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Mosman Oil and Gas Limited
04 January 2021

4 January 2021

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

Sale of Welch Project

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, announces that it has signed a binding contract for the sale of the Welch Project, in Texas, for US\$420,000 (cA\$553,000) in cash, with Steadfast Energy Partners, LLC (50%) and Silver Dollar Energy Investments, LLC (50%), and the closing is scheduled for 15 January 2021.

Whilst the Welch oil field is producing, the ranking of projects in the Strategic Review prioritised assets with lower operating costs including the projects in East Texas. The sale will result in a surplus over current carrying value of US\$84,000 (cA\$110,000) and the capital realised from the sale will facilitate investment in these target growth areas. The Welch Project contributed a gross profit of A\$228,000 in the year to 30 June 2020 and the carrying value of the Welch Project as at 30 June 2020 was A\$500,000.

John W Barr, Chairman of Mosman commented: "The intention to sell Welch was first announced in February 2020, and a sale contract was signed in March, however despite time extensions, the counter-party did not complete that sale contract. We are pleased to have secured a new sale agreement at a 40% premium.

"Welch was a valuable stepping-stone for Mosman in terms of experience and building a production base in the US while we built a position in East Texas. The sale of Welch will enable management to focus on further development of the projects where we see strong near-term development potential."

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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Anonymous (not verified)

Sale of Welch Project

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Mergers, Acquisitions and Disposals

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