Houston, Texas, 29 October 2018

QUARTERLY ACTIVITIES REPORT 3RD QTR 2018

Freedom Oil & Gas Ltd ("FDM", "Freedom", and "Company") is pleased to provide its quarterly activities report for the quarter ended September 30, 2018

KEY ACTIVITIES AND HIGHLIGHTS

Continuous developmental drilling program ongoing in the Eagle Ford Shale

- In 3Q 2018, FDM initiated a continuous one-rig drilling program after signing a six month drilling contract with Orion Drilling Company
- Total of 16 wells planned to be drilled and completed within the six month contract and on production between late 4Q18 and early 2Q19.
- Continuous drilling program followed the first six horizontal wells (Phase 1&2) that were completed and put on production in late 2017 and the first half of 2018 on the Wilson and Hovencamp pads
- These initial six wells achieved initial production rates of 1,130-1,250 barrels of oil equivalent per day
- Wells produced high average liquids content of 75-80 percent, sold at premium Houston Gulf Coast (formerly LLS) pricing of US$5.00 to US$7.00 above WTI

Funding in place for continuous drilling program

- Executed updated reserves-based lending (RBL) facility documents with Wells Fargo Bank
- RBL facility has an initial US$20 million bank lending commitment (borrowing base) and a maximum capacity of US$500 million
- Initial draw down expected before the end of December 2018
- RBL facility lending will increase as more production growth is achieved and will be used to fund on-going development drilling activities
- Proceeds from the recent equity offering in addition to cash on hand and operating cash flow also support FDM's development program

Generating solid economic returns with expected free cash flow by 2021

- Acreage position leased at attractive price per acre during 2015 oil price downturn
- Moderate reservoir depths allow low drilling & completion costs at approximately US$5.3 million per well
- Benefiting from low operating expenses and very low transportation costs
- Very economic projection of well economics using Estimated Ultimate Recovery (EUR) across a range of outcomes
- Current six producing wells have strong operating cash flow of US$3-4 million per month in addition to current US$29 million cash on hand

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

Freedom Oil & Gas is a USA focused oil and gas company. The Company owns ~9,700 net acres in the liquids-rich region of the Eagle Ford Shale (EFS) in Dimmit County, Texas. The Company has drilled the first six wells with results that exceeded expectation, and 16 new wells are currently being drilled in the next six months as part of a continuous horizontal drilling program with a dedicated rig.

FDM's acreage is in one of the most active drilling areas in the thickest interval of the EFS. It is surrounded by over 300 offset producing wells which show excellent reservoir characteristics in multiple intervals for oil in place, in addition to pressure and brittleness that can be hydraulically fractured effectively.

FDM's contiguous acreage can support long lateral lengths, averaging over 7,500 feet targeting the Lower Eagle Ford. The modern completion techniques, including multi-stage hydraulic fracturing, applied to FDM's first six wells have continued the trend of faster completions at lower costs. The wells are currently producing premium-priced light, sweet crude oil and high liquids rich natural gas.

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Significant proved reserve growth year over year

- Mid-year 2018 proved reserves, as of July 1, 2018, increased by 43 percent over year-end 2017 to 19.1 million barrels of oil equivalent (MMBOE)
- Liquids represented 75-80 percent of proved reserves, of which 52 percent was crude oil
- PV-10 proved reserve Value of US$157.8 million represents more than a 98 percent increase from the year-end 2017 PV-10 reserve value of US$79.5 million. PV-10 Proved and probable reserve value of US$389.8 million

Operational Update

Current development is focused on the Lower Eagle Ford Shale (EFS) B horizon. Subsequent development is expected to include the Lower EFS A, Upper EFS and Austin Chalk. The Company's acreage is close to existing oil and gas transportation lines. Oil is transported via truck and pipeline, which costs US$3-4 per barrel (bbl) or US$2-3/bbl, respectively. Raw gas containing natural gas liquids (NGLs) is connected to an external gas gathering, compression, transportation and processing network, with total gas processing and transportation costs of US$1.00 per thousand cubic feet (mcf).

