

25 November 2019

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

### **Further Production Increases**

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, announces an update on its record production at the Stanley Project in the USA; and other matters.

#### **Production**

At the Stanley Project the gross average production for the month of November to date is c290 bopd (on 1 November 2019 production was c250 bopd as previously reported). Production levels are now almost in line with Company expectations for the project. It is highlighted that:

- The operator recently recommended at Stanley-1 a gas lift; a gravel pack installation; and a new separator. These tasks have now been completed, and in the very short term operational efforts are now focussed on optimizing lifting parameters in order to maximize production from this well
- Oil production from Stanley-2 continues at c50 bopd (gross)
- Oil production from Stanley-3 is c200 bopd (gross). This now appears to have stabilised.

Current production at each of the three Stanley wells is from one of several potential production zones contained within each well and the longer-term plan remains to recomplete wells as required once lower zones are depleted, at which point the well will be recompleted in higher zones. Going forward, Mosman does not plan to release individual well production rates which is consistent with the manner that other projects are reported. New wells will be reported separately whilst initial production is stabilised.

Production at Welch and Arkoma have remained steady and no significant changes are reported.

#### **New Development Wells**

The Stanley-4 development well planning is now complete and is expected to be drilled in February 2020. It is currently planned that Stanley-4 will use the same surface facilities as the other Stanley wells but with some upgrading required, including additional tank/s and a separator.

Mosman's participating final interest in the planned Stanley-4 will be similar to the other Stanley Project wells, adjusted should there be any non-participating working interest partners.

The Falcon-1 well preparations in the Champion Project are also progressing. Shortly the operator is expected to perform on-site work to determine if an existing well located on the lease is suitable for re-use to drill Falcon-1. This well would be acquired with relevant equipment and it is believed to provide the lowest cost means to access the Falcon target reservoir.

Mosman expects to provide a further update on the timing and funding of the Falcon well in due course.

### **New Projects**

As previously reported, Mosman's strategic partner, Baja Oil and Gas, LLC, is currently and actively reviewing potential additional development opportunities for acquisition, utilising a similar evaluation model to that which has proven particularly successful at the Stanley Project. Any announcement on these very commercially sensitive endeavours will be made only once they are fully completed.

### **Exploration (Australia)**

Mosman has executed a Memorandum of Agreement (MOA) and a Heads of Agreement (HOA) with parties in respect to the Amadeus Project in Central Australia. It is not currently possible to predict the likely outcome or timetable of the discussions which will include a site visit, and data review in Sydney.

Mosman was recently advised by the relevant Minister in the Northern Territory Government that he has approved a 12 month suspension of the Year 3 work programme commitments for the permit, and a corresponding extension of the permit term.

The next vital step will be the completion of a survey by the Aboriginal Areas Protection Authority (AAPA) to ensure no areas of cultural significance will be disturbed by the planned seismic activities.

### **Other Matters**

Subsequent to the recent listing of GEM International Resources Inc. (GEM) on the NEX Exchange in Canada, the Board of GEM was seeking to undertake several activities including a capital raise and securing an interest in a new project.

GEM has recently announced a CAN\$500,000 capital raising and separately but at the same time a CAN\$270,250 debt to equity swap by various parties. The independent Mosman directors (J W Barr holds a directorship with GEM) have agreed to convert CAN\$50,000 of the GEM loan into shares in GEM. The remainder of the loan and interest thereon will be repaid. Mosman remains focused on achieving the best return for the investment in GEM.

GEM is continuing to secure an interest in a new project.

### **Outlook**

Mosman's focus remains delivering on its strategic objective; to identify opportunities which will provide operating cash flow and have development upside, in conjunction with progressing exploration of existing exploration permits. The increase in production since 30 June 2019 and the planned wells represent a continuation of that objective.

### **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](mailto:jwbarr@mosmanoilandgas.com)  
[acarroll@mosmanoilandgas.com](mailto:acarroll@mosmanoilandgas.com)

#### **NOMAD and Broker**

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

#### **Alma PR**

Justine James  
+44 (0) 20 3405 0205  
+44 (0) 7525 324431  
[mosman@almapr.co.uk](mailto:mosman@almapr.co.uk)

Updates on the Company's activities are regularly posted on its website

[www.mosmanoilandgas.com](http://www.mosmanoilandgas.com)

### **Definitions**

<b>bopd</b>	Barrels of oil per day
<b>boe</b>	Barrels of oil equivalent
<b>boepd</b>	Barrels of oil equivalent per day
<b>Daily Average Gross Production</b>	Average of barrels of oil equivalent per day over the period
<b>Gross Sales</b>	Reference to sales is boe that has been sold from the project throughout the period
<b>Net Sales Attributable to Mosman</b>	Mosman's portion of Gross sales less royalties owed to leaseholders
<b>Net Production Attributable to Mosman</b>	Mosman's portion of Total Gross Production less royalties owed to leaseholders.
<b>Total Gross Production</b>	boe produced on the project throughout the period. Includes oil still held as inventory
<b>Total Project Basis</b>	Refers to performance of Sales or Production on a 100% basis of the four projects that Mosman has invested in.

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](mailto:rns@lseg.com) or visit [www.rns.com](http://www.rns.com).

END

DRLXZLLLKFFEFBQ

Anonymous (not verified)

Further Production Increases

<http://www.DigitalLook.com>

29902458

A

Mon, 11/25/2019 - 07:00

LSE RNS

Results and Trading Reports

MSMN