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Mosman Oil and Gas Limited
16 June 2015

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

Murchison Exploration Update

Mosman Oil and Gas (AIM: MSMN), the New Zealand and Australia focused oil exploration and development company is pleased to update shareholders in respect to the Murchison permit.

Mosman is progressing with exploration plans to drill on the Company's 100% owned Murchison Permit PEP 57068 in the South Island of New Zealand that contains the existing oil and gas discovery at Blackwater-1. Mosman's team in New Zealand has now completed another site visit, as a follow up to the April 2015 field trip and met with relevant parties in order to advance formal negotiations and contracts with local land owners and authorities with regards to land access contracts and regulatory consents in order to drill.

The Company can now confirm it has determined the preferred drilling location, and obtained New Zealand Petroleum and Minerals ("NZPAM") approval to name the well, Te Wiriki-1. The landowner has approved the well location in a flat grazing paddock close to the road. The well is planned as a vertical exploration well with an initial target depth of 1,200m, but will be designed to drill deeper if appropriate. The objective of the well is to determine the presence of hydrocarbons, stratigraphy, seal and reservoir potential of the formations within the Te Wiriki Anticline. The initial target of the Te Wiriki-1 well is the Brunner Sandstone and Coal Measures which are a proven reservoir and source within the Murchison Basin.

An independent technical report by SRK dated 28 April 2015 ("SRK Report") estimated the conventional prospective oil resources at the Te Wiriki Anticline to be a Pmean of 1.13 million barrels (gross 100% for the full structure; where approximately 34% of the lowest part of the fault dependent closure extends beyond the block held by Mosman). The SRK Report also identified Pmean tight gas and oil prospective resources of 13,695 Bcf and 164 million barrels respectively (gross 100%). It is expected the Te Wiriki-1 well will test the conventional target as well as

validate the tight gas potential of the Murchison Permit as a secondary objective.

The estimated well cost, based on a vertical well, is less than NZ\$1.5M, which includes utilizing the Mosman inventory of casing and materials and existing technical consultants, to reduce costs. The potential drill rig contractor attended the recent site visits and confirmed adequate access and site suitability. Drilling rig contract discussions are underway, and the above costs estimate includes a provision for drill costs based on these discussions.

There are a series of formalities and approvals to be completed before drilling, which is still anticipated in 2015, conditional on a number of matters including funding.

The Chairman of Mosman, John W Barr, said: *"The Te Wikiri-1 exploration well is now a priority following completion of a review by our technical team and given, amongst other factors, the existence of an oil and gas discovery at Blackwater-1 as well as oil seeps on the Permit. We are excited about the opportunity to finalize planning for the drilling of the oil prospect on the Te Wiriki Anticline, that will also allow us to confirm the significant tight gas and condensate potential identified on the Permit."*

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.

A new corporate presentation has today been uploaded to Mosman's website, incorporating this and additional information on Murchison.

Enquiries:

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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 interests in a total of ten permits or accepted permit applications in New Zealand and Australia.

Petroleum Creek Project, (New Zealand)

Mosman owns 100% of permit PEP 38526, the Petroleum Creek Project, which is a 143 sq. km low cost onshore exploration project located near Greymouth on the South Island in the southern extension of the proven Taranaki oil system.

Murchison Permit (New Zealand)

Granted in December 2014 Murchison has become a focus after completion of an independent prospective resource report. Exploration is planned for the second half of 2015.

Taramakau, and East Coast Permits (New Zealand)

These permits were granted in December 2014. Exploration is currently in the advanced planning stage.

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 100% of 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. The results of the 3D seismic survey are now being integrated into a geological model to allow identification and ranking of drilling targets. Within the Otway Basin there is commercial production both onshore and offshore.

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Anonymous (not verified)

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Company Announcement - General

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