

13 July 2021

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

Winters Lease and Winters-2 well update

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development, and production company, announces an update on the Winters lease in Polk County, East Texas including increasing its Working Interest in the lease and the timing of drilling the Winters-2 well.

Winters Lease

Mosman acquired a 23% interest in the Winters lease as part of its recent purchase of Nadsoilco LLC, ("Nadsoilco") in June 2021. Nadsoilco is now a subsidiary of Mosman and is the Operator of the Winters lease. The Winters lease is held by production with circa 969 bbls of oil sold in the last 12 months from the Winters 1 well.

Mosman has now agreed to farm-in to acquire an additional 6% working interest in the Winters lease. The key terms are payment of US\$12,000 for past costs, and Mosman to pay 8% of the next well costs. This will increase Mosman's interest in the lease (including the Winters-1 well) from c23% to c29% (before royalties).

Winters-2 well

Nadsoilco is now preparing to drill the Winters-2 well on the Winters Lease. Due to the well location, the Winters lease holders have agreed to share the participation in the Winters-2 well (not the lease) with the adjacent lease holder ("Arcadia"). The Winters lease holders will have 78% and Arcadia will have 22% of the well. Therefore, Nadsoilco will have a $c29\% \times c78\% = c23\%$ working interest in this well.

Winters-2 is a development well targeting the Wilcox formation, the same zone that is producing in adjacent wells (on other leases not held by Mosman). The well will be drilled as soon as site preparation has been completed, and the drilling rig is available, which Mosman anticipates will be in a few weeks' time. The Budget to drill and case the Winters-2 well has been set at cUSD600,000.

Funding of the farm-in and the drilling costs of c USD 150,000 will be from existing cash resources. A positive drill result, in line with an existing adjacent well which is producing at c190bopd, should result in the well costs being recovered from production this calendar year.

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

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ('MAR') which has been incorporated into UK law by the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via Regulatory Information Service ('RIS'), this inside is now considered to be in the public domain.

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

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