, which is the largest producing oil and gas field in Colorado.

Based on comparable well logs in the Pathfinder and Wattenberg Fields, the Niobrara, Codell, and Greenhorn Formations appear to be similar in character in both areas. The report illustrates that the physical properties of the Niobrara Formation are similar between the two areas indicating potentially similar production performance.

Recent Wattenberg transactions have seen properties being valued in the vicinity of US$5,000 per acre and up to as high as US$15,000 per acre.

During the period of low oil prices from 2014 to 2017, the value of our Pathfinder property is a hangover from this time with the market currently valuing our property at a discounted value of approximately US$238 per acre.

The Company has quietly gone about expanding its acreage position over the past 12 months from 16,798 acres to 21,500 acres, with further expansion expected to be announced before the 2018 drilling campaign commences.

With our 2018 drilling campaign to commence shortly, we are targeting production from the Niobrara formation.

Drilling will consist of two back-to-back wells. The two locations selected by our Geologist and Engineers are targeting areas where the Niobrara formation has good thickness, thermal maturity and are in locations where no oil or gas drainage would have occurred.

Drilling results in this program will form a baseline to confirm Gustavson's Pathfinder comparison to Wattenberg, and provide a basis to benchmark and reconsider the value of our acreage by many multiples.

During the year, in conjunction with Colorado State operating requirements and to gain further understanding of gas capacity potential, the Company tested three wells for gas flow rates. The cumulative flow rate for the wells – the Pathfinder C11-12, the Columbus #1 and the Marco Polo #1 – was 4.13 Million cubic feet/day.

It is clear that the Pathfinder field contains a large amount of natural gas along with significant oil. The gas flow rates have also given Fremont more optionality with gas sales. Negotiations with local industry have continued and they are positive. As well, Fremont commenced discussions with pipeline operator Kinder Morgan about connecting the Pathfinder Field to the Colorado Interstate Pipeline. Kinder Morgan is agreeable to this.

Fremont intends developing gas production from multiple pay zones at Pathfinder and plans to install 'in-field' gas pipelines and a gas processing plant capable of producing pipeline quality gas for sale into the Colorado Interstate Gas pipeline. This infrastructure can also be used to connect to other nearby gas pipelines owned by local utilities.

We have lodged an Interconnection Request with Kinder Morgan for access to a 6.625-inch natural gas pipeline that traverses the northernmost extension of the Pathfinder Field. This is a Federal Energy Commission "FERC" regulated pipeline that is part of the ~7,000km Colorado Interstate Pipeline system. The connection allows Fremont to access customers not just in Colorado, but extend sales into the Midwest, Southwest, California and Pacific Northwest.

Sale of gas in Colorado is de-regulated which allows vendors to build their own pipeline systems and lock in contracts with local gas utilities. Fremont is also entitled to contract with existing customers via existing pipelines owned by those same utilities. Fremont is continuing to negotiate potential gas sales with local industry and this is progressing well.

As a result, the Company has now engaged a pipeline construction company to cost the construction and installation of a pipeline, gas gathering system, compression and processing facilities.

Fremont intends to fund the construction of all infrastructure with bank debt supported by US Government backed guarantees. The Pathfinder Field is situated in a rural area that meets the requirements for loan guarantees provided by the U.S. Department of Agriculture 'USDA'. These cover up to 80% of the loan amount for establishing a project valued under US$5 million and max out at a guarantee of 60% for a valuation of $25 million.

Loans with USDA Guarantees can be sold, and are keenly sought, because of their government backing to (1) Federal and state chartered banks (2) Savings and Loans (3) Farm Credit Unions, and (4) Credit Unions.

Fremont is working directly with the USDA on a potential financing program. The first step is to undertake an environmental feasibility impact study on the proposed pipe-line route. The Company has already engaged an environmental company in Colorado for this environmental feasibility report.

All of the above mentioned operational developments are moving forward and the Company is likely to solidify a gas sales channel in the near term.

In February, the Company was pleased to announce the appointment oil & gas executive Sam Jarvis as a Non-Executive Director. Sam has held senior roles with leading global oil & gas drilling companies and his knowledge and experience is providing great value to the Board.

We thank our Board for their continued service to the Company and shareholders. Their commitment and focus to driving shareholder value is greatly appreciated. The Board's willingness to accept their Directors fees through FPL shares demonstrates their dedication and belief in the direction of our Company, and most importantly allows for maximum in-ground investment.

We also thank Fremont's corporate secretary, Robert Lees, for his continued work for the Company over the past 12 months.

None of this would be possible without the support of our shareholders. We are fully committed to unlocking the huge amount of value of our Pathfinder asset so our shareholders realise the full value of their investment.

We are sincerely grateful for the equity capital that has been invested into the Company that allows for our asset values to be realized.

Finally, to our small but fiercely committed team on the ground, we can't thank you enough for your dedication to the tasks at hand over the past 12 months. This hard work has led to significant improvements in production and cash flows.

Your Board of Directors has set a very clear, focused and achievable goal – to be one of the lowest cost and most profitable oil and gas producers listed on the Australian Securities Exchange

We're confident that exciting times are ahead for your Company.

Yours sincerely,

Guy T. Goudy	***Timothy B. Hart***
Executive Chairman	***Managing Director & CEO***

REVIEW OF OPERATIONS AND ACTIVITIES

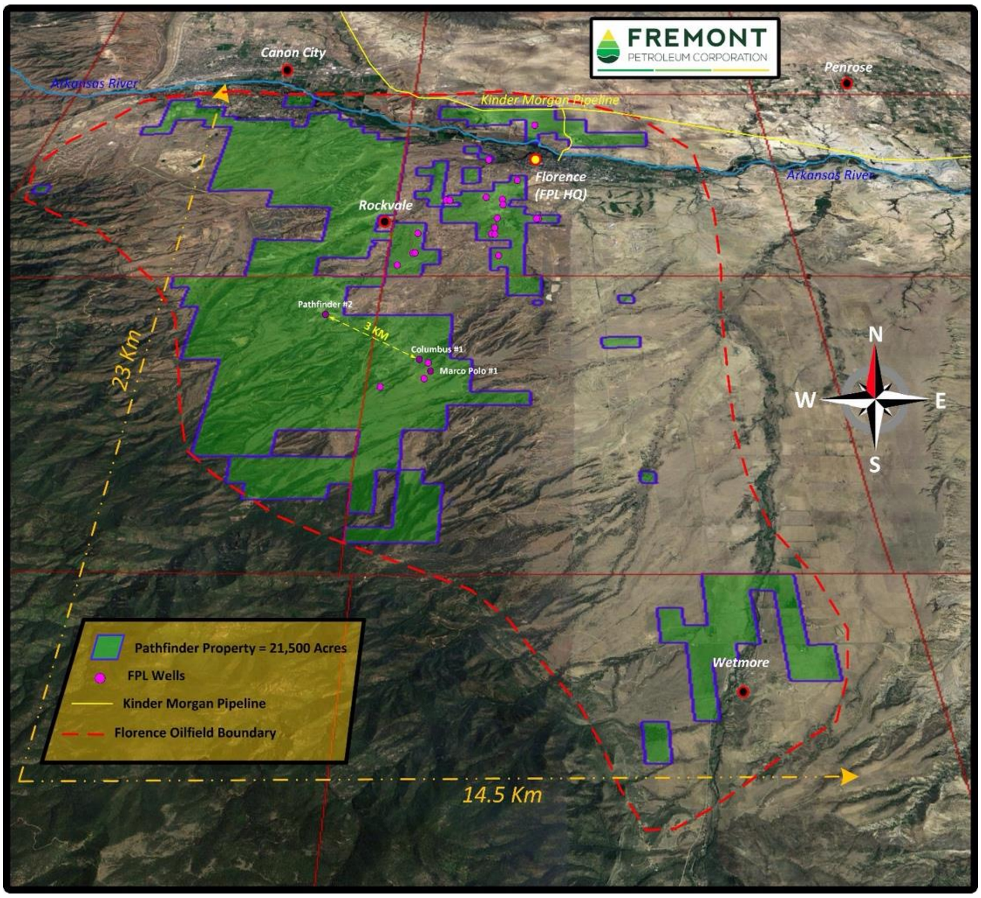
Fremont Petroleum Corporation Ltd is an oil and gas Production and Development Company that is the operator of its 100%-owned 21,500-acre Pathfinder project in the oil and gas rich region of Fremont County, Colorado, USA.

Fremont's Pathfinder project is large enough to accommodate 500+ wells with the Company currently operating 26 oil and gas wells in the field.

Fremont also has an interest in producing oil and gas properties in Kentucky.

PATHFINDER PROJECT – FREMONT COUNTY COLORADO

- 100% 21,500-acre Oil and Gas Property, Denver Julesburg Basin. (1,660 acres under option)
- Fremont is the Operator of this project.
- 26 oil and gas wells.
- Primary Objectives: Niobrara & Pierre Shale Formation.
- Secondary Objectives: Greenhorn, Codell and Grenaros formations.



Pathfinder Property – 21,500 acres

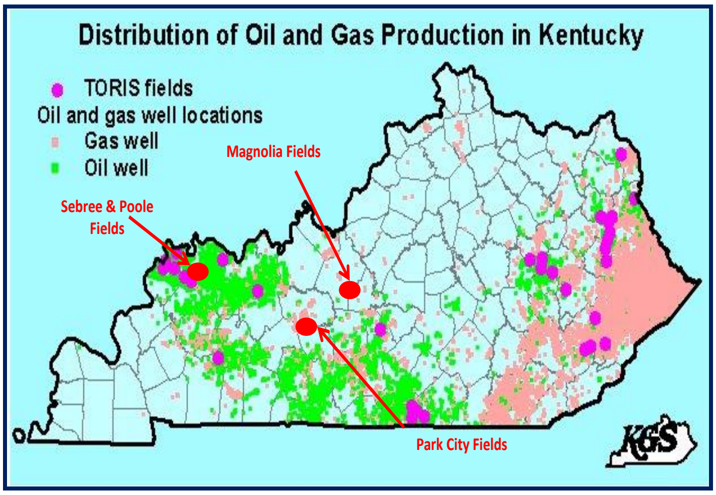
KENTUCKY OIL AND GAS PROPERTY

Kentucky Exploration LLC is a 50/50 Joint Venture with a private Australian Investment Company

- Primary Hydrocarbon targets: Jackson Formation, Cyprus Formation, Niagara Sand, and McCloskey Formation.

Current Operations

- Leases with high operational expenses and high-water haulage, electricity and chemical programs have been put on idle until the price of oil recovers.
- Low-cost, shallow, high-impact drilling program in Kentucky provides an excellent source of low-risk and long-life production, and cash flow, for the Company.



The above map illustrates Fremont Petroleum Corporation's leases in Kentucky.

