

RNS Number : 1866M
Mosman Oil and Gas Limited
18 January 2016

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

Officer Basin Update

Mosman Oil and Gas (AIM: MSMN), the New Zealand and Australia focused oil exploration and development company provides an update in respect of its Officer Basin application for an exploration project.

Mosman holds a 25% interest in the Officer Basin onshore application STP-EPA-0071 which is an early stage exploration project.

The permit, which is the subject of the application, may only be awarded after the Native Title Act requirements are met which deal with heritage clearance, land access and other traditional land owner issues. Unfortunately this has not been achieved and Mosman will now withdraw from the application and seek to cancel its involvement in the project.

As set out in the Company's Admission document, Mosman acquired the interest in the application by acquiring the shares of Petroleum Portfolio Pty Ltd ("PPL"), which had rights to 25% of the application from Mr A Carroll (Technical Director of Mosman) for the issue of 9 million Ordinary Shares in the Company, ("Consideration Shares"). Under the terms of that agreement, if the application was not granted by 15 January 2016 then Mr Carroll has 90 days (approximately 15 April 2016) to advise Mosman whether he will acquire the Consideration Shares for AUD900,000; or relinquish the Consideration Shares back for a nominal consideration of AUD1.

The second alternative appears to be the most likely outcome, and in that case a shareholder meeting would be called in approximately 90 days' time to approve the buy back. That meeting must be held by within 120 days after the advice from Mr Carroll is received. (Approximately 15 August 2016 would be the maximum time). If this is the eventual outcome the issued number of shares will reduce from 215,591,008 to 206,591,008 by the cancellation of 9 million shares held by Mr Carroll, with Mosman's shares in PPL reverting to Mr. Carroll on the cancellation of the Consideration Shares

John W Barr, Executive Chairman of Mosman commented: "It is very disappointing that the Joint Venture parties have not been able to

secure the title after over 2 years of negotiations but, given market conditions, Mosman's primary focus remains making progress on its core assets in its portfolio and in other advanced project opportunities."

Enquiries

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

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Officer Basin Update

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Company Announcement - General

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