

QUARTERLY ACTIVITIES REPORT 3rd QTR 2019

Freedom Oil & Gas Ltd (“FDM”, “Freedom”, and “Company”) is pleased to provide its quarterly activities report for the quarter ended September 30, 2019

KEY ACTIVITIES AND HIGHLIGHTS

Eagle Ford Shale Development Program

- Since initiating a development drilling program in the Eagle Ford shale formation in 2017, Freedom has drilled and completed 15 horizontal wells, with three additional wells drilled in the first quarter of 2019 and completed late in the 3rd quarter;
- Freedom recently completed three Lower Eagle Ford wells (TAMU 1H, 2H and 4H)
 - Three TAMU wells were drilled into the same geologically quiet area as Freedom’s first six wells.
 - TAMU wells were drilled on wider spacing than the Vega, Persimmon and Katherine Brown wells (approximately 840 feet between wellbores as compared to 660 feet) which is expected to improve EUR’s.
 - TAMU wells were completed late in the 3rd quarter of 2019 with a revised “frac recipe” based on analysis of past and offset results. The three TAMU wells were placed on flow back on 28 September, 2019 with initial hydrocarbons produced in mid-October 2019.
 - The three TAMU wells are producing at a combined gross rate of 2,266 BOPD and 2,095 MMCF/D (87% crude oil and 13% natural gas on a gross two-stream basis) while still recovering substantial amounts of completion fluids.
- Average daily net production in 3Q 2019 was 1,305 BOE/D of which 35% was crude oil, 30% was natural gas liquids (“NGL’s”) and 35% was natural gas (1,013 BOE/D, 55% crude oil and 45% unprocessed natural gas on a two-stream basis), down from average daily net production in 2Q 2019 of 2,466 BOE/D of which 42% was crude oil, 30% was NGL’s and 28% was natural gas (1,986 BOE/D, 52% crude oil and 48% unprocessed natural gas on a two-stream basis). Production was lower due to natural declines but also due to five wells being shut-in during the completion operations on the three most recent wells. The Wilson 1-H well was shut in on 30 August, 2019, the Wilson 2-H and JC Davis 2-H wells were shut in on 8 September, 2019, the JC Davis 1-H well was shut in on 13 September, 2019 and the Hovencamp 1-H well was shut in on 18 September, 2019. These wells were returned to production flowing upon the completion of the frac stimulations on the three TAMU wells.
- Oil prices averaged US \$58.24 per barrel for the quarter. Unprocessed natural gas prices averaged US \$2.52 per MCF.

Voluntary Suspension of Trading

Freedom is in the process of exploring various methods of financing its continued activities in the Eagle Ford play as well as its planned expansion into the Austin Chalk re-development play in South Central Texas. While there are no assurances that Freedom will be successful in its efforts to secure the necessary financing, we are making every effort to source additional equity financing to reduce debt, lower accounts payable and acquire new leases in a new play.

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

Freedom Oil & Gas Ltd is a USA-focused oil and gas company based in Houston. The Company is currently developing its 6,397 net acres position in the liquids-rich region of the Eagle Ford Shale (EFS) in Dimmit County, Texas.

Freedom is also currently attempting to acquire acreage targeting the re-development of the Austin Chalk in South Central Texas.

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We are also considering the sale of our existing Dimmit County, Texas assets as a way to eliminate leverage and provide capital for our growth plans.

If Freedom is successful in raising additional equity capital, we would plan on filing the 30 June, 2019 financial statements and subsequently resume trading of our ordinary shares.

Wells Fargo Reserve Based Credit Facility

Wells Fargo provides the Company with a reserve based revolving credit facility, secured by a first ranking lien.

Wells Fargo has notified Freedom that it is in default under the credit agreement. Freedom continues to work co-operatively with Wells Fargo on plans to recapitalize the Company and Wells Fargo has agreed to waive any higher default rate of interest which would otherwise apply to the facility in the event of default. Freedom is in discussions with parties regarding its recapitalization, which will likely require a portion of funds raised from any such recapitalization to be applied to pay down the amount outstanding under the credit facility with Wells Fargo.

