



24 May 2016

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

Investment in GEM International Resource Inc.

Mosman Oil and Gas (AIM: MSMN), the New Zealand and Australia focused oil exploration and development company announces that it has made a CAD\$400,000 (AUD 425,000) cash investment in the TSX.V listed; GEM International Resource Inc. (GEM). The investment forms part of a CAD\$1,225,000 placing recently announced by GEM. The placing has been completed at CAD5 cents and there is an attached non-transferrable CAD15 cent two year warrant. The last available share price quote for GEM is 8.5 cents. The code is TSX-V: GI.

Mosman's investment will represent 8 million shares which equates to just under 20 per cent. of GEM's enlarged issued share capital and will result in Mosman being one of GEM's largest shareholders. It is anticipated that a Director of Mosman may join the GEM Board, but no final decision has been made on this matter.

GEM has recently entered into a binding letter agreement with Gems International Limited ("Global Gems") for an option to acquire 91.5% of the issued and outstanding shares of Global Gems and thereby GEM can attain a 91.5% interest in 45% of the Dala diamond exploration project (Dala) in Angola. Dala is located immediately south of the provincial capital Saurimo and just 25 km south of the fifth largest diamond mine in the world, the Catoca Mine. Dala is an early stage mine project with potential for the discovery of both alluvial and kimberlite diamonds deposits. The project is some 3,000 sq km being the largest allowable size for a diamond concession under the Angolan Mining Code.

Commenting on the investment, John W Barr, Chairman of Mosman said: "With current prevailing market conditions in the oil and gas sector, the Board has expanded its horizon, reviewing investment opportunities in the broader resources arena. Whilst the Board continues to evaluate interesting opportunities in the Oil and Gas sector, the investment into GEM is at a pivotal point in its development and the Board is confident of the potential GEM's stake in the Dala diamond project will deliver."

Part of the funds from the placing will be a US\$300,000 payment to the vendor which shall be used for a non-refundable deposit and the establishment of office, staff and geologist infrastructure. The balance of the funds shall be used to complete the NI 43-101 report, and for operation, legal and working capital.

About GEM

Gem International Resources Inc. (GI - TSX.V) is a Canadian based junior exploration company focused on providing sustainable growth and value to its shareholders through the strategic acquisition, exploration and development of viable mineral properties.

GEM reported an audited net loss of CAD\$504,870 for the year ended 30 September 2015 and net assets of CAD\$13,762 as at 30 September 2015.

Further information may be seen at GEM's website www.gem-intl.ca. The site is partly under construction and is expected to be updated shortly.

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.