

Acquisition of Helium Exploration Lease in US
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Mosman Oil and Gas Limited
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Mosman Oil and Gas Limited
("Mosman" or the "Company")

**Acquisition of Helium Exploration Lease in US Held by Hydrocarbon
Production**

Mosman Oil and Gas Limited (AIM: MSMN) the helium, hydrogen and hydrocarbon exploration, development and production company, has entered into an agreement with a private company, Seeley Oil Company LLC ("Seeley"), to acquire an 82.5% working interest in the Sagebrush Project in Colorado, a large 10,000 acre lease that is held by production ("HBP") from seven producing oil wells. Based on technical studies Mosman anticipates that helium and additional hydrocarbons will be present on this lightly explored lease.

The lease is adjacent to the Company's 4,320-acre Coyote Wash Project, details of which were announced on 19 December 2024. Both leases are on Tribal Land administered by the Ute Mountain Ute Tribe.

Highlights

Through its wholly owned subsidiary, Mosman Helium LLC, the Company, is to acquire 82.5% interest in the 10,000 acre lease from Seeley, a Colorado based private company for a US\$630,000 cash payment, financed from the Company's existing cash reserves.

- Mosman will acquire an 82.5% working interest ("WI") and take over operatorship with an effective date of 1 January 2025 and a completion date of 31 January 2025. The contract is subject to due diligence and routine approvals.
- In this "Four Corners" area, helium is present in the Leadville and McCracken Formations below the salt seal.
- The current gross oil production is circa 40 bopd.

Helium Exploration Potential

There are four main elements required to be successful at helium exploration:
Source, Seal, Reservoir and Structure/Trap

Source

The basement rocks in the Colorado Plateau "Four Corners" area of the USA (see map below) is a radiometric igneous basement rock that is rich in uranium and thorium. The presence of helium is proven in multiple producing fields.

Seal

The southern areas of the major geological feature in this area, the Paradox Basin, have a widespread salt formation that overlays the Leaville and McCracken formations that are proven reservoirs for helium. This salt is an excellent seal for helium and other gases.

Reservoir

The Leadville Formation is a significant reservoir for helium in the southwestern part of Colorado and exists in the Sagebrush and Coyote Wash Project areas. The McCracken sandstone lies below the Leadville and is a secondary reservoir for helium.

Structure/Trap

Several large undrilled structures have been mapped using the existing 3D seismic data over the Coyote Wash leases that could potentially hold significant quantities of helium.

In addition, seismic evidence from a large 2D swath survey has shown several undrilled structures in the Sagebrush area.

All of these geological elements required to have a commercial accumulation of helium are present in the Coyote Wash and Sagebrush leases.

Mosman's US Operations Director, Howard McLaughlin has separately agreed to acquire a 10% WI in the Sagebrush Project for a consideration of \$70,000 (representing the same proportionate cost as Mosman).

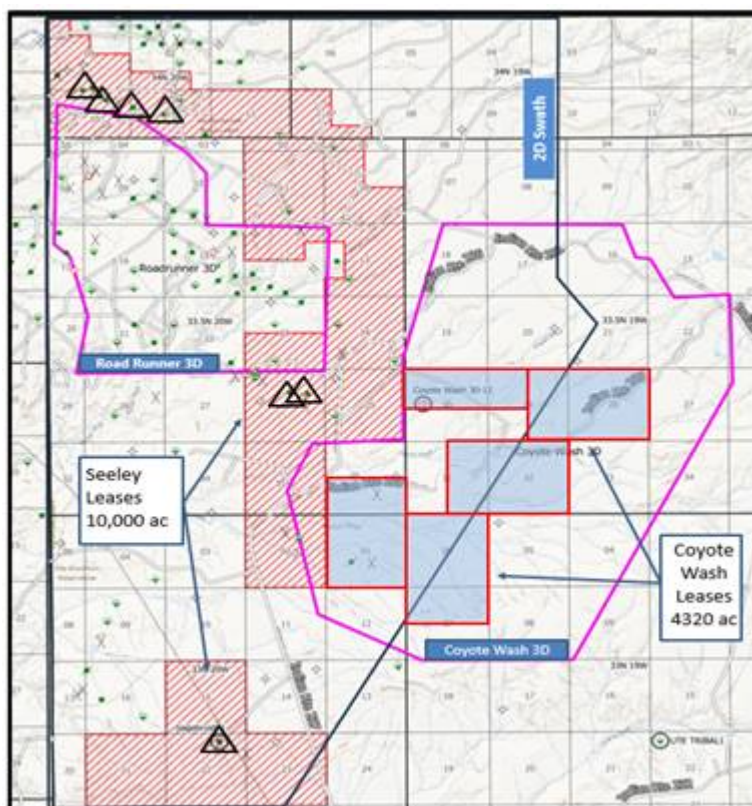
Mosman intends to review existing data to identify drilling prospects and potentially acquire additional low cost seismic to improve probability of success of well. It may be that a well can target both oil and helium. One drilling funding option is to farmout a de-risked drilling prospect.

