



Wells Fargo Reserve Based Lending Facility Update

Houston, October 11, 2018: Freedom Oil & Gas Ltd (ASX: FDM, US OTC: FDMQF) ("Freedom") today announced that it has executed updated reserve based lending facility documents with Wells Fargo Bank.

The updated reserve based lending facility has an initial US\$20 million bank lending commitment (borrowing base) and a maximum capacity of US\$500 million. Freedom intends to make its initial drawn down before the end of December 2018.

As previously advised, the Wells Fargo reserve based lending facility will be used to fund on-going development activities on Freedom's Eagle Ford Shale acreage in Dimmit County, Texas.

Commenting on the reserve based lending facility, J. Michael Yeager, Freedom's Chairman and Chief Executive Officer stated "Since initiating our strategy two years ago to develop our Eagle Ford acreage, we have worked with Wells Fargo to meet their requirements to draw on our reserve based lending facility. After drilling and starting up production on our first six wells over the last year, we are pleased to announce we have met Wells Fargo's requirements to draw down an initial amount". Mr Yeager continued "With this lending facility in place, we are now able to access low cost capital on an ongoing basis to help fund our drilling and development program. The Wells Fargo borrowing base will be redetermined in the first quarter of 2019 and every six months thereafter, with the potential for additional funding based on new production and reserve additions after additional drilling. So as we continue to grow our proven reserve base, the size of the credit facility can also grow. Additionally, its large capacity provides the potential for additional capital for future acquisitions which include proved producing properties, should the right opportunity arise."

Wells Fargo's initial US\$20 million lending commitment follows Freedom's reserve upgrade announced to ASX September 23, 2018 (Houston time). Proved reserves as of July 1, 2018, grew 43% in the first half of 2018 to 19.1 million barrels of oil equivalent ("MMBOE") and carry a high value due to the large percentage of liquids content of 52% crude oil and 24% condensate and natural gas liquids. The present value of the proved reserves, discounted at 10% ("PV-10"), is US\$157.8 million, a 98% increase from PV-10 at year-end 2017. The mid-year 2018 proved reserves are based solely on the Lower Eagle Ford formation and do not include potential upside value in developing the Upper Eagle Ford formation and other productive formations on Freedom's 9,700-acre position.

Freedom's July 1, 2018 reserve estimates were prepared by Netherland, Sewell & Associates, Inc. ("NSAI"), an internationally renowned reserve engineering company. In addition to Freedom's six proved developed producing wells, NSAI has also verified 61 proved undeveloped and 17 probable undeveloped Lower Eagle Ford locations to make up the Company's current drilling inventory.

Commenting on Freedom's development program, Mr. Yeager stated, "With a dedicated rig currently drilling to further develop the Lower Eagle Ford formation on our acreage, we expect to continue to increase our proved reserve base and generate higher production volumes and operating cash flow. Going forward, we plan to test the Upper Eagle Ford shale and the Austin Chalk, which are shallower productive formations where wells have already been drilled by offset operators. These additional formations offer upside potential for reserve growth and an increase in our drilling inventory."

ATTRIBUTIONS

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

FORWARD LOOKING STATEMENTS

This release may contain forward looking statements. Forward looking statements may be based on assumptions which may or may not prove to be correct. None of Freedom, its respective officers, employees, agents, advisers or any other person named in this release makes any representation as to the accuracy or likelihood of fulfillment of the forward looking statements or any of the assumptions upon which they are based and disclaim any obligation or undertaking to revise any forward looking statement, whether as a result of new information, future event or otherwise.

CONTACT

Further inquiries contact information:

J. Michael Yeager
Chief Executive Officer
+1-832-783-5700

Andrew Crawford
Company Secretary
+61-2-4925-3659

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

Freedom Oil and Gas Ltd is a development stage independent oil and gas company. The Company has commenced the drilling of its acreage in the liquids rich area of the Eagle Ford Shale in South Texas, in the United States. For more information, visit www.freedomog.com.