



## Freedom Oil & Gas Investor Presentation

**Houston, August 5, 2018:** Freedom Oil and Gas Ltd (ASX: FDM, US OTC: FDMQF) is pleased to release the presentation to be delivered by Freedom Executive Chairman and Chief Executive Officer J. Michael Yeager to investors in Brisbane and the Gold Coast on Tuesday August 7, Sydney on Wednesday August 8 and Thursday August 9 and Melbourne Friday August 10, 2018.

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

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

# Investor Presentation – August 2018

J. Michael Yeager  
Chairman and Chief Executive Officer



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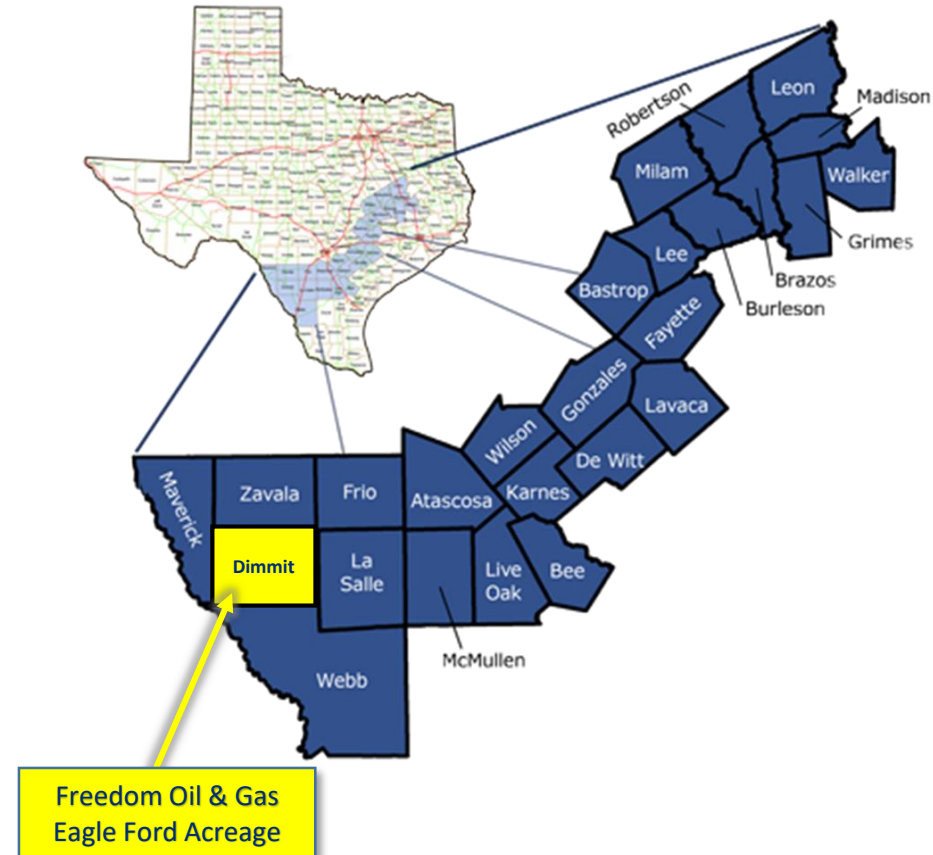
## COMPETENT PERSON STATEMENT

The evaluation of reserves referred to in this presentation were undertaken by Netherland, Sewell & Associates, Inc. ("NSAI"), a worldwide leader of petroleum property analysis for industry and financial organizations and government agencies. NSAI was founded in 1961 and performs consulting petroleum engineering services under Texas Board of Professional Engineers Registration No. F-2699. NSAI's technical principals meet or exceed the education, training, and experience requirements set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers; both are proficient in judiciously applying industry standard practices to engineering and geoscience evaluations as well as applying United States Security and Exchange and other industry reserves definitions and guidelines. NSAI's technical principals are qualified persons as defined in ASX Listing Rule 5.22. The reserves estimates are consistent with the definitions of Proved and Probable hydrocarbon reserves defined in the Australian Stock Exchange (ASX) Listing Rules. Compensation for the required investigations and preparation of third party reserve reports are not contingent upon the results obtained and reported, and the third party reserve engineers have not performed other work for us that would affect their objectivity. NSAI has consented to the use of the reserves figures in this report in the form and context in which they appear.

