



29 March 2016

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

Corporate and Operations Update

Mosman Oil and Gas Limited (AIM: MSMN) the New Zealand and Australia focussed oil exploration and development company, announces a Corporate and operations update in respect to the current activities.

Mosman remains in a sound financial position, however, given the continuing low oil price and oil price uncertainty, the Board continues to monitor its business plan, and is seeking other suitable opportunities which should enhance shareholder value. That process has commenced but no timeline on any potential acquisition is determinable.

NEW ZEALAND

The disposal of surplus equipment and materials has commenced whilst long lead items critical for future drilling activities such as casing and mud chemicals will be stored and maintained ready for use in due course. The Kotuku freehold title property will be retained as site office and storage facility. Mosman is preparing to plug and abandon the three exploration wells drilled in 2014 in accordance with permit requirements and good governance, to take advantage of current lower rig and service company costs and to reduce ongoing land occupation costs.

Petroleum Creek and Taramakau Permits

Mosman will seek NZP&M approval to amalgamate the Petroleum Creek and Taramakau permits to improve exploration efficiency. This will facilitate future work across current permit boundaries.

Murchison Permit

Mosman has contracted and commenced the LiDAR survey over the majority of the permit area and results of the survey will be available after analysis in an anticipated three months' time.

East Coast Permit

The Company has applied to NZP&M to surrender the Permit due to limited exploration potential.

AUSTRALIA

Mosman's withdrawal from Otway Basin licence VicP62 joint venture is now finalised. This eliminates exposure to the cost of the offshore exploration including a well drilling commitment. Mosman is now totally focused onshore where there is existing infrastructure and lower cost of exploring and operating.

Amadeus Basin Permits

Mosman owns two granted permits and one permit application in Central Australia. Following the government approvals obtained last year to suspend and extend the permit time periods on the two granted permits, the exploration plans are actively being reviewed by the one remaining part time geological consultant. Cost of exploration may be reduced as service companies are re quoting costs of services such as airborne surveys.

The grant of the one permit application will depend on negotiation with traditional owners on land access. The permit application areas includes a discovery well, Mount Walker-1, and is adjacent to the permit that has the Surprise-1 oil discovery, and is near the producing Mereenie oil and gas field.

Gas projects in the Northern Territory include an LNG export plant, gas pipelines, the recently commissioned Dingo Gas Field by Central Petroleum with a pipeline to Alice Springs, and the NEGI pipeline proposed to link the Northern Territory to eastern states gas markets.

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. Current exploration projects include the following permits which are 100% owned;

Petroleum Creek Permit, New Zealand

The permit is a 143 sq. km project located near Greymouth on the South Island in the southern extension of the proven Taranaki oil system.

Taramakau Permit, New Zealand

The permit (990 sq. km onshore) surrounds the Petroleum Creek Permit and shares similar geological characteristics and shares similar prospective play types.

Murchison Permit, New Zealand

The permit (517 sq. km onshore) located approximately 100 kilometres north of Petroleum Creek has a 13 TCF contingent resource identified.

Amadeus Basin Projects, Australia

Mosman owns two granted permits and one application 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.