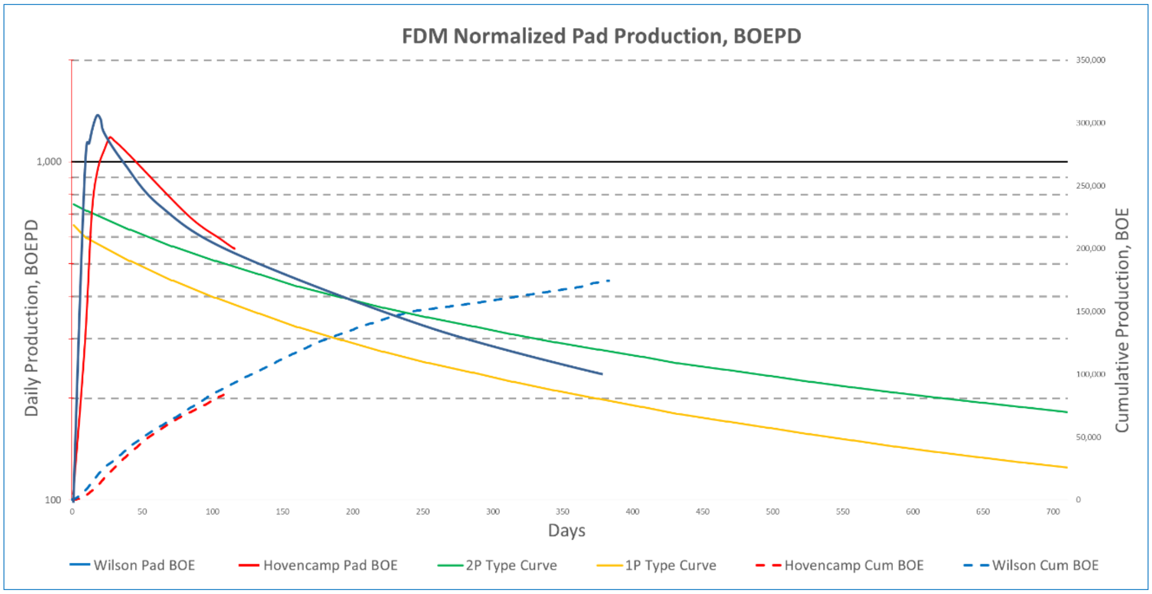
Prior to drilling its first well and the independent study of W.D. Von Gonten and Schlumberger, FDM undertook an extensive technical evaluation comprising petrophysical interpretation of data from over 200 of the offset wells. Core data from five surrounding wells and 3D seismic data over a large portion of its acreage was purchased and evaluated. A detailed reservoir characterization study of the EFS formation for rock and fluid properties and estimated hydrocarbons in place was completed. This study evaluated geological hazards such as faulting and offset well trajectories.

Six wells in the Lower EFS B have been drilled and are currently on production including two wells drilled in late 2017 (Phase 1) and four wells drilled in 1H 2018 (Phase 2). Geology encountered in all six wells has shown excellent lateral continuity. Currently in the Phase 3 program, five additional wells have been drilled, and three of those wells are expected to be on production in 4Q18. The Company continues to drill as described in this report.

All Six Producing Wells Exceeded Initial Projections and Are Above the New Reserve Estimator Type Curves

As previously reported, the six currently producing wells had an average 30 day initial production rate of 1,250 BOE/D for Phase 1 and 1,128 BOE/D for Phase 2, all six exceeding expectations. The official Netherland, Sewell and Associates, Inc. (NSAI) endorsed splits on crude/condensate, NGLs and natural gas are 52 percent, 24 percent and 24 percent respectively and have been incorporated into our reserve base. These product splits are utilized whenever the Company reports barrels of oil equivalent (BOE). The crude is a 45 degree API oil which is premium quality and the wellhead gas has a heating value of over 1,300 mmbtu/mcf. Both of these characteristics lead to the liquids content being approximately 75-80 percent of the production volumes.

Previous type curves prepared by W.D. Von Gonten were based on offset operator's performance prior to FDM drilling a well. The type curves noted below are derived by NSAI in our recent mid-year reserves assessment and are based on our six FDM wells drilled to date. The yellow type curve represents the proved reserves only that NSAI has assigned to these wells. The green type curve represents both proved and probable reserves they have assigned to these wells. NSAI utilizes the guidelines set forth approved by the Society of Petroleum Engineers (SPE) in the Petroleum Resources Management System (PRMS) and within these guidelines, proved reserves are those reserves which will have a 90 percent probability that the quantities recovered will meet or exceed these estimates. The additional probable reserves assigned to each of these wells will have at least a 50 percent probability of meeting or exceeding these estimates. As more wells are drilled and actual performance is observed, the proven category will become more certain and reserves will be shifted from probable to proven.