WELL INVENTORY AND STATUS

Well name	NRI (%)	Type	Formation	Status
Colorado				
Liberty 32-32	78.9%	Horizontal	Pierre	Producing
Greenback	76.5%	Deviated	Pierre	Producing
Lake 34-29	72%	Deviated	Pierre	Producing
Paiute #34-29	75.5%	Deviated	Pierre	Producing
Mackinaw 12-28	79.1%	Deviated	Pierre	Producing
King 12-28	78%	Deviated	Pierre	Producing
Buck Garrett	80.1%	Horizontal	Pierre	Producing
Elliott Ness	82.6%	Vertical	Pierre	Producing
Blue Marlin 44-19	78.2%	Horizontal	Pierre	Producing
Orca 44-19	82%	Horizontal	Pierre	Producing
Dolly Varden 41-20	79%	Vertical	Pierre	Producing
Apache 33B-20	79%	Vertical	Pierre	Producing
Golden 33-20	79%	Deviated	Pierre	Shut in
Flathead 34-20	79%	Deviated	Pierre	Producing
Apache Gold	79%	Deviated	Pierre	Producing
Wooley Bugger	79%	Deviated	Pierre	Producing
Rainbow 23-20	79%	Deviated	Pierre	Producing
Oilfish 24-30	80.8%	Horizontal	Pierre	Idle
Trumpetfish 22-31R	80.8%	Deviated	Pierre	Producing
Triggerfish 22-31R	81.5%	Deviated	Pierre	Producing
Swordfish	80.8%	Horizontal	Pierre	Producing
Pattie #1	72%	Deviated	Pierre	Shut in
Hudson #1	75%	Vertical	Niobrara	Shut in
Pathfinder C11-12 #1HZ	75%	Horizontal	Niobrara	Producing
Pathfinder #2	75%	Vertical	Greenhorn	Idle
Columbus #1*	75%	Deviated	Pierre	Shut in
Marco Polo #1*	75%	Deviated	Pierre	Shut in
Magellan #1	75%	Deviated	Pierre	Producing
Bird 13-18	75%	Deviated	Pierre	Shut in
Lease Name	NRI (%)	Type	Formation	Status
Kentucky				
McKinley	82%	Vertical	Niagara Sand	Producing
Lorene Busby	82%	Vertical	Niagara Sand	Producing
Busby A	82%	Vertical	Niagara Sand	Producing
Knight-Griffin	87.5%	Vertical	Niagara Sand	Producing
Griffin-Knight	87.5%	Vertical	Niagara Sand	Producing
Robards-Launstein	82%	Vertical	Niagara Sand	Producing
RC Duncan	87.5%	Vertical	O'Hara	Producing
Felty	80%	Vertical	Niagara Sand	Producing
Cleveland	80%	Vertical	Niagara Sand	Idle
Tapp	75%	Vertical	Jackson Sand	Idle
Dacy	75%	Vertical	Hardinsburg	Producing
Aldridge	75%	Vertical	McCloskey	Idle
Fulcher	75%	Vertical	Tar Springs	Idle
Russell	75%	Vertical	Tar Springs	Producing
Ted Majors	75%	Vertical	McCloskey	Producing
Ashby	81.4%	Vertical	Cypress	Producing
Spillman	87.5%	Vertical	Fort Payne	Producing
Tarter	87.5%	Vertical	Coniferous	Idle

WORKPLACE AND ENVIRONMENTAL SAFETY

The Company is pleased to report that no lost time safety accidents or phase 1 environmental incidents occurred over the past quarter.

The Company places significant emphasis on the safety of all of its people, from its own employees to external contractors at its well sites. It is mandatory that the Company's staff attend quarterly safety sessions at its headquarters in Florence Colorado as well as several OSHA safety programs that are held throughout the year.

The Company is proud that it maintains an impeccable safety record with only one Lost Time Accident occurring in its 10 years of operations, and an unblemished environmental record with no phase-1 incidents ever having been recorded.

INDEPENDENT CONSULTANT'S ANALYSIS

Gustavson Associates

Gustavson Associates LLC (the Consultant) was retained by Fremont Petroleum Corporation Limited to prepare a Report regarding the reserves and resources underlying acreage positions owned by Austin in the states of Colorado and Kentucky. This Report is limited to a report on these properties' oil and gas reserves and resources underlying the acreage position. The Report does not attempt to place a Market Value thereon. The effective date of this Report was May 2018, with report finalization in August 2018. Estimates in this report have been prepared according to the VALMIN standards, which rely on the definitions found in the Petroleum Resources Management System.

Summary of Colorado Oil and Gas Reserves and Economics:

The Summary tables of the analysis are as follows (M = 1,000, MM = 1,000,000, BCF = Billion Cubic Feet, P = Probability, P90 = 90% probability):

Gross Contingent Resources

	P_{90} (1C)	P_{50} (2C)	P_{10} (3C)
Niobrara			
Contingent Oil Resources, MMBbl	25.4	31.4	38.1
Contingent Gas Resources, BCF	312	366	425
Pierre			
Contingent Oil Resources, MMBbl	20.7	25.6	31.3
Contingent Gas Resources, BCF	79.2	102.2	129.7
Greenhorn			
Contingent Oil Resources, MMBbl	7.6	16.3	35.0
Contingent Gas Resources, BCF	149	196	253
Kentucky			
Contingent Oil Resources, MMBbl	0.3	0.5	0.7
Contingent Gas Resources, BCF	0.1	0.1	0.2
Total Contingent Oil Resources, MMBbl	**54.0**	**73.9**	**105.1**
Total Contingent Gas Resources, BCF	**540**	**664**	**808**

Summary of Net Reserves and Projected Before Tax Cash Flow

Reserves Category	Net Oil Reserves (MBO)	Net Gas Reserves, MMcf	Net Present Value, thousands of US$ Discounted at	
			0%	10%
Proved Developed Producing				
Colorado	157.81	0.00	$4,367.36	$3,026.72
Kentucky	17.03	0.00	$320.90	$260.01
Total	174.84	0.00	$4,688.25	$3,286.72
Proved Undeveloped	169.58	0.00	$3,407.80	$1,796.78
Total Proved	**344.42**	**0.00**	**$8,096.05**	**$5,083.50**
Probable Developed Non-Producing	32.65	1,166.07	$3,692.86	$1,862.04
Probable Undeveloped	1,135.10	0.00	$21,585.72	$10,236.40
Total Proved plus Probable	**1,512.17**	**1,166.07**	**$33,374.63**	**$17,181.94**

REVIEW OF OPERATIONS

A review of the operations of the economic entity during the financial year and the results of those operations are as follows:

State in USA	Kentucky	Colorado
Well Name(s)	See above Well Inventory and Status	See above Well Inventory and Status
Location	Henderson County, Sebree County Kentucky USA	DJ Basin – Fremont County, Colorado, USA
Ownership Interest	50% Joint. Venture. Net Revenue Interest to the 100% Working Interest is 75% - 80%	Working Interest 100% Net Revenue Interest 75% - 80%
Partners / Operators	Kentucky Exploration, LLC- 50% JV with Private Australian Investment group. Austin is the Operator	Austin is the Operator and controls a 100% Working Interest
Objective / Focus	Jackson Formation, Cyprus Formation Secondary Targets: Palestine, McCloskey, Fort Payne, New Albany Shale, Hardensburg	Primary targets = Niobrara and Pierre Shales. Secondary targets = Grenaraos, Greenhorn, Codell, Dakota
Independent Evaluations	- CNI 51:101 Richard Braun Mike Mitchell Gustavson Reserves Report 2018	Gustavson Associates LLC 2018

Current Status	Oil production from multiple leases. Currently producing at approx. 20 -25 barrels/day. Several leases have been idled that are currently considered as uneconomic at low oil prices.	26 wells in production at approx. 70 – 80 Bopd. Preparations underway to commence two wells targeting production from the Niobrara formation
Next Steps	Maintain production levels	Drill two wells in 2018

CORPORATE GOVERNANCE STATEMENT

Fremont Petroleum Corporation Limited ('Fremont') through its Board of Directors ('Board') is responsible for the overall corporate governance of Fremont and has adopted as a guiding principle that it acts honestly, conscientiously and fairly in accordance with the law and in the interests of the shareholders with a view to building sustainable value for them, the Company's employees and other stakeholders in the Company.

The Board has adopted a suite of governance materials, which are available in the Corporate Governance section of the Company's website. The governance materials have been prepared and adopted on the basis that corporate governance procedures can add to the performance of the Company and the creation of shareholder value, and help to engender the confidence of the investment market.

ASX Corporate Governance Principles and Recommendations

This statement sets out the material governance principles and processes adopted by the Board. The Board supports the Corporate Governance Principles and Recommendations, 3rd edition as released by the ASX Corporate Governance Council ("**ASX Principles or "ASXCGC**"). The Board considers and applies these recommendations to the extent there is a sound reason to do so given the circumstances of the Company. The Corporate Governance Statements were reviewed and approved by the Board on 21 September 2018 and are available on the Company's website:

www.fremontpetroleum.com/wp-content/uploads/2017/09/CORPORATE-GOVERNANCE-STATEMENT-2017.pdf

DIRECTORS' REPORT

The Directors of Fremont Petroleum Corporation ("Fremont") present their report, together with the financial statements of the Group, being the Group and its controlled entities, for the financial year ended 30 June 2018.

Directors

Directors in office during the year and to the date of this report are:

Mr Guy Thomas Goudy

Executive Chairman from 15 July 2016 (formerly Managing Director & Chief Executive Officer - appointed a director on 13 July 2009; became CEO effective 1 July 2015)

Guy joined Fremont Exploration in 2009 and has served the Company in various roles including Chief Operating Officer, Managing Director and Chief Executive Officer and was promoted to the role of Executive Chairman in July 2016. Guy was instrumental in navigating the Company through the severe down-turn in oil prices and the elimination of the Company's debt from 2014 to 2017. Guy has over 10 years of oil and gas investment experience and has extensive network of global industry, financial and political contacts. Prior to his appointment at Fremont, Mr. Goudy was employed in the financial services sector and was an authorized representative with a leading stock broking and financial advisory firm in Sydney.

Mr. Goudy was trained at the University of Technology, Sydney (UTS) where he holds various formal qualifications in Business. He has also completed Mineral Economics course work at the Colorado School of Mines.

Other current or former listed directorships: Nil

Mr Timothy Brian Hart

Managing Director & Chief Executive Officer (Appointed 15 July 2016; formerly COO)

Tim joined Fremont Explorations Management team in 2011 as VP/GM of Fremont's Kentucky Business Unit and responsible for transitioning the Business unit from a gas exploration business into a cash flow positive oil and gas producer. In 2015 Tim was promoted to Fremont's Chief Operating Officer where he was responsible for the performance and development of Fremont's oil and gas portfolio spanning across Colorado, Kentucky, Texas and Mississippi. After his significant contribution to the successful transformation of our company into a very low cost, highly productive, "do it yourself" drilling & exploration company, in 2016 Mr. Hart was promoted to Managing Director and CEO.

Mr. Hart has a Bachelor of Science in Engineering from Penn State University (PSU) with an extensive professional history in business and technology. He has held numerous senior level management positions with expertise in Electrical Engineering, Information Technology, Technical Project Management, Vendor Management, Contract Negotiation, Operational Efficiency, Process Development, and Budget Development & Compliance.

Mr. Hart brings a strong management, engineering and technology background to the Oil and Gas Industry and has worked with numerous local vendors to improve their processes and service offerings to accommodate the enhanced technical, safety and environmental requirements of our business.

Other current or former listed directorships: Nil

Mr Stuart Middleton

Non-Executive Director (Appointed 15 April 2015)

Mr Middleton has recently returned to Australia from a 10-year assignment in China as the Group Executive for TDS, Banpu Plc, Asian Energy Company with assignments in China, Mongolia, Indonesia, Australia and Thailand. Mr. Middleton has also worked in the USA, Indonesia and Columbia. During his time in China he was highly involved with oil and gas, in both conventional and unconventional drilling for CBM and oil/gas; he advised both government and a major Asian Energy group relating to Asian American Gas Company, extensive JV vertical and multi-lateral directional wells as well as technology transfer from oil/gas to underground degas directional drilling and degas to mitigate dangerous outburst challenges.

Australian by background, Stuart has a Bachelor's degree in engineering and a Master's Commerce degree with double majors in Finance and Technology Management from The University of Sydney. He is a chartered professional engineer. Mr Middleton was the general manager of the Baal Bone operation in Lithgow, Australia and served on the Oakbridge board in Sydney and the Queensland North Goonyella Pty. Ltd board in Mackay.

Mr. Middleton also has a strong background in strategic planning and financial strategy. In addition, he has been engaged as a "Specialist Expert" for major companies and has prepared, or had input into, many Due Diligence and Valuation reports. A particular strength being acutely tuned to operations, technical and developing the underlying fundamental value of resources with 37 years of hands-on planning, operating / improvement and management experience.

Other current or former listed directorships: Nil.

Mr Samuel Jarvis

Non-Executive Director (Appointed 28 February 2018)

Mr Samuel Jarvis was appointed as Non Executive Director 28 February 2018. He has extensive experience in commercial management and development drilling as well as knowledge of the upstream oil and gas value chain. For the past 15 years, he has held senior Executive roles with leading global oil and gas drilling companies in South-East Asia.

Mr Jarvis graduated with honours in engineering in 1995 and also holds a degree in economics with a Finance Major.

Other current or former listed directorships: Nil.

Mr Andrew William Blow

Non-Executive Director (Appointed 15 August 2016)

Andrew Blow was appointed as a Non-Executive director based out of Sydney, Australia. He has more than 10 years' experience working in media, government and public affairs. Andrew specialises in the provision of high-end strategic advice to Government and his services have been utilised extensively by some of Australia's most senior decision makers. He has regularly provided communications from the Prime Minister. He has also worked directly with both state and federal Ministers for Mines, Energy and Natural Resources. He has experience in managing public engagement on Government policies, with a particular focus on infrastructure and means by which Government can leverage private sector investment in major projects. While a senior producer for one of Australia's largest commercial television networks, Andrew had editorial responsibility for news output and was charged with management of scarce resources including camera crews and live assets.

