



MOSMAN OIL AND GAS
LIMITED

MOSMAN OIL AND GAS LIMITED
ABN 90 150 287 111

NOTICE OF GENERAL MEETING

**A General Meeting of the Company will be held at
10.00am on 2 August 2016 at Suite 305, Level 3, 35 Lime
Street, Sydney NSW 2000 Australia (EST).**

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone +61 2 8296 0000

MOSMAN OIL AND GAS LIMITED

ACN 150 287 111

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of Mosman Oil and Gas Limited (**Company**) will be held at 10.00am on 2 August 2016 at Suite 305, Level 3, 35 Lime Street, Sydney NSW 2000 Australia (EST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company 31 July 2016 at 10.00am (EST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Resolution 1 – Approval of Selective Buy Back

To consider and, if thought fit, to pass with or without amendment, as a special resolution the following:

"That, for the purposes of section 257D(1)(a) of the Corporations Act and for all other purposes, approval be given for the Company to conduct a selective share buy-back of 9,000,000 Shares from Mr Andrew Robert Carroll on the terms and conditions detailed in the Explanatory Memorandum."

Voting Exclusion

In accordance with the Corporations Act, the Company will disregard any votes cast on the proposed resolution by Mr Carroll or any of his Associates.

However, the Company will not disregard a vote if:

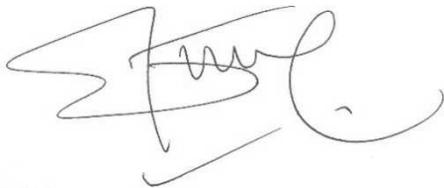
- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairperson as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Resolution 2 – Transfer of shares of Petroleum Portfolio Pty Ltd to Mr Andrew Robert Carroll

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"Subject to Resolution 1 being passed, Shareholders approve the transfer of all of the shares of Petroleum Portfolio Pty Ltd held by the Company to Mr Andrew Robert Carroll on terms and conditions detailed in the Explanatory Memorandum".

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Jarrod White', with a stylized flourish at the end.

Jarrod White
Company Secretary
Dated: 30 June 2016

MOSMAN OIL AND GAS LIMITED

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EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 10.00am on 2 August 2016 at Suite 305, Level 3, 35 Lime Street, Sydney NSW 2000 Australia (EST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolution.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolution:

Section 2: Action to be taken by Shareholders

Section 3: Resolution 1 – Approval of Selective Buy Back

Section 4: Resolution 2 – Transfer of shares of Petroleum Portfolio Pty Ltd to Mr Andrew Carroll

Schedule 1: Definitions

A Proxy Form is located at the end of this Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Shareholders whose Shares are traded on AIM should note that:

- (a) if your Shares are held in your name on the Company's register, a "form of instruction" will be sent to you by Computershare Investor Services plc The Pavilions, Bridgewater Road Bristol BS99 6ZY that should be used in place of the Proxy Form; and
- (b) if your Shares are held in a nominee account by a stockbroker, you should contact that stockbroker to establish what is required in order for you to vote individually.

If Shareholders do not understand the Notice, this Explanatory Memorandum or any part thereof they should contact their stockbroker, lawyer, accountant, or financial or other professional adviser without delay.

3. Resolution 1 – Approval of Selective Buy Back

3.1 Background

On 12 December 2013, the Company entered into a share sale agreement (**Share Sale Agreement**) with Mr Andrew Carroll, a Director, pursuant to which the Company acquired the entire issued share capital of Petroleum Portfolio (**Acquisition**).

Mr Carroll was the sole shareholder of Petroleum Portfolio.

Petroleum Portfolio is the owner of 25% of the issued shares in Australia Petroleum Portfolio Pty Ltd (**APP**). As at the date of the Share Sale Agreement, APP was the preferred applicant in respect to Permit Application STP-EPA-0071 for acreage release area L12-4 located in the Officer Basin, Western Australia (**Permit**).

Pursuant to the terms of the Share Sale Agreement:

- (a) Mr Carroll, in consideration for the sale of his shares in Petroleum was issued 9,000,000 Shares (**Consideration Shares**); and
- (b) the Consideration Shares were subject to an escrow period from the date of issue to the earlier of the date:
 - (i) the Permit is granted; or
 - (ii) the date that is two years following completion of the Share Sale Agreement, being 12 December 2015 (**End Date**).

If the Permit was not granted by the End Date, Mr Carroll will:

- (a) pay to the Company \$900,000 within 90 days of the End Date; or
- (b) relinquish the Shares to the Company by a selective share buy-back.

As at the date of this Notice, the Permit has not been granted. Accordingly, Mr Carroll has elected to relinquish his Consideration Shares, in consideration for which the Company will pay Mr Carroll A\$1.00 (**Selective Buy Back**).

The Selective Buy Back is subject to, and conditional on, Shareholders (except Mr Carroll and his Associates) approving, by way of special resolution, the Selective Buy Back. If Resolution 1 is not approved by Shareholders, the Selective Buy Back will not be undertaken.

Resolution 1 is a special resolution.

The Chairperson intends to exercise all available proxies in favour of the Resolution 1.

3.2 Corporations Act

Under the Corporations Act, the Company may buy back its own shares if the buy back does not materially prejudice the Company's ability to pay its creditors and the Company follows the procedures in Division 2 of Part 2J.1 of the Corporations Act. Under section 257D of the Corporations Act, a buy back by the Company of Shares from selected Shareholders requires a special resolution, with no votes being cast in favour of the resolution by any people whose Shares are proposed to be bought back or by their associates. Following completion of a buy back, the Shares bought back must be cancelled, in accordance with section 257H of the Corporations Act.

