

9 December 2014

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

Mosman awarded three new permits in New Zealand

The Directors of Mosman Oil and Gas Limited ("Mosman" or the "Company") (AIM: MSMN), the New Zealand and Australia focussed oil exploration and development company, are pleased to announce that today Mosman has been awarded three additional Permits in New Zealand in the New Zealand Government's 2014 Block Offer.

Summary permit Awards to Mosman:

Name	Permit Type	%	Position	Acreage
Taramakau	Exploration Permit	100	South Island, surrounding Mosman's existing permit at Petroleum Creek extending to the south and west	990 sq. km
Murchison	Exploration Permit	100	South Island approx. 100km north of Mosman's existing permit at Petroleum Creek	517 sq. km
East Coast	Exploration Permit	100	North Island approx. 150km north east of Wellington	667 sq. km

John W Barr, Executive Chairman of Mosman commented: "Mosman is delighted to have been awarded these permits in a competitive bid round. We have already identified prospective targets in the Taramakau permit with initial work in 2015 planned around accumulating further seismic and we believe the enlarged area is fundamental to the organic growth strategy of Mosman alongside our first permit in the South Island.

We believe the awards demonstrate the New Zealand Government is supportive of Mosman and our drive to commercial oil production. We are pleased to have met the strict criteria for the award of each of these permits and have clearly now established the Company as a competent operator.

We also appreciate the support of our shareholders in funding the prior and future activities required to grow the Company in line with our strategy to build a sustainable mid-sized oil company. We are pleased to demonstrate our confidence and commitment to investing in New Zealand as a supportive and politically stable country, and in particular the West Coast area of the South Island as a great place to be exploring".

2014 Block Offer

The New Zealand Government has announced the first phase of results of the annual competitive bid process for petroleum exploration licences. Applicants must complete a comprehensive formal application process, and satisfy all requirements including health, safety and environment ("HSE"), technical and financial capability.

Mosman's wholly owned subsidiary, Mosman Oil & Gas (NZ) Limited ("MOG NZ"), has been awarded two new permits on the South Island, commencing 9 December 2014. The Taramakau area surrounds the existing Petroleum Creek permit, and considerably extends the area to the south and

west. The Murchison area is approximately 100 kilometres further north. The third permit (also awarded to MOG NZ) is on the east coast of the North Island.

All three areas are consistent with Mosman's philosophy of organic growth by exploration in areas where there are known hydrocarbon systems. There will be significant operational and technical synergies between these permits, and they build on Mosman's significant investment in community relationships, exploration data gathering, local expertise and technical database.

Taramakau

Mosman has been granted an Exploration Permit covering some 990 square kilometres (sq. km) surrounding the existing Petroleum Creek permit and extending to the south and east. As seen on the location maps via the link to our website: http://mosmanoilandgas.com/west_coast_project_map The new permit is some six times larger than the existing Petroleum Creek permit. It is named after a river that flows through the area.

The geological information gained from drilling and coring the three wells and seismic surveying at Petroleum Creek this year has already provided data critical to understanding the potential of the general region on the West Coast of New Zealand.

All of this area has excellent potential for petroleum exploration and development, which was detailed in Mosman's application, together with an aggressive work programme. The new permit includes four identified prospects, which extend beyond the boundaries of the existing Petroleum Creek permit, as well as prospective areas north and south of the Niagara-1 oil discovery, and large anticlines near Hokitika, which were previously explored by Shell et al in the 1960s.

Planned exploration activities in 2015 include 30 km of new seismic and drilling and are scheduled to commence in 2016, but may be brought forward based on the identification of prospects already completed by Mosman.

Murchison

Mosman has been granted an Exploration Permit covering some 517 sq. km. This permit is approximately 100 km north of the existing Petroleum Creek permit as seen on the map on the link to our website: http://mosmanoilandgas.com/west_coast_project_map

The Murchison area includes the Blackwater-1 well drilled in 1968, where oil and gas was discovered. In 1970, Bounty Oil Co Ltd drilled a well and in 1985 Petrocorp Limited drilled the Matiri-1 well and found hydrocarbons. There has been no further drilling since the oil price collapse in 1986.

