

17 February 2021

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

Operations update

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, announces an update on operations in the US.

Stanley

The Operator has recently recompleted Stanley-1 in a zone that has been productive in Stanley-2, and initial flow rates (3 day average) are 47 bopd gross. The Company will provide a further update in due course once production rates have stabilised at Stanley-1.

Stanley-2, 3 and 4 continue to produce oil, with a total project production (including Stanley 1) of circa 260 bopd (3 day average) gross. Mosman has 16-18% working interest in these wells. Water production is managed by on-site water injection that has not been affected by recent unusual cold weather conditions.

Falcon

Minor equipment upgrades have been installed at the Falcon-1 well. The well has been temporarily shut-in since 15 February due to the weather conditions, to avoid water vapour freezing in the gas lines. Oil production and produced water is stored in tanks and has to be trucked off site. The Operator expects to have the well back on production once freezing conditions end, which are forecast to improve and warm up on Saturday. Mosman has 50% working interest in this well. Further updates will be provided in due course.

Other Production

The majority of current production comes from the Stanley and Falcon projects. Mosman has not been advised of any effect of the weather on other facilities such as Greater Stanley and Arkoma.

Drilling opportunities

Mosman confirms its intention to participate in the drilling of multiple wells in the 2021 year.

The candidates for drilling include 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 Greater Stanley, Cinnabar and Galaxie. Of these projects, Mosman only has control of the timing of operations where it is the Operator, at the Cinnabar lease.

The Cinnabar lease acquisition is considered a potential cornerstone of the Challenger Project to re-develop the proven oil producing area. Mosman has 97% working interest (reducing to 85% upon drilling of the first well) in the Cinnabar lease and is the Operator. The initial review of existing data has led Mosman to commit to a full field

redevelopment study that will be based on technical work which includes the following:

- Acquiring additional seismic data
- Reprocessing the seismic data
- Revised geological model
- Acquiring additional leases
- Identifying optimal drilling locations
- Designing wells
- Drilling planning

The successful drilling of Falcon-1 means there are several prospects to be drilled in the Falcon and Galaxie lease area (Champion Project). The Falcon-1 well production data will be used to estimate the size of that gas field, and to update the geological model, before a decision is made where to drill the next well in the Champion Project. Mosman has 50% interest in the Falcon lease and 60% working interest in the Galaxie lease.

There are several potential wells in the Greater Stanley area that require further work before being ready to drill. The work includes leasing, gaining well spacing approval and technical work to determine optimal target locations. The zone that is producing at Stanley-1 and 2 is thought to extend in to the Duff lease, and is a candidate for recompletion of the Duff-2 well. Mosman has 20% working interest in the Duff lease.

John W Barr, Chairman, said: "Mosman appreciates the work and effort that is involved in getting a project completed and maintaining solid production. Presently, the Covid pandemic, heavy rain and this severe cold weather are examples of reasons why things sometimes take longer than anticipated.

"For the moment, the safety of people, and the operations is imperative. Hopefully, normality will return shortly, along with communications that have been difficult due to rolling power blackouts."

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.

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

www.mosmanoilandgas.com

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 mmcfd	Million cubic feet per day
MMBTU	Million British Thermal Units

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Operations update

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Wed, 02/17/2021 - 08:03

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Company Announcement - General

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