# Company Profile

- Early-stage E&P company based in Houston, TX
- Focused on the liquids-rich Eagle Ford shale formation in Dimmit County, TX
- 9,766 net acre contiguous land position
- Proven, highly-experienced management team with operating history in the Eagle Ford shale

## Eagle Ford Shale Producing Counties in Texas





# FDM Investment Highlights

## Compelling investment opportunity in an oil and gas development and production company with significant upside

### Positioned in premium area of Eagle Ford Shale

- Acreage positioned in volatile oil and condensate window for production higher rates
- Shale thickness of ~400 ft. with three potential productive intervals (stack-pay)
- Production is 70-90% liquids, crude oil and natural gas liquids
- Surrounded by 350+ offset operator producing wells, de-risking the geology

### Current Results

- First two wells (Phase 1) of initial drilling program completed in 3Q 2017
- Four more development wells (Phase 2) put on production 28 June 2018
- Well production rates have been above original expectations with 80% liquids in Phase 1 and 90% liquids in Phase 2

### Solid economic returns at current oil prices

- Acreage position leased at attractive prices during very low oil prices
- Moderate reservoir depths allow low drilling & completion costs at \$5 million/ well
- Low operating expenses and very low transportation costs
- Early projection of Estimated Early Recovery is very economic across a range of outcomes

# FDM's Eagle Ford Acreage Advantages

Eagle Ford shale is one of world's largest producing oil fields

## Expandable Acreage Position

- FDM operates 100% of 9,766 net acres (100% Working Interest, 75% Net Revenue Interest)
- Existing acreage position is being continuously expanded by leasehold acquisitions
- Contiguous acreage allows for long laterals, simple development