Funding available under that facility is determined by the value of the Company's proven reserves (referred to as the "borrowing base"). The current borrowing base governing availability under the facility is US\$18.5 million and is fully drawn. The borrowing base is reviewed bi-annually on the basis of the proven reserve values reported at year-end and mid-year. Wells Fargo and the Company also have the right to request one additional borrowing base re-determination during each bi-annual redetermination period. Wells Fargo requested an additional borrowing base review and the Company provided the required information in July 2019. The information provided included updated production information for the Company's producing wells along with internal reserve estimates for the Company's proven reserves.

Based on the performance of the most recent nine Eagle Ford wells completed by the Company, Freedom believes that it is likely that Wells Fargo will re-determine the borrowing base at a lower level than the current US\$18.5 million. If the borrowing base is lowered, the Company has an obligation to progressively reduce the outstanding balance borrowed under the facility to the amount of the re-determined borrowing base (over a six month period). Freedom can also regain compliance with the borrowing base by increasing the value of the proven reserves through activities such as completing additional wells. Freedom recently completed the three remaining Eagle Ford wells which could add sufficient value to the proved developed producing reserve category to regain compliance with Wells Fargo's lending parameters.

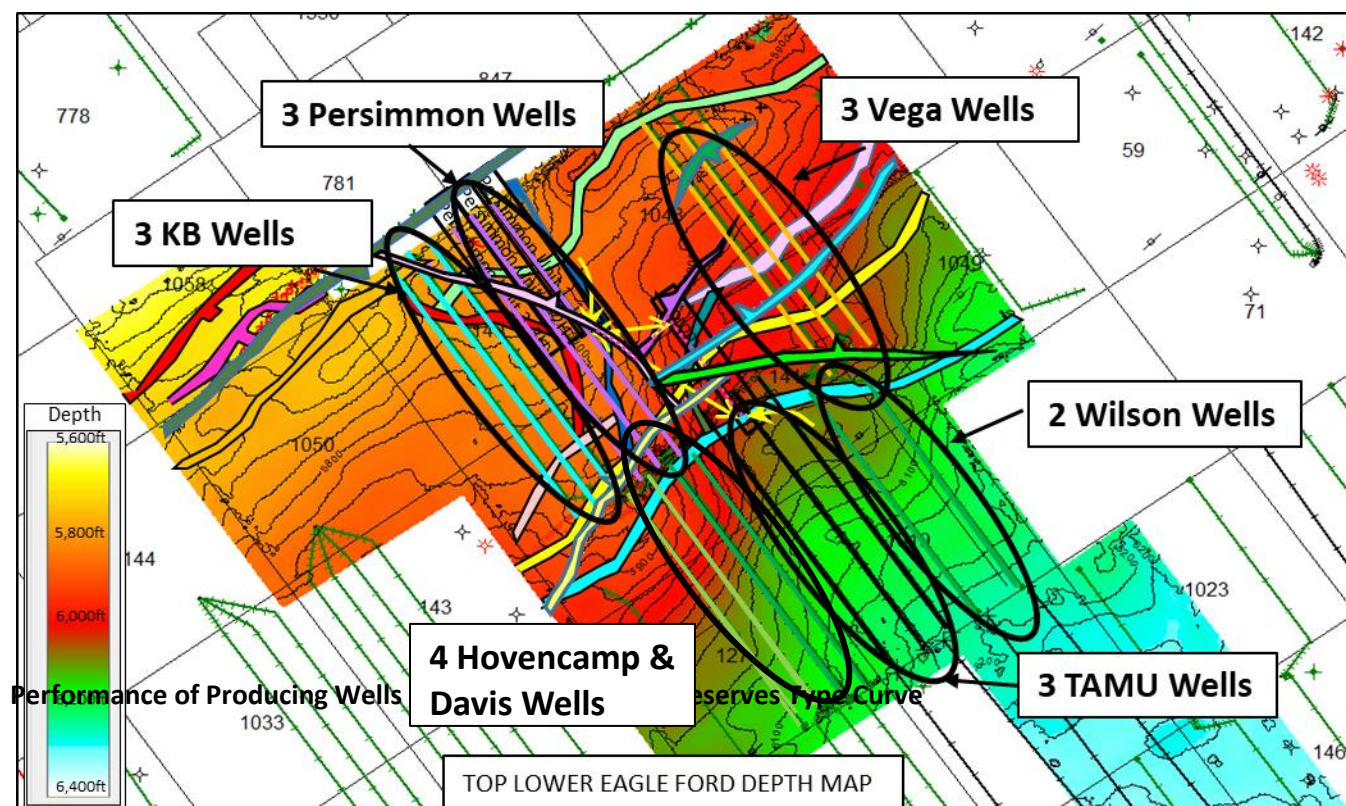
Operational Update

Freedom has drilled and completed 18 horizontal wells targeting the Lower Eagle Ford Shale (EFS) horizon on its acreage in Dimmit County. The first six wells (Wilson & Hovencamp) were drilled into a geologically "quiet" area (Figure 1), resulting in positive well performance with production tracking at or above original expectations. Geologically quiet regions are characterized as lacking significant faulting in the Eagle Ford formation. Our