

11 April 2018

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

Update on Gem International Resources Inc. (GEM)

Mosman currently owns c7.6 million shares in the TSX-V listed GEM (TSX-V: GI).

In February 2018, Mosman's Chairman, John W Barr, together with Messer's Smyth and Ballanger, were appointed as Directors. Subsequently it took some time for the new Board of GEM to secure GEM's records and understand the poor financial position that the previous Directors of GEM had created, and where the funds had been expended.

Mosman now advises that the financial report for GEM for the year ending 30 September 2017 is currently being audited. The new GEM Board expects the report and all related outstanding filings should be completed within the next few days. The completion of these important tasks will then allow the GEM Board to focus on determining the appropriate business plan for GEM going forward. GEM will then call a shareholders meeting to consider a number of matters that are expected to lay the foundation to be able to the relaunch GEM as a revitalised company.

To assist with the above matters, including payment of selected creditors (such as the Auditor), Mosman has agreed to provide an unsecured loan to GEM of a maximum of AUD\$100,000. The loan carries an establishment fee of \$10,000 and interest at 5% pa payable annually. It is repayable in one year.

The GEM website is currently being updated (www.gemintlresourcesinc.com). GEM is aware of at least one counterfeit website that remains operational despite attempts to close it. All sites other than the official page should be ignored.

John W Barr, Chairman, said:

"The revitalisation of GEM is gaining momentum. Encouragingly, the new GEM Board have recently received several unsolicited enquiries offering capital raisings and potential projects. Following completion of the audit, the new GEM Board will then determine an appropriate business plan to present to shareholders as a basis for relaunching GEM as a revitalised company."

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.