

11 August 2023

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

**USA Production & Development Update**

Mosman Oil and Gas Limited (AIM: MSMN) the oil and gas exploration, development, and production company, announces its production for the year ended 30 June 2023 ("FY23"), and an update on development in the USA.

**Production**

- FY23 Net Production of 31,067 boe (FY22: 37,915 boe). 2023 was impacted by the halt in production at Falcon due to water ingress. Whilst there is remaining potential at Falcon, the lower gas prices meant a workover is not a high-ranking investment alternative.
- Achieved 73% annual increase in production at Stanley with installation of gas lift and jet pumps.
- Production for the June 2023 quarter was 15,332 boe gross and 5,937 boe net. Production was materially lower than the March quarter (28,632 boe gross, 11,960 boe net) mainly due to issues at Cinnabar as well as increased sand production issues requiring additional screens and clean outs at Stanley. Some wells may be optimised by changing back to gas lift.
- Work continues at the Cinnabar project to optimise production on all three existing wells on the lease and planning for drilling the next development well (that is subject to funding). At G-2, the well has been serviced and a fracture stimulation is expected to be conducted in the week commencing 13 August 2023.

**John W Barr, Chairman, said:** "The Company continues to develop and maintain its portfolio of projects, with a clear focus on its strategic plan to maximise the opportunity for further production growth and increasing cashflow. Whilst we are disappointed with the outcome at Falcon, the resolution of sand issues at Stanley and currently happening workovers at Cinnabar may deliver a more sustainable growth in production."

**USA Production**

Net Production attributable to Mosman for the year ended 30 June 2023 was 31,067 boe. The decrease was primarily due to the production halting at Falcon, which was somewhat offset by increased production at Stanley and new production at Cinnabar.

**Production Summary**

|              | Gross Project<br>Production | Net Production to<br>Mosman | Gross Project<br>Production | Net Production to<br>Mosman |
|--------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Falcon       | -                           | -                           | 29,114                      | 21,836                      |
| Stanley      | 44,915                      | 16,844                      | 26,212                      | 9,746                       |
| Cinnabar     | 8,465                       | 6,349                       | -                           | -                           |
| Livingston   | 2,654                       | 531                         | 1,530                       | 306                         |
| Winters      | 22,733                      | 5,304                       | 14,726                      | 3,456                       |
| Arkoma       | 8,166                       | 2,039                       | 10,294                      | 2,571                       |
| <b>Total</b> | <b>86,933</b>               | <b>31,067</b>               | <b>81,876</b>               | <b>37,915</b>               |

The Net Production of 31,067 boe produced in the FY23 consisted of 21,503 barrels of oil and 55,474 MMBtu of gas.

For the June quarter, net production was 5,937 boe and consisted of 4,845 barrels of oil and 6,331 MMBtu of gas. The average sale prices achieved during the June 2023 quarter was US\$73.02 per barrel for oil and US\$1.70 per MMBtu for gas. (March quarter was US\$73.46 and US\$3.49) (in each case after transport and processing costs but before royalties).

|              | Gross Production | Net Production to<br>Mosman | Gross Production | Net Production to<br>Mosman |
|--------------|------------------|-----------------------------|------------------|-----------------------------|
| Stanley      | 9,949            | 3,744                       | 13,753           | 5,028                       |
| Cinnabar     | 1,775            | 1,332                       | 6,690            | 5,017                       |
| Livingston   | 350              | 70                          | 535              | 107                         |
| Winters      | 1,334            | 311                         | 6,324            | 1,476                       |
| Arkoma       | 1,924            | 480                         | 1,330            | 332                         |
| <b>Total</b> | <b>15,332</b>    | <b>5,937</b>                | <b>28,632</b>    | <b>11,960</b>               |

### **Stanley (34.85% to 38.5% Working Interests)**

Whilst production at Stanley was lower in the quarter, annual production increased 73%.

Jet pumps were installed on three wells that increased production, however that also increased operating costs and sand production. The optimal production method for each well is being reviewed and it may be that some wells are returned to gas lift.

A seismic mapping project has recently been completed detailing significant remaining potential in the Stanley leases.

Winters-2 continues to produce both gas and oil with the help of gas lift.

### **Cinnabar Project (75% Working Interest)**

At Cinnabar, production was down as advised. Mosman has completed a detailed development plan for the lease which now in theory has three wells with the ability to produce, and each well has produced some oil which is included in the quarterly numbers of gross 1,775 boe. The plan is gradually being implemented with recently installed gas infrastructure currently being used to enable gas lift, and work continues to optimise production on the three existing wells, including the frac of one zone at Cinnabar-2 which is planned in the week commencing 13 August 2023.

*Production numbers are based on the current best available data and are subject to adjustment upon receipt of final sales invoices from the purchasers of products.*

## **Cash position**

At 31 July 2023, Mosman had cash at bank of circa AU\$0.8 million.

Funds raised in the July and April placings have been and continue to be expended as follows:

1. Mosman's share of the connection fee to connect the Cinnabar Project gas flowline;
2. Costs associated with the Corporate Review;
3. Applications, documentation, and fees related to approvals for seismic acquisition in EP 145 as well as management activities including soil and water sampling for hydrogen and helium and Central Land Council annual fees;
4. Additional investment at Cinnabar to provide gas lift to optimise production at existing wells;
5. Additional costs of workovers and stimulation to optimise production at Cinnabar wells; and
6. Expenditure related to the new lease area near Cinnabar including lease costs and technical work to identify preferred drilling locations.

## **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](http://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 its existing exploration permit and permit application. The Company has several projects in the US. In addition to exploration projects in the Amadeus Basin in Central Australia.

### Glossary:

|                          |   |
|--------------------------|---|
| boe                      | Barrels of oil equivalent based on calorific value as opposed to dollar value   |
| boepd                    | Barrels of oil per day of oil equivalent based on calorific value as opposed to dollar value  |
| bopd                     | Barrels of oil per day  |
| Gross Project Production | Means the production of BOE at a total project level (100% basis) before royalties (where Mosman is the Operator) and where Mosman is not the operator the total gross production for the project |
| Mcf                      | Thousand cubic feet   |
| Mcfpd                    | Thousand cubic feet per day   |
| MBtu                     | One thousand British Thermal Units  |
| MBtupd                   | One thousand British Thermal Units per day  |
| MMBtu                    | One million British Thermal Units   |
| MMBtupd                  | One million British Thermal Units per day   |
| Net Production           | Net to Mosman's Working Interest; Net Production attributable to Mosman means net to Mosman's Working Interest before royalties   |

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Company Announcement - General

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