



MOSMAN OIL AND GAS
LIMITED

16 March 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, announces continued progress in respect to its USA assets.

Arkoma Stacked Pay Project (Oklahoma)

Mosman advises that in accordance with the recent RNS regarding Arkoma, relevant payments have been made by Mosman and Blackstone Oil and Gas Limited ("Blackstone"), and Mosman's interest in the Arkoma project has therefore increased to 27%. The Operator will now proceed with installing high-volume Electrical Submersible Pumps ("ESPs") and infrastructure upgrades to accommodate the expected increase in oil and water production volumes.

The parties have now commenced discussions in respect of the existing second option, whereby Mosman can acquire up to an aggregate 55% interest in Arkoma by 27 March 2018 and further announcements will be made on the status of the discussions as and when appropriate.

John W Barr, Chairman, said: "We have achieved our initial objective in respect to increasing our interest in the attractive Arkoma stacked pay producing asset to 27% based on due diligence, sound data and technical analysis. We have also funded operational upgrades at Arkoma that are expected to lead to increased oil production and cash flow.

"The strategy of acquiring oil production assets when oil prices were low is proving to be sound given recent oil price increases. We are benefitting from the decisions taken and the excellent technical work done to increase oil production and look forward to building further our production base and cash flow in the USA."

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.

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