

RNS Number : 1858W
Mosman Oil and Gas Limited
05 November 2014

5 November 2014

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

Corporate Update

Mosman Oil & Gas Limited (AIM: MSMN), the New Zealand ("NZ") and Australia focussed oil exploration and development company, is pleased to advise progress at its Petroleum Creek Project and with its Australian exploration as follows:

NZ Exploration

The seismic acquisition programme is now complete. The acquisition took longer than expected due to weather, challenging topography on some sections and slower seismic drilling than forecast. However, good data has been obtained with important identification of a fault between Crestal-1 and Crestal-2, and early indications of a new Miocene sand target similar to the nearby Niagara oil discovery. This acquisition, processing and interpretation of the seismic data is essential to continually update the geological model, and then to determine the exact locations of the next exploration wells.

All the recently obtained information from the seismic reprocessing, three wells drilled and cored, and seismic acquisition will be carefully considered to ensure effective exploration with a multi-well programme.

Agreement has been negotiated with Drill Force to extend the existing contractual arrangements ensure the availability of Rig #1 for drilling more wells. The rig will be stored at Stillwater, near to the Petroleum Creek exploration permit.

The NZ government decision on the 2014 Block Offer may be announced in December 2014. Mosman has applied for four permits including adjacent acreage and areas where identified prospects extend beyond the existing permit boundaries.

For the Cross Roads-1 flow test, a nodding donkey has been purchased and installed. Pumping operations have been delayed to avoid interference with seismic acquisition in the area. The well will be pumped slowly to establish flow from the reservoir. As previously advised, it is planned to continue the flow tests for an extended period of time and further announcements will be made when meaningful results are

obtained.

At Crestal-1, following perforation and completion of the well in both the Cobden Limestone and the Eight Mile formation, 110psi pressure was measured at surface. Gas has been vented and the pressure returned to 110psi. The vented gas has been tested and contains both carbon dioxide and hydrocarbons. This gas and pressure also occurred at the nearby Widespread-1 well which was drilled to circa 100m in 2010.

The implications of the presence of gas and pressure need to be considered carefully before further operations on this well. The Advisory Board member, Jean-Pierre Hurel will visit the site and provide advice. A nodding donkey is on site for the planned extended flow testing and available when required.

Australian Exploration

At EP 145 an appraisal programme is being developed to follow up the West Walker -1 Discovery made in the early 1980s. This permit includes a very large surface defined anticline of a similar size and adjacent to the nearby Mereenie Oil and Gas Field. Exploration access clearances are now underway, in preparation for field trips, seismic acquisition and drilling.

At EP 156 the maiden operational programme has just been completed, with results from the stratigraphic survey and surface geophysical programme (gamma ray) revealing the presence of potential source rocks, seal, and reservoir targets. This permit is close to the Ooraminna and Alice-1 oil and gas discoveries, and the Dingo gas field which is now being developed. There is road access from Alice Springs.

At Vic P62, John Barr and Andy Carroll attended the Joint Venture Meeting in Singapore and the work programme was agreed and approved. The aim of the work programme is technical de-risking and drilling site selection to prepare for decisions in 2015, which may include drilling rig contracting and/or farmout.

In other areas, discussions continue with Traditional Owners regarding access arrangements to the Officer Basin permit in WA and EPA 155 in NT.

UK Presentations - upcoming Mosman presentations are as follows:

5 November: 9.30am
Oilbarrel Conference
The Brewery
52 Chiswell Street
London EC1Y 4SD

6 November: 6.00pm
Proactive Investors One2One Forum

Chesterfield Mayfair 35 Charles Street Mayfair W1J 5EB

9 November: 5.30pm

Please note the venue for this event has changed to:

Willow and Maple Room
20 Wolverhampton Rd W
Walsall WS2 0BS

13 November: 6.00pm

UK Investor Forum

The Cote Brasserie @ Cote St Pauls 26 Ludgate Hill, London, EC4M 7DR

The presentation can be downloaded from the Mosman website at:

<http://mosmanoilandgas.com/sites/mosmanoilandgas.com/files/mosman-presentation-nov-5.pdf>

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.

Enquiries:

Mosman Oil & Gas Limited

John W Barr, Executive Chairman
Andy Carroll, Technical Director
jwbarr@mosmanoilandgas.com
acarroll@mosmanoilandgas.com

SI Capital Limited

Nick Emerson/Andy Thacker
+44 (0) 1483 413500

Gable Communications Limited

John Bick
+44 (0) 20 7193 7463
mosman@gablecommunications.com

ZAI Corporate Finance Limited

Tom Price / Richard Morrison /
John Simpson
+44 (0) 20 7060 2220

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 seven permits or accepted permit applications in New Zealand and Australia. In addition four new applications have been made in New Zealand as part of the recent 2014 Block Offer.

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.

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.

This information is provided by RNS
The company news service from the London Stock Exchange

END

MSCQKPDNABDKADK

Anonymous (not verified)

Corporate Update

<http://www.DigitalLook.com>

22198733

A

Wed, 11/05/2014 - 07:00

Company Announcement - General

MSMN