

20 July 2017

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

USA Operations Update

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, provides an update in respect to its USA operations.

Mosman Directors and executives from its strategic partner, Blackstone Oil and Gas ("Blackstone"), met in the US to review the ongoing work programmes at the Strawn Project and the Arkoma Stacked Pay Project. Both parties are encouraged by the progress made on the Projects and are happy with the work completed to date.

Strawn (Texas): 50% interest and Operator

Since commencing as Operator Mosman's US subsidiary, Mosman Operating LLC, has completed initial repair and maintenance work at the project and also completed the first phase of the workover programme.

Individual well production rates are yet to stabilise and as a result steady production rates cannot be established at this stage. Production rates currently average approximately 18 to 20 bopd. As reported previously, there are a range of opportunities being considered to further increase production rates. The work completed so far is under budget.

Arkoma Stacked Pay Project (Oklahoma): 10% interest with an option over a further 45%

Mosman's immediate focus remains to gather information to update the geological model and quantify reserves and resources and the site visit reaffirmed that good progress is being made on the geological model. Once complete, this will facilitate a decision in respect to the option held by Mosman to increase its ownership percentage from 10% to 30% that is due to be made in October, with a second option to increase ownership to 55% in 2018.

As part of the acquisition arrangements, Inland Operating Company ("Inland") remains the Operator of the Arkoma project. During this period of getting drilled wells on production, Inland is paying for all the capital expenditure. Whilst wells are being brought on production rates are variable and meaningful steady production rates may take some time to be established.

Strategy

As part of its growth strategy, Mosman's strategic objective remains to identify opportunities which will provide operating cash flow and have further development upside, in conjunction with adding value to our existing exploration permits. New projects remain under review.

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.



MOSMAN OIL AND GAS
LIMITED

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