

6 April 2021

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

Increase interest in Greater Stanley and Falcon Well Update

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, announces an update on its Greater Stanley Project and Falcon well in East Texas.

Acquisition

Mosman has acquired an additional 20% interest in the Duff lease, an existing oil producing lease covering 36 acres which forms part of the Greater Stanley Project, adjacent to the Stanley Project. This increases Mosman's working interest in Duff to 40%, following acquisition of the initial 20% in February 2020.

The Operator has proposed a workover to re-complete the Duff-2 well in a zone which has previously been productive at Greater Stanley and Mosman has agreed to a workover well in order to raise production rates.

Mosman's share of the workover (USD20,000) and the acquisition cost (USD15,000) are being funded out of the Company's existing cash resources.

Greater Stanley Project

This Project currently comprises two leases, Duff and Kimes. There is not currently any independent report to quantify resources or reserves at the Greater Stanley Project. The Duff lease has two currently producing wells, and produces about 160-180 bbls /month. Contour Exploration and Production is the operator.

Falcon well update

Despite a 6-day shut in for freezing weather, Falcon produced 12,405 Mcf (gross) of gas with a thermal value of 13,942 MMBtu (gross) in February 2021. Additionally, 180 Barrels of oil (gross) were produced and sold from site. This compares to the January production of 21,805 Mcf (gross) of gas with a thermal value 23,475 MMBtu (gross) and production and sale of 365 Barrels of oil (gross).

As previously notified, hydrocarbon production has been adversely affected since the beginning of March due to increasing water production which is adversely affecting the economic return on the well.

The Operator at the Falcon Project, in which Mosman has a 50% interest, has reviewed the recently acquired production logs, and has recommended the well be completed in a higher zone.

Production logs identified that the water is flowing through the well's lowest perforation and thought to be coming from a lower water bearing zone. The Operator recommends that the JV re-completes the well in a higher zone with the potential to possibly return to the current zone later. There are two additional hydrocarbon bearing sands above the current producing zone. These two zones have indicated gas pay from wireline logs and have flowed gas from nearby wells. The recompletion plan would entail squeezing the current zone with cement and perforating the next zone.

The estimated cost of the workover is USD 20,000 (gross) will be paid from the existing cashflow from Falcon.

If the JV supports the recommendation the Operator expects to undertake the workover in the near future.

John W Barr, Chairman, said: "Mosman is pleased to acquire an additional interest at Greater Stanley which continues the strategy of building on the core assets of proven conventional oil production in East Texas.

"At Falcon, whilst the well has been impacted by weather conditions and the current production is lower than anticipated, we are encouraged by the proposal from the Operator to recomplete at a higher level to resolve production."

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 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
020 7392 1432

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

www.mosmanoilandgas.com

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Greater Stanley and Falcon Well Update

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