

20 October 2020

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

New Drilling and £0.9m Placing

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, is pleased to provide an update on its' planned drilling operations and announces a Fundraising to raise £900,000.

Details of the Fundraising

To fund the drilling of a proposed significant Galaxie well, installing Falcon production facilities, and for working capital, the Company has raised £900,000 (before expenses) by way of a placing of 720,000,000 new ordinary shares of no par value in the capital of the Company ("Placing Shares") through the company's broker Monecor (London) Ltd, trading as ETX Capital, at a placing price of 0.125p per share (the "Placing Price") (the "Placing"). Investors are also receiving a one for two warrant exercisable at a price of 0.25p with a term of 24 months (the "Placing Warrants").

Use of Proceeds

The primary use of proceeds will be the proposed drilling of the large Galaxie prospect that is adjacent to Falcon and on the same geological feature, both of which are located within the Champion Project in East Texas. Preparation work will commence immediately and drilling of the well could be later this year.

Importantly, the initial information obtained in drilling the Falcon-1 well has demonstrated the validity of the geological model and enhances the attractiveness of the other drilling locations already identified in the Champion Project area.

The proceeds will also fund production facilities at the Falcon location where the Falcon-1 well has recently been successfully drilled and completed. Based on the available information, it is anticipated that there will be a requirement for production facilities to be acquired and installed. These will include oil and gas separators, oil storage tanks and a short gas pipeline connection to a nearby third party gas transmission line, where the gas would be sold. Discussions have already been held with the relevant third party. The final design criteria will be subject to flow testing the well in the near future. Nearby wells have typically flowed gas with significant hydrocarbon liquids.

In addition, the capital raised will be used to acquire working interest ("WI") in a project that has been under review for some time, and which more details will be provided once the legal documents are executed. The project is in East Texas and several development well locations have been identified.

In addition to development work in the US, a proportion of the funding will be allocated to progress EP145 in the Amadeus Basin in the Northern Territory, Australia.

The Fundraising will also provide additional working capital for the Company while it continues to build production and progress its strategic objectives.



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John W Barr, Chairman, said: "I am very encouraged by the successful drilling at the Falcon-1 well and look forward to getting that well on production soon. The Falcon-1 well result confirmed the significant potential in the Champion Project area and I am pleased to have secured funding to drill the Galaxie-1 well on a structure which is mapping indicates is even larger than Falcon.

"Mosman is determined to achieve its goals and objectives, highlighted by the activity in the 2020 calendar year, where we have already participated in new wells and workovers, drilled the recent Falcon-1 well, and now the proposed drilling at the Galaxie well continues that progress."

Other Matters

The fundraising is being completed by the company's broker Monecor (London) Ltd, trading as ETX Capital, the same Broker as the last Fundraising and 16,000,000 broker warrants exercisable at 0.125p for a two year period will be issued to it.

Admission to AIM and Total Voting Rights

The Placing is conditional on, inter alia, the Placing Shares being admitted to trading on AIM. Application will be made to the London Stock Exchange for the Fundraising Shares, which will rank pari passu with the Company's existing issued ordinary shares, to be admitted to trading on AIM and dealings are expected to commence at 8:00 a.m. on or about 26 October 2020.

Following the issue of the Fundraising Shares, the Company's share and total voting rights will comprise 2,494,560,968 Ordinary Shares of no par value and the Company does not hold any shares in treasury.

Consequently, the above figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

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