

9 November 2016

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

Acquisition of producing oil asset in USA

Mosman Oil and Gas Limited (AIM: MSMN) has, via a newly formed USA subsidiary company, entered into an agreement with a subsidiary of Cue Energy Resources Limited (ASX:CUE) ("Vendor") to acquire an 80 per cent. interest in the Pine Mills producing oil field located in Wood County, Texas, USA together with the acquisition of Buccaneer Operating LLC, the operating company for the Pine Mills oil field ("Buccaneer" or the "Operator"), 12 acres of freehold land and a workover rig (collectively the "Asset" or "Acquisition").

The Asset will be acquired for a consideration of USD975,000 (approximately £0.786 million) which will be financed from Mosman's existing cash resources without the need to raise additional funds. Following completion, Mosman will have cash at bank and investments totalling AUD2.0 million (approximately £1.230 million).

Since it was discovered in 1950s, the Pine Mills field has produced over 12 million barrels of oil. The Vendor has invested in refurbishment and upgrading facilities and current daily gross production is averaging over 100 bopd. Following due diligence, Mosman has identified the potential to increase production in the near term through the reactivation of existing inactive wells and the installation of submersible pumps, which can be funded from the Company's existing cash reserves and investments, from expected positive operational cash flows or from other funding alternatives.

Further upside potential can be achieved through application of seismic acquisition and infill drilling.

The Acquisition has an effective date of 1 November 2016 and includes the following:

- 80% Working Interest in leases over 2,400 acres, which have;
 1. Gross oil production which has averaged over 100 bbl/day for last four months ;
 2. Proven Reserves of 373,000 barrels (net attributable to Mosman before royalties) (*);
 3. Proven Plus Probable Reserves of 477,000 barrels (net attributable to Mosman before royalties)(*);
 4. 15 producing oil wells;
 5. All production equipment and infrastructure (including access roads and power connectivity) for the production of oil from the existing producing wells including tanks, separators, water injection wells and pumps.
 6. Ten inactive wells including four that are candidates for recompletion
- 100% ownership of the existing Operating company, Buccaneer;
- 100% ownership of approximately 12.1 Acres of Fee Simple (Freehold) land partially improved; and
- 100% ownership of Workover Rig and associated equipment.

*Represents numbers supplied by the Vendor that have been subject to due diligence by Mosman, prepared to be consistent with the Society of Petroleum Engineers definitions as set out in Appendix 2.



The Asset is being purchased for the following reasons:

- Company stated objective of being an oil and gas exploration and production company. The asset has steady production as well as development upside potential.
- Assets will provide steady cash flow. Pine Mills is a low cost, producing asset with oil being sold to a nearby refinery at close to West Texas Intermediate ("WTI") prices
- The current oil price has caused many oil companies to consolidate their operations making some good quality assets available at an attractive price. The acquisition metrics for Pine Mills per barrel for Proven Reserves and per barrel for Proven plus Probable Reserves are attractive;
- Oil production has a long track record in Texas along with well established "light hand" regulation, and landowners are supportive of O&G activity as they receive royalties. This reduces political risk and reduces the likelihood of increased costs of doing business;
- There are ample services and equipment available in the area;
- The Asset has potential to increase production rates from the Sub-Clarksville and Woodbine sands and thus cash flow in the short term. The upside potential includes multiple stacked geological formations with demonstrated production in Texas including the Eagleford shale and Paluxy sandstone horizons with significant potential; and
- In addition, there are opportunities to acquire similar assets that would offer operating synergies.

Refer to Appendix 4 for a brief summary of risk factors that should be considered.

John W Barr, Chairman, said: "The Pine Mills producing oil field enables us to deliver on our stated objective of generating sustainable cash flows as well as offering near-term development upside potential.

"Since early 2016, the Board's focus has been to identify opportunities that would provide cash flow and have development upside; whilst exploration work continues on existing permits within restricted expenditure constraints.