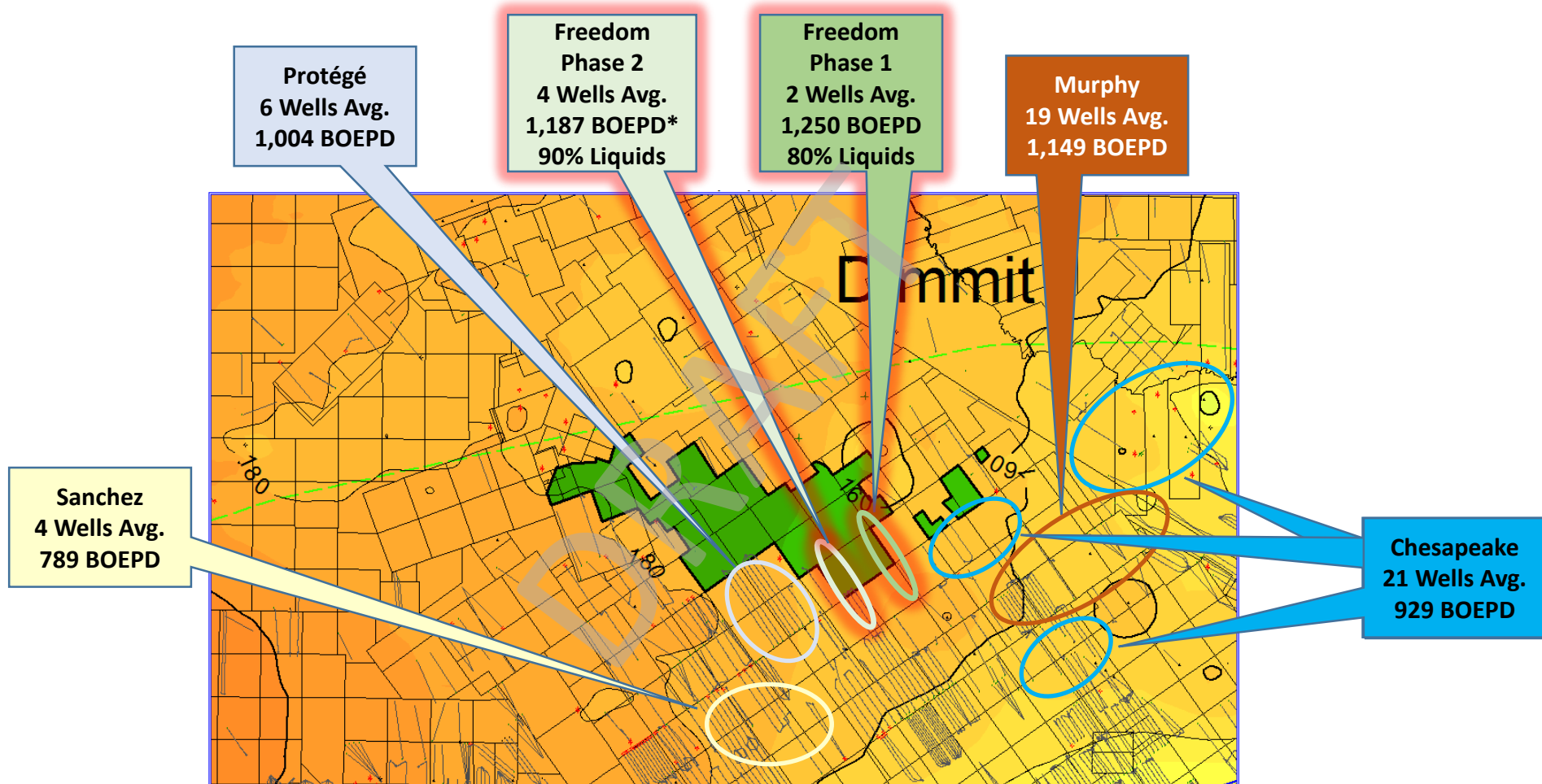
## Quality Geology

- Proximity to offset operator production and data allows for confidence in geology
- FDM drilled a vertical pilot well through the entire ~400 ft. of Eagle Ford and the Austin Chalk and oil was measured in the entire interval
- Five full cores surrounding our leases confirm the shale content and quality

## All Data Independently Verified or Final

- Reserve analysis by Netherland, Sewell & Associates, Inc.
- Technical data analyzed by several industry leaders with local knowledge

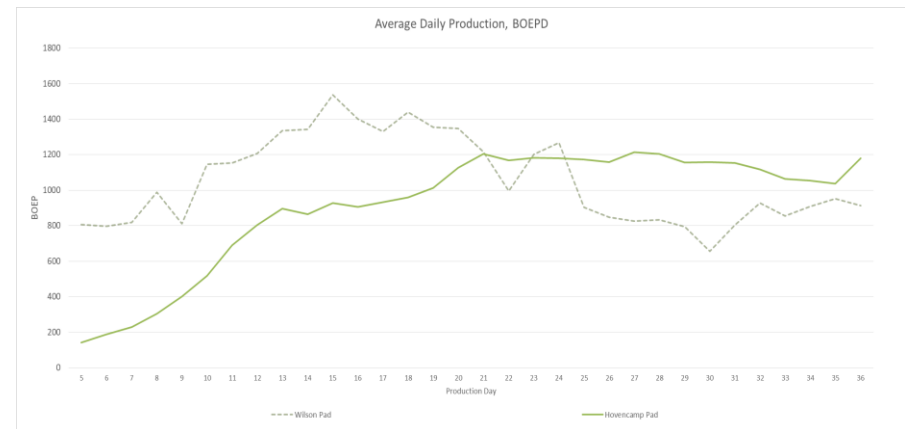
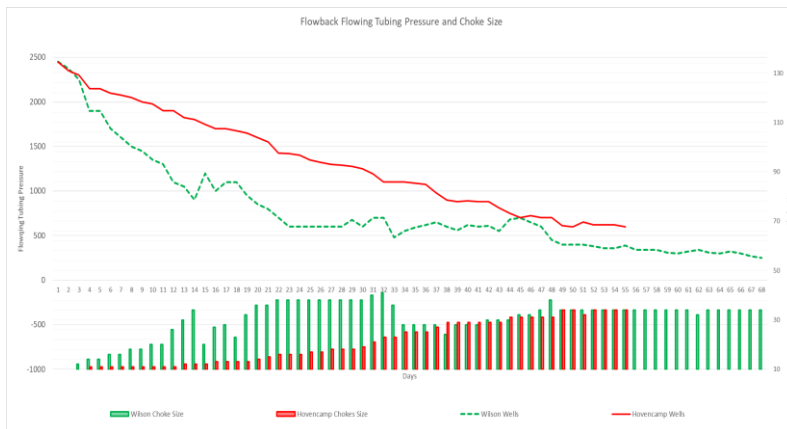
# Offset Production Performance Since 2017



\* Current production referenced in the July 25, 2018 operations update

# Four New Wells Online (Phase 2)

- ✓ Four wells drilled and on production 28 June 2018 – Hovencamp Pad
  - Three of four wells drilled in 12 day average versus 16 day average for Phase 1
  - Wells hydraulically fractured at twice the intensity as Phase 1
  - Sand and water concentration increased for greater fracture network
  - Restricted wells flow back by utilizing smaller choke sizes (almost half the size of Phase 1) to preserve reservoir pressure longer
- ✓ Current average production of 1,187 BOE per day\*
- Gas and oil split – Phase 2 : 90% Liquids compared to Phase 1 : 80% Liquids