FDM Normalized Pad Production and Type Curve Comparison

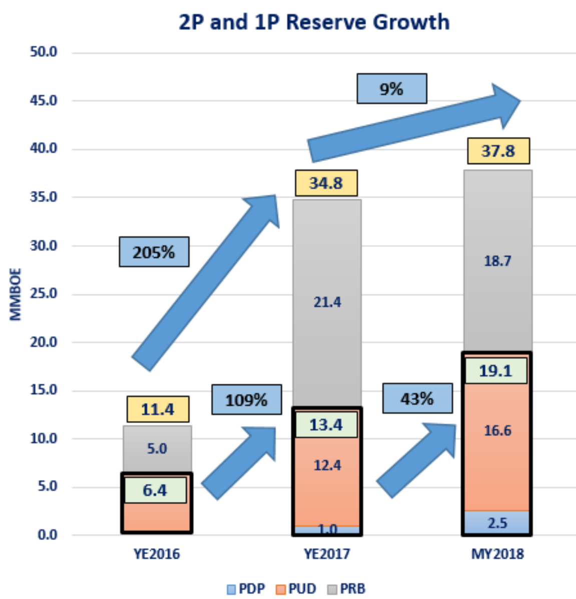
As shown, average well performance from the two Phase 1 Wilson wells (shut-in and fractured hit time removed), and the four Phase 2 Hovencamp wells are tracking very close to our type curve for proved and probable, and above our Type Curve for Proved only. Obviously it is very early in the life of these wells, but initial performance continues to be good. The two Wilson wells have had some downtime over the past several months due to being frac hit, while stimulating the Hovencamp wells and then being shut in while drilling the three Vega wells on the same pad. They are back online and have returned to their previous performance levels. Additionally the Wilson wells, in order to adequately lift all of the fluids from the wellbore are gas lift assisted. This is a method of artificial lift that allows you to inject gas down the casing of the well and increase the lifting capacity of the reservoir gas which will help the well to have a more stable flow. The four Hovencamp wells are flowing on their own on a 44/64th choke at 200 psi flowing tubing pressure. Estimated Ultimate Recoveries (EURs) per well as determined by NSAI are approximately 500,000 BOE for Proved and 650,000 BOE for Proved and Probable. At today's well cost average of US$5.3 million, the IRR's on an individual well is 34 percent for proved and 77 percent for proved and probable. Payout on these wells for proved is 2.1 years and 1.3 years for proved and probable. These economics are fully loaded with all field operating expenses, which include well monitoring and maintenance, gathering, compression for gas lift and sales, transportation and processing.

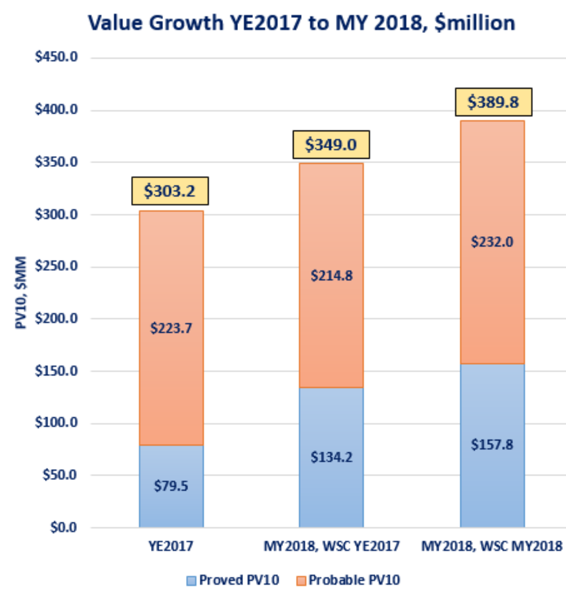
Mid-Year Proved Reserves Increased 43 Percent in First Six Months of 2018

FDM's proved reserves as of the end of June 2018, which increased 43 percent since the end of December 2017 to 19.1 MMBOE, are based on six producing wells, four of which were drilled and placed on production in June of 2018. These reserve estimates were prepared by Netherland, Sewell and Associates, Inc., an internationally renowned reservoir engineering company. In addition to FDM's six proved developed producing wells, NSAI has also verified that 61 proved undeveloped locations and 17 probable undeveloped Lower Eagle Ford locations to make up the Company's current drilling inventory.