detailed post drilling and completion study revealed that the next nine wells (Vega, Persimmon & Katherine Brown) were drilled into a highly faulted area. The fault zones within the wellbore caused the diversion of the completion energy, which resulted in the wellbores being under-stimulated and "frac hits" between these wells. The Company believes that this is the primary cause of the production from these wells being below expectations. These nine wells were also drilled from pads using 660 foot spacing between wellbores. A summary of the outcome of a detailed post drilling and completion study undertaken by the Company on those wells was included in the ASX announcement released 24 July, 2019 US CST.

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Freedom recently completed the most recent three Lower Eagle Ford wells (TAMU 1H, 2H and 4H), and put those wells into production on 28 September, 2019. The three TAMU wells were drilled in the same geologically quiet area as the Wilson and Hovencamp wells and were drilled on wider spacing of approximately 840 feet between wellbores to improve the EUR's by reducing communication between wellbores. Completion operations on TAMU wells utilized an updated "frac recipe" based on analysis of past and offset results. Flow back of these wells has been managed to minimize pressure depletion while recovering completion fluids with a goal of realizing shallower oil decline rates post peak production. These wells are not being produced with a goal of reaching the highest possible peak rate of production but rather the goal of maximizing ultimate recoveries per well.

Figure 1: Geological map of Dimmit County acreage



The average well performance from the Wilson wells (Phase 1) and the JC Davis/Hovencamp wells (Phase II) continue to track above the estimated cumulative type curve for proved (1P) reserves. The Vega, Persimmon and KB wells are performing below 1P type curve expectations. Given the geologic similarities between the Phase I and II wells and the recently completed TAMU wells are expected to perform in line with the 1P curve projections.

