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

Amadeus Basin, Permit EP145 Update

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, is pleased to announce an update in respect to the Exploration Permit EP 145 located in the Amadeus Basin in the Northern Territory (NT) of Australia.

Two positive outcomes are:

1. Excellent results from reprocessed seismic data; and
2. The NT government approval to extend the permit timeframe.

EP 145 is near several oil and gas producing fields and key infrastructure, including a gas pipeline connecting the gas fields to Alice Springs and Darwin, and a pipeline being built to connect to gas markets in Eastern Australia.

Seismic reprocessing at EP145 has confirmed the shallow multi-payzone anticline, similar to the reservoir zones at the nearby Mereenie oil and gas field (ref <https://wcsecure.weblink.com.au/pdf/CTP/01927704.pdf>), and also revealed information at deeper levels. This new information includes indications of a salt diapir that may provide the sort of trapping mechanism found in the Gulf of Mexico, and also deeper information that may allow Mosman to link this permit to the large "Dukas" prospect to be drilled by Santos in the Southern Amadeus Basin in the next 12 months (ref <http://centralpetroleum.com.au/wp-content/uploads/2016/10/Santos-Seapex-Presentation-AMADEUS-Johns-et-al-2017.pdf>).

The reprocessing of 1980 seismic has delivered better definition than originally anticipated, especially of the deeper zones. Notably, there is evidence to support that field geology based hypothesis that the anticline up-thrust is a result of salt tectonics. Stage One of the work will continue to include nearby deep well data and seismic interpretation. Given the excellent results so far, Mosman is considering extending the work to Stage Two, including reprocessing the 1991 seismic data.

In regard to the permit schedule, the NT government has advised its approval of the Mosman request to extend the time frame of the permit. The principal work program is now:

1. Acquiring and processing 100 km of 2D seismic by 21/08/2019
2. Drilling one well by 21/08/2020
3. A second well by 21/08/2021

This timetable allows more time for technical work and also to determine the most effective way to fund the work program, including the options of a potential farm-out or joint venture.

These results mean the project is now expected to be much more attractive to potential industry partners.

John W Barr, Chairman, commented: "The recent work and the Permit extension at EP145 are good news for Mosman. In addition to the US production assets, Mosman still continues to advance its other Permits in accordance with its stated strategy."

We are greatly encouraged by recent and proposed industry activity in the Amadeus Basin which includes:

- (i) the development of the Central Petroleum "Dingo" gas field for power generation in Alice Springs;
- (ii) Central Petroleum has announced three or four wells to be drilled in 2018, including two wells at Mereenie which is adjacent to EP 145 (ref <https://wcsecure.weblink.com.au/pdf/CTP/01927704.pdf>); and
- (iii) Santos has announced plans to drill the large "Dukas" hydrocarbon and helium prospect within 12 months (ref <http://centralpetroleum.com.au/wp-content/uploads/2016/10/Santos-Seapex-Presentation-AMADEUS-Johns-et-al-2017.pdf>).

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

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