Andrew holds a Bachelor's Degree in Communications from Charles Sturt University in New South Wales.

Other current or former listed directorships: Nil

Company Secretary

Mr Robert Edward Lees (Appointed on 30 June 2015)

Mr Lees is a member of both the Institute of Chartered Accountants and Governance Institute of Australia. He is a graduate of the University of Technology, Sydney, holding a Bachelor of Business (Accounting) and a Graduate Diploma in Data Processing. He also holds a Graduate Diploma in Corporate Governance. In the last 14 years he has provided company secretarial services to small ASX-listed companies.

Directors' Meetings

The number of director's meetings and number of meetings attended by each of the directors of the Group during the financial year are:

Director	Director's Meetings		Audit Committee Meetings	
	A	**B**	**A**	**B**
Timothy Hart	4	4	2	2
Stuart Middleton	4	4	2	2
Andrew Blow	4	4	2	2
Guy Goudy	4	4	2	2
Samuel Jarvis	2	2	-	-

A Number of Meetings attended

B Number of Meetings held while the director was in office

The Group notes that a Remuneration and Nominations Committee existed however it did not formally meet during the year.

Principal Activities

The principal activities of the Group during the year consisted of the accumulation and operation of mineral prospective areas and the exploration for oil and gas in the United States of America.

Financial Position

The net loss after income tax of the Consolidated Entity for the year ended 30 June 2018 was $8,575,381.

Dividends Paid or Recommended

No dividends were paid or declared since the start of the year. No recommendation for payments of dividend has been made.

Review of Operations

A review of the operations of the economic entity during the financial year and the results of those operations are as follows:

a) Exploration, Development and Production

Fremont Petroleum Corporation is an Oil & Gas production and development company founded in 2006 and headquartered in Florence Colorado USA with its Australian office in Sydney, Australia. The company has operations in Colorado and Kentucky. Fremont is the operator and is in control of expenses at its properties in Colorado and Kentucky. The primary focus is the development of an extension of the second oldest oilfield in the US in Fremont County. The Florence Oil field which hosts FPC's 19,417-acre Pathfinder project was discovered in 1881. Standard Oil & Continental Oil (Conoco) were producers. With new technology, the Florence Oil field is one of the most economic fields in the US, and is much larger and more prolific than originally understood. The mineral leases that have producing wells drilled on them during the primary lease term will be held as producing leases. As a result of the down-turn in the oil and gas sector, the Company in 2014 to 2016 divested of its properties in Mississippi and Texas where it was not the operator and did not have full control over expenditures which the Company considers paramount in the low oil price environment.

b) Corporate Matters

Capital Raising

- On 5 July 2017, the Company issued 2,395,000 shares at $0.025 share to raise $59,875.
- On 19 July 2017, the Company issued 48,900,000 shares at $0.02 share to raise $978,000.
- On 25 August 2017, the Company issued 55,000,000 shares at $0.02 share to raise $1,100,000.
- On 4 September 2017, 4,350,000 of director performance rights were converted at $0.02 share for $87,000.
- On 13 February 2018, the Company issued 236,000,000 shares at $0.007 share to raise $1,652,000.
- On 23 February 2018, the Company issued 1,200,000 shares at $0.007 in lieu of payment to contractor for $8,400.
- On 28 February 2018, the Company issued 50,000,000 shares at $0.007 to raise $350,000
- On 28 February 2018, the Company issued Performance Rights of 1,155,000 shares at $0.05 for directors and $0.04 for managers totalling $50,200.
- On 28 February 2018, 400,000 shares were issued to directors for directors fees in lieu of cash at $0.009 totalling $3,600.
- On 4 April 2018, 82,042,816 shares were issued at $0.007 as part of a Share Purchase Plan to raise $574,300.
- On 6 June 2018, 4,285,716 shares were issued at $0.007 to oversees directors in connection with the Share Purchase Plan to raise $30,000.
- On 28 June 2018, 9,885,714 shares were issued to directors for directors fees in lieu of cash at $0.009 totalling $88,971.

Changes of Officers and Directors

Mr Samuel Jarvis was appointed Non-Executive Director in 28 February 2018.

Significant Changes in the State of Affairs

The following significant changes in the state of affairs of the Group occurred during the financial year:

- On 26 February 2018, the Company undertook an AUD $2M capital raise at $0.007, together with one free attaching unlisted option for every two shares, exercisable at $0.02 each on or before 31 March 2020. Funds were used to strengthen the balance sheet, perform field development work to increase oil production, and for general working capital purposes.

- On 13 March 2018, the Company announced a share purchase plan offering eligible applicants the opportunity to acquire up to $15,000 worth of shares at an issue price of $0.007 per share. 82,042816 shares were issued on 4 April 2018 to eligible shareholders who subscribed for shares under the SPP, which raised a total of $574,300 (before expense).

- A Director Offer was approved by the Shareholders to issue 2,142,858 options to Mr Tim Hart and Mr Samuel Jarvis, who intended to participate in the offer, but couldn't as they were not registered holders in Australia or New Zealand.

- On 6 June 2018, the Company issued a Prospectus containing the following offers:

  (a) For an issue of up to 143,000,000 options (Placement Options), on the basis of one new option for every two shares subscribed under the Placement to eligible applicants who participated in the placement.
  (b) For the issue of 41,021,449 Options (SPP Options), on the basis of one new option for every two shares subscribed for by subscribers under the SPP.
  (c) For an issue of 2,142,858 Options to directors on the same terms as the SPP offer.

  Principal effect of the Offers, assuming all Options offered under prospectus are issued, was to increase the number of Options on issue from 143,378,977 as of the date of the Prospectus to 329,543,284 options.

- Net increase in issued capital to $82,302,080 (2017: $77,860,457). See Capital Raising section above for details.

Likely Developments

The likely future developments of the Group during the next financial year and beyond will involve the ongoing principal activity of oil and gas exploration, development and operations. Successful drilling should lead to increased revenues and in-ground oil and gas reserves and resources. The Company is also actively growing its acreage position in Colorado which is being disclosed through ASX announcements. The Group anticipates a growing stream of revenues from its projects in Colorado and Kentucky and will continue to pursue new prospects in line with its financial resources and ability to acquire appropriate funding.

Environmental Regulations

The Group is subject to significant environmental regulations under Federal and/or State laws in the USA. The Group has not been advised of any environmental breaches during the year.

Proceedings on Behalf of Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings. The Group was not a party to any such proceedings during the year.

Events arising since the end of the Reporting Period

The following matters or circumstances have arisen since the end of the year that have significantly affected or may significantly affect either:

- The entity's operations in future financial years;
- The results of those operations in future financial years; or
- The entity's state of affairs in future financial years.

On 5 September 2018, Fremont completed a two-tranche placement of its securities to raise AUD $3.75M (before costs) to advance the development of the Company's 100% owned, 21,500 acre Pathfinder property in Colorado.

The Placement comprises the issue of a total of 535,714,352 shares to sophisticated and professional investors at an issue price of $0.007 per share, together with one free attaching option for every two shares subscribed for and issued under the Placement. The options will be listed options exercisable at $0.02 each on or before 31 March 2020. The issue price represents a discount of 24% to Fremont's 30-day VWAP of 0.93c and a discount of 5.7% to Fremont's 14-day VWAP of 0.74c.

The issue of shares under the Placement will occur under two tranches as follows:

(a) 172,835,495 Shares (**Tranche 1**), will be issued out of the Company's placement capacities pursuant to ASX Listing Rule 7.1 and 7.1A.; and

(b) 362,878,857 Shares (**Tranche 2**), will be issued by the Company once the Company receives shareholder approval at a general meeting to be held in Sydney on 16 October 2018

REMUNERATION REPORT - AUDITED

This report details the nature and amount of emoluments for each key management person of the Group, and for the executives receiving the highest remuneration.

Remuneration policy

The Group's remuneration policy has been designed to align director and executive objectives with shareholder and business objectives, by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Group is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the Board;
- All executives may receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and performance incentives;
- The Board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

The performance of executives is measured against criteria agreed annually with each executive and is based on a basket of measures including financial results, share price, production targets, safety and environmental issues. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the Performance Rights Plan providing an opportunity to obtain further shares.

Other than superannuation guarantee contributions, Australian directors do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Group and is expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

The Board's intention is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Remuneration and Nomination Committee determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and currently stands at $500,000 in total. Fees for non-executive directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Group (but not trade in them) and have in the past been granted options.

Performance of shareholder's wealth

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous four financial years:

	2018	2017	2016	2015	2014
EPS	($0.0204)	($0.0238)	($0.1376)	($0.1464)	($0.0010)
Net profit/loss	(8,575,381)	(3,713,088)	(6,009,857)	(44,230,560)	(2,021,943)
Share Price	0.0060	0.0210	0.0138	0.0200	0.0120

Remuneration Details

Details of the remuneration of the directors, the key management personnel of the Group (as defined in AASB 124 Related Party Disclosures) and executives of the Group are set out in the following tables.

Directors	Position held at 30 June 2018 and any changes during the year	Contract Details (Duration and Termination)	Proportions of elements of remuneration not related to performance
Mr. Timothy Hart	Managing Director and Chief Executive Officer	Three-year contract	80%
Mr. Guy Goudy	Executive Director and Chief Operating Officer	Retirement by Rotation	80%
Mr. Stuart Middleton	Non–Executive Director	Retirement by Rotation	100%
Mr. Samuel Jarvis (appointed 28 February 2018)	Non-Executive Director	Retirement by Rotation	100%
Mr. Andrew Blow	Non-Executive Director	Retirement by Rotation	100%
Group Key Management Personnel	**Position held at 30 June 2018 and any changes during the year**	**Contract Details (Duration & Termination)**	**Proportions of elements of remuneration not related to performance**
Mr. Robert Lees	Company Secretary	No fixed term	100%
Mr. Lonny Haugen	Chief Financial Officer	Two-year contract	80%

The Group utilises the following service contract:

- Accounting and taxation services of CFO Colorado. Mr Lonny Haugen is an owner of CFO Colorado.

	Short-term Benefits		Post employ-ment	Equity-settled Share-based Payments				
2018	Salary & Fees Paid	Non–Monetary Benefits	Super-annuation Contribu-tions	Perform-ance Rights Accrued	Options	Shares	Total	% of Performance Based Remuneration
Directors	$	$	$	$	$	$	$	
Mr. Timothy Hart[1]	219,016	-	-	7,500	-	16,000	242,516	3%
Mr. Guy Goudy[2]	214,330	-	-	7,500	-	16,000	237,830	3%
Mr. Stuart Middleton	8,000	-	760	2,500	-	16,000	27,260	9%
Mr. Samuel Jarvis[4]	-	-	-	-	-	8,000	8,000	-%
Mr. Andrew Blow	8,000	-	760	2,500	-	16,000	27,260	9%
Key Management Personnel								
Mr. Lonny Haugen[3]	51,844	-	-	-	-	-	51,844	-%
	501,190	**-**	**1,520**	**20,000**	**-**	**72,000**	**594,710**	

	Short-term Benefits		Post employ-ment	Equity-settled Share-based Payments				
2017	Salary & Fees Paid	Non–Monetary Benefits	Super-annuation Contribu-tions	Perform-ance Rights	Options	Shares	Total	% of Performance Based Remuneration
Directors	$	$	$	$	$	$	$	
Mr. Timothy Hart[1]	210,977	-	-	28,750	-	-	239,727	12%
Mr. Dominic Pellicano[5]	2,000	-	190	-	-	-	2,190	-%
Mr. Guy Goudy[2]	214,958	-	-	28,750	-	-	243,708	12%
Mr. Stuart Middleton	22,000	-	2,090	10,000	-	-	34,090	29%
Dr. William Mark Hart[6]	34,499	-	-	-	-	-	34,499	-%
Mr. Andrew Blow	22,000		2,090	4,250	-	-	28,340	15%
Key Management Personnel								
Mr. Lonny Haugen[3]	44,699	-	-	17,300	-	-	61,999	28%
	551,133	**-**	**4,370**	**89,050**	**-**	**-**	**644,553**	

Amounts above are in AUD; however, Mr. Timothy Hart and Mr. Guy Goudy reside in the United States and are therefore paid in USD, the local currency. Mr. Hart's and Mr. Goudy's total 2018 USD salary, bonus and fees paid were USD $159,435 and USD $156,024, respectively.

