

7 February 2019

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

Increases Interest in Production Lease in Texas

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, advises it has increased its interest in the Challenger Project.

In 2018, Mosman acquired a 16% interest in the 352-acre production lease called the Challenger Project ("Challenger" or the "Project"), situated in East Texas. This lease is Held By Production ("HBP") with two production wells in the Wilcox formation, with nominal periodic oil production. The project now includes 3D seismic data and associated technical work performed by Mosman's strategic partner Baja Oil and Gas LLC ("Baja").

After a period of review and negotiation, Mosman is pleased to advise it has acquired an additional 30.83% working interest in the Project, for a cash consideration of USD 35,760, increasing Mosman's ownership from 16% to 46.83%. Following the acquisition, Mosman will become Operator of the Project, in two equal installments, the first of which has been paid with the balance due in 90 days.

As previously advised in Mosman's RNS dated 24 September 2018, there is an existing Reserve Report on the Project dated June 2017 that conforms to SPE-PRMS standards where proven plus probable reserves of 849,000 barrels of oil equivalent gross have been assigned to the Project. The royalties on the lease are circa 25%.

Since the original acquisition, Mosman and Baja have acquired 3D seismic data and continued technical and other work on the Project with the objective of identifying drilling locations and drilling the first new well on the Project in 2019. Mosman's acquisition of an increased interest is a demonstration of the Mosman's Board's confidence in the Project.

John W Barr, Chairman, said: "Mosman maintains its objective of increasing production from its projects, and continues to progress several projects within its portfolio. The technical work completed on the Challenger Project is encouraging. We are pleased to increase our ownership of the production lease in this proven producing area.

"The next step for Challenger is to make final technical decisions on the wells to be drilled and then consider the various funding alternatives that are available."

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

Gable Communications Limited

Justine James / John Bick
+44 (0) 20 7193 7463
mosman@gablecommunications.com

NOMAD and Broker

SP Angel Corporate Finance LLP
Stuart Gledhill / Richard Hail / Soltan Tagiev
+44 (0) 20 3470 0470

Joint Broker

SVS Securities Plc
Tom Curran / Ben Tadd
+44 (0) 203 700 0078

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

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

END

MSCTRMMTMBIMBPL

Anonymous (not verified)

Increased Interest in Texas Production Lease

<http://www.DigitalLook.com>

28606907

A

Thu, 02/07/2019 - 10:51

LSE RNS

Company Announcement - General

MSMN