"The Acquisition is the result of months of work where a number of production projects were examined. This search has been undertaken to balance the existing exploration portfolio which has significant prospective resources by acquiring a production asset with reserves, existing cash flow and near-term development upside potential.

"Our strategy in the near term is to focus on increasing production and capturing the upside we see in the Pine Mills oil field."

About The Pine Mills Oil Field

Pine Mills is an onshore conventional oil field, in Wood County, 160 km east of Dallas, Texas, USA.

The Pine Mills oil field taps the prolific Woodbine trend, in the Mid-continent oil producing area that includes the East Texas oil field, 150km to the east of Pine Mills, which has produced more than 5.4 billion barrels of oil since its discovery in 1930.*

The Pine Mills oil field has produced some 12.3 million barrels of oil since the start of production in 1950. Initial total field production rates have declined naturally but, due to a steady increase in capital investment such as water injection and electric submersible pumps, total field production has actually increased since 2007.

The Vendor reported a gross loss for the relevant geographical segment in the year to 30 June 2016 of A\$1.7m and a loss before interest expense, tax, depreciation and amortisation of A\$2.8m. In addition to the results of the Assets this includes various commercial arrangements and the consolidated results of several subsidiary companies not containing producing assets which will remain with the Vendor.

Operating Agreement and Buccaneer

Under the terms of the Acquisition, Mosman will acquire Buccaneer which operates the Asset. Buccaneer has no activity besides operating the Pine Mills asset.

The Pine Mills oil field is managed according to an operating agreement through which the Operator receives revenues net of royalties and distributes cash surplus to field participants, or makes cash calls for operating and capital costs as appropriate, including a recovery of all operating costs and relevant overheads from field participants.

The other 20% working interest is held by a subsidiary of Gale Force Petroleum Inc. ("Gale Force") and Hammerhead Managing Partners, LLC ("Hammerhead"). There are currently legal issues between Gale Force and Hammerhead and Mosman has been fully indemnified in regard to that, and any residual matters related to the Vendor's ownership of the 80% working interest.

There is a 20 day pre-emptive rights period that commences when the Vendor gives notice to Gale Force and Hammerhead that it is selling 80% working interest. Following Settlement, Mosman will have a pre-emptive right if there is any subsequent sale of any of the other 20 per cent.

Management and Operational Continuity

Mosman intends to maintain the current contracted field operational staff. Staffing costs will be kept to a minimum by using a limited number of local consultants in conjunction with Mosman's existing personnel. Mosman will not directly have any US employees following the Acquisition.

Mosman's has already actioned overhead reductions in accordance with the Acquisition and operatorship transition arrangements.

Operational Upgrades

Having completed detailed due diligence, Mosman's technical team has identified areas that would have the potential to increase production levels over the next months.

There is potential to increase production in the near term by reactivation of existing inactive wells and installation of submersible pumps. These wells will be reactivated based on an individual well cost benefit analysis. The Asset has potential to increase production rates from the Sub-Clarksville and Woodbine sands and thus cash flow in the short term. The significant upside potential includes multiple stacked geological formations with demonstrated production in Texas including the Eagleford shale and Paluxy sandstone horizons.

There is currently no seismic over the field and Mosman believes there is additional resource upside potential from undertaking an acquisition and seismic interpretation programme and subsequent infill drilling and/or drilling deeper targets.

Initial Mosman estimates are that an additional USD250,000 to USD500,000 may be spent on operational upgrades and workovers aimed at increasing production over the next months. This

can be funded from the Company's existing cash reserves and investments, from expected positive operational cash flows or from other funding alternatives.

Agreement of Proposed Acquisition, Completion and Risk

The Acquisition is conditional on standard settlement issues that include a 20 day pre-emptive rights period and satisfaction or waiver of conditions by Mosman.

Settlement is expected to be completed in December 2016. There is a requirement to advise the regulator of the change in ownership of Buccaneer.

