

RNS Number : 4172G
Mosman Oil and Gas Limited
20 November 2015

20 November 2015

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

Corporate Update

Mosman Oil and Gas (AIM: MSMN), the New Zealand and Australia focused oil exploration and development company provides an update in respect to the Company's ongoing operations.

STEP Acquisition

Mosman continues to make good progress on the South Taranaki Energy Project ('STEP') Acquisition process. The only outstanding matter is the normal process of Government approvals. Submissions have been lodged and requests for addition information from the relevant agencies have been answered.

There is no definitive timing for approvals but it is now anticipated that the decision will be reached early next year.

Mosman has engaged employees and consultants in a team which is now in place in New Plymouth working with Origin on all the transition tasks required in order for Mosman to Operate STEP.

A permanent office facility has been identified in New Plymouth and is now planned to be fully operational in early 2016.

Recent Share Placing in the United States

While the Placing to raise £1.47m was required to fund the matters outlined in the RNS on 30 October 2015 and thus was considered necessary, the subsequent share sales by the US funds was not expected. It has affected the share price and is an unsatisfactory outcome. The reasons for their selling are unknown to the Board and have not been shared with Mosman.

The Board notes the communications from shareholders about this matter, and understands the concerns about the share price, concerns that the team shares as management and shareholders. However, looking ahead, we also note the Company is now in a fundamentally stronger financial position with a strengthened balance sheet as a result

of the recent placing, enabling us to implement the key operational improvements that we have identified at STEP that will enhance production in 2016.

New York Presentations

The Company was recently in New York presenting to prospective investors, fund managers and high net worth family offices. This, together with the first placing of shares in the USA was completed as part of Mosman's longer term planning to access the US capital markets, which is anticipated to bring benefits to all shareholders. Importantly, the Board remains committed to its UK shareholders which have supported the Company since it joined the AIM market.

Chief Operating Officer (COO)

Looking ahead to 2016, the Board has elected to appoint a COO to provide strategic support to the growth of the business. The COO will report to the Board and the successful applicant will manage the Company's growing operations with increasing workload from STEP and drilling at Murchison anticipated in 2016.

As part of the New York trip a candidate has been identified and interviewed. The Board anticipates that an appointment will be made during the first quarter of 2016.

Murchison Permit

The LIDAR survey to assist in identifying the location of structural "faults" should be completed within 60 days.

Amadeus Basin Permits

Mosman has recently completed field studies which were encouraging and the results are currently being incorporated in to the geological models as the next stage of exploration is being planned.

Mosman is pleased to note that the Northern Territory Government is progressing on the development of a gas pipeline and has selected Jemena Northern Gas Pipeline Pty Ltd to construct and operate the North East Gas Interconnector (NEGI) Pipeline to connect NT gas to the eastern gas markets (see <https://onshoregas.nt.gov.au/new-gas-pipeline>; this website includes information on the Amadeus Basin and the relevant map includes the location of three wells in Mosman permits, namely Mount Winter-1, West Walker-1 and Tent Hill-1). This infrastructure development will provide access from NT to Eastern Australian gas markets including three LNG export terminals, and has already spurred petroleum industry activity including the recent development of Dingo Gas Field by Central Petroleum CTP:ASX and large farmin deals by a US company ref Armour Energy ref AJQ:ASX and EEG:ASX.

Petroleum Creek and Taramakau Permits

The West Coast Operations Supervisor has been planning Seismic Acquisition (scheduled for 2016, and subject to funding) at both the Petroleum Creek and Taramakau permits. The purpose is to better define

drilling targets in those permits.

Canning and Otway Basin Permits

The Board advises that it is considering its investment position in respect to these permits in light of the STEP Acquisition and other exploration priorities.

Annual Report and Annual General Meeting (AGM)

The 2015 Annual Report and results for the year ended 30 June 2015 are nearing completion and should be available by the end of November 2015.

The planning for the 2015 AGM is complete and the notice of meeting is expected to be despatched shortly.

Enquiries

Mosman Oil & Gas Limited

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

NOMAD and Broker

SP Angel Corporate Finance LLP
Stuart Gledhill / Richard Hail
+44 (0) 20 3470 0470

Gable Communications Limited

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

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, prior to the STEP acquisition being completed, Mosman has an interest in ten permits or accepted permit applications.

Production

Mosman is proceeding with the acquisition of 70% of STEP, located onshore NZ. The acquisition is expected to complete after all approvals are secured.

STEP currently produces oil, condensate, gas, LPG and electricity, which deliver several revenue streams with payments being received in both US\$ and NZ\$.

The Project will be operated under a joint operating agreement and Mosman will be the operator. The assets being acquired include the Rimu Production Station and two petroleum mining permits.

Exploration

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.

Taramakau, Murchison and East Coast Permits, New Zealand

These permits were granted to Mosman on in 2014 as part of the 2014 Block Offer. At Murchison a 13 TCF contingent resource has been identified.

Officer Basin Project, Australia (Application)

Mosman has a 25% investment in the Officer Basin Project, a 22,527 sq. km large land holding with 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.

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

END

MSCPKKDNFBDB

Anonymous (not verified)

Corporate Update

<http://www.DigitalLook.com>

23615087

A

Fri, 11/20/2015 - 08:35

Company Announcement - General

MSMN