1 Tim Hart salary and fees USD $159,435 (2017: $159,000)
2 Guy Goudy salary and fees USD $156,024 (2017: $162,000)
3 Lonny Haugen salary and fees USD $37,740 (2017: $33,687)
4 Samuel Jarvis appointed 28 February 2018
5 Dominic Pellicano resigned 15 August 2016
6 Mark Hart resigned 1 October 2016

Share-based Compensation

KMPs received a total of 9,320,000 performance rights during the year ended 30 June 2018 as detailed below in the KMP Shareholdings table.

Directors fees of $72,000 were issued in shares for a portion of the twelve months ending 30 June 2018. No options were issued as remuneration for the year ended 30 June 2018.

Shares Provided on Exercise of Remuneration Options

No options were exercised during the year ended 30 June 2018.

Directors Interests in Shares and Options

KMP Shareholdings

The number of ordinary shares in Fremont Petroleum Corporation held by each KMP of the Group during the financial year is as follows:

2018	Balance 01.07.2017	Granted	Purchased	Other	Share Consolida-tion	Balance 30.06.2018
Mr T Hart	663,783	2,435,714	3,142,858	-	-	6,242,355
Mr A Blow	50,000	2,335,714	964,285	-	-	3,349,999
Mr G Goudy	1,335,068	2,435,714	3,142,857	-	-	6,913,639
Mr S Middleton	750,000	2,335,714	3,142,857	-	-	6,228,571
Mr S Jarvis*	-		74,785,716	-		74,785,716
Mr L Haugen	371,447	240,000	-	-	-	611,447
Total	3,170,298	9,782,856	85,178,573	-	-	98,131,727

*Mr S Jarvis became a Non-Executive Director 28 February 2018.

2017	Balance 07.01.2016	Granted	Purchased	Other	Share Consolida-tion	Balance 30.06.2017
Mr T Hart*	1,637,823	5,000,000	-	-	(5,974,040)	663,783
Mr A Blow	-	500,000	-	-	(450,000)	50,000
Mr D Pellicano**	6,873,582	-	-	(6,873,582)	-	-
Mr G Goudy****	8,673,166	5,000,000	-	(322,486)	(12,015,612)	1,335,068
Dr W M Hart***	6,933,297	-	-	(6,933,297)	-	-
Mr S Middleton	500,000	1,750,000	5,250,000	-	(6,750,000)	750,000
Mr L Haugen	764,462	2,950,000	-	-	(3,343,015)	371,447
Total	25,382,330	15,200,000	5,250,000	(14,129,365)	(28,532,667)	3,170,298

Shares adjusted for 10:1 share consolidation in June 2017.
* Mr Tim Hart became a KMP 15 July 2016.
** Mr Dominic Pellicano resigned 15 August 2016.
***Dr William Mark Hart resigned 1 October 2016.
****Mr G Goudy "Other" of (322,486) is a correction of prior year purchases amount to arrive at accurate 30.06.2017 balance.

KMP Options Holdings

Directors have listed options associated with Rights Issue at no cost. Directors have no outstanding unlisted performance options in place.

The number of options over ordinary shares held by each KMP of the Group during the financial year is as follows:

2018	Balance 01.07.2017	Options Exercised	Options Granted	Options Purchased	Other	10:1 Consol-idation	Balance 30.06.2018
Mr G Goudy	279,434	-	-	1,071,429	(70,667)	-	1,280,196
Mr A Blow	-	-	-	357,143	-	-	357,143
Mr T Hart	33,547	-	-	1,071,429	(17,230)	-	1,087,746
Mr S Middleton	-	-	-	1,071,429	-	-	1,071,429
Mr S Jarvis*	-	-	-	36,821,429	-	-	36,821,429
Total	312,981	-	-	40,392,859	(87,897)	-	40,617,943

Other in 2018 indicates expired options.
*Mr S Jarvis became a KMP 28 February 2018.

2017	Balance 01.07.2016	Options Exercised	Options Granted	Options Purchased	Other	10:1 Consol-idation	Balance 30.06.2017
Mr D Pellicano*	2,508,922	-	-	-	(2,508,922)	-	-
Mr G Goudy	2,794,334	-	-	-	-	(2,514,900)	279,434
Mr A Blow	-	-	-	-	-	-	-
Dr W M Hart**	2,279,644	-	-	-	(2,279,644)	-	-
Mr T Hart	335,463	-	-	-	-	(301,916)	33,547
Total	7,918,363	-	-	-	(4,788,566)	(2,816,816)	312,981

Other in 2017 indicates expired options.
* Mr Dominic Pellicano resigned 15 August 2016.
**Dr William Mark Hart resigned 1 October 2016.

Performance Rights Plan

The number of performance rights accrued during the financial year, are as follows:

2018	Balance 01.07.2017	Performance Rights Accrued	Issued	Share Consolidation	Balance 30.06.2018
Mr S Middleton	25,000	1,025,000	(50,000)	-	1,000,000
Mr G Goudy	75,000	3,075,000	(150,000)	-	3,000,000
Mr T Hart	75,000	3,075,000	(150,000)	-	3,000,000
Mr A Blow	25,000	1,025,000	(50,000)	-	1,000,000
Mr L Haugen	120,000	1,120,000	(240,000)	-	1,000,000
Total	320,000	9,320,000	(640,000)	-	9,000,000

2017	Balance 01.07.2016	Performance Rights Accrued	Issued	Share Consolidation	Balance 30.06.2017
Mr S Middleton	-	2,000,000	(1,750,000)	(225,000)	25,000
Mr G Goudy	-	5,750,000	(5,000,000)	(675,000)	75,000
Mr T Hart	-	5,750,000	(5,000,000)	(675,000)	75,000
Mr A Blow	-	750,000	(500,000)	(225,000)	25,000
Mr L Haugen	-	3,700,000	(2,500,000)	(1,080,000)	120,000
Total	-	17,950,000	(14,750,000)	(2,880,000)	320,000

The Company's Performance Rights Plan ("Plan") was approved by shareholders at the General Meeting held on 28 November 2012. The Plan enables the Company to grant entitlements to shares ("Performance Rights") and issue shares on conversion of Performance Rights, without impacting on the Company's ability to issue up to 15% of its total ordinary securities without shareholder approval in any 3-year period. The Company is required to accrue for these performance rights during the year despite the rights requiring Shareholder approval.

Directors performance rights were issued on 28 February 2018 at $0.05 amounting to $20,000 for meeting one of four targets in the 2017 Plan. A performance rights accrual is recorded in 2018 based on the likelihood of achieving two of four targets of the 2018 plan agreed to 23 November 2017 and has been calculated at the then current share price of $0.009.

2018 Targets

KPI#1	No safety LTA or Phase 1 environmental accidents
KPI#2	Production boost of 25% year over year for minimum of 90 consecutive days
KPI#3	Achieve a cash flow positive position for a minimum of 90 consecutive days
KPI#4	Share price of $0.06 for 30 consecutive days

2017 Targets

KPI#1	No safety LTA or Phase 1 environmental accidents.
KPI#2	Achieve daily production of 250 boepd for a sustained period of thirty days or greater.
KPI#3	Achieve a cash flow positive position for a minimum of sixty days within the 2017 calendar.
KPI#4	Achieve a stock price of $0.012 for a sustained period of thirty days or greater (being a 100% increase over the company's September 2016 $0.006 private placement price).

END OF AUDITED REMUNERATION REPORT

Retirement, Election and Continuation in Office of Directors

Directors are subject to retirement by rotation and election by shareholders at a general meeting. No director other than the Chief Executive Officer may remain on the Board for more than three years without re-election. Where a director is appointed during the year, the director will hold office until the next Annual General Meeting and then be eligible for election.

Indemnifying Officers and Auditors

The Group has entered into Deeds of Indemnity with each of the Directors and Company Secretary and has taken out Directors and Officers Insurance (D&O) on behalf of each of the Directors and Company Secretary.

No liability has arisen under this indemnity as at the date of this report.

Shares Under Option

As at 30 June 2018, there are 4 series of unissued ordinary shares of Fremont Petroleum Corporation under an option.

- 74,088,963 listed options convertible to shares on the payment of $0.06 on or before 30 June 2019 issued in May and June 2016 to renounceable rights issue subscribers and other issues.
- 4,840,000 unlisted options convertible to shares on the payment of $0.10 on or before 30 June 2019 issued as brokerage.
- 180,842,875 unlisted options convertible to shares on the payment of $0.020 on or before 31 March 2020 issued to subscribers.
- 12,500,000 unlisted options convertible to shares on the payment of $0.045 on or before 30 June 2021 issued as brokerage.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Non-Audit Services

No Non-Audit Services were performed by the auditor during the financial year ended 30 June 2018.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included.

Signed in accordance with a resolution of the Board of Directors:

Sincerely,

Guy Goudy
Executive Chairman

Tim Hart
Managing Director

Dated this 28th day of September 2018

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Auditor's Independence Declaration

To the Directors of Freemont Petroleum Corporation Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Fremont Petroleum Corporation for the year ended 30June 2018, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner - Audit & Assurance

Melbourne, 28 September 2018

Fremont Petroleum Corporation and Controlled Entities ABN 98 114 198 471
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2018

	Note	Consolidated Group 2018 $	2017 $
Revenues from continuing operations	4	1,011,912	245,356
Lease operating expense		(341,777)	(158,994)
Share based payments		(178,321)	(219,875)
Employee benefits expense		(440,163)	(508,136)
Depreciation and amortisation expense	5	(349,842)	(203,134)
Professional fees		(573,517)	(696,795)
Other expenses	5	(454,970)	(417,523)
Travel and accommodation expense		(70,514)	(196,734)
Gain on sale of asset		-	25,085
Loss on settlement of asset retirement obligation		-	(40,986)
Impairment charge	15	(7,178,189)	(197,682)
Share of profit/loss from equity Accounted investments	13	-	(1,343,670)
Loss before income tax		**(8,575,381)**	**(3,713,088)**
Income tax expense	6	-	**-**
Loss for the year		**(8,575,381)**	**(3,713,088)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange rate differences on translation of foreign operation		265,321	(469,588)
Other comprehensive income for year Net of tax		**265,321**	**(469,588)**
Total comprehensive loss for year		**(8,310,060)**	**(4,182,676)**
Loss for the year attributable to:			
Members of the parent entity		(8,575,381)	(3,713,088)
		(8,575,381)	**(3,713,088)**
Total comprehensive loss attributed to:			
Members of the parent entity		(8,310,060)	(4,182,676)
		(8,310,060)	**(4,182,676)**
Earnings per share for loss from continuing operations:			
Basic earnings per share	9	($0.0204)	($0.0238)
Diluted earnings per share	9	($0.0204)	($0.0238)

This statement should be read in conjunction with the notes to the financial statements.

Fremont Petroleum Corporation and Controlled Entities ABN 98 114 198 471
Consolidated Statement of Financial Position as at 30 June 2018

	Note	Consolidated Group 2018 $	2017 $
Current Assets			
Cash and cash equivalents	10	514,399	72,341
Trade and other receivables	11	115,016	69,415
Total Current Assets		**629,415**	**141,756**
Non-Current Assets			
Property, plant and equipment	12	240,055	230,536
Development and producing assets	14, 29	1,862,984	1,821,563
Exploration and evaluation assets	15, 29	6,934,387	12,135,764
Other assets	16	81,048	78,150
Total Non-Current Assets		**9,118,474**	**14,266,013**
Total Assets		**9,747,889**	**14,407,769**
Current Liabilities			
Trade and other payables	17	275,774	838,272
Interest bearing liabilities	18	332,310	846,625
Total Current Liabilities		**608,084**	**1,684,897**
Non-Current Liabilities			
Other long-term liabilities		129,064	98,907
Asset retirement obligations		920,400	709,092
Deferred tax liability		233,688	225,333
Total Non-Current Liabilities		**1,283,152**	**1,033,332**
Total Liabilities		**1,891,236**	**2,718,229**
Net Assets		**7,856,653**	**11,689,540**
Equity			
Issued Capital	19	82,302,080	77,860,457
Reserves	20	9,779,031	9,478,160
Retained earnings / (Accumulated losses)		(84,224,458)	(75,649,077)
Total Equity		**7,856,653**	**11,689,540**

This statement should be read in conjunction with the notes to the financial statements.

