

18 October 2018

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

Stanley-1 Production and Stanley-2

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, announces an update in respect to the Stanley-1 well and Stanley-2 projects.

At Stanley-1 the well choke size has again been increased as wellhead pressure reduced. The consultant's interpretation is that the data indicates a small gas cap is being depleted, and that once gas flow no longer has to be restricted, the well can then be opened up and optimised for oil production. As a result the initial proposal to install additional gas infrastructure has not proceeded.

Stanley-2 well is on schedule to be drilled by the operator in November. The Stanley-2 primary target is the Yegua sands.

John W Barr, Chairman, said:

"Stanley-1 continues to generate revenue from gas and oil sales, however the hope is that the oil will become the dominate revenue stream shortly. The Board is keen to move forward to Stanley-2 well being drilled soon."

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