

14 January 2021

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

Six Monthly Production and Operations update

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, announces its production summary for the six months ended on 31 December 2020 and an operations update.

Falcon-1 producing gas and condensate

The Falcon-1 well at the Champion project commenced commercial production in December 2020. Falcon-1 is now producing approximately 180 boepd (gross). Mosman's net production is 90 boepd (50% working interest) which is 68 boepd after royalties.

This is a significant well for Mosman, being both the highest gross production well and the highest working interest well in Mosman's portfolio. The net effect is that daily production rates increase significantly, at this rate more than doubling net production rates compared to the average daily rate for the six months ended 31 December 2020.

Six Month Production Summary to 31 December 2020

During the period there was continued disruption from the pandemic along with the requirement for certain workovers at Stanley, but significantly the Falcon-1 well commenced production.

Net Production attributable to Mosman for the six months was 8,650 boe.

Production Details

Further details are outlined below:

	6 Months to 31 December 2020	6 Months to 31 December 2020	6 Months to 30 June 2020	6 Months to 30 June 2020
	Total Project	Net Attributable	Total Project	Net Attributable
	Gross boe	Net boe	Gross boe	Net boe
Falcon*	-	-	-	-
Stanley	24,982	3,984	28,540	4,482
Greater Stanley	926	185	485	97
Arkoma***	-	-	1,632**	276**
Welch****	5,845	4,481	6,569	5,035
Total boe	31,753	8,650	37,226	9,890

Net production means net to Mosman's working interest before royalties

** Falcon production started on 11 December, but will be reported separately when known in detail*

*** Figures for five months of the period*

**** awaiting production figures for Arkoma*

***** Sale of project announced on 4 January 2021*

Drilling opportunities

Mosman has an opportunity to participate in several potential wells in 2021. The intention is to participate in drilling at least one well each quarter.

The candidates for drilling include two wells at the Stanley project (where four wells have already been drilled with a 100% drilling success rate) and other wells in East Texas, including wells at Cinnabar and the Galaxie well.

The exact order and timing of wells has not been finalised and depends on the results of completion of the current round of technical work. Drilling and workovers may be funded from existing cash resources, proceeds of sale of assets, as well as other funding alternatives.

The exercise of existing warrants may provide additional funds, and there is also the potential to farmout interests in one or more wells to third parties.

Cinnabar and Champion Projects

Mosman has a 97% working interest (reducing to 85% upon drilling of the first well) in the Cinnabar lease and is now officially recorded as the Operator of the Cinnabar lease.

At Cinnabar, a Third Party Independent Report (1) has identified existing Proven plus Probable reserves of 849,000 barrels of hydrocarbons. Technical work is underway to optimise a field redevelopment of Cinnabar, including further 3D seismic evaluations on Cinnabar to ensure that it is drilled most effectively. The Company is targeting drilling two wells at Cinnabar during the calendar year 2021 subject to funding and other matters. Two wells drilled at Cinnabar in the 1980s are still producing. Flow rates from both these wells were historically over 100 bopd and Mosman anticipates that a similar production profile can be achieved from future wells at Cinnabar.

The Champion project currently consists of two leases. Mosman has a 50% interest in the Falcon lease, and a 60% working interest in the Galaxie lease. The project area has multiple prospects identified by 3D seismic that may be drilled in due course. The largest prospect is Galaxie, and this is likely to be the next prospect drilled. There is some preliminary work required to determine the exact surface location based on existing roads and pipelines, and to plan production infrastructure. The Company is using the current flow rate from Falcon to indicate the potential flow rates at Galaxie.

It is anticipated that a well will be drilled at either Cinnabar or Galaxie in the second quarter of 2021. Each project differs in attributes and costs, and further evaluation is required in order to prioritise and proceed. For example, Cinnabar is predominantly oil, whilst indications are that Galaxie is more likely to be gas.

Stanley

Stanley-3 and Stanley-4 continue to produce oil.

The operator has recently advised that to increase flow rates, a pump-jack has been installed at Stanley-2 and is now operational. A second pump-jack has also been

acquired for Stanley-1 and is expected to be installed in the next two weeks.

Based on discussions with Mosman's JV partners, it is anticipated that Stanley-5 will be drilled after Stanley-1 is back on production. Subject to funding and other matters the Company is also targeting a sixth well at Stanley towards the end of calendar year 2021. Mosman anticipates that future wells at Stanley will have a similar production profile to those already drilled.

Greater Stanley

The workover at Duff-1 was not able to remove the wellbore obstruction required to recomplete in the target zone, and the well was placed back on production. The joint venture now plans to workover the other producing well in another target zone.

Sale of Welch and Arkoma

Mosman has signed a contract to sell Welch (announced on 4 January 2021) with settlement scheduled for 15 January 2021.

As announced, Mosman considers Arkoma to be a non-core asset and it is held for sale.

John W Barr, Chairman of Mosman commented: "Mosman is well positioned for strong production growth in 2021.

"We are particularly encouraged with the results from Falcon-1 and the cash-flow that will be derived from that well, as we plan the 2021 year and beyond."

Technical Glossary

BBLs or bbls	Barrels
BOPD or bopd	barrels of oil per day
BOEPD or boepd	barrels of oil equivalent per day calculated on the approximate 1:6 basis of the calorific value of the hydrocarbons, (not based on the price)
MMCFPD or mmcfpd	Million cubic feet per day
MMBTU	Million British Thermal Units

- (1) This Reserves Report was prepared by a third party independent petroleum engineering firm for Barry Lasker, a Managing Partner at Baja, in June 2017 and conforms to SPE-PRMS petroleum guidelines.

Qualified 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

NOMAD and Joint Broker
SP Angel Corporate Finance LLP
Stuart Gledhill / Richard Hail / Adam Cowl
+44 (0) 20 3470 0470

Alma PR
Justine James
+44 (0) 20 3405 0205
+44 (0) 7525 324431
mosman@almapr.co.uk

Joint Broker
Monecor (London) Ltd trading as ETX Capital
Thomas Smith
+44 (0) 20 7392 1432

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

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