Fremont Petroleum Corporation and Controlled Entities ABN 98 114 198 471
Consolidated Statement of Changes in Equity
For the year ended 30 June 2018

Consolidated Group	**Issued Capital**	**Performance Rights Reserve**	**Foreign Currency Reserve**	**Retained Profits/ (losses)**	**Total**
	$		$	$	$
Balance at 30 June 2016	73,265,927	-	9,915,798	(71,935,989)	11,245,736
Share issued during the year	5,231,309	-	-	-	5,231,309
Performance rights	90,125	31,950	-	-	122,075
Share issue costs	(726,904)	-	-	-	(726,904)
Profit or Loss	-	-	-	(3,713,088)	(3,713,088)
Movement in FX reserve	-	-	(469,588)	-	(469,588)
Balance at 30 June 2017	77,860,457	31,950	9,446,210	(75,649,077)	11,689,540
Share issued during the year	4,912,146	-	-	-	4,912,146
Performance rights	70,200	35,550	-	-	105,750
Share issue costs	(540,723)	-	-	-	(540,723)
Profit or loss	-	-	-	(8,575,381)	(8,575,381)
Movement in FX reserve	-	-	265,321	-	265,321
Balance at 30 June 2018	82,302,080	67,500	9,711,531	(84,224,458)	7,856,653

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows
For the year ended 30 June 2018

	Note	Consolidated Group 2018 $	2017 $
Cash Flow from Operating Activities			
Receipts from customers		969,414	219,994
Payments to suppliers and employees		(1,808,367)	(1,465,175)
Proceeds from insurance		-	185,422
Interest received		697	3,111
Interest paid		(77,398)	(12,118)
Net cash used in operating activities	23	(915,654)	(1,068,766)
Cash Flow from Investing Activities			
Payments for plant and equipment		(15,502)	(88,785)
Loans to joint venture investment		(47,544)	(107,811)
Payments for development activities		(232,463)	(137,372)
Payments for exploration activities		(1,716,361)	(3,038,235)
Payment for properties acquired	29	-	(2,648,645)
Net cash used in investing activities		(2,011,870)	(6,020,848)
Cash Flow from Financing Activities			
Proceeds from borrowings		-	965,552
Repayment of borrowings		(809,730)	-
Proceeds of issue of shares		4,684,300	5,186,309
Share issue costs		(488,441)	(726,904)
Net cash provided by financing activities		3,386,129	5,424,957
Net increase (decrease) in cash held		458,605	(1,664,657)
Cash at the beginning of the year		72,341	2,050,356
Effects of exchange rate changes on cash and cash equivalents		(16,547)	(313,358)
Cash at the end of the year	10	514,399	72,341

This statement should be read in conjunction with the notes to the financial statements.

The financial report includes the consolidated financial statements and notes of Fremont Petroleum Corporation and controlled entities (Group) of Fremont Petroleum Corporation which is a listed public Group, incorporated and domiciled in Australia.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report of Fremont Petroleum Corporation for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the directors on 21 September 2018.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, to be reviewed by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Fremont Petroleum Corporation is a for-profit entity for the purpose of preparing the financial statements.

Adoption of new and revised Accounting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group.

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group. Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group’s financial statements is provided below.

AASB 9 Financial Instruments (effective from 1 January 2018)

The AASB will replace AASB 139 Financial Instruments: Recognition and Measurement in its entirety. The replacement standard (AASB 9) is effective for annual periods beginning 1 January 2018. The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts (and some revenue related interpretations). The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

AASB 16 Leases

AASB 16 replaces AASB 117 Leases and some lease-related interpretations. It requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases. AASB 16 provides new guidance on the application of the definition of lease and on sale and lease back accounting. It largely retains the existing lessor accounting requirements in AASB 117 and requires new and different disclosures about leases. The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the likely impact on the first time adoption of the Standard for the year ending 30 June 2020 will be an increase in lease assets of $0 and financial liabilities of USD $30K recognised on the balance sheet.

(b) Principles of consolidation

A controlled entity is any entity over which Fremont Petroleum Corporation, is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 22 to the financial statements. All controlled entities have a June financial year end.

As at the reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered/(left) the consolidated Group during the year, their operating results have been included/(excluded) from the date control was gained/(ceased).

All inter-Group balances and transactions between entities in the consolidated Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

(c) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised on a proportional basis using the effective interest method taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Revenue from sale of oil and gas is recognised in the period in which the sale of gas and oil occurs.

Revenue from interest is recognized using the effective interest method.

All revenue is stated net of the amount of goods and services tax (GST).

(d) Income tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted or are substantially enacted as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authorities.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which the benefits of the deferred tax asset can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(e) Trade receivables

Trade receivables and other receivables are carried at amounts due less any provision for specific doubtful debts.

(f) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Interests in joint arrangements

The consolidated Group's share of the assets, liabilities, revenue and expenses of joint operations are included in the appropriate items of the consolidated financial statements. Details of the consolidated Group's interests are shown at Note 14.

The consolidated Group's interests in joint ventures are brought to account using the equity method of accounting in the consolidated financial statements.

Under the equity method, the share of the profit and losses of the joint venture is recognised in the profit or loss, and the share of post-acquisition movements in reserves recognised in other comprehensive income.

Unrealised gains and losses on transactions between the Group and its joint ventures are eliminated to the extent of the Group’s interest in those entities. Where unreleased losses are eliminated, the underlying asset is also tested for impairment.

(h) Exploration, evaluation and development expenditure and restoration provisions

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Development and producing assets are accounted for under AASB 116 Property, Plant and Equipment.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(i) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The net expected cash flows have been discounted to their present values in determining recoverable amounts.

(j) Depreciation

Items of property, plant and equipment, are depreciated over their estimated useful lives ranging from 3 to 40 years to write off the net cost of each asset during its expected useful life to the Group. The straight line method of depreciation is used.

The assets residual values and useful lives are reviewed and adjusted if appropriate at each reporting date. An asset's carrying amount is written down immediately from its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses are determined by comparing proceeds received with the asset's carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

(k) Leases

Leases of plant and equipment are classified as operating leases where the lessor retains substantially all of the risks and benefits of ownership. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

(l) Foreign currency transactions and balances

(i) Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the year-end exchange rate.
Exchange differences arising on the translation of monetary items are recognised in statement of profit or loss and other comprehensive income.

Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

(iii) Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date; and
- Income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

(m) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date in respect of wages and salaries, annual leave and long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Employee benefits that are expected to be settled wholly within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be payable later than one year are measured as the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on high quality corporate bonds with terms to maturity which match the expected timing of cash flows.

Contributions made by the Group to employee superannuation funds are charged to expenses as incurred.

(n) Equity-settled compensation

The Group operates equity-settled share-based payment employee option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase in an equity account. The fair value of options is determined by an independent valuer using a Black-Scholes option pricing model which incorporates all vesting conditions. In determining fair value, no account is taken of any performance conditions other than those related to market conditions. The cumulative expense recognised between grant date and vesting date is adjusted to reflect the directors' best estimate of the number of options that will ultimately vest because of internal conditions of the options, such as the employees having to remain with the Group until vesting date, or such that employees are required to meet internal sales targets. No expense is recognised for options that do not ultimately vest because internal conditions were not met. An expense is still recognised for options that do not ultimately vest because a market condition was not met.

(o) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Group.

(p) Financial assets and liabilities

Classification

The Group classifies its financial assets and liabilities in the following categories: financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included and trade and other receivables in the statement of financial position.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold-to-maturity. If the Group were to sell other than an insignificant amount of held-to-maturity investments, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for sale-financial assets

Available-for-sale financial assets comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified as any other category, and are classified as non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

(v) Classification and subsequent measurement of financial liabilities

The Group's financial liabilities including borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss. All derivative financial instruments that are not designated and effective as hedging instruments are accounted for at FVTPL.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are including within finance costs or finance income.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised as trade-date — the date on which the Group commits to purchase or sell an asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the statement of profit or loss and other comprehensive income as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the 'fair value of the financial asset through profit or loss' category are presented in the statement of profit or loss and other comprehensive income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of profit or loss and other comprehensive income as part of the revenue from continuing operations when the Group's right to receive payments is established.

Changes in the value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available for sale are recognised in equity.

Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or Group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in the statement of profit or loss and other comprehensive income. Impairment losses recognised in the statement of profit or loss and other comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of profit or loss and other comprehensive income.

(q) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalent includes cash on hand and at call in banks net of overdrafts.

(r) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as expenses in the period in which they are incurred.

(s) Issued Capital

Ordinary share capital is recognised at the fair value of the consideration received. Any transaction costs arising on the issue of shares are recognised (net of tax) directly in equity as a reduction in the share proceeds received.

(t) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(u) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates — Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets, such as outcomes of drilling projects, the company's portfolio priorities and leasing requirements. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Exploration and evaluation

The Group's policy for exploration and evaluation is discussed at Note 1(h). The application of this policy requires management to make certain estimates and assumptions as to future events and circumstances.

Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sales or exploitation, then the relevant capitalised amount will be written off through the statement of profit or loss and other comprehensive income.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

(v) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(w) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

(x) Parent Entity Financial Information

The financial information for the parent entity, Fremont Petroleum Corporation, disclosed in Note 3 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of Fremont Petroleum Corporation.

(y) Business Combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of: (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquire, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

NOTE 2: GOING CONCERN

The financial report has been prepared on the basis of a going concern. The Group had net operating cash outflows for the year of $916,654 and a closing cash position of $514,399.

The Group's ability to continue as a going concern is contingent upon further successful drilling & field development and raising capital, via debt, equity, farm-outs, joint ventures, or a combination of these. If the Company is not successful in these matters, the going concern basis may not be appropriate, with the result that the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

The Company raised a total of AUD $2.7M in Feb, April and June 2018 to fund additional development through drilling. This demonstrates the Company's ability to raise capital. In connection with strong demand from investors, the Company completed a $3.75M placement of its securities in September 2018 to further its development drilling program.

NOTE 3: PARENT ENTITY FINANCIAL INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

	2018 $	2017 $
Statement of financial position		
Total current assets	105,776	16,696
Total non-current assets	50,000	50,000
Total assets	**155,776**	**66,696**
Total current liabilities	53,834	243,211
Total liabilities	**53,834**	**243,211**
Share capital	13,652,745	12,663,871
Reserve for performance rights	67,500	31,950
Accumulated losses	(13,618,303)	(12,872,336)
Total Equity	**101,942**	**(176,515)**

Statement of profit or loss and other comprehensive income		
Profit/(Loss) for the year after tax	(745,967)	(802,782)
Total comprehensive income/loss	**(745,967)**	**(802,782)**

The parent entity has not provided any financial guarantees on behalf of its subsidiary.

The parent entity accounts for Joint Ventures at cost.

The parent entity did not have any contingent liabilities as at 30 June 2018 (2017 Nil).

The parent entity had no contractual commitments as at 30 June 2018 (2017: Nil).

NOTE 4: REVENUE

From continuing operations:

	2018 $	2017 $
Gas and Oil Sales	1,011,215	242,245
Interest received	697	3,111
Total Revenue	**1,011,912**	**245,356**

NOTE 5: LOSS FOR THE YEAR

Losses before income tax have been determined after:

	2018 $	2017 $
Depreciation expense	78,234	68,475
Amortisation expense	271,608	134,659

	2018 $	2017 $
Other Expenses:		
Insurance	119,709	246,024
Telephone	21,355	26,377
Rent on land & buildings	23,881	24,096
Property tax	52,773	3,196
Annual surface use agreements	36,134	-
Repairs and maintenance	30,199	2,498
Marketing	825	3,438
Other Expenses	84,731	80,331
Subscriptions	3,072	165
Office Supplies	4,893	7,336
Interest expense	77,398	23,756
Due diligence costs	-	306
	454,970	**417,523**

NOTE 6: INCOME TAX EXPENSE

	2018 $	2017 $
(a) The components of income tax expense comprise:		
Current Tax	-	-
Deferred Tax	-	-
	-	-
(b) The prima facie tax benefit on loss from ordinary activities is reconciled to the income tax as follows:		
Net Loss	(8,575,381)	(3,713,088)
Prima facie tax benefit on loss from ordinary activities before income tax at 30%	(2,572,614)	(1,113,926)
Add/(less) the tax effect of:		
- Differences in tax rate for US controlled	(18,981)	(128,898)
- Other allowable / (non-allowable) items		
- Impairment and write down	2,153,457	59,304
- Amortisation	81,482	40,398
- Share based payment	53,496	65,963
Tax effect of tax losses and temporary differences not brought to account as they do not meet the recognition criteria	303,160	1,077,159
Income tax attributable to operating loss	-	-
(c) Unused tax losses and temporary differences for which no deferred tax asset has been recognised:		
- In Australia at 27.5%	7,960,378	7,392,733
- In USA at 35%	6,885,155	6,505,538
	14,845,533	13,898,271

NOTE 7: INTEREST OF KEY MANAGEMENT PERSONNEL (KMP)

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2018.

