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Mosman Oil and Gas Limited
10 June 2024

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

Sale of Oil Assets

Funding the focus on helium

Mosman Oil and Gas Limited (AIM: MSMN) the helium, hydrogen and hydrocarbon exploration, development, and production company, is pleased to announce that it has sold its interest in Nadsoilco LLC for a consideration of up to US\$1.75 million subject to the completion of due diligence by the acquiror.

Nadsoilco LLC currently owns the working interest in Stanley, Greater Stanley and all of Mosman's interests in the Winters leases in the Polk County, Texas, USA. Prior to completion, Mosman will transfer to Nadsoil LLC the circa 13% working interest in the Stanley lease and other Mosman assets in this project area.

These assets are currently operated by Mosman and the sale will free up management resources to focus on helium exploration. The buyer, RCM Tech Solutions LLC, has experience in operating oilfields and will take over operatorship of these leases.

The consideration for Nadsoilco LLC is US\$1,000,000, to be paid in cash upon completion on 3 September 2024. Three cash payments of a further US\$250,000 each would be paid within 10 days of the end of June 2025, 2026 and 2027 if the gross production rate average for each intervening period is greater than an aggregate 250 bopd. This oil production rate is higher than the current production rate, but is less than the assets have produced in the past and could be achieved by workovers or drilling one or more production wells. Each of these payments may be reduced by a portion of expenditure on abandonment costs in that period, and Mosman does not anticipate any such reduction to exceed the cost of the abandonment of one well, which is circa US\$50,000 (gross). If these payments are made in full then the total sale proceeds would be up to US\$1,750,000. The sale is conditional for 30 business days to provide the Buyer with time for technical and legal due diligence.

The proceeds of the sale will increase working capital, to be used for funding the recently acquired interest in the Vecta Helium Project in Colorado; other helium exploration and production opportunities; and its remaining oil and gas interests, primarily at Cinnabar where the Company considers that it can add value. At Cinnabar, the recently recompleted zone needs stimulation to optimise production rates.

The assets being sold had net revenue to Mosman of AU\$1,603,090 (US\$ 1,056,163) and net profit of AU\$ 418,876 (US\$ 271,262) in the financial year ending 30 June 2023. The value of these assets on Mosman's balance sheet at 31 December 2023 was AU\$3,041,673 (US\$ 2,003,945).

Andy Carroll, CEO of Mosman commented: "We are pleased to deliver on our goal of commercialising some of our existing portfolio of oil and gas assets by sale as

we seek to take advantage of compelling opportunities for helium exploration.

"We see great potential in helium, as demonstrated with our commitment and progress at EP 145 in Australia and the newly acquired interest in the Vecta Helium Project in USA, due to the proven presence of helium and the low cost of shallow exploration and production wells.

"This sale demonstrates our commitment to deliver on the corporate plan to focus on helium opportunities, where we are able to leverage our helium exploration expertise gained over several years in Australia to identify quality helium projects.

"Looking ahead, Mosman will continue to commercialise its oil and gas assets and seek opportunities for helium and hydrogen projects."

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 information 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

Notes to editors

Mosman (AIM: MSMN) is an oil exploration, development, and production company with projects in the US and Australia. Mosman's strategic objectives remain consistent: to identify opportunities which will provide operating cash flow and have development upside, in conjunction with progressing exploration of existing exploration permits. The Company has several projects in the US, in addition to exploration projects in the Amadeus Basin in Central Australia.

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Company Announcement - General

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