

Regulatory Story

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Mosman Oil and Gas Limited - MSMN Stanley Project Update
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Mosman Oil and Gas Limited ("Mosman" or the "Company")

Stanley Project Update

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, advises that the participants have agreed a completion plan to bring the recently drilled Stanley-2 well into production, in which it has a 16.5% Working Interest.

As reported on 1 April 2019, Stanley-2 was successfully drilled and cased to 5,000 feet. Encouragingly, logs and cores from Stanley-2 have identified multiple potential production zones, including several Yegua sands that is a prolific sequence in the region. Prior to determining the optimal zones to complete and perforate at both Stanley-2 and at Stanley-1, there has been a period of detailed evaluation in order to optimise short-term oil production whilst maximising long-term hydrocarbon recovery and reservoir management.

The data from the two wells, together with existing 3D seismic, has strengthened the overall understanding of the geology and hydrocarbon distribution allowing decisions on completions to be optimised.

Nadsoil, LLC (the "Operator") has provided Mosman with the following details on the proposed completions at Stanley-2 and at Stanley-1 (all depths in feet):

Stanley-2

The initial and primary completion zone proposed for Stanley-2 will be in the "4,700 Sand" over the interval 4,720 to 4,720 MD (4,655.5 to 4,667.5 TVD). The lower part of the completion zone shows good permeability, porosity and oil saturation. At a future date and following depletion of the primary 4,700 Sand, it is expected that other deeper and thinner zones at 4,760 MD (4,702.5 TVD) and 4,860 MD (4,790 TVD) can subsequently be produced by perforating through tubing at a later date.

Mosman has been informed by Nadsoil that a nearby well in the same primary completion zone had an initial test rate of more than 100 BOPD, initial production rates of 64 BOPD and 51 MCFGPD with no water cut, and went on to produce over 53,000 BBLs of oil in less than four years.

As well as the primary 4,700 Sand, the Operator has also identified an attractive secondary completion zone in the "4,560 Sand" over the interval 4,561 to 4,570 MD (4,528 to 4,536 TVD) that could be completed as an alternative to the 4,700 Sand, or completed at a later date. Three cores from this zone all showed good oil saturation. A deeper oil zone at 4,595 MD (4,558 TVD) could also subsequently be completed and produced through tubing at a later date.

Stanley-1

Following the technical review of the data from the two Stanley wells, the proposed re-completion zone for Stanley-1 will be in the "4,270 Sand" over the interval 4,268 to 4,278.

From this completion zone four oil cores confirm good oil saturation. This completion zone was the principal productive zone for the first seven wells in the Livingstone oil and gas field and so this zone could be partially depleted, although the Operator does not believe this to be the case. Importantly, the 4,270 Sand had strong oil shows recently while drilling the Stanley-2 well.

A secondary completion zone for Stanley-1 has been identified by the Operator in the "4,330 Sand". This secondary completion zone has not been produced by any of the original wells that were drilled into the Livingstone oil and gas field.

Mosman and other parties have accepted the Operator's recommendations on all completions and work will commence at Stanley-2 today. The plan is to then use the same service rig to complete the Stanley-1 well.

John W Barr, Chairman, said: "Mosman is delighted with the results from Stanley, which are a strong endorsement of the original investment decision by the Mosman Board.

"Stanley-2 and Stanley-1 production will add to the strong production profile from our existing projects at Welch, Arkoma, and Strawn.

"The Board's attention now turns to the next well to be drilled and are evaluating whether to proceed at the Champion or the Challenger projects. Discussions are currently underway with our strategic alliance partner, Baja Oil and Gas LLC., and, subject to funding, a decision will be made in the near term."

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

Technical Glossary

BBLs	barrel / barrels
BOPD	barrels of oil per day
TVD (True Vertical Depth)	the vertical distance from a point in the well to a point at the surface.
MD (Measured Depth)	the length of the wellbore, as if determined by a measuring stick
MCFGPD	thousand cubic feet of gas per day

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