The totals of remuneration paid to KMP of the Group and the Group during the year are as follows:

	2018	**2017**
	$	**$**
Short term employee benefits	501,190	551,133
Post-employment benefits	1,520	4,370
Share based payments	92,000	89,050
	594,710	644,553

NOTE 8: AUDITORS' REMUNERATION

		2018	**2017**
		$	**$**
Remuneration of auditor of consolidated Group for:			
Auditing the financial report			
	Australia	77,500	76,000

NOTE 9: EARNINGS PER SHARE & DILUTED EARNINGS PER SHARE

	2018	**2017**
	$	**$**
Net loss attributed to ordinary equity holders	(8,575,381)	(3,713,088)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	420,691,334	155,779,705
Basic Earnings per share	($0.0204)	($0.0238)
Diluted Earnings per share	($0.0204)	($0.0238)

2018 and 2017 shares shown post 10:1 share consolidation.

The options held by option holders have not been included in the weighted average number of ordinary shares for the purpose of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 "Earnings per Share". The options are non-dilutive as the consolidated entity is loss generating. See Note 19 for details of options.

NOTE 10: CASH AND CASH EQUIVALENTS

	2018 $	2017 $
Cash at bank and in hand	514,399	72,341

The effective interest rate on cash at bank was 1.00% pa (2017: 1.00% pa.).

NOTE 11: TRADE AND OTHER RECEIVABLES

	2018 $	2017 $
Trade and Other receivables*	102,392	56,541
GST Receivable	12,624	12,874
	115,016	**69,415**

*All of the balances within trade receivables are not past due and are not impaired.

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	2018 $	2017 $
Plant and equipment:		
- At cost	534,838	435,743
- Less: Accumulated depreciation	(294,783)	(205,207)
	240,055	**230,536**

Movement in Property, Plant and Equipment at Cost

	2018 $	2017 $
Plant and equipment:		
- At cost	435,743	352,311
- Add: Additions	99,095	167,770
- Less: Assets sold during the period	-	(84,338)
	534,838	**435,743**

Movement in Property, Plant and Equipment Accumulated Depreciation

	2018 $	2017 $
Plant and equipment:		
- Opening: Accumulated Depreciation	(205,207)	(204,245)
- Add: Depreciation	(89,576)	(68,475)
- Less: Assets sold during the period	-	67,513
	(294,783)	**(205,207)**

NOTE 13: INTERESTS IN JOINT VENTURES

Kentucky Exploration LLC is the only joint venture within the Group and the ownership percentage is 50%. Kentucky Exploration LLC is domiciled in the United States of America and its principal activity is to develop and explore the subject prospect for oil and gas production. Its financial statements have been incorporated into the consolidated financial statements using the equity method of accounting.

	2018 $	2017 $
Sales and other operating revenues	295,963	254,987
Finance costs and other finance expense	(1,115,661)	(4,069,251)
Profit/(Loss) before taxation	**(819,698)**	**(3,814,264)**
Taxation	-	-
Profit/(Loss) for the year	**(819,698)**	**(3,814,264)**
Interest profit/(loss) for the year	**-**	**(1,343,670)**
Non-current assets	204,611	789,459
Current assets	111,574	118,518
Total assets	**316,185**	**907,977**
Non-current liabilities	2,729,568	2,332,441
Current liabilities	133,687	203,953
Total liabilities	**2,863,255**	**2,536,394**

Movement in Investment Amounts

	2018 $	2017 $
Opening Investment	-	1,363,871
Profit/(Loss) for the year	-	(1,343,670)
FX Movement	-	(20,201)
Closing Investment	**-**	**-**

Impairment

At each year end, the Directors' review the carrying values of the Kentucky Exploration LLC exploration and evaluation and development and producing assets to determine whether there is any indication that those assets are impaired. For those prospects where the Directors believe such an indication exists at period end, they compare the asset's fair value less costs to sell and value in use to the asset's carrying value. Where it is not possible to estimate the recoverable amount of an individual asset, the Directors' estimate the recoverable amount of the cash-generating unit to which the asset belongs.

At 30 June 2017, the Kentucky exploration and evaluation were written down $2,750,331 to arrive at estimated fair value. The development and producing assets were already fully impaired.

50% of Kentucky Exploration LLC's loss was recorded in Fremont's consolidated financials annually, except beginning the year ended 30 June 2017, in which only the portion of the loss that reduced the investment to $0 was recorded. No loss was recorded in 2018 as the investment was already reduced to $0.

NOTE 14: DEVELOPMENT AND PRODUCING ASSETS

	2018 $	2017 $
Producing assets at cost	2,284,373	1,956,222
Accumulated amortisation	(421,389)	(134,659)
	1,862,984	**1,821,563**

Movement in Carrying Amounts

	2018 $	2017 $
Balance at beginning of year	1,821,563	33,554
Transfers from Exploration and Evaluation	129,050	-
Additions	117,598	1,925,213
Exchange rate difference	55,039	(2,545)
Amortisation expense	(260,266)	(134,659)
	1,862,984	**1,821,563**

See details regarding asset additions in Business Combination Note 29.

Impairment

At each period end, the Directors' review the carrying values of its development and producing assets to determine whether there is any indication that those assets have been impaired. For those prospects where the Directors believed such an indication existed at period end, they compared the asset's fair value less costs to sell and value in use to the asset's carrying value. Where it was not possible to estimate the recoverable amount of an individual asset, the Directors' estimated the recoverable amount of the cash-generating unit to which the asset belongs.

NOTE 15: EXPLORATION AND EVALUATION EXPENDITURE

	2018 **$**	**2017** **$**
Exploration and evaluation assets at cost	6,934,387	12,135,764

Movement in Carrying Amounts:

	2018 **$**	**2017** **$**
Balance at beginning of year	12,135,764	7,896,500
Additions	1,767,757	4,527,456
Revenue offset	-	(34,935)
Exchange rate difference	216,809	(253,257)
Reclassification to Development and Producing	(129,050)	-
Exploration expenditure impairment	(7,056,893)	-
	6,934,387	**12,135,764**

See details regarding asset additions in Business Combination Note 29.

During the year ended 30 June 2017, revenues from exploration assets have been offset against the Company's capitalised exploration asset balance.

During the year ended 30 June 2018, $7.1M of Colorado exploration and evaluation expenditures were written down to estimated fair value. Exploration and evaluation assets were impaired on December 31, 2017 as a result of several factors; results in the first six months of FY 2018 drilling did not meet expectations due to an unforeseeable geological anomaly, the Company's portfolio priorities, and an imbalance condition between the Company's market cap on December 31 as compared to the value of the exploration and evaluation assets on the books at that time. The recoverable amount of exploration and evaluation assets was $4.9M based on the value in use calculations performed. See Note 14 for impairment details. No write-offs were considered necessary during the year ended 30 June 2017. The ultimate recoupment of costs carried forward is dependent on the successful development and commercial exploration or sale of the respective areas.

NOTE 16: OTHER ASSETS

	2018 $	2017 $
Bond deposit – Incremental	81,048	78,150

NOTE 17: TRADE AND OTHER PAYABLES

	2018 $	2017 $
Unsecured:		
- Trade payables	275,774	838,272

NOTE 18: INTEREST BEARING LIABILITIES

	2018 $	2017 $
Line of credit	332,310	846,625

The Group obtained a line of credit from ANB Bank in April 2017. The line of credit allowed for short term borrowings of $650,000 USD, of which $246,010 USD and $650,000 USD was drawn at 30 June 2018 and 30 June 2017, respectively. Interest only monthly payments are required under the line of credit agreement. The interest rate was 7% and 6% at 30 June 2018 and 30 June 2017 respectively. The line of credit is secured by oil and gas wells.

NOTE 19: ISSUED CAPITAL

691,341,981 (2017: 195,727,735) fully paid ordinary shares

A 10:1 consolidation was made in 2 June 2017. All shares and options are reported post consolidation below.

a. Ordinary shares

	2018 $	2017 $
At the beginning of reporting period	77,860,457	73,265,927
Shares issued during the year		
- Issued 7 July 2016	-	10,000
- Issued 26 August 2016	-	300,399
- Issued 4 October 2016	-	1,511,010
- Issued 6 October 2016	-	145,000
- Issued 24 October 2016	-	900
- Issued 9 December 2016	-	3,000
- Issued 16 December 2016	-	1,215,000
- Issued 21 December 2016	-	285,000
- Issued 23 December 2016	-	84,000
- Issued 20 February 2017	-	576,158
- Issued 1 March 2017	-	1,100,842
- Issued 2 March 2017	-	90,125
- Issued 5 July 2017	59,875	-
- Issued 19 July 2017	978,000	-
- Issued 25 August 2017	1,100,000	-
- Issued 4 September 2017	87,000	-
- Issued 13 February 2018	1,652,000	-
- Issued 23 February 2018	8,400	-
- Issued 28 February 2018	403,800	-
- Issued 4 April 2018	574,300	-
- Issued 6 June 2018	30,000	-
- Issued 28 June 2018	88,971	-
	82,842,803	78,587,361
- Less: Cost of capital raising	(540,723)	(726,904)
	82,302,080	**77,860,457**

	2018 Number	2017 Number
At the beginning of reporting period	195,727,735	107,367,990
Shares issued during the year		
- Issued 7 July 2016	-	250,000
- Issued 26 August 2016	-	4,291,414
- Issued 4 October 2016	-	25,183,500
- Issued 6 October 2016	-	2,416,667
- Issued 24 October 2016	-	15,000
- Issued 9 December 2016	-	50,000
- Issued 16 December 2016	-	20,250,000
- Issued 21 December 2016	-	4,750,000
- Issued 23 December 2016	-	1,400,000
- Issued 20 February 2017	-	9,602,637
- Issued 1 March 2017	-	18,347,363
- Issued 2 March 2017	-	1,802,500
- Issued 8 June 2017	-	664
- Issued 5 July 2017	2,395,000	-
- Issued 19 July 2017	48,900,000	-
- Issued 25 August 2017	55,000,000	-
- Issued 4 September 2017	4,350,000	-
- Issued 13 February 2018	236,000,000	-
- Issued 23 February 2018	1,200,000	-
- Issued 28 February 2018	51,555,000	-
- Issued 4 April 2018	82,042,816	-
- Issued 6 June 2018	4,285,716	-
- Issued 28 June 2018	9,885,714	-
At the end of the reporting period	**691,341,981**	**195,727,735**

At shareholder meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Options

	Class	2018 Number	2017 Number
At the beginning of the reporting period		80,500,260	47,723,713
- Issued 26 August 2016	FPLO	-	4,840,000
- Issued 4 October 2016	FPLOA	-	8,393,887
- Converted 4 October 2016	FPLOA	-	(1,833)
- Issued 6 October 2016	FPLOA	-	805,556
- Converted 24 October 2016	FPLOA	-	(15,000)
- Issued 9 December 2016	FPLOA	-	5,312,000
- Issued 23 February 2017	FPLOA	-	9,000,658
- Issued 1 March 2017	FPLOA	-	4,441,279
- Issued 5 July 2017	FPLOA	500,000	-
- Issued 4 September 2017		64,450,000	-
- Expired 18 September 2017	FPLOA	(2,071,297)	-
- Issued 12 June 2018		2,142,858	-
- Issued 26 June 2018		178,700,017	-
- Expired 30 June 2018		(51,950,000)	-
At the end of the reporting period		**272,271,838**	**80,500,260**

Options Outstanding by Class

	2018 Number	2017 Number
Unlisted Options		
- $0.10 expire 30 Jun 2019	4,840,000	4,840,000
- $0.045 expire 30 Jun 2021	12,500,000	-
- $0.02 expire 31 March 2020	180,842,875	-
At the end of the reporting period	198,182,875	4,840,000
Listed FPLOA Options		
- $0.30 expired 18 Sep 2017	-	2,071,297
- $0.06 expire 30 Jun 2019	74,088,963	73,588,963
At the end of the reporting period	74,088,963	75,660,260

c. Capital Risk management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure the Group continues as a going concern.

