



MOSMAN OIL AND GAS
LIMITED

20 June 2014

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

Increased Exploration and Appraisal Programme for 2014 and Issue of Equity

Mosman Oil and Gas Limited (AIM: MSMN) the New Zealand and Australia focussed oil exploration and development company has raised circa £3,000,000 by way of the placing of 13,043,474 new ordinary shares in the capital of the Company ("New Ordinary Shares") at 23p per share (AUD 0.41 per share) (the "Placing"). The 23p per share price represents a 188% uplift on the 8p Placing Price at IPO in March 2014.

Use of Proceeds

Exploration: The funds raised will be used to increase the exploration programme at the Petroleum Creek Project in New Zealand, with the addition of a potential fourth and fifth exploration well and acquiring seismic in 2014. The additional wells will focus on targets which were identified by our consultant geologist and confirmed in the independent report undertaken by SRK Consulting (Australasia) Pty Ltd. The Directors of Mosman believe this activity will complement the successful Cross Roads-1 Oil Discovery that was announced on 13 June 2014.

Appraisal: In light of the success at Cross Roads-1, consideration is being given to appraisal work such as additional seismic to define and delineate the Cross Roads-1 and adjacent prospects which may be part of the same oil accumulation. Mosman is also considering technical changes to future well programmes based on recent information from Cross Roads-1, both to optimise exploration and facilitate well testing and to design them to be utilized as production wells once appraisal and economic studies are completed. The Company is contracting engineering consultants to complete the design review and recommendations will be reviewed and implemented. Any changes in well design may result in additional equipment procurement and/or approvals.

The Company has commenced negotiations with land owners to secure land access and clearances to the two additional proposed well sites. Good relationships with existing contractors mean the existing team, equipment and personnel will be available to maximize the 2014 exploration programme.

Business Development: In addition and in line with Mosman's strategy to explore wider opportunities for the acquisition of licences and hydrocarbon assets, the Company is currently conducting due diligence on several potential acquisitions and the funds raised will assist in that process.

Finally, Mosman will bid for further permits in the 2014 Block Offer which is being conducted by New Zealand Petroleum & Minerals ('NZPAM') which manages the New Zealand Government's oil, gas, mineral and coal resources. One of the important considerations in the 2014 Block Offer applications is financial capability and the funds will greatly strengthen Mosman's credentials in that respect.

John W Barr, Executive Chairman of Mosman commented: *"We are delighted with the response by investors who have strongly supported the fund raising which provides a robust financial base for the Company to invest in the development of its current assets, particularly on its Petroleum Creek Project and also accelerate Mosman's strategy to broaden its portfolio of assets."*



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The Placing is conditional on, inter alia, the 13,043,474 New Ordinary Shares in the capital of the Company (the “Placing Shares”) being admitted to trading on AIM.

An application has been made to the London Stock Exchange for the Placing Shares, which will rank pari passu with the Company’s existing issued Ordinary Shares, to be admitted to trading and dealings are expected to commence at 8:00 a.m. (BST) on 25 June 2014.

Following the issue of the Placing Shares the Company’s total issued share capital will comprise 77,927,175 Ordinary Shares. In accordance with the Financial Services Authority Disclosure and Transparency Rules, the Company has 77,927,175 Ordinary Shares in issue, each share carrying the right to one vote. The Company does not hold any Ordinary Shares in Treasury.

The above figure of 77,927,175 Ordinary Shares may be used by Shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Service Authority's Disclosure and Transparency Rules.

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 a New Zealand and Australia focussed oil exploration and development company, with the Petroleum Creek Project, an onshore oil and gas projects in New Zealand and in the Officer Basin Project in Western Australia.

Petroleum Creek Project, New Zealand

Mosman's immediate focus is on the Petroleum Creek Project 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 OIIP of 26.6 Mmstb, and the Cross Roads-1 well was declared an Oil Discovery in June 2014.

Officer Basin Project, Australia

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.