Project Life and Abandonment Liabilities

The leases are "held by production". Typically, these projects continue as long as revenue exceeds operating cost, which is mainly a function of oil price. Based on current production, and Reserves, Mosman anticipates the field will produce for the foreseeable future.

The established regulatory system in Texas requires that 10% of inactive wells need to be restored to production, or abandoned. The recent re-activation of wells means that the asset has met any such requirements for 2016. In the next few years, Mosman intends to meet this obligation by restoring at least one well each year to production. The Vendor has quantified the hypothetical cost of an immediate full abandonment of the Asset as USD460,000.

The regulator currently holds a bond for USD50,000 on behalf of the Vendor which Mosman will be required to replace.

Royalties and Taxes

Royalties vary for each lease and average 23%, which is in the normal range for leases in the area.

A state severance tax of 4.6% applies to the market value of oil produced in Texas. In addition, any profits resulting from oil production will be subject to US income tax.

Existing Mosman Portfolio

The Acquisition does not alter the previously announced plans for Mosman's existing portfolio of exploration permits.

Details of Leases

Individual Lease details are set out in Appendix 5.

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.

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

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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 oil exploration and development company with projects in Australia and New Zealand, with a strategy to build a sustainable 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 Prospective 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.

About Cue Energy Resources

Cue is an Australian Stock Exchange (ASX:CUE) listed oil and gas exploration and production company. Cue's FY16 revenue was A\$45.4million from oil production in the Maari field, offshore New Zealand, oil and gas production in Sampang PSC, Indonesia, and oil production in the Pine Mills asset, USA. Cue also has operated and non-operated interests in exploration permits in the Carnarvon Basin, offshore Western Australia and onshore Indonesia.



APPENDIX 1

Glossary of Oil and Gas Terms

%	per cent
API	American Petroleum institute gravity is a measure of how heavy or light a petroleum liquid is compared to water: if its API gravity is greater than 10, it is lighter and floats on water, if less than 10, it is heavier than water and sinks
bbl	barrel
bopd	barrels of oil per day
km	kilometre
m	metre
LPG	liquefied petroleum gas
Md or md	millidarcy
MMbbl	million barrels of oil
OOIP	Oil originally in place
Permeability	measure of the ease with which a fluid flows through a rock. The units are millidarcies or darcies
Porosity	measure of how much of a rock is open space. This space can be between grains or within cracks or cavities of the rock. Measured in %.

APPENDIX 2

Category Definitions of Petroleum Reserves and Resources

For further details on the definitions and guidelines, please see the original document (Society of Petroleum Engineers (SPE), 2007)

The World Petroleum Council presents 1P 2P and 3P category definitions. Furthermore, it provides guidelines designed to promote consistency in resource assessments. The following summarizes the definitions for each Reserves category in terms of both the deterministic incremental approach and scenario approach and also provides the probability criteria if probabilistic methods are applied.

Resources Classification Framework

Proved Reserves are those quantities of petroleum, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.

Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.

Possible Reserves are those additional reserves which analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the Project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P) Reserves, which is equivalent to the high estimate scenario. In this context, when probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate.

The "Range of Uncertainty" reflects a range of estimated quantities potentially recoverable from an accumulation by a project, while the vertical axis represents the "Chance of Commerciality", that is, the chance that the project that will be developed and reach commercial producing status.

The following definitions apply to the major subdivisions within the resources classification:

TOTAL PETROLEUM INITIALLY-IN-PLACE is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production plus those estimated quantities in accumulations yet to be discovered (equivalent to "total resources").

DISCOVERED PETROLEUM INITIALLY-IN-PLACE is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production.



PRODUCTION is the cumulative quantity of petroleum that has been recovered at a given date. While all recoverable resources are estimated and production is measured in terms of the sales product specifications, raw production (sales plus non-sales) quantities are also measured and required to support engineering analyses based on reservoir voidage.