The Group's debt and capital includes ordinary share capital, share options and drilling advances payable and bank debt. Management effectively manages the Group's capital by assessing the financial risks and adjusting the capital structure in response to those risks. These responses include share issues.

	2018	2017
	$	$
Total Borrowings	332,310	846,625
Less: Cash and cash equivalents	514,399	72,341
Net Debt	**(182,089)**	**774,284**
Total Equity	7,856,653	11,689,540
Total Capital	82,302,080	77,860,457
Gearing Ratio	**-2.3%**	**6.6%**

NOTE 20: RESERVES

	2018	2017
	$	$
- Foreign Currency Reserve	9,711,531	9,446,210
- Performance Rights Reserve	67,500	31,950
	9,779,031	**9,478,160**

Foreign Currency Reserve

This reserve is used to record foreign currency translation differences arising on the translation of financial statements of the Group’s foreign entities into Australian dollars.

Performance Rights Reserve

This reserve is used to record the fair value of performance rights.

NOTE 21: SEGMENT REPORTING

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of geographical location since the diversification of the Group's operations has notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted
Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Segment assets
Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities
Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment

(i) Segment Performance

	Australia 2018 $	**US Sub 2018 $**	**US JV 2018 $**	**Total 2018 $**
Total segment revenue	696	1,011,216	-	1,011,912
Segment net loss before tax	(745,967)	(7,829,414)	-	(8,575,381)

	Australia 2017 $	**US Sub 2017 $**	**US JV 2017 $**	**Total 2017 $**
Total segment revenue	2,232	243,124	-	245,356
Segment net loss before tax	(802,783)	(1,566,634)	(1,343,671)	(3,713,088)

(ii) Segment assets

	Australia 2018 $	USA 2018 $	Total 2018 $
Segment assets	59,085,629	9,592,113	68,677,742
Inter-segment elimination	(58,929,853)	-	(58,929,853)
	155,776	9,592,113	9,747,889

	Australia 2017 $	USA 2017 $	Total 2017 $
Segment assets	55,543,799	14,341,073	69,884,872
Inter-segment elimination	(55,477,103)	-	(55,477,103)
	66,696	14,341,073	14,407,769

(iii) Segment liabilities

	Australia 2018 $	USA 2018 $	Total 2018 $
Segment liabilities	53,834	88,335,348	88,389,182
Inter-segment elimination	-	(86,497,946)	(86,497,946)
	53,834	1,837,402	1,891,236

	Australia 2017 $	USA 2017 $	Total 2017 $
Segment liabilities	243,212	82,366,471	82,609,683
Inter-segment elimination	-	(79,891,454)	(79,891,454)
	243,212	2,475,017	2,718,229

NOTE 22: CONTROLLED ENTITIES

Controlled Entities	Country of incorporation	Equity Holding	
		2018	2017
Parent Entity:			
Fremont Petroleum Corporation	Australia		
Subsidiaries of Fremont Petroleum Corporation:			
AusCo Petroleum Inc (Formerly Aus-Tex Exploration Inc)	USA	100%	100%
AusCo Petroleum Florence, LLC	USA	100%	100%

NOTE 23: CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Loss from Ordinary Activities after Income Tax	**2018 $**	**2017 $**
Loss from ordinary activities after income tax	(8,575,381)	(3,713,088)
Non-cash flows in loss from ordinary activities		
Share based payments	178,321	219,875
Share of Loss in equity investments	-	1,343,670
Loss on settlement of asset retirement Obligations	-	40,986
Gain on disposal of asset	-	(25,085)
Depreciation	89,576	68,475
Amortisation	260,266	134,659
Accretion	87,899	37,169
Accrued expenses	52,442	46,456
Impairment and write down	7,178,189	197,682
Changes in assets and liabilities		
(Increase)/decrease in receivables	(41,801)	(57,066)
(Increase)/decrease in other assets	-	18,636
Increase/(decrease) in trade payables	(145,165)	618,865
Cash flow from operations	**(915,654)**	**(1,068,766)**

NOTE 24: FINANCIAL INSTRUMENTS

Financial Risk Management Policies

The Group's activities expose it to a variety of financial risks: credit risk, market risk (including interest rate risk and currency risk) and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange and aging analysis for credit risk.

Risk management is carried out by the finance department under policies approved by the board of directors.

The Group holds the following financial instruments:

	2018 $	**2017 $**
Financial Assets		
Cash and cash equivalents	514,399	72,341
Trade and other receivables	115,016	69,415
	629,415	**141,756**

Financial Liabilities		
Trade and other payables	275,774	838,272
Line of credit	332,310	846,625
Other long-term liabilities	129,064	98,907
	737,148	**1,783,804**

(a) Market Risk

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in US dollars, was as follows:

	2018	**2017**
	USD	**USD**
	$	**$**
Cash and cash equivalents	311,766	52,518
Trade Receivables	75,801	43,410
Trade Payables	125,474	281,006

Foreign Currency Sensitivity

Based on the financial instruments held at 30 June 2018, had the Australian dollar weakened/strengthened by 10% against the US dollar with all other variables held constant, the Group's post-tax profit and equity for the year would have been the following:

	2018	**2017**
	$	**$**
Change in profit		
Improvement in AUD to USD by 10%	(2,020,766)	(772,308)
Decline in AUD to USD by 10%	2,020,766	772,308
Change in equity		
Improvement in AUD to USD by 10%	(2,020,766)	(772,308)
Decline in AUD to USD by 10%	2,020,766	772,308

Interest Rate Sensitivity Analysis

At 30 June 2018, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2018 $	2017 $
Change in profit		
Increase in interest rate by 2%	1,393	6,223
Decrease in interest rate by 2%	-	-
Change in equity		
Increase in interest rate by 2%	1,393	6,223
Decrease in interest rate by 2%	-	-

(b) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, revenue and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors, Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by wholesale customers is regularly monitored by line management. Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company entered into a $650,000 USD revolving line of credit with ANB Bank during the year ended 30 June 2017. This was an interest only payable loan that was reviewed every 12 months. The line of credit has a maximum borrowing amount of $250,000 as of 30 June 2018.

Management monitors rolling forecasts of the Group's cash flow position on the basis of expected cash flows. This is generally carried out at local level in accordance with the practice and limits set by the Group. These limits vary by location to take into account liquidity of the market in which the entity operates. Trade and other liabilities are expected to be paid in 30 days.

(d) Fair Value Measurements

The carrying value monetary financial assets and financial liabilities of the Group approximate their fair value.
No financial assets and financial liabilities are readily traded on organised markets in standardised form.

AASB 13 'Fair Value Measurement' requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTE 25: RELATED PARTIES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

i. Directors and executives

Disclosures relating to key management personnel are set out in Note 7.

ii Transactions with Director-related entities

During the year the Group utilised the services of CFO Colorado Accounting & Tax Services for the provision of accounting and taxation services at commercial rates. To the reporting date the costs of these services was $168,232 excluding GST (USD $122,466). Mr Lonny Haugen is President of CFO Colorado Accounting & Tax Services.

NOTE 26: CAPITAL COMMITMENTS RELATING TO JOINT VENTURES AND TENEMENTS

The Group is required to meet minimum expenditure requirements of various Government bodies and joint venture agreements.

These obligations may be subject to re-negotiation, may be farmed out or may be relinquished and have not been provided for in the financial statements.

	2018	**2017**
	$	**$**
- Due within one year	3,871,500	1,990,350
- Due between 2 and 5 years	15,486,000	7,961,400
- Due between 6 and 10 years	19,357,500	9,951,750
	38,715,000	**19,903,500**

NOTE 27: SHARE BASED PAYMENTS

Performance Rights

The number of performance rights accrued during the financial year, are as follows:

	2018 $	2017 $
Beginning of year	748,750	-
Accrued	12,906,250	26,012,500
Issued	(1,155,000)	(18,525,000)
Share consolidation	-	(6,738,750)
End of year	**12,500,000**	**748,750**

Rights adjusted for 10:1 share consolidation in June 2017.

Included under employee benefits expense and share based payments in the statement of profit and loss and other comprehensive income is $178,321 (2017: $219,875) and relates, in full, to the equity-settled share-based payment transactions.

Please note that the Company's Performance Rights Plan ("Plan") was approved by shareholders at the General Meeting held on 28 November 2012. The Plan enables the Company to grant entitlements to shares ("Performance Rights") and issue shares on conversion of Performance Rights, without impacting on the Company's ability to issue up to 15% of its total ordinary securities without shareholder approval in any 3-year period. The Company granted Performance Rights to the Directors of the Company in 2014. Based on the details contained in the Notice released to the market on 24th February 2014 performance rights were established for three of the Directors. The company is required to accrue for these performance rights during the year despite the rights requiring Shareholder approval.

Directors performance rights were issued on 28 February 2018 at $0.05 amounting to $20,000 for meeting one of four targets in the 2017 Plan. A performance rights accrual is recorded in 2018 based on the likelihood of achieving two of four targets of the 2018 plan agreed to 23 November 2017 and has been calculated at the then current share price of $0.009.

2018 Targets

KPI#1	No safety LTA or Phase 1 environmental accidents
KPI#2	Production boost of 25% year over year for minimum of 90 consecutive days
KPI#3	Achieve a cash flow positive position for a minimum of 90 consecutive days
KPI#4	Share price of $0.06 for 30 consecutive days

2017 Targets

KPI#1	No safety lost time accidents or Phase 1 environmental accidents.
KPI#2	Achieve daily production of 250 boepd for a sustained period of thirty days or greater.
KPI#3	Achieve a cash flow positive position for a minimum of sixty days within the 2017 calendar.
KPI#4	Achieve a stock price of $0.012 for a sustained period of thirty days or greater (being a 100% increase over the company's September 2016 $0.006 private placement price).

NOTE 28: CONTINGENT LIABILITIES

There are no material contingent liabilities that exist at reporting date (2017: Nil).

NOTE 29: BUSINESS COMBINATION

On 3 March 2017, the Company executed a final Purchase and Sale Agreement (PSA) with Incremental Oil and Gas Limited (Incremental) to acquire 100% of its 2,436 acre Florence Oilfield acreage and oil production in Colorado for US $2M. The effective date of the transaction was 31 December 2016, at which time control was obtained. Incremental retains a 2.5% overriding royalty interest in the prospective Niobara Formation, which underlies the Pierre formation. The assets are now part of the Company's Colorado asset base where it is now focusing 100% of its efforts. The Company now has operatorship and controls 100% of 18,208 acres in Colorado that includes producing wells and property to accommodate more than 450 oil and gas wells across its expanded footprint. The transaction includes 3D seismic, all associated production infrastructure including pump jacks, tanks, flow lines, 10,000 feet of steel production casing and an option over a further 380 acres for re-lease. The acquired acreage is in the DJ Basin in Colorado, adjacent to its flagship Pathfinder project. The business combination is expected to yield a long-term production rate of approximately 52 barrels of oil per day and stable cash flow. Wells are expected to produce for more than 20 years and some for over 100 years.

This transaction was accounted for as a business combination as the assets and liabilities acquired constructed a stand alone business.

The Company undertook an AUD $3.2M capital raise at $0.006 per share to fund the acquisition.

The details of the business combination are as follows:

	AUD $
Fair value of consideration transferred	
Amount settled in cash	2,653,703
Purchase price adjustments	(5,058)
Cash paid	**2,648,645**
Recognized amounts of identifiable net assets	
Exploration and evaluation assets	1,573,093
Development and producing assets	1,990,277
Asset retirement obligation	(685,180)
Deferred Tax Liability	(229,545)
Total net assets	**2,648,645**

NOTE 30: POST-REPORTING DATE EVENTS

On 5 September 2018, Fremont completed a two-tranche placement of its securities to raise AUD $3.75M (before costs) to advance the development of the Company's 100% owned, 21,500 acre Pathfinder property in Colorado.

The Placement comprises the issue of a total of 535,714,352 shares to sophisticated and professional investors at an issue price of $0.007 per share, together with one free attaching option for every two shares subscribed for and issued under the Placement. The options will be listed options exercisable at $0.02 each on or before 31 March 2020. The issue price represents a discount of 24% to Fremont's 30-day VWAP of 0.93c and a discount of 5.7% to Fremont's 14-day VWAP of 0.74c.