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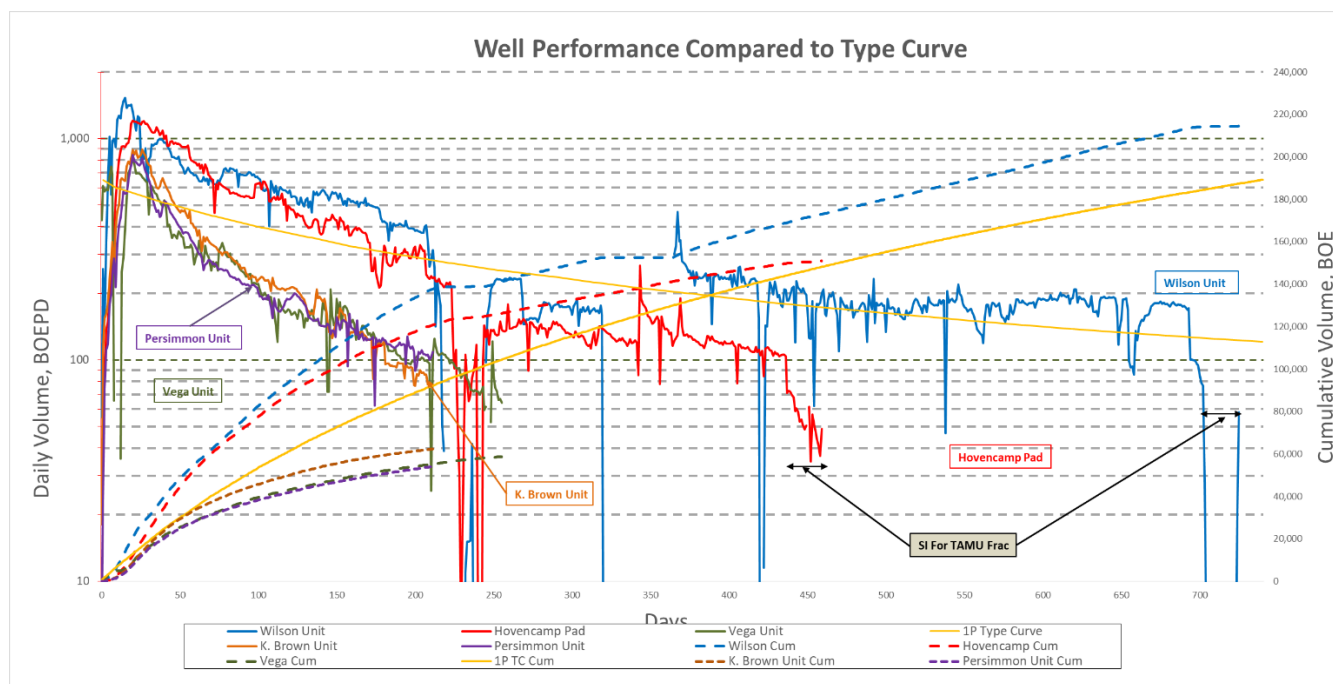


Figure 1: Normalized Production

The 1P type curve in the above figure was derived by independent reservoir engineers, Netherland, Sewell and Associates, Inc. (NSAI), during the 2018 year-end reserve assessment and are based on Freedom's Phase I and Phase II producing wells (refer to ASX announcement dated 14 February, 2019 US CST). Within the guidelines set forth approved by the Society of Petroleum Engineers (SPE), proved reserves are defined as having a 90% probability that the quantities recovered will meet or exceed these estimates.

Financial and Operations Update – Third Quarter 2019

- Net production sold during the quarter ended 30 September, 2019 was 93,235 barrels of oil equivalent. This is comprised of 41,714 barrels of oil and 309,128 MCF of natural gas. This results in liquids being 45% of production for the quarter.
- Oil and gas development expenditures for the quarter totaled US \$8.8 million comprised of Land (\$0.3m), Facilities (\$0.5m), and Completions (\$8.0m)
- Oil prices averaged US \$58.24 per barrel for the quarter. Unprocessed natural gas prices averaged US \$2.52. Freedom's realized oil prices continue to receive a ~US\$3-\$5 per barrel premium above WTI pricing.
- Cash on hand at 30 September, 2019 was US \$0.8 million.

There were no exploration activities in the quarter.

As of 30 September, 2019 the Company's Dimmit County, Texas leasehold position totaled 7,235 gross acres or 6,397 net acres as compared to 8,948 gross acres and 6,599 net acres as of 30 June, 2019. The decrease of 202 net acres is associated with expirations of interests in areas that are not planned to be drilled. The Company anticipates that an additional 1,331 net acres will expire by year-end December 2019. At the present time, the Company is not planning to renew or extend the expiring leases. As a result, the Company's ability to drill additional wells on its existing asset, including wells in the proven undeveloped category, may be limited.

QUARTERLY ACTIVITIES REPORT 3rd QTR 2019**Attributions**

The information in this quarterly report relating to reserves is based on disclosure previously released to the ASX (refer to the specific ASX announcements identified above). FDM confirms that it is not aware of any new information or data that materially affects the reserve information included above and, save as is clear from the context, all material assumptions and technical parameters underpinning the reserve estimates 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 Freedom, 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.