\* Current production referenced in the July 25, 2018 operations update



# Change in Fracturing Technology

Advancing Drilling and Completion Technology Increases Production

Wilson B Area – 6,800' LL – 27 Stages – 6 Clusters per Stage = 162 Clusters

Hovencamp Area – 7,400 LL – 32 Stages – 12 Clusters per Stage = 384 Clusters

Wilson B Wells

6,800' LL – 27 Stages

250' Spacing  
6 Clusters

Hovencamp Area Wells

7,400' LL – 32 Stages

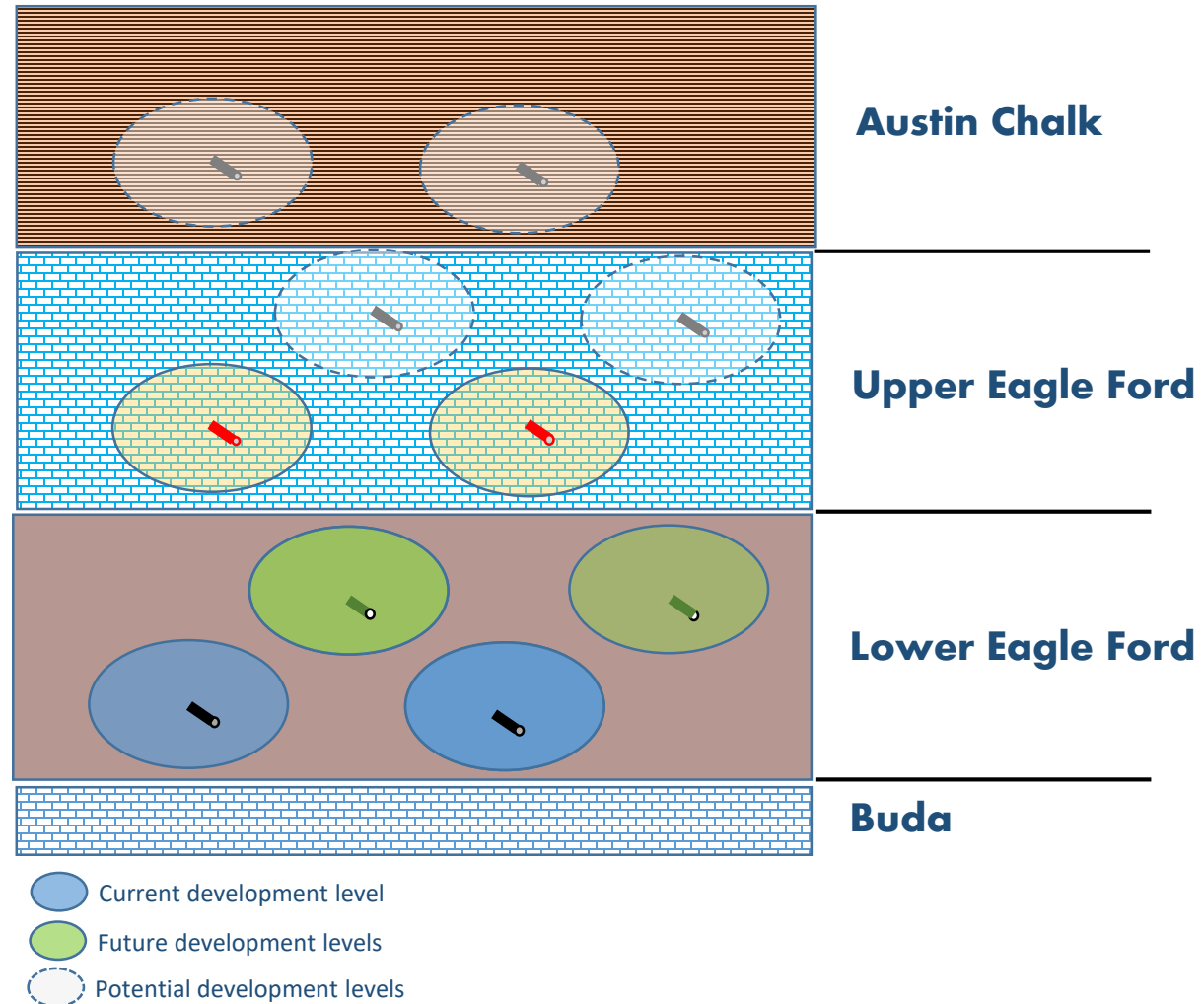
240' Spacing  
12 Clusters

# Drilling Performance – New Rig Plans

- ✓ FDM achieved 25% improvement in drilling time performance in only six wells
- ✓ Phase 2 wells drilled 600 feet longer and at lower cost
- ✓ Solid cost reduction in three of four of the Phase 2 wells with drilling cost at \$1.35 million per well
- ✓ Hydraulic fracturing and cleanup at \$4.0 million per well, but 2X the clusters
- ✓ New rig leased for six months to start next phase of drilling in late August 2018
  - Rig in great operating shape after four year contract with single operator
  - Proven crew and performance record
  - Secured optimum rig for horsepower and speed in tight equipment market
  - Option to renew for another six months
- ✓ Allows immediate and continuous drilling in a good oil price market
- ✓ As much as 10% additional costs savings with continuous program due longer term contracts on services and goods

