

8 August 2022

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

USA Production & Development Update

66% Increase in Net Production

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 2022, as well as an update on development in the USA. Highlights include:

Production

- FY22 Net Production of 37,915 boe, a 66% year on year increase.
- Production for the June 2022 quarter was 24,495 boe gross and 8,815 boe net. A 73% increase in Net Production compared to the June 2021 quarter.
- Workovers at Stanley Project ongoing.
- Workovers completed after 30 June 2022 have already increased daily production from the June quarter, with the Stanley-4 well that was producing gas now producing oil (rates yet to stabilise, have been as high as 64 bopd gross).

Development (Cinnabar Well 75% Working Interest)

- New Joint Venture partner secured reducing Mosman's share of costs.
- Drilling contract signed and well casing secured.
- Pre-drill requirements underway with work scheduled to be completed by end of August.
- Spud date is now scheduled to be late August.
- Potential oil and gas sales contracts are under negotiation.
- Production estimates remain at 120 boepd gross.
- Pre-drill costs of circa USD 0.2 million approved and cash call paid.
- Drill costs remain estimated at circa USD 1 million. Circa 70% of the costs are now locked in with the signing of the fixed price drilling contract.
- Completion costs remain estimated at USD 0.6 million.

John W Barr, Chairman, said:

"Mosman is pleased to report a significant uplift in annual net production, delivering on the strategic plan to increase production.

Whilst commodity prices are strong, workforce staff shortages due to Covid19 are affecting all operations and there is limited availability of drilling and workover rigs.

The Cinnabar well is planned and funded and is currently scheduled to spud in late August.

"The Company continues to maintain its portfolio of development and exploration projects, with a clear focus on its strategic plan to maximise the opportunity for further production growth and increasing cashflow. In addition to its USA projects, Mosman has two exploration areas in Australia which are well positioned to take advantage of the increasing demand for Helium and Hydrogen, in addition to oil and gas."

USA Production

Net Production attributable to Mosman for the year ended 30 June 2022 was 37,915 boe, an increase of 15,091 boe, or 66% from the year ended 30 June 2021 of 22,842 boe.

Production Summary

	Year ended 30 June 2022		Year ended 30 June 2021	
	boe		boe	
	Gross Project Production	Net Production to Mosman	Gross Project Production	Net Production to Mosman
Falcon	29,114	21,836	18,897	9,448
Stanley	26,212	9,746	45,309	7,296
Greater Stanley	1,530	306	1,588	342
Winters	14,726	3,456	-	-
Arkoma	10,294	2,571	5,033	1,257
Welch (sold)	-	-	5,846	4,481
Total	81,876	37,915	76,473	22,824

The Net Production of 37,915 boe produced in the financial year consisted of 10,827 barrels of oil and 157,109 MMBtu of gas. The average sale prices achieved during the June 2022 quarter was US\$109.24 per barrel for oil and US\$5.81 per MMBtu for gas. (March quarter was US\$89.53 and US\$4.13) (in each case after transport and processing costs but before royalties).

For the June quarter net production was 8,815 boe and consisted of 2,846 barrels of oil and 34,624 MMBtu of gas.

	Quarter ended 30 June 2022	
	boe	
	Gross Project Production	Net Production to Mosman
Falcon	3,828	2,871
Stanley	7,310	2,806
Greater Stanley	343	69
Winters	11,042	2,576
Arkoma	1,973	493
Total	24,496	8,815

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.

Further Details on Production

Winters-2 (23% Working Interest)

Production of gas from the Winters-2 well, which commenced in March 2022 continues and the June quarter is the first full quarter of production reported. Post the end of the quarter, a new compressor was installed at Winters and gross production is now regularly in the 0.7 to 1.0 MMBtupd range. That represents between 121 and 172 boepd (gross), which is a slight increase over the March quarter average of 123 boepd gross.

Stanley (34.85% to 38.5% Working Interests)

Stanley well production has been variable as workovers change production zones and gas infrastructure is optimised. Stanley-4 that was producing gas was worked over and is now producing oil.

Falcon (75% Working Interest)

The Falcon-1 well stopped producing in the June quarter and the first workover was not successful. Whilst this is an important project, the current priority is Stanley and preparing to drill Cinnabar. Further updates in respect of Falcon will be made as appropriate.

Livingston (20% Working Interest) and Greater Stanley (40% Working Interest)

These projects are of strategic importance and form part of the longer-term planning.

Arkoma (27% Working Interest)

Production had been variable since the significant lightning strike in March 2022.

This asset is being held for sale as other projects are preferred for further investment.

USA Development

Cinnabar Well (75% Working Interest)

Considerable focus during the last quarter was placed on the planning and actioning of the Cinnabar well. This well is the next development well for Mosman. If successful, once the geological model is updated, the potential for a number of wells on the lease is currently considered to be high.

This well remains on schedule to start drilling in late August, subject to site works and rig availability.

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.

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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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 seven projects in the US: Stanley, Greater Stanley, Livingston, Winters, Challenger and Champion in East Texas and Arkoma in Oklahoma in addition to exploration projects in the Amadeus Basin in Central Australia.