Currently, the proved reserves and proved undeveloped drilling locations are entirely related to the Lower Eagle Ford Shale formation, and no credit has been given to the Upper Eagle Ford Shale formation or the Austin Chalk, which are shallower productive formations where wells have already been drilled by offset operators adjacent to our acreage.

The PV-10 proved reserve value of US$157.8 million is a 98 percent increase from the end of December 2017 PV-10 proved reserve value of US$79.5 million. Additionally, due to FDM's early stage development, information on the probable reserves is provided. Probable reserves estimated by NSAI are 18.7 MMBOE, bringing total proved and probable reserves to 37.8 MMBOE with a PV-10 value of US$389.8 million. The 2P PV10 increased by 28 percent from the 2P PV10 reported at YE2017. The reserve increase attributed for 15 percent of this increase and the price accretion attributed another 13 percent.





Wall Street Consensus YE2017	2018	2019	2020	2021	2022+
WTI, $/bbl	$60.41	$60.33	$59.99	$59.80	$59.71
NYMEX, $/mmbtu	$3.07	$3.02	$3.05	$3.10	$3.09

Wall Street Consensus MY2018	2018	2019	2020	2021	2022+
WTI, $/bbl	$66.47	$64.87	$65.74	$64.70	$61.57
NYMEX, $/mmbtu	$2.92	$3.01	$3.04	$3.06	$3.04

Executed Updated Wells Fargo Reserve Based Lending Facility Documents

The updated reserves-based lending facility was announced on 11 October 2018, and has an initial US$20 million bank lending commitment (borrowing base) and a maximum capacity of US$500 million. FDM expects to make its initial draw down before the end of December 2018. As previously advised, the Wells Fargo reserves-based lending facility will be used to fund on-going development activities on FDM's Eagle Ford Shale acreage in Dimmit County, Texas. Since initiating its strategy two years ago to develop the Eagle Ford acreage, FDM has worked with Wells Fargo to meet the bank's requirements to draw on its reserves-based lending facility. After drilling and commencing production on its first six wells over the last year, the Company met Wells Fargo's requirements to draw down an initial amount under the facility. With this lending facility in place, FDM is now able to access low-cost capital on an ongoing basis to help fund its drilling and development program. The initial interest rate will be LIBOR plus 3 percent or around 5.3 percent interest before tax. The initial US$20 million borrowing base will be re-determined 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.

Therefore, as the Company continues to grow its proven reserve base, the size of the credit facility can also grow. The facility's large US$500 million capacity provides the potential for additional capital for future acquisitions which include proved producing properties, should the right opportunity arise.

Single Rig Under Contract for Continuous Horizontal Drilling Program; Excellent Initial Results

After successfully testing our acreage position through the drilling of six wells that achieved better than expected initial results, the Company has moved forward with a continuous horizontal drilling program with a new dedicated rig. FDM executed a six-month contract in August 2018 to lease a fit-for-purpose rig with Orion Drilling Company with an option to extend that contract for an additional six months. The oilfield equipment market is tight, and FDM was fortunate to secure an optimum rig with desired horsepower and speed. After coming off of a four-year contract with a single operator, the Orion rig came with a proven crew and good performance record.

We are very proud of our drilling results to date. Each phase of drilling has resulted in faster and lower cost of wells being drilled. Our first three wells drilled with the Orion Rig, the Vega 1, 2 and 3 averaged 11.5 days and US$1.35 million each after assembling the rig. The fourth and fifth wells just completed, the Persimmon 1 and 2 were drilled from the new Hovencamp North pad and were drilled in an average of nine days at a cost of US$1.1 million. These wells are all 6,500 feet deep with horizontal lateral lengths over 7,500 feet. The operational improvements have resulted in no increases in drilling costs from inflation.

Our drilling plans are also becoming more efficient. Our Phase 1 drilled two wells from the single Wilson pad and Phase 2 drilled four wells from the single Hovencamp pad. In our Phase 3 drilling we will drill from three different pads with as many as six wells from a single pad. This results in more days productively drilling new wells. Because our acreage is contiguous and 100 percent owned, we can always drill full laterals of at least 7,500 feet. Lastly, we use less equipment and build less infrastructure with more consolidated development on fewer pads.

At present, the three Vega wells drilled from the Wilson East pad are ready to be completed. The drilling rig has now moved to the Hovencamp North pad and has drilled the first two wells of a planned six well program. The hydraulic fracturing of the three Vega wells will begin by mid-November, and those wells should come online in December. The six wells being drilled on the Hovencamp North pad will be finalized in late November and completed in December. We would expect to have them on production in mid-1Q19.

