



MOSMAN OIL AND GAS
LIMITED

26 April 2023

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

93% Increase in Quarterly Net Production

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development, and production company, announces its Q3 production update for the three months ended 31 March 2023 ("Q3" or "March Quarter") delivering a 93% increase in net production compared to the prior December Quarter.

US Production (Various interests)

Mosman made significant progress in growing the production portfolio as a result of the Cinnabar-1 well (Mosman 75% working interest) coming on production. Improved production at Stanley and Winters contributed to the growth in the quarter in which Mosman achieved net production of 11,960 boe (circa 133 boepd) versus 6,212 boe (c. 67 boepd) in the prior December Quarter.

March Quarter Production Summary

	3 Months to 31 March 2023		3 Months to 31 December 2022	
	boe		boe	
	Gross Project Production	Net Production to Mosman	Gross Project Production	Net Production to Mosman
	Gross boe	Net boe	Gross boe	Net boe
Cinnabar	6,690	5,017	-	-
Stanley	13,753	5,028	12,943	4,897
Winters	6,324	1,476	3,431	800
Livingston	535	107	1,238	248
Arkoma	1330	332	1,070	267
Total boe	28,632	11,960	18,682	6,212

Net Production of 11,960 boe comprised of 9,908 barrels of oil and 11,902 MMBtu of gas. The average sale prices achieved during the period was US\$73.46 per barrel for oil and US\$3.49 per MMBtu for gas (December quarter was US\$82.02 and US\$5.69 respectively, and in each case after transport and processing costs but before royalties).

Production numbers in the Quarter are based on the current best available data (including field data if necessary) and are subject to adjustment upon receipt of final sales invoices from the purchasers of products.

Major Project Updates

Cinnabar (75% Working Interest)

The Cinnabar-1 well was put on production at the end of December 2022 and produced throughout the March Quarter.

Gas infrastructure has been upgraded and a connection to the sales gas pipeline is under way that will enable gas to be sold. Current production numbers do not include gas.

During the period, formation water influx increased and this caused a decrease in oil production to c50 bopd during April. Wireline logs indicated that the oil and gas production was coming from the 1st Wilcox and water was coming from one 2nd Wilcox sand that had also been perforated. A workover was successfully completed on 25 April setting a plug to seal off the 2nd Wilcox zone. Production from the 1st Wilcox is expected to be restarted during 26 April and updated flow rates will be reported in due course. At some time in the future, the 2nd Wilcox will be squeeze cemented to seal off the source of the water and re-perforated in a different 2nd Wilcox sands to produce the significant Reserves identified in the 2nd Wilcox. In addition, in due course artificial lift may be used to increase flow rates.

At G-2, a workover was performed to enable gas injection. Gas from Cinnabar-1 was injected and this led to the well flowing, demonstrating proof of concept. The next step is to inject gas at a high enough pressure to initiate gas lift. This will require the acquisition and installation of a gas compressor.

Technical work is being undertaken in order to prepare a Development Plan for the Cinnabar lease. This work will include updates of the 3D seismic interpretation on the lease and the geological model and result in the identification of drilling targets and locations. The Development Plan is expected to take several months to complete.

Stanley (34.85% to 38.5% Working Interest)

Stanley benefitted from the completion of gas infrastructure and workovers to optimise production. The gas lift on Stanley 4 and 5 was successful, with several days producing approximately 300 bopd. However, due to decline in available gas the decision was made to change to fluid injection and install jet pumps in these wells. The recent aggregate daily gross production rate across Stanley is 154 bopd (averaged over the last 5 days of available data).

In addition to production optimisation work, a technical report was also completed that detailed significant remaining production potential in the Stanley leases.

Winters (23% Winters-2 Working Interest)

Winters-2 continues to produce at rates exhibiting natural decline.

Cash position

As at 31 March 2023, Mosman had cash at bank of circa AU\$682k, which does not include the additional £300,000 raised per the announcement on 6 April 2023.

John W Barr, Chairman, said: "We are pleased to report on the progress we have made as a result of the development work enabling us to deliver a significant quarter on quarter increase in production."

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 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 existing exploration permits. 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
bo	Barrels of oil
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