Mosman believes this area has both exploration and appraisal potential based on the existing discoveries. Planned activities in the first two years include the acquisition of regional gravity and magnetic surveys and a full geotechnical assessment. This will be followed by 10 km of new seismic as well as collation and review of existing data, and source rock analysis to enable development of a detailed geological model. Drilling will follow, likely in 2016.

East Coast

Mosman has been granted an Exploration Permit covering some 667 sq. km. This permit is approximately 150 km north east of Wellington on the east coast of the North Island.

Over 300 oil and gas seeps have been identified in the greater onshore East Coast Basin. Several of them have been sampled and geochemically tested for hydrocarbon typing, which included source

rock identification. Small volumes of oil have been produced historically from shallow onshore wells and pits located proximal to the Waitangi and Totangi oil seeps.

More than 40 wells were drilled between 1955 and 2013 in the East Coast Basin, three of these were located offshore and all encountered significant gas shows.

Several wells drilled onshore have encountered significant gas, with a high-pressure dry gas discovery made in 1998 at the Kauhauroa-1 well near Wairoa. In addition, gas flows were recorded at Te Hoe-1. Numerous vintage wells such as the Waewaepa-1, Waipatiki-1, Waipatiki-2, and the Westcott-1 have encountered significant oil and/or gas shows.

Most recently, TAG Oil Ltd released press statements and disclosed in their quarterly statements during 2013 that the Ngapaeruru-1 well (drilled in 2013) encountered high shale gas readings and indications of moveable hydrocarbons in the Whangai Formation. The well is currently suspended pending testing.

Mosman believes this area could develop into a significant shale play. Planned activities include the acquisition of regional geochemical information and general desktop research and review.

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.

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Updates on the Company's activities are regularly posted on its website www.mosmanoilandgas.com

About Mosman

Mosman (AIM: MSMN) is an Australia and New Zealand focused oil exploration and development company with a strategy to build a sustainable mid-tier oil and gas business by acquisition and organic growth.

Currently, Mosman has a total of ten permits or accepted permit applications in New Zealand and Australia.

Petroleum Creek Project, New Zealand

The Petroleum Creek Project is a 143.6 sq. km low cost onshore exploration project located near Greymouth on the South Island in the southern extension of the proven Taranaki oil system. The project has a Mean Unrisked Recoverable Prospective Resource of 26.6 million barrels. In the first month of drilling, oil was discovered at Cross Roads-1 well which declared an Oil Discovery in June 2014 and at Crestal-1 which declared an Oil Discovery in July 2014. In H2 2014, the focus is on the appraisal of existing discoveries and additional exploration.

Taramakau and Murchison Permits (New Zealand)

Both of these permits were recently granted as part of the 2014 Block Offer.

Officer Basin Project, Australia (Application)

Mosman has a 25% investment in the Officer Basin Project, a 22,527 sq. km large land holding with significant exploration potential, which lies in one of the more explored parts of the Basin with road access. The project area is in the Western Australian part of the Officer Basin and offers both conventional and unconventional potential with hydrocarbon shows reported and all elements of a petroleum system are present.

Amadeus Basin Projects, Australia

Mosman owns two granted Permits and one application in the Amadeus Basin in Central Australia which total of 5,458 sq. km. The Amadeus Basin is considered one of the most prospective onshore areas in the Northern Territory of Australia for both conventional and unconventional oil and gas, and hosts the producing Mereenie, Palm Valley and Surprise fields.

Otway Basin Project, Australia

Mosman owns 30% of VIC/P62 in the Otway Basin. The permit was recently renewed and is in relatively shallow water. The 70% permit holder funded a 3D seismic survey in 2013.

Within the Otway Basin there is commercial production both onshore and offshore.