Multiple development projects may be applied to each known accumulation, and each project will recover an estimated portion of the initially-in-place quantities. The projects shall be subdivided into Commercial and Sub-Commercial, with the estimated recoverable quantities being classified as Reserves and Contingent Resources respectively, as defined below.

RESERVES are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria's: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status.

CONTINGENT RESOURCES are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be subclassified based on project maturity and/or characterized by their economic status.

UNDISCOVERED PETROLEUM INITIALLY-IN-PLACE is that quantity of petroleum estimated, as of a given date, to be contained within accumulations yet to be discovered.

PROSPECTIVE RESOURCES are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective

Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

UNRECOVERABLE is that portion of Discovered or Undiscovered Petroleum Initially-in-Place quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur, the remaining portion may never be recovered due to physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

ESTIMATED ULTIMATE RECOVERY (EUR) is not a resources category, but a term that may be applied to any accumulation or group of accumulations (discovered or undiscovered) to define those quantities of petroleum estimated, as of a given date, to be potentially recoverable under defined technical and commercial conditions plus those quantities already produced (total of recoverable resources).



In specialized areas, such as basin potential studies, where alternative terminology has been used, the total resources may be referred to as Total Resource Base or Hydrocarbon Endowment. Total recoverable or EUR may be termed Basin Potential. The sum of Reserves, Contingent Resources and Prospective Resources may be referred to as “remaining recoverable resources”. When such terms are used, it is important that each classification component of the summation also be provided. Moreover, these quantities should not be aggregated without due consideration of the varying degrees of technical and commercial risk involved with their classification.

Project-Based Resources Evaluations

The resources evaluation process consists of identifying a recovery project, or projects, associated with a petroleum accumulation(s), estimating the quantities of Petroleum Initially-in-Place, estimating that portion of those in-place quantities that can be recovered by each project, and classifying the project(s) based on its maturity status or chance of commerciality.

This concept of a project-based classification system is further clarified by examining the primary data sources contributing to an evaluation of net recoverable that may be described as follows:

Resources Evaluation Data Sources

Resources Classification

The basic classification requires establishment of criteria for a petroleum discovery and thereafter the distinction between commercial and sub-commercial projects in known accumulations (and hence between Reserves and Contingent Resources).

Determination of Discovery Status

A discovery is one petroleum accumulation, or several petroleum accumulations collectively, for which one or several exploratory wells have established through testing, sampling, and/or logging the existence of a significant quantity of potentially moveable hydrocarbons.

In this context, “significant” implies that there is evidence of a sufficient quantity of petroleum to justify estimating the in-place volume demonstrated by the well(s) and for evaluating the potential for economic recovery. Estimated recoverable quantities within such a discovered (known) accumulation(s) shall initially be classified as Contingent Resources pending definition of projects with sufficient chance of commercial development to reclassify all, or a portion, as Reserves.

Where in-place hydrocarbons are identified but are not considered currently recoverable, such quantities may be classified as Discovered Unrecoverable, if considered appropriate for resource management purposes, a portion of these quantities may become recoverable resources in the future as commercial circumstances change or technological developments occur.

Determination of Commerciality

Discovered recoverable volumes (Contingent Resources) may be considered commercially producible, and thus Reserves, if the entity claiming commerciality has demonstrated firm intention to proceed with development and such intention is based upon all of the following criteria:

- Evidence to support a reasonable timetable for development.
- A reasonable assessment of the future economics of such development projects meeting defined investment and operating criteria.
- A reasonable expectation that there will be a market for all or at least the expected sales quantities of production required to justify development.
- Evidence that the necessary production and transportation facilities are available or can be made available.
- Evidence that legal, contractual, environmental and other social and economic concerns will allow for the actual implementation of the recovery project being evaluated.

To be included in the Reserves class, a project must be sufficiently defined to establish its commercial viability. There must be a reasonable expectation that all required internal and external approvals will be forthcoming, and there is evidence of firm intention to proceed with development within a reasonable time frame. A reasonable time frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. While 5 years is recommended as a benchmark, a longer time frame could be applied where, for example, development of economic projects are deferred at the option of the producer for, among other things, market-related reasons, or to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented.