The cost of completions of the four wells on the Hovencamp Pad, and the bids we have for the three upcoming Vega wells, are all very similar at approximately US$4.0 million each. When combined with our consistent drilling cost of US$1.3 million, the well costs total US$5.3 million each. We are gaining confidence that this is a repeatable cost for each well.

Development Plan

The attached development map shows the area of our field development for the next year or more. The six locations marked in green are our currently producing wells. The 16 locations in blue are the firm locations we are drilling now and will continue to drill over the six months of our current drilling rig contract which ends in February 2019.

The 45 additional locations marked in red indicate the areas of drilling available to us after our current six month drilling contract is completed. If our development continues to perform as it has so far in regards to costs, oil rates and expected reserve additions, it would be our intention to extend the drilling contract for an additional six months. This would allow us to drill approximately 16 additional wells from February 2019 to August 2019, and give the Company a total of 38 wells.

Our current modeling of the potential outcomes of our development show that our daily production volumes can grow to approximately 7,000 BOEPD with the wells drilled in the current six month contract, and up to 10,000 BOEPD with a six month contract extension. Financing of this program will continue to come from cash on hand, operational cash flow from producing wells and the need to make additional draws from our Wells Fargo facility beyond the current US$20 million borrowing base. An additional US$20 million in early 2019 and US$10 million in late 2019, would be required to finance the full one year drilling program, but this would be very moderate in comparison to the expected borrowing base from higher production. EBITDA is expected to be around US$10-12 million per quarter in early 2019 growing to US$15-18 million per quarter in late 2019 if we drilled for the full one year available to us in the drilling rig contract.

Beyond the next year, we continue to see approximately 85 well locations being available at each level of the three separate formations – Lower EFS, Upper EFS and Austin Chalk for a total of 252 potential drilling locations. This is based on wells being 600 feet apart which is currently our base case. Adding a second rig in 2020 would be an option to pursue as the other horizons are tested and determined to be economic. Offset operators are drilling the Upper EFS and Austin Chalk now, and we plan to test these horizons in 2019. We are acquiring the data now to be ready next year.

Hedge Strategy

It is a requirement of the RBL agreement to hedge between 50-80 percent of the producing oil volumes through July 2021. Wells Fargo requires this to help underpin their investment and reduce cash flow risk related to commodity volatility. This requirement is what allows FDM to have access to the low interest funding within the RBL. No further hedging under the current borrowing base will be required until additional redeterminations in the future are obtained to initiate a greater borrowing base due to our ongoing development program.

Hedges were put in place last week with volume commitments of 50 percent of our current projected proved producing volumes within the NSAI report. These hedges are a combined WTI price and the premium Houston Gulf Coast pricing for a total of US$72 per barrel of oil through 2019, just under US$68 per barrel of oil in 2020 and just over US$64 per barrel in the first half of 2021. This level of hedging meets the requirements of the Wells Fargo agreement. FDM will continue to monitor oil prices and their volatility and evaluate if any further hedges will be placed on the remaining volumes up to 80 percent. The Wells Fargo agreement does not require hedging of natural gas and natural gas liquids volumes, so no hedges are in place at this time. However, FDM will continue to monitor and make that determination at a later date.

Corporate

Cash on hand at 30 September 2018 was US$29.5 million.

Gross Production for the quarter ending 30 September 2018 was 291,385 barrels of oil equivalent. This is broken into 187,049 barrels of oil, 56,245 barrels of NGLs and 288,543 MCF of natural gas. This results in liquids being 83 percent of production for the quarter.

Oil and Gas Expenditures for the quarter were US$7.9 million. These expenditures were allocated between Drilling US$2.7 million, Completions US$2.5 million, Facilities US$1.8 million and Leasehold US$0.9 million.

Prices received for the quarter were US$71.87 per barrel of oil, US$28.35 per barrel of NGL and US$3.00 per MCF of natural gas.

There were no exploration activities in the quarter.

As at 30 September 2018 the Company had a 100 percent working interest in leases over 9,400 net acres (30 June 2018: 9,700 net acres) in Dimmit County, Texas. A very small number of leases totaling 300 acres have been allowed to expire as they are too small to support the drilling of a well and not contiguous with the main area.

Attributions

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

Forward Looking Statements

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