

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

Issue of Equity

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, announces the Company has raised £600,000 (before expenses) by way of a placing of 109,090,091 new ordinary shares of no par value in the capital of the Company ("Placing Shares") at 0.06p per share (the "Placing").

In the past year Mosman has vigorously pursued its strategic objective to identify opportunities which will provide operating cash flow and have development upside, in conjunction with exploration of existing exploration permits. The focus has now transitioned to focus on maximising the delivery of short and medium-term benefits from the acquired projects.

Given the current strong oil price, the Board has resolved to move quickly to increase production at Welch and accelerate other work. The funds raised are expected to facilitate a near term increase in production at Welch, an investment that may pay off in months and provide longer term benefits. Importantly, the positive results at EP 145 in the Amadeus Basin also merit immediate additional work.

The proceeds of the Placing will be put towards:

- Workovers at Welch to bring additional wells on production, with an investment in replacing rods that will reduce future breaks, eliminating production downtime and repair costs.
- Funding towards the current Feasibility Study for the horizontal wells at Welch.
- Acquisition of long lead items in respect to the potential Welch horizontal wells.
- Increase of Mosman's interest from 27% to 33.3% at the Arkoma project pursuant to Mosman's second option (which remains dependant on the production rates with the Electrical Submersible Pumps, which are currently being installed).
- Additional seismic reprocessing of existing data with respect to EP 145.

- General working capital requirements.

Mosman has decided at this time an equity issue is preferred by the Company rather than a debt facility.

Going forward the Company expects to consider a range of funding alternatives when evaluating the horizontal wells at Welch, or longer-term development of the Arkoma project.

Admission

The Placing is conditional on, *inter alia*, the Placing Shares being admitted to trading on AIM. Application has been made to the London Stock Exchange for the Placing Shares, which will rank *pari passu* with the Company's existing issued ordinary shares, to be admitted to trading on AIM and dealings are expected to commence at 8:00 a.m. on 1 June 2018. Following the issue of the Placing Shares, the Company's total issued share capital will comprise 449,826,787 Ordinary Shares.

Following admission, the Company's share capital and total voting rights will comprise 449,826,787 Ordinary Shares and the Company does not hold any shares in treasury. Consequently, the above figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

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:

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

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Company Announcement - General

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