# Multiple Development Formations

- Log data from our vertical pilot well shows strong oil in place in Upper EF and Austin Chalk for additional upside opportunity
- Well drilling plans are currently based on 600 ft. offset spacing
- Drilling Lower Eagle Ford first
- Stacked Lower EF development possible; offset operators successfully developing



# Current Drilling Development Plan – One Bench

## Current Development

- One Lower Eagle Ford Level
- 67 Wells

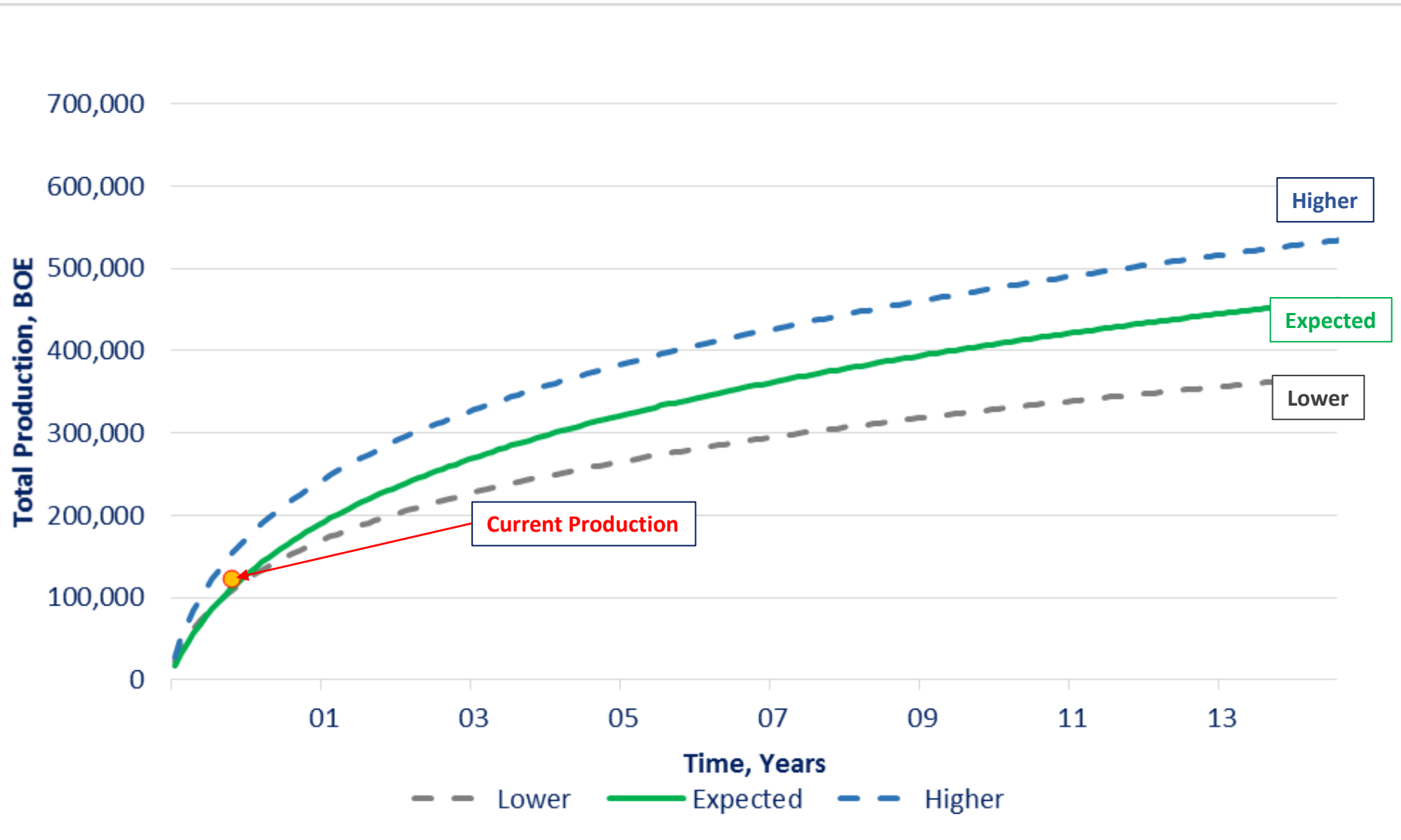
## Additional Level Development

- 2x to 4x additional wells
  - One additional level in Lower Eagle Ford
  - One to two additional levels in Upper Eagle Ford
  - One additional level in Austin Chalk

