

30 March 2017

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

**STRATEGIC ALLIANCE**

Mosman Oil and Gas Limited (AIM:MSMN) the oil exploration and development company, announces a strategic alliance (the "Strategic Alliance") with Blackstone Oil & Gas, Inc. ("Blackstone") to identify oil and gas opportunities in California, USA initially. California has a significant history of oil and gas reserves and production which continues to this day.

The Strategic Alliance is currently reviewing potential acquisitions that would deliver reserves and offer short term production, which have also been evaluated with regard to medium term upside production potential. Mosman embarked on the Strategic Alliance as it delivers opportunities that have been identified and vetted by a team of experienced partners with local operational, financial and asset expertise.

Blackstone Oil, established in 2007, was originally formed to invest in California oil and gas opportunities, and has since expanded to become a workout and turnaround specialist for distressed oil and gas companies. Blackstone consults on, and participates in, restructuring, financing, and asset acquisition. Blackstone's considerable experience working with companies both before and throughout the complex bankruptcy reorganization process, coupled with management's experience in oil and gas and natural resource infrastructure, operations, turnarounds, makes Blackstone uniquely positioned to capitalise on local opportunities to acquire distressed oil and gas assets with significant upside potential that Mosman can elect to participate in.

Blackstone is now expanding its portfolio outside California by seeking investment in, or acquiring, other oil and gas and energy ventures into oil rich states throughout the United States, including Texas. In support of this strategy, Blackstone has established working relationships with top level petroleum engineers, geologists, counsel and advisers, who have worked in oil and gas production in California and/or Texas for the past 50 years, and have more than 200 years of collective experience, that Blackstone can mobilize to review potential projects.

The Strategic Alliance is consistent with Mosman's stated intention to seek and evaluate new oil and gas development opportunities with reserves, production and cash flow. In parallel, other potential project opportunities remain under review by Mosman in both the US and internationally, some of which are at a technical due diligence stage and remain under ongoing review.

The Board will provide further details if and when any individual project opportunity from the Strategic Alliance or the parallel process involving other potential projects progresses to contract stage. Mosman anticipates that participation will be funded from the Company's current liquid assets being cash or investments. It is not possible to be more definitive at this time due to negotiation and confidentiality requirements.

Participation in any acquisition or any new project opportunity is not expected to affect previously announced exploration plans on the Company's existing permits in Australia and New Zealand.

**John W Barr, Chairman, said:** "The Strategic Alliance to consider the acquisition of reserves and production opportunities, initially in California, enhances the Board's strategic objective to identify opportunities which will provide operating cash flow and have development upside, in conjunction with the current exploration work on our existing exploration permits.



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"In addition to our Strategic Alliance, a number of other production projects in the US and internationally have also been examined or continue to be evaluated and that wider search process is ongoing.

"Our objective as a Board in the parallel search processes that are ongoing is to balance the existing exploration portfolio which has significant prospective resources by acquiring a production asset with reserves, existing cash flow and near-term development upside potential."

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Updates on the Company's activities are regularly posted on its website  
[www.mosmanoilandgas.com](http://www.mosmanoilandgas.com)