To be included in the Reserves class, there must be a high confidence in the commercial producibility of the reservoir as supported by actual production or formation tests. In certain cases, Reserves may be assigned on the basis of well logs and/or core analysis that indicate that the subject reservoir is hydrocarbon-bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.

Project Status and Commercial Risk

Evaluators have the option to establish a more detailed resources classification reporting system that can also provide the basis for portfolio management by subdividing the chance of commerciality axis according to project maturity. Such sub-classes may be characterized by standard project maturity level descriptions (qualitative) and/or by their associated chance of reaching producing status (quantitative).

As a project moves to a higher level of maturity, there will be an increasing chance that the accumulation will be commercially developed. For Contingent and Prospective Resources, this can further be expressed as a quantitative chance estimate that incorporates two key underlying risk components:

The chance that the potential accumulation will result in the discovery of petroleum. This is referred to as the "chance of discovery".

Once discovered, the chance that the accumulation will be commercially developed is referred to as the "chance of development".

Thus, for an undiscovered accumulation, the “chance of commerciality” is the product of these two risk components. For a discovered accumulation where the “chance of discovery” is 100%, the “chance of commerciality” becomes equivalent to the “chance of development”.

Project Maturity Sub-Classes

Development projects (and their associated recoverable quantities) may be sub-classified according to project maturity levels and the associated actions (business decisions) required to move a project toward commercial production.

Project Maturity Sub-Classes

Project Maturity terminology and definitions have been modified from the example provided in the 2001 Supplemental Guidelines, Chapter 2. This approach supports managing portfolios of opportunities at various stages of exploration and development and may be supplemented by associated quantitative estimates of chance of commerciality. The boundaries between different levels of project maturity may be referred to as “decision gates”.

Decisions within the Reserves class are based on those actions that progress a project through final approvals to implementation and initiation of production and product sales. For Contingent Resources, supporting analysis should focus on gathering data and performing analyses to clarify and then mitigate those key conditions, or contingencies that prevent commercial development.

For Prospective Resources, these potential accumulations are evaluated according to their chance of discovery and, assuming a discovery, the estimated quantities that would be recoverable under appropriate development projects. The decision at each phase is to undertake further data acquisition and/or studies designed to move the project to a level of technical and commercial maturity where a decision can be made to proceed with exploration drilling.

Evaluators may adopt alternative sub-classes and project maturity modifiers, but the concept of increasing chance of commerciality should be a key enabler in applying the overall classification system and supporting portfolio management.

Reserves Status

Once projects satisfy commercial risk criteria, the associated quantities are classified as Reserves. These quantities may be allocated to the following subdivisions based on the funding and operational status of wells and associated facilities within the reservoir development plan.

Developed Reserves are expected quantities to be recovered from existing wells and facilities.

Developed Producing Reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Undeveloped Reserves are quantities expected to be recovered through future investments.

Where Reserves remain undeveloped beyond a reasonable timeframe, or have remained undeveloped due to repeated postponements, evaluations should be critically reviewed to document reasons for the delay in initiating development and justify retaining these quantities within the Reserves class. While there are specific circumstances where a longer delay (see



Determination of Commerciality, section 2.1.2) is justified, a reasonable time frame is generally considered to be less than 5 years.

Development and production status are of significant importance for project management. While Reserves Status has traditionally only been applied to Proved Reserves, the same concept of Developed and Undeveloped Status based on the funding and operational status of wells and producing facilities within the development project are applicable throughout the full range of Reserves uncertainty categories (Proved, Probable and Possible).

Quantities may be subdivided by Reserves Status independent of sub-classification by Project Maturity. If applied in combination, Developed and/or Undeveloped Reserves quantities may be identified separately within each Reserves sub-class (On Production, Approved for Development, and Justified for Development).

