

18 September 2018

**Mosman Oil and Gas Limited
("Mosman" or the "Company")**

Arkoma Project Update

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, provides the following update in respect to the Arkoma Stacked Pay Project in Oklahoma.

Mosman has previously highlighted that it is confident in the project, but until steady flow rates could be demonstrated over a period of time the decision to invest further funds must be cautiously approached.

Two Mosman Directors recently met with the Operator (Inland Operating Company ("Inland") and the other owner Blackstone Oil and Gas Inc (Blackstone) in Dallas and received an update including well production data. The Operator recommended work-overs on three wells to increase oil and gas production. Two wells are currently producing and one is currently shut in. Mosman agrees with the Operator that the well production is not yet optimised.

For the 75 day period 1 July to 13 September, the average daily gross flow rate (while wells were on production) was:

- at Wise 3-25 it was 25 boepd (on production for 63 days)
- at Crawley 2-36 it was 34 boepd (on production for 42 days), and
- at Williamson 4-25 it was 28 boepd (on production for 33 days).

There have been periodic shut downs for various reasons such as weather and water injection facility upgrades.

John W Barr, Chairman, said:

"We remain cautiously upbeat about Arkoma, but as a Board we are disappointed that the wells are not yet optimised. We continue to monitor each individual project and make decisions based on the best and most complete information available. We are in discussions with Inland and Blackstone about the way forward in particular given the approaching option expiry date of 30 September 2018."

Competent Person's Statement

The information contained in this announcement has been reviewed and approved by Andy Carroll, Technical Director for Mosman, who has over 35 years of relevant experience in the oil industry. Mr. Carroll is a member of the Society of Petroleum Engineers.

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.



MOSMAN OIL AND GAS
LIMITED

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Updates on the Company's activities are regularly posted on its website
www.mosmanoilandgas.com