

RNS Number : 0527J
Mosman Oil and Gas Limited
27 March 2018

27 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 Arkoma Stacked Pay Project ("Arkoma" or the "Project").

Arkoma Stacked Pay Project (Oklahoma)

The Operator is progressing the agreed and funded work program to install high-volume Electrical Submersible Pumps ("ESPs") and infrastructure upgrades to accommodate the expected increase in production volumes of water. The process of design, purchase, delivery and installation is underway to install ESPs in two wells. The current schedule is to install the two ESPs by the end of May and build production rates to full production by the end of July.

To facilitate the completion of the infrastructure upgrades and an extended period of production the parties have held discussions in respect of the existing Second Option, whereby Mosman can increase its interest by 27 March 2018, being the latest option exercise date. Inland Operating Company Inc. ("Inland") has now agreed to extend the latest option exercise date from 27 March 2018 to 31 July 2018.

The three parties (Mosman, Inland and Blackstone) have also agreed that each party will be entitled to have a one third interest in the Project.

Therefore Mosman has executed an amended second option with Inland to increase its interest in the Inland assets from the current 27% to 33.3% for a cost of USD 231,022 on or before 31 July 2018.

John W Barr, Chairman, said: "Having achieved our objective in respect to increasing our interest in the attractive Arkoma stacked pay producing asset to 27%, and now funded the agreed operational upgrades, it has been decided to extend the second option exercise date to 31 July 2018. This latter option exercise date will allow Mosman to make an informed decision based on a better understanding of the Project's oil production rates following the installation and operation of ESPs, while also being able to take into account market conditions and the prevailing oil price at the time.

"Mosman continues to pursue its stated strategy of investing in opportunities like Arkoma which will provide operating cash flow and have further development upside. The agreement with our partners on a later option exercise date will allow the Board to obtain vital operational data before making its decision on exercising the second option."

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 / Soltan Tagiev
+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.

This information is provided by RNS
The company news service from the London Stock Exchange

END

UPDKMGZFRNFGRZG

Anonymous (not verified)

Arkoma Project Update

<http://www.DigitalLook.com>

27250404

A

Tue, 03/27/2018 - 09:57

LSE RNS

Company Announcement - General

MSMN