3.3 Effect of the Selective Buy Back on the Company

If Shareholders approve the Selective Buy Back, the Consideration Shares bought back from Mr Carroll will be cancelled pursuant to section 257H of the Corporations Act. This will reduce the total number of Shares on issue from 215,591,008 Shares to 206,591,008 Shares.

The Completion of the Selective Buy Back will occur on or before the date that is 7 August 2016 following the date of the Meeting (assuming Resolution 1 is approved).

3.4 Additional Information

The Company released its financial results of the half-year ended 31 December 2015. Copies are available at the Company's website at www.mosmanoilandgas.com and will be provided free of charge to any Shareholders who request one from the Company Secretary before the date of the Meeting.

A copy of the Share Sale Agreement is available for inspection by Shareholders at the registered office of the Company and will be available for inspection by Shareholders at the Meeting.

3.5 Directors' Recommendation

The Directors (other than Mr Carroll) believe that the Resolution is in the best interests of the Company and does not materially prejudice the Company's ability to pay its creditors.

The Directors (other than Mr Carroll) unanimously recommend that Shareholders vote in favour of Resolution 1.

4. Resolution 2 - Transfer of shares of Petroleum Portfolio Pty Ltd to Mr Andrew Robert Carroll

The Board has resolved, subject to Shareholder approval, to transfer all of the shares in Petroleum Portfolio held by the Company to Mr Andrew Robert Carroll for a nominal consideration of A\$1.00.

Petroleum Portfolio was previously purchased by the Company pursuant to the Share Sale Agreement and is the owner of 25% of the issued shares in APP (refer to Section 3.1 for further details).

The Company does not consider that there is any benefit or utility in it maintaining its ownership of Petroleum Portfolio.

Resolution 2 is an ordinary resolution.

Resolution 2 is subject to the approval of Resolution 1.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

Schedule 1 – Definitions

In the Notice and this Explanatory Memorandum:

£ and **pence** means the lawful currency of the United Kingdom.

A\$ means the lawful currency of Australia.

Acquisition has the meaning given in Section 3.1.

AIM means the alternative investment market of the London Stock Exchange.

APP has the meaning given in Section 3.1.

ASIC means the Australian Securities and Investment Commission.

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of the Corporations Act.

Board means the board of Directors.

Chairperson means the person appointed to chair the Meeting.

Company or **Mosman** means Mosman Oil and Gas Limited ACN 150 287 111.

Consideration Shares has the meaning given in Section 3.1.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the directors of the Company.

End Date has the meaning given in Section 3.1.

Explanatory Memorandum means this explanatory memorandum.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means the notice of general meeting which this Explanatory Memorandum accompanies.

Option means an option to acquire a Share.

Permit has the meaning given in Section 3.1.

Petroleum Portfolio means Petroleum Portfolio Pty Ltd ACN 159 032 881.

Proxy Form means the proxy form attached to the Notice.

Resolution means the resolution in the Notice.

Schedule means a schedule to the Notice.

Section means a section of this Explanatory Memorandum.

Securities means all the Shares and Options.

Selective Buy Back has the meaning given in Section 3.1.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Sale Agreement has the meaning given in Section 3.1.

VWAP means volume weighted average price of "on-market" trades of on AIM.

In the Notice and this Explanatory Memorandum, words importing the singular include the plural

MOSMAN OIL AND GAS LIMITED
ACN 150 287 111

PROXY FORM

The Company Secretary
Mosman Oil and Gas Limited

By delivery:
305/35 Lime Street
Sydney NSW 2000

By post:
GPO Box 280
Sydney NSW 2001

By facsimile:
+61 2 9279 1234

Name of Shareholder:

Address of Shareholder:

Number of Shares entitled to vote:

Please mark to indicate your directions. Further instructions are provided overleaf.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/we being Shareholder/s of the Company hereby appoint:

The Chairperson
(mark box)

OR if you are **NOT** appointing the Chairperson as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairperson, as my/our proxy for the meeting to be held at 10.00 am on 2 August 2016 at Suite 305, Level 3, 35 Lime Street, Sydney NSW 2000 (EST) to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit).

If 2 proxies are appointed, the proportion or number of votes that this proxy is authorised to exercise is * []% of the Shareholder's votes*/ [] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

Important – If the Chairperson is your proxy or is appointed your proxy by default

The Chairperson intends to vote all available proxies in favour of the Resolution. If the Chairperson is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to the Resolution, you will be authorising the Chairperson to vote in accordance with the Chairperson's voting intentions on the Resolution.

Step 2 – Instructions as to Voting on the Resolution

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

		For	Against	Abstain*
Resolution 1	Approval of Selective Buy Back			
Resolution 2	Transfer of shares of Petroleum Portfolio Pty Ltd to Mr Andrew Robert Carroll			

* If you mark the Abstain box, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Authorised signature/s This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

The Chairperson intends to vote all available proxies in favour of the Resolution.

Individual or Shareholder 1	Shareholder 2	Shareholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary
_____	_____	_____
Contact Name	Contact Daytime Telephone	Date

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Sydney office of the Company (Suite 305, Level 3, 35 Lime Street, Sydney NSW 2000 or by post to GPO Box 280 Sydney NSW 2001 or by Facsimile (02) 9279 1234 if faxed from outside Australia) not less than 48 hours prior to the time of commencement of the Meeting (EST).