



29 July 2021

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

Increase in Working Interest in US Production and Exploration Projects

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development, and production company, has agreed to acquire an additional 25% working interest ("WI") in the Falcon lease (including the Falcon-1 well) and 25% of the adjacent Galaxie lease. Mosman will acquire these WIs from Baja Oil and Gas LLC, for a cash consideration of USD 160,000 and the effective date is 1 July 2021.

Since the recent recompletion, production at the Falcon-1 well has been steady with the recent average flow rate of circa 112 boepd of gas and 7 bopd of oil condensate for a total of 119 boepd. Unaudited gross revenue from Falcon-1 in June is estimated to be circa USD\$40,000 after royalties.

This acquisition means Mosman's share of production increases by circa 30 boepd from 60 to circa 90 boepd (as of the effective date of 1 July). Mosman also has more control of the timing of technical work and operations with the increase from 50% to 75% WI at Falcon the lease and increasing to 85% ownership at the Galaxie lease, where Mosman will become Operator. There is not currently any independent report to quantify resources or reserves on the Falcon on Galaxie leases.

As previously announced in the Company's interim results for the six month period to 31 December 2020 ("H1 2021"), with the Falcon-1 well only coming on production in December 2020, there was no revenue recognised by the Company until cash for hydrocarbon sales was received in January 2021 and thus there was no revenue recognised during H1 2021. Similarly all costs prior to January 2021 have been capitalised so there was no accounting profit or loss for Falcon in H1 2021.

The consideration will be paid from the Company's existing cash resources and the transaction is due to complete on 30 July 2021. Baja has agreed to use part of the USD 160,000 consideration to repay an existing debt to Nadsolco; monies owed by Baja for work at the Falcon-1 well, and a prepayment towards the drilling of the Stanley-5 well. The AFE ("Authorisation For Expenditure") for the Stanley-5 well has been issued and drilling is scheduled to take place after the Winters-2 well is drilled.

John W Barr, Chairman, said:

"The Board is delighted to yet again increase its production portfolio in Eastern Texas, and to increase ownership and control of additional acreage."

Qualified 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

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 inside 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