

20 May 2020

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

Sale of Welch Project

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, announces it has agreed the sale of the Welch Project in Texas for US\$300,000.

Sale of Welch Oil Field

Mosman has today entered into a Contract for the sale of Welch with the US based Eagle Natural Resources LLC for US\$300,000 (cA\$460,000).

A deposit of US\$30,000 has been received, and the sale will be effective on receipt of the balance of the funds which is expected to take place within 30 days.

Whilst the Welch oil field is producing and has development potential, the ranking of projects in the Strategic Review identified better growth assets at Stanley and Greater Stanley. The capital from the sale of Welch will facilitate investment in these growth areas, as well as providing working capital at a time when cash flow is adversely affected by the low oil price.

The gross profit from operations at Welch project for the six months ending 31 December 2019 was A\$264,619. In the 30 June 2019 Financial year Welch recorded a Gross Profit of A\$166,229 and the carrying value of Welch at 31 December 2019 was A\$500,000.

John W Barr, Chairman of Mosman commented: "The intention to sell Welch was first announced in February, and the Mosman Board is pleased to have secured a buyer, notwithstanding ongoing global events.

"Completing the sale of Welch remains an important milestone for Mosman in the current climate and the funds will increase Mosman's cash position to almost A\$700,000 and thus enable further development at Stanley and Greater Stanley where we see strong development potential.

"The Board remains determined to deliver value to shareholders."

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.

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.



MOSMAN OIL AND GAS
LIMITED

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Updates on the Company's activities are regularly posted on its website:

www.mosmanoilandgas.com