Commenting on this latest acquisition, Andy Carroll, Chief Executive Officer of Mosman, said: *"The Sagebrush acquisition along with the Coyote Wash Project is the fulfillment of a key goal for Mosman's strategic shift toward helium exploration, development and commercialisation. Acquisitions were a key rationale in the September 2024 capital raise and these two projects deliver on this objective and the acquisition costs can now be funded from cash reserves."*

"I would particularly like to thank Howard McLaughlin who has done a great job to complete technical due diligence and secure these lease areas. The Sagebrush acquisition brings a large attractive area for exploration of helium and has steady oil production with minimal decline supplying revenue as well as holding the acreage for helium and hydrocarbon exploration and development. This is an area with production infrastructure where one well can explore for both helium and hydrocarbons.

"Mosman now has a very strong diversified portfolio of attractive helium and hydrocarbon assets at various stages of maturity."

MAP OF LEASES



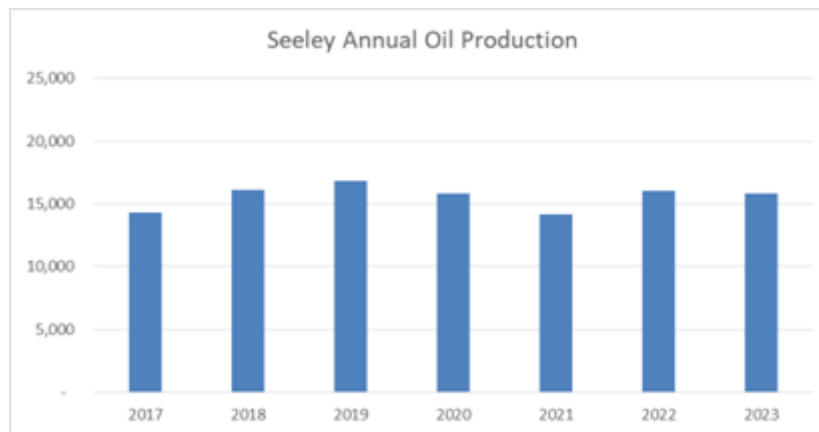
Background on the Sagebrush Project

The Sagebrush well drilled in 1984 tested non-flammable gas (40% CO₂ & 35% nitrogen, but was not tested for helium) below the salt layer and made an oil discovery above the salt layer. The oil well's initial production was in excess of 600 bbls/day of oil and it has cumulatively produced over 300,000 bbls of oil (gross) since coming into production across nine wells, seven of which are producing and two of which are shut-in.

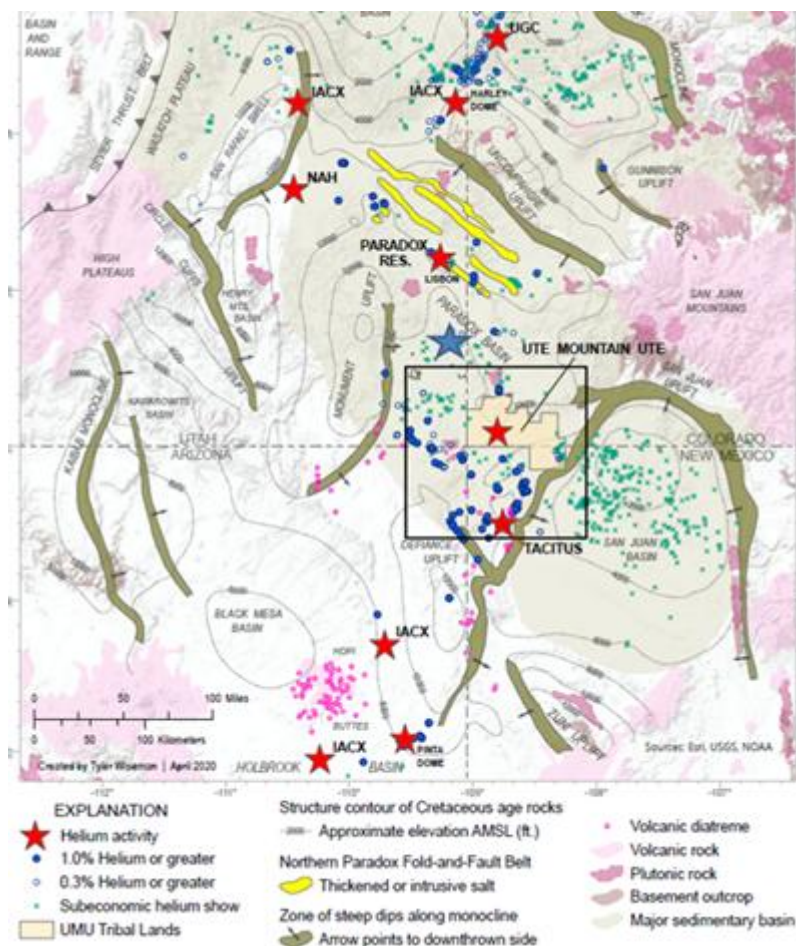
There are no existing Reserve or Resource Reports.

Oil production at Sagebrush has been fairly consistent since 2010, with a gross annual rate of approximately 17,000 bbls from the seven producing wells (see graph below). Minor gas production is used to power pump jacks and there is circa 50 barrels of water per day produced. There are two additional wells that are currently shut-in.

GROSS SEELEY OIL PRODUCTION (BARRELS OF OIL)



Net profit before income tax for the 82.5% interest in the Sagebrush Project in the twelve months ended June 2024, after royalties, local taxes and all lease operating costs was circa US\$286,000.



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 a helium, hydrogen and hydrocarbon 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. The Company has several projects in the US, in addition to exploration projects in the Amadeus Basin in Central Australia.

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