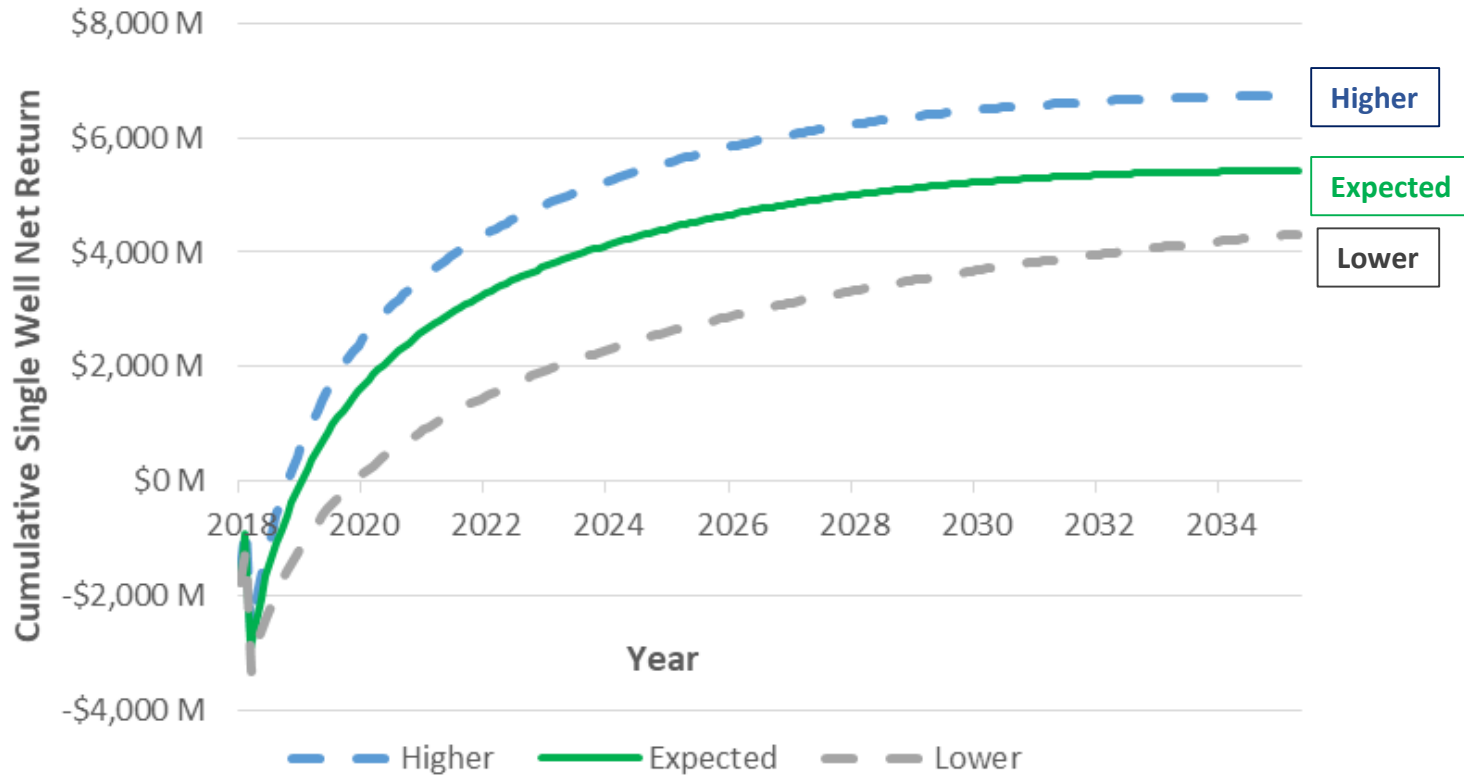




# Phase 1 Average Well Performance

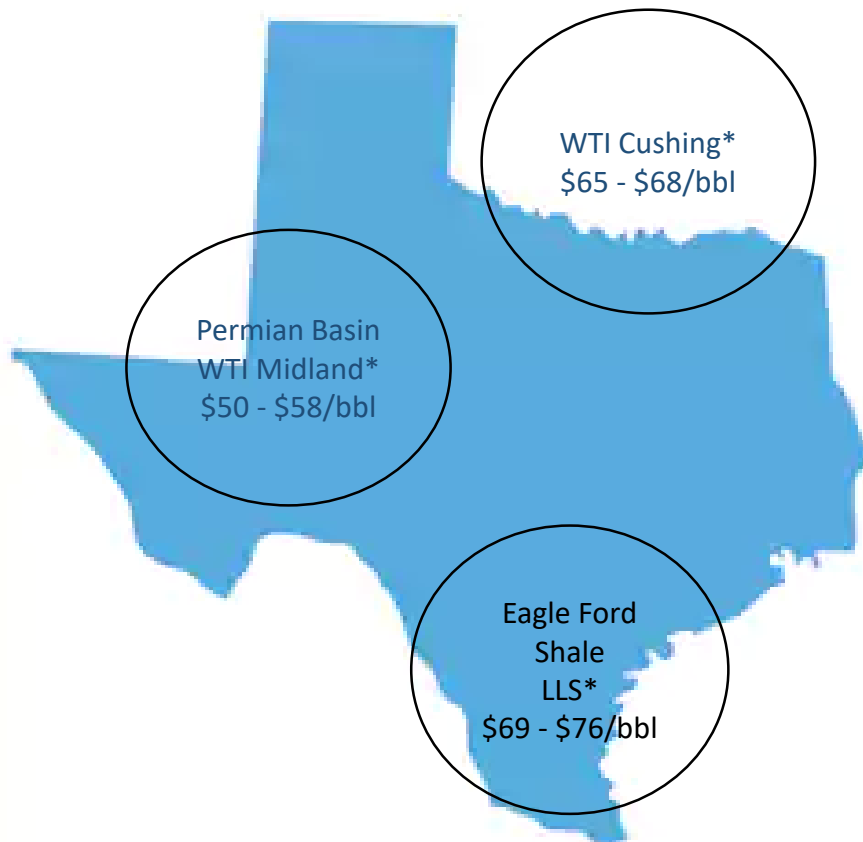


# Single Well Net Revenue Projection



August 1, 2018 Forward Strip						
	2018	2019	2020	2021	2022	2023+
WTI, \$/bbl	\$66.97	\$63.69	\$60.52	\$57.99	\$56.13	\$54.91
NYMEX, \$/mmbtu	\$2.80	\$2.71	\$2.60	\$2.57	\$2.60	\$2.66
NGL, \$/bbl (36% of WTI)	\$24.11	\$24.11	\$24.11	\$24.11	\$24.11	\$24.11

# Eagle Ford Favorable Price Margins



- LLS is a light crude price tied to Brent / Imports
- Direct access to Gulf Coast LLS market
  - LLS is \$4 to \$6/bbl premium to WTI
  - Permian is -\$10 to -\$16/bbl deficit to WTI
- Excess EF pipeline capacity for oil & gas
  - Competitive contracts with no commitments
  - Strong gas market with Mexico competition
- Strong Natural Gas Liquids Pricing
  - 35%-40% of WTI
  - Above historical due to strong exports