The issue of shares under the Placement will occur under two tranches as follows:

(a) 172,835,495 Shares (**Tranche 1**), will be issued out of the Company's placement capacities pursuant to ASX Listing Rule 7.1 and 7.1A.; and

(b) 362,878,857 Shares (**Tranche 2**), will be issued by the Company once the Company receives shareholder approval at a general meeting to be held in Sydney of 16 October 2018.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 29 to 64 are in accordance with the *Corporations Act 2001*:
   a comply with Australian Accounting Standards including the Australian Accounting Interpretations and the *Corporations Regulations 2001*; and
   b giving a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date; and
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The directors have been given the declarations by the Chief Executive Officer, Chief Financial Officer and Company Secretary required by Sec 295(a) of the Corporations Act 2001.
4. The consolidated financial statements comply with International Financial Reporting Standards as stated in Note 1(a).

This declaration is made in accordance with a resolution of the Board of Directors.

Mr. Guy T. Goudy
Executive Chairman

Dated this 28th day of September 2018

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Independent Auditor's Report

To the Members of Fremont Petroleum Corporation Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Fremont Petroleum Corporation Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

b Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 to the financial report, which notes net operating cash outflows of $915,654 and a closing cash balance of $514,399 for the year ended 30 June 2018. This condition, along with other matters set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our report has not been modified in relation to this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Exploration and evaluation assets Note 15	

In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the company is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.
 	
The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.
 	
This area is a key audit matter due to the valuation of exploration and evaluation assets being a key estimate for management.
	Our procedures included, amongst others:
	• obtaining management's reconciliation of capitalised exploration and evaluation expenditure and tying against the general ledger;
	• reviewing management's area of interest considerations against AASB 6;
	• conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including:
	  – tracing material projects to supporting documentation to determine whether a right of tenure existed;
	  – enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's cash-flow forecast models and budgeted expenditure;
	  – understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale;
	• assessing the accuracy of the impairment recorded for the year as it pertained to exploration interests in accordance with AASB 136 including:
	  – understanding what portion of the capitalised expenditure management have determined is impaired;
	  – assessing management's justification and measurement of the recoverable amount of the unimpaired portion;
	• reviewing the appropriateness of the related disclosures within the financial statements.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

In our opinion, the Remuneration Report of Fremont Petroleum Corporation Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 28 September 2018

Additional Information required by the ASX Limited Listing Rule 4.17 and not disclosed elsewhere in this report is set out below.

Shareholdings

a. Distribution of Shareholders as at 17 September 2018

Category	Holders of Ordinary Shares	% of Issued Capital	Holders of Listed Options	% of Listed Options
1 – 1000	199	0.008%	175	0.092%
1,001 – 5,000	163	0.052%	160	0.554%
5,001 – 10,000	107	0.097%	91	0.969%
10,001 – 100,000	826	4.192%	248	12.893%
100,001 – and over	582	95.651%	115	85.492%
Total number of security holders	**1,877**	**100.00%**	**789**	**100.00%**

b. Unmarketable Parcels as of 17 September 2018

	Minimum Parcel Size	Total Unmarketable Parcel Shares	Number of Holders	UMP%
Ordinary Shares	71,429	22,902,068	1,139	2.65016

c. Substantial shareholders

There is one substantial shareholder owning more than 5% of shares listed in the holding Group's register as at 17 September 2018.

CLAYMORE VENTURES LIMITED	74,785,716 ordinary shares	8.654%

d. Voting Rights

Fully paid ordinary shares
Subject to any rights or restrictions attached to any class of shares, at a meeting of members, on a show of hands, each member present (in person, by proxy, attorney or representative) has one vote and on a poll, each member present (in person, by proxy, attorney or representative) has one vote for each fully paid share they hold.

Options
Options do not carry a right to vote.

e. Twenty largest shareholders

The names of the 20 largest holders of fully paid ordinary shares constituting a class of quoted equity securities on the Australian Securities Exchange Limited including the number and percentage held by those at 17 September 2018 are as follows:

Name	Number of Fully Paid Ordinary Shares Held	% held
CLAYMORE VENTURES LIMITED	74,785,716	8.654%
JETAN PTY LTD	28,500,000	3.298%
MR PHILIP JOHN CAWOOD	22,500,000	2.604%
MRS WENCHENG YUAN	17,489,227	2.024%
MR JOHN MACQUARIE CAPP & MS SUSAN STRICKLAND CAPP <THE CAPP SUPER FUND A/C>	17,142,857	1.984%
MR JOHN MACQUARIE CAPP	17,142,857	1.984%
MR VICTOR LORUSSO	15,000,000	1.736%
CHIFLEY PORTFOLIOS PTY LTD <DAVID HANNON A/C>	14,285,714	1.653%
JAMBER INVESTMENTS PTY LTD <THE AMBER SCHWARZ FAM A/C>	14,248,051	1.649%
MR BRUCE KENRIC GLOVER CROSSLEY	13,323,636	1.542%
ANGLO MENDA PTY LTD	13,023,377	1.507%
UBS NOMINEES PTY LTD	12,857,143	1.488%
PARRY CAPITAL MANAGEMENT LIMITED <PARRY SPEC SITUATION SP FUND>	11,428,571	1.322%
NOTEGRIN PTY LIMITED	10,000,000	1.157%
FILMRIM PTY LTD <MAJUFE SUPER A/C>	10,000,000	1.157%
BT PORTFOLIO SERVICES LIMITED <WARRELL HOLDINGS S/F A/C>	10,000,000	1.157%
CHALEYER HOLDINGS PTY LTD <RUBBEN FAMILY A/C>	10,000,000	1.157%
JETOSEA PTY LTD	10,000,000	1.157%
PROFESSOR KERRY OWEN COX	9,731,381	1.126%
CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	9,438,000	1.092%
TOTAL	**340,896,530**	**39.448%**

Option holders

Listed Options – Exercisable on payment of $0.06 on or before 30 June 2019

The names of the 20 largest holders of listed $0.06 options including the number and percentage held by those at 17 September 2018 are as follows:

Name	Number of Listed Options Held	% held
MR ZIYIN FANG	2,800,000	3.779%
MR MD AKRAM UDDIN	2,636,000	3.558%
PROFESSOR KERRY OWEN COX	2,500,000	3.374%
MR KEVIN BRUCE BEBBINGTON & MRS MARGARET PATRICIA BEBBINGTON <BEBBINGTON INVESTMENT A/C>	2,000,000	2.699%
MR JOHN BASSILIOS	2,000,000	2.699%
MS WEI QI TONG	2,000,000	2.699%
DR PETER KENCH	2,000,000	2.699%
MR WILLIAM CAVANAGH	1,985,556	2.680%
HONSHO PTY LTD <BASSILY FAMILY A/C>	1,460,000	1.971%
MR DIMITRIOS GEORGIOU	1,300,000	1.755%
MR BAHAA AMIN BASSILY	1,290,000	1.741%
MR SEAN DENNEHY	1,200,000	1.620%
MR JOHN MACQUARIE CAPP & MS SUSAN STRICKLAND CAPP <THE CAPP SUPER FUND A/C>	1,068,148	1.442%
SKJ SUPERANNUATION PTY LIMITED <THE SEYMOUR SUPER FUND A/C>	1,062,500	1.434%
HUNTSKI PTY LTD <HUNT S/F A/C>	1,050,000	1.417%
MRS SHARON LEWIS	1,047,000	1.413%
MRS COLLEEN MOIRA ANN WHITE	1,032,917	1.394%
ALKENE CONTRACTING PTY LTD	1,030,200	1.390%
JOMOI PTY LIMITED <P & C WHITE SUPER FUND A/C>	1,002,917	1.354%
MR BRENDON CHEVELY DESHON & MRS JACQUELINE ANN DESHON <DESHON SUPERFUND A/C>	1,000,000	1.350%
TOTAL	**28,507,469**	**38.739**

Unquoted Securities

Options over Unissued Shares - Exercisable on payment of $0.10 on or before 30 June 2019

The names of all holders of unlisted options including the number and percentage held by those at 17 September 2018 are as follows:

Name	Number of Unlisted Options Held	% held
PATERSONS SECURITIES LIMITED	2,650,000	54.752
HOFENUNG PTY LTD	700,000	14.463
MR DAVID CHARLES NEESHAM &	600,000	12.397
RAT CONSULTING PTY LTD	440,000	9.091
KENZOU INVESTMENTS PTY LTD	250,000	5.165
MR SHANE TONKIN	200,000	4.132
TOTAL	**4,840,000**	**100.000**

Options over Unissued Shares - Exercisable on payment of $0.02 on or before 31 March 2020

Name	Number of Listed Options Held	% held
CLAYMORE VENTURES LIMITED	36,821,429	18.611%
XCEL CAPITAL PTY LTD	16,200,000	8.188%
KATO VENTURES PTY LTD	15,000,000	7.582%
JETAN PTY LTD	14,250,000	7.203%
MR JOHN MACQUARIE CAPP & MS SUSAN STRICKLAND CAPP <THE CAPP SUPER FUND A/C>	8,571,429	4.332%
MR JOHN MACQUARIE CAPP & MS SUSAN STRIKLAND CAPP <THE CAPP SUPER FUND A/C>	8,571,429	4.332%
ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	7,500,000	3.791%
MR VICTOR LORUSSO	6,071,429	3.069%
TYCHE INVESTMENTS PTY LTD	6,000,000	3.033%
LEET INVESTMENTS PTY LIMITED	3,575,000	1.807%
MR MICHAEL SHIRLEY	3,575,000	1.807%
FILMRIM PTY LTD <MAJUFE SUPER A/C>	3,500,000	1.769%
CHALEYER HOLDINGS PTY LTD <RUBBEN FAMILY A/C>	3,500,000	1.769%
FILMRIM PTY LTD	3,325,000	1.681%
MR PHILIP JOHN CAWOOD	3,000,000	1.516%
MR RONALD BOWEN & MRS KAREN BOWEN <BOWEN SUPER FUND A/C>	2,502,143	1.265%
MR DAVID CHARLES NEESHAM & MRS PAMELA CHRISTINE NEESHAM <DC & PC NEESHAM SUPER A/C>	2,500,000	1.264%
JOHN WARDMAN & ASSOCIATES PTY LTD <THE WARDMAN S/FUND A/C>	2,500,000	1.264%
NOTEGRIN PTY LIMITED	2,357,143	1.191%
VELD NOMINEES PTY LTD <ZOLOTO FAMILY A/C>	2,000,000	1.011%
TOTAL	**153,320,002**	**77.496%**

Options over Unissued Shares - Exercisable on payment of $0.045 on or before 15 July 2021

The names of all holders of unlisted options including the number and percentage held by those at 17 September 2018 are as follows:

Name	Number of Unlisted Options Held	% held
XCEL CAPITAL PTY LTD	7,096,151	56.769%
JP SECURITY HOLDINGS PTY LTD <CJ SECURITY HOLDINGS A/C>	2,903,849	23.231%
ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	2,500,000	20.000%
TOTAL	**12,500,000**	**100.0%**

Tenements

All tenements including locations and percentage interest are listed in the Review of Operations (page 11).

CORPORATE DIRECTORY

DIRECTORS

Mr Tim Hart	Managing Director and Chief Executive Officer
Mr Guy Goudy	Executive Chairman
Mr Stuart Middleton	Non-Executive Director
Mr Samuel Jarvis	Non-Executive Director
Mr Andrew Blow	Non-Executive Director

COMPANY SECRETARY

Mr Robert Lees

REGISTERED OFFICE AND PRINCIPAL ADMINISTRATIVE OFFICE

Fremont Petroleum Corporation
CoySec Services Pty Ltd
Suite 302
Level 3, 17 Castlereagh Street
Sydney, NSW 2000
Phone : 61 2 9299 9580
Website: www.fremontpetroleum.com.au

USA OFFICE

113 North Santa Fe
Florence, Colorado 81226
Phone +1 719 784 7616

SHARE REGISTRY

Boardroom Pty Limited
Grosvenor Place Level 12
225 George Street
Sydney, NSW 2000, Australia
Phone (inside Australia): 1300 737 760
Phone (outside Australia): 61 29290 9600

AUDITORS

Grant Thornton Audit Pty Ltd
Level 30, 525 Collins Street
MELBOURNE VIC 3000

AUSTRALIAN LEGAL ADVISORS

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

AUSTRALIAN SECURITIES EXCHANGE

The company is listed on the Australian Securities Exchange. The home exchange is Sydney.

ASX Codes:	Shares:	FPL
	Options:	FPLOA