

27 September 2017

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

United States Operations Update

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, is pleased to announce an update on its United States Operations.

Strategy

Mosman's strategic objective continues to be that of identifying opportunities which will provide operating cash flow and have further development upside; in conjunction with adding value to the Company's existing exploration permits.

Three producing projects have been acquired in 2017, demonstrating that the Company is moving forward effectively in achieving its objectives of building a significant production operation. Importantly, Mosman's first US acquisition, Strawn, has already tripled production and is now cash flow positive.

Site Visits

Mosman's Technical Director, Mr Andy Carroll is currently in the US and will in the course of the next week visit all three producing US projects in Texas and Oklahoma. The purpose is to:

1. **Dallas:** Met with independent consultant to discuss work on Arkoma and also receive investment proposal regarding a new project;
2. **Strawn:** Reviewed work completed to date. The production increases achieved at Strawn have stabilised in the range 15-20 bopd and this makes this project cash flow positive (after Lease Operating Expenses) at the current oil price. The forward program to further increase production has been agreed and will now be presented to the joint venture partner before being implemented.
3. **Welch:** Review operations at Welch and plans to increase production. To meet with vendors and finalise transfer of data, and commence the review of the potential for horizontal wells;
4. **Arkoma:** Meet with the vendors and its agent in order to attempt to facilitate completion of technical work that will provide an estimate of the Resources, to enable the Company to make its next investment decision in respect of its options to acquire an increased stake.

New Business Opportunities in the United States

On completion of the recent Welch acquisition Mosman's stated its immediate operational focus was on the three producing US projects and continuing to focus on adding value to the Company's existing exploration permits in Australia and New Zealand. In parallel other potential production acquisitions remained under ongoing review.

Due to the high quality of the new business opportunities presented to Mosman recently, this emphasis has now been reviewed, particularly in the US. In evaluating these new producing opportunities, Mosman is carefully looking to balance the risk, reward, human resources and funding requirements in respect of all opportunities currently under review in order to optimise shareholder value.

Accordingly, the Company's Technical Director will undertake further due diligence on specific new business opportunities while he is in Texas and Oklahoma. It is not possible to provide further information due to deal uncertainties and confidentiality requirements. The Board will provide further details in due course at the appropriate stage.



MOSMAN OIL AND GAS
LIMITED

John W Barr, Chairman, said: "Mosman continues to make progress in expanding its three US producing operations in Texas and Oklahoma in the active execution of our Business Plan. Encouragingly, Strawn production is now steady at 15 to 20 bopd and is cash flow positive net of lease operating expenses. A similar approach will be utilized at Welch where Mosman is also the operator.

"We continue to evaluate additional producing projects on strict criteria and, given our existing producing operations, we have been introduced to a number of new business opportunities in the Texas and Oklahoma region which would allow Mosman to benefit from expanding its existing activities into a regional hub that would have the potential to deliver operational, general and administrative synergies over time."

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.

Enquiries:

Mosman Oil & Gas Limited

John W Barr, Executive Chairman
Andy Carroll, Technical Director
jwbarr@mosmanoilandgas.com
acarroll@mosmanoilandgas.com

NOMAD and Broker

SP Angel Corporate Finance LLP
Stuart Gledhill / Richard Hail
+44 (0) 20 3470 0470

Gable Communications Limited

Justine James / John Bick
+44 (0) 20 7193 7463
mosman@gablecommunications.com

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