



MOSMAN OIL AND GAS
LIMITED

24 June 2015

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

Issue of Equity

The Directors of Mosman Oil and Gas Limited (AIM: MSMN) the New Zealand ("NZ") and Australia focussed oil exploration and development company, are pleased to confirm the Company has raised £400,000 by way of a placing and subscription of 16,000,000 new ordinary shares in the capital of the Company ("New Ordinary Shares") at 2.5p per share (AUD \$0.05125 per share) (the "Placing").

Background

On 22 May 2015, the Board indicated it was actively evaluating potential acquisition opportunities. One particular opportunity has now progressed to an advanced stage, but is not yet finalised and cannot be identified given confidentiality restrictions. The asset in question has been the subject of an intensive due diligence exercise since mid-April by Mosman supported by a range of legal, technical, HR and commercial advisers. In parallel, the Board has also been evaluating financing options.

On 16 June 2015, Mosman confirmed that it had progressed the proposed Te Wikiri-1 exploration well on the Murchison permit to identification of a drill location and that the Company was continuing to prioritise obtaining all planning and other requirements that will allow it to drill that well. This follows the independent technical report by SRK Consulting (Australasia) Pty Ltd in respect of the Murchison permit that confirmed significant conventional shallow oil and deeper tight gas prospectively and resource potential and a subsequent positive set of conclusions from the internal review by Mosman's technical team. These included, amongst other factors, the existence of an oil and gas discovery at Blackwater-1 as well as oil seeps on the Permit that confirm the existence of a working petroleum system. There are a series of formalities and approvals to be completed before drilling the proposed Te Wikiri-1 exploration well which is still anticipated in 2015, conditional on a number of matters including funding.

Use of Proceeds

The net proceeds from the Placing will provide funding for the Company to:

- finalise the evaluation of the potential acquisition and bid documentation by completing detailed due diligence and a funding review of the project;
- finalise planning for the drilling of the Te Wiriki-1 well that contains both a conventional shallow oil prospect and a deeper large tight gas project; and
- for general working capital purposes.

The Chairman of Mosman, John W Barr, said: *"The ongoing support from our shareholders allows us to progress two exciting new growth opportunities. The funds raised will principally be directed towards finalising the review of the potential acquisition. If successful in bidding for this asset, it would be an excellent step to building Mosman's business. Although the Mosman Board believes it is well placed to move forward on the acquisition opportunity, there is no guarantee we will be successful and we will keep shareholders informed of progress in the coming weeks.*

"In addition, we continue to prioritise the Murchison Permit and are working to complete the planning, implementation and obtaining approvals to drill the proposed well on the shallow oil prospect on the Te Wiriki Anticline that will also allow us to confirm the significant tight gas and condensate potential identified in the SRK Report.

In the short term, progress on one or both these initiatives would be a key component in delivering Mosman's stated goal of becoming a sustainable mid-sized oil and gas company."

Details of the Placing

The Placing is conditional on, inter alia, the 16,000,000 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 Tuesday 30 June 2015.

Following the issue of the Placing Shares the Company's total issued share capital will comprise 121,468,382 Ordinary Shares. In accordance with the Financial Conduct Authority Disclosure and Transparency Rules, the Company has 121,468,382 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 121,468,382 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 Conduct Authority's Disclosure and Transparency Rules.

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.

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.