

1 August 2018

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

Successful drilling at Stanley completed

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, is very pleased to announce the completion of successful drilling operations at the first well of the Stanley Development Drilling Project, located onshore Texas.

Summary

Drilling operations on the Stanley #1 well, onshore Texas, have now been completed. Preliminary analysis of the data acquired whilst drilling, and the wireline log interpretation, indicates that the well has identified multiple pay zones and production casing will be immediately run to the total depth of the well-bore.

Details

Drilling operations on the Stanley #1 well commenced on 19 July 2018, and the well reached the planned total vertical depth of 7,000 feet on 29 July 2018. Hydrocarbon shows were recorded at multiple reservoir levels whilst drilling, and preliminary evaluation of the wireline logs obtained from the well-bore indicates the presence of multiple potential hydrocarbon bearing reservoirs, including the primary target reservoir, being the Wilcox.

Analysis of the drilling and petrophysical data indicates that the well encountered a gross pay section in the primary target reservoir of approximately 19 feet total thickness, with average porosity of approximately 18 percent.

As anticipated in a successful development well, the results of the electric log data are sufficient for the participants to commit to run production casing while the drilling rig is on location.

The next phase, anticipated to take 30-60 days, is to install production facilities. Once these are in place the well will be completed as a producer and commence production. The flow rates will not be known until then; however, as the drilling and log data are better than pre-drill assumptions, there is no reason to change the pre-drill Operator forecasted initial flow rates of approximately 150 bopd (gross).

This well secures the Mosman's 16.5% Working Interest in the Deep Lease portion of the Livingston Oil Field. Further development drilling will be considered in due course.

Strategic Alliance

The Stanley #1 well is the first well drilled under the Strategic Alliance that Mosman has agreed with a privately owned, Texas based oil and gas company Baja Oil & Gas, LLC, ("Baja"). Baja owns a substantial existing inventory of oil and gas development projects and is continuing to add projects to the inventory. Under the terms of the

Strategic Alliance, Mosman may participate in the evaluation of future projects and will have the ability to invest in the development of existing projects.

John W Barr, Chairman, said: "Mosman continues to pursue 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 success at Stanley and the recent production increases at Welch reinforces this policy.

"We are pleased Stanley will be completed and add to Mosman's existing production. We are also encouraged with this successful validation of the investment decision and the Strategic Alliance with Baja."

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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