

2 July 2020

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

**Placing to Raise £400,000
Blackstone Settlement and Sale of Welch update**

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, announces it has undertaken a placing to raise £400,000 (before expenses) by the issue of 500,000,000 new ordinary shares (the "Placing Shares"), at a placing price of 0.08p (the "Placing Price") (the "Placing"). Investors are also receiving one warrant to subscribe for a further new ordinary share at an exercise price of 0.15p with a term of 12 months (the "Placing Warrants"). The Placing is unconditional save for admission of the shares to trading on AIM ("Admission").

The net proceeds raised from the Placing will be used towards the drilling of the Falcon well at the Champion Project in Texas.

The Champion Project

Under the farm-in agreement with Baja Oil and Gas LLC ("Baja"), Mosman has a 60% working interest and will pay 80% of the first well in the Champion Project. This well has an estimated total cost of cUSD700,000 to drill and complete. Baja has a 30% interest and will pay 10% of the well cost. Contour Exploration and Production LLC, owned by Howard McLaughlin, Mosman's US Manager, has 10% of the lease and will pay 10% of the well cost.

In addition to Falcon, several other prospects in the Project area have been mapped by Baja using 3D seismic, including Galaxie, Durango, Corona East and Corona West.

John W Barr, Chairman of Mosman, commented: "Falcon is one of several prospects on the 240 acre Champion lease which is adjacent to existing production facilities. Mosman has 60% working interest in the lease, and this level of equity means that a successful well would enable a significant increase in net production to Mosman. Falcon will also provide us with important geological information to refine several prospects on the lease, including Galaxie which already has a well plan and drilling location identified.

"We expect to shortly complete planning, start preparation of the Falcon wellsite in July, spud the well in August, and announce results a few weeks later.

"In addition to Falcon activity, the workover of the Stanley-1 well is now underway and should be completed next week. The workover at Greater Stanley awaits approvals by the

relevant authorities.

"Significantly, the Stanley Operator has today indicated that the drilling of Stanley-4 is now planned for August 2020. An AFE for that drill (where the site works have already been completed) is expected shortly. With reduced drilling activity, more rigs are available, and this is expected to result in lower drilling costs.

"This placing, along with the recent Blackstone settlement will result in Mosman having cash of over AUD 1.0 million. The pending sale of the Welch Oil Field announced on 20 May 2020 and due to complete shortly, could increase this to AUD 1.4 million. Mosman is now able to invest in several of our highest-ranked projects. Recent swift action by the Board has resulted in an exceptional turnaround from the position in March 2020, when falling oil prices and the pandemic led to a severely challenging business environment."

Admission to AIM and Total Voting Rights

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 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 9 July 2020.

Following Admission of the Placing Shares, the Company's share capital and total voting rights will comprise 1,585,810,968 ordinary shares of no par value 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 Company's Constitution.

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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£400,000 Placing and Blackstone & Welch update

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Company Announcement - General

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