Economic Status

Projects may be further characterized by their Economic Status. All projects classified as Reserves must be economic under defined conditions.

Based on assumptions regarding future conditions and their impact on ultimate economic viability, projects currently classified as Contingent Resources may be broadly divided into two groups:

Marginal Contingent Resources are those quantities associated with technically feasible projects that are either currently economic or projected to be economic under reasonably forecasted improvements in commercial conditions but are not committed for development because of one or more contingencies.

Sub-Marginal Contingent Resources are those quantities associated with discoveries for which analysis indicates that technically feasible development projects would not be economic and/or other contingencies would not be satisfied under current or reasonably forecasted improvements in commercial conditions. These projects nonetheless should be retained in the inventory of discovered resources pending unforeseen major changes in commercial conditions.

Where evaluations are incomplete such that it is premature to clearly define ultimate chance of commerciality, it is acceptable to note that project economic status is "undetermined." Additional economic status modifiers may be applied to further characterize recoverable quantities; for example, non-sales (lease fuel, flare, and losses) may be separately identified and documented in addition to sales quantities for both production and recoverable resource estimates (see also Reference Point, section 3.2.1). Those discovered in-place volumes for which a feasible development project cannot be defined using current or reasonably forecast improvements in, technology are classified as Unrecoverable.

Economic Status may be identified independently of, or applied in combination with, Project Maturity sub-classification to more completely describe the project and its associated resources.

APPENDIX 3

Definition of Prospective Resources, P90, P10, P50, Pmean

While there may be a significant risk that sub-commercial or undiscovered accumulations will not achieve commercial production, it is useful to consider the range of potentially recoverable volumes independently of such a risk.

Prospective Resources are those quantities of petroleum which are estimated to be potentially recoverable from undiscovered accumulations. These estimates are derived from volumetric estimates for the reservoir size, estimates of the reservoir characteristics (porosity, permeability, oil saturation). The basis of these estimates would be available geological and geophysical data, and the data from any existing wells in the given area.

Any estimation of resource quantities for an accumulation is subject to both technical and commercial uncertainties and consequently there will be a range of estimates which in general will be substantially greater for undiscovered accumulations than for discovered accumulations. In all cases, however, the actual range will be dependent on the amount and quality of data (both technical and commercial) which is available for that accumulation. As more data become available for a specific accumulation (for example wells and reservoir performance data) the range of uncertainty would be reduced.

Probabilistic methods are normally used to quantify the uncertainty in these estimated quantities and the results of the analysis are typically presented by stating resource quantities at the following levels of confidence:

- P90 resource reflects a volume estimate that, assuming the accumulation is developed, there is a 90% probability that the quantities actually recovered will equal or exceed the estimate. This is therefore a low estimate of resource.
- P50 resource reflects a volume estimate that, assuming the accumulation is developed, there is a 50% probability that the quantities actually recovered will equal or exceed the estimate. This is therefore a median estimate of resource.
- P10 resource reflects a volume estimate that, assuming the accumulation is developed, there is a 10% probability that the quantities actually recovered will equal or exceed the estimate. This is therefore a high estimate of resource.
- Pmean is the mean of the probability distribution for the resource estimates. This is often not the same as P50 as the distribution can be skewed by high resource numbers with relatively low probabilities.

Appendix 4

Risks

The proposed Acquisition remains subject to completion which is anticipated to be December 2016. The Acquisition is conditional on standard settlement issues that include a 20 day pre-emptive rights period, joint venture approvals as required, and verification of certain Vendor due diligence information identified by Mosman's due diligence it has undertaken to date.

Mosman will be acquiring an interest in an operating joint venture; the company that operates the joint venture; and other assets. As is normal, there will be risks surrounding the joint venture partners.

Mosman has in the ordinary course of business accepted certain historic information from the vendor as being fact, and has not attempted to independently verify each statement, rather it has focussed on key facts which have been subject to due diