

RNS Number : 9077H  
Mosman Oil and Gas Limited  
13 June 2017

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

**Corporate Update**

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, announces an update in respect to its current operations.

Mosman's strategic objective as part of its growth strategy remains to identify opportunities which will provide operating cash flow and have further development upside, in conjunction with adding value to the existing exploration permits.

**USA**

Mosman has now completed the acquisition of 50% of the Strawn Oil Project in Texas ('Strawn') and the initial 10% of the Arkoma Stacked Pay Acquisition in Oklahoma ('Arkoma'). These are the first acquisitions to complete and as stated, the Company continues to evaluate other opportunities as part of Mosman's growth strategy.

**Strawn: 50% interest**

At Strawn, Mosman's subsidiary, Mosman Operating LLC has now been appointed and registered as the official operator.

The Company's plan remains to achieve increased production and cash flow. Free cash flow will continue to be re-invested with a view to further increasing production.

Initial short term work has now been completed, including road improvements and pump jack repairs. Additionally, operational, health & safety and other site obligations have been identified which Mosman is working on to make further improvements.

The next phase is to implement workovers. There are some 27 wells on the leases and each has been or is currently being reviewed with a strong emphasis on production increases. The workover programme on existing shut-in production wells is now planned to start next week.

At the end of May, 496 barrels of oil was collected and sold from the project (Mosman 50%). This includes some initial inventory as well as oil produced from 1 April 2017 (being the effective date of the acquisition).

In addition to the current work programme, historic technical data has been collected from the previous owner and will be used to identify additional opportunities that offer development upside potential.

**Arkoma: 10% interest with an option over a further 45%**

At Arkoma Stack Pay project in Oklahoma, first revenue from production is expected to be credited to Mosman in June.

Importantly, Inland Operating Company (the operator), has advised that work on several wells is progressing and an update will be provided once the results become available in the next few weeks.

Mosman is pleased to see that demonstrable progress is being made at Arkoma in the last month by the Operator which is in line with Mosman's expectations.

Mosman has engaged Moyes and Co to produce an independent third party Reserves Report at Arkoma, which is scheduled to be completed later this month.

## **AUSTRALIA**

### **Amadeus Basin Permits**

Mosman owns and operates two granted permits (EP 145 & 156) and one application (EPA 155).

The Northern Gas Pipeline ("NGP") that has commenced construction, and from 2018 will provide access for Northern Territory gas to markets in Eastern Australia, is progressing with award of contracts and delivery of steel pipe.

- In EP 156: the airborne survey (that was delayed due to weather) was flown over 6 days between 29th May and 3rd June. A total of 8,116 line kms were acquired. The next step is to interpret the data and update the geological model.
- In EP145: the fieldwork programme was completed some time ago but, unfortunately, the key consultant has been ill and the report is still being finalised.
- IN EP155: the next step in is to obtain native title approval, with a site visit scheduled for later this year.

## **NEW ZEALAND**

### **Murchison**

Mosman remains in discussions with NZPAM regarding the timing of the planned work programme, and the requested Change of Conditions for the permit.

Mosman continues to actively pursue farm-in investment to fund drilling. Marketing of the farm-in is currently being conducted through industry consultants and a media agency that works with NZPAM and other companies in NZ.

### **Petroleum Creek**

Planning continues for the three wells drilled to be plugged and abandoned. It is expected that a suitable rig will be available in the September quarter to complete the tasks.

### **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](http://www.mosmanoilandgas.com)

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Company Announcement - General

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