\* Based on July 18, 2018 Forward Pricing – BAL18 – CME Group

# Finalizing Reserve Base Lending Facility

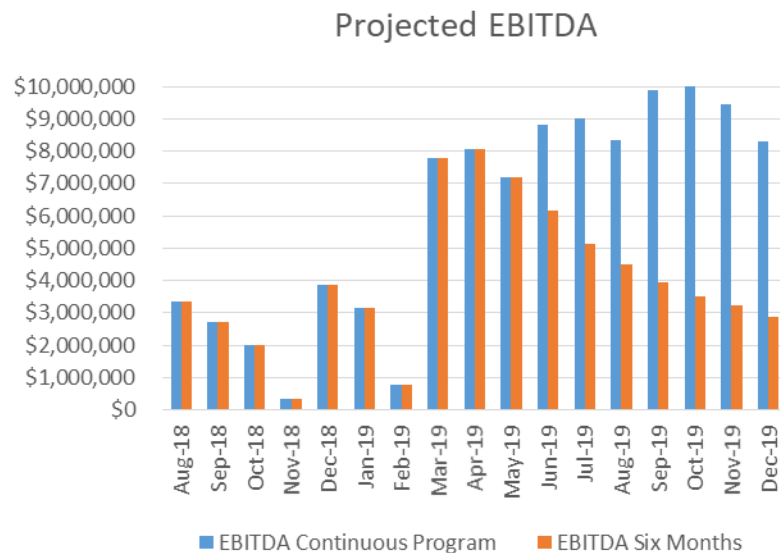
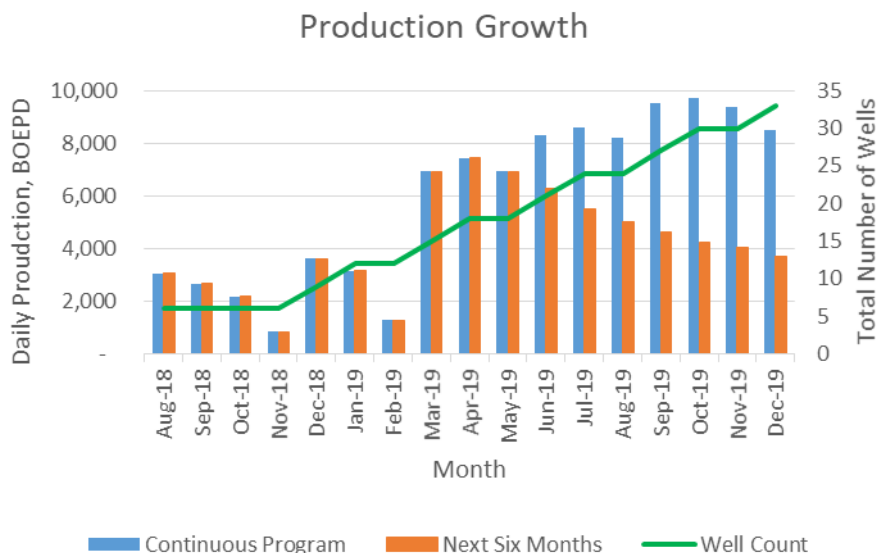
- Alternate form of low cost capital
  - Determined on percentage of net present value of the current producing wells' future production projection
- Currently working details with Wells Fargo
- Anticipate finalizing the facility by end of August
- Borrowing base determination and funding targeted for September - October

Wells Fargo RBL Terms	
Facility Size	\$500 MM
Maturity	5 Years
First Lien	100% Properties
Title Required	80% of PV9
Redetermination	Quarterly-Semi-annually
Maximum Leverage Ratio	4.0x
Minimum Current Ratio	1.0x
EBITDA	Rolling annualized
Initial Pricing	Libor plus 225 - 325 bps
Unused Fees	37.5 - 50 bps
Upfront Fees	50 bps
Required Hedge % of PDP	0% - 50%



# Production and EBITDA Pro Forma

- Drill and complete 12 wells from September to March for rig contract
- Projected Capital budget : >US\$ 60 MM / AU\$ 81 MM
- Production projected growth from August 2018: 3K BOEPD to over 6K BOEPD
- Projected EBITDA August 2018 – July 2019 : US\$ 53.1MM / AU\$ 71.9 MM
- RBL and Capital Raise will be sufficient to satisfy projected capital budget



# Accomplishments and Opportunities

- ✓ Six ~7,000 ft. wells drilled, completed, tied into facilities and on production
- ✓ Early well performance has proven the geology with strong initial production rates
- ✓ Infrastructure built and commercial terms finalized for oil, gas and NGL sales at industry leading terms
- ✓ The per well average of the four new wells production on July 25, 2018 was reported at 1,187 BOEPD\*
- ✓ Current field production is just under 5,000 BOEPD
- Well results and costs on target and are projected to improve further as more wells are drilled and further technology is applied
- Reserves Based Lending facility being finalized and expected to be funded in 4Q2018

\* Current production referenced in the July 25, 2018 operations update, current average production per well as of August 4, 2018 is 1,150 boepd

# Capital Structure

Capital structure	
<b>Ordinary shares</b>	<ul style="list-style-type: none"> <li>1,077,022,552 ordinary shares<sup>1</sup></li> </ul>
<b>A\$0.20 options</b>	<ul style="list-style-type: none"> <li>25,000,000 A\$0.20 options exercisable at any time on or before 30 June 2019</li> </ul>
<b>A\$0.001 warrants</b>	<ul style="list-style-type: none"> <li>46,777,734 A\$0.001 September 2017 Ramas warrants<sup>2</sup></li> <li>16,481,696 A\$0.001 April 2018 Ramas warrants<sup>3</sup></li> </ul>

Footnote 1- 1,077,022,552 will be the number of ordinary shares on issue post allotment of 136,553,382 tranche one ordinary shares and 30,113,285 tranche 2 ordinary shares (tranche two shares subject to shareholder approval) as detailed in ASX Announcement released 6 August 2018 AEST.

Footnote 2 – Refer Appendix 3B released on ASX 19 September 2017.

Footnote 3 – Refer Appendix 3B released on ASX 4 April 2018.