



20 August 2019

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

Champion Project Update

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, advises an update on the Champion Project. Currently Mosman owns a 60% working interest in the Champion Project, containing the Falcon prospect ("Falcon") and the Galaxie prospect ("Galaxie") in Texas.

Mosman has been advised by the Operator ("Baja Oil & Gas LLC") that it has identified a potential cost saving by acquiring and re-purposing an existing well to drill and test the Falcon target. Once this opportunity has been evaluated, Mosman expects the Operator to provide updated drilling cost estimates and a revised schedule which may result in a delay from the current Q3 2019 drilling expectation.

As announced on 8 May 2019, Mosman had previously agreed a Farm-in agreement for the Champion project with ASX listed Xstate Resources Limited ("Xstate") (ASX:XST). Following the update from the Operator, Mosman has been advised that Xstate no longer wishes to proceed with the Farm-in at Champion and accordingly Mosman and Xstate have today signed an agreement to terminate the Farm-in agreement such that Xstate no longer has any rights or obligations in respect of the Champion project.

Mosman expects to provide an update on the timing and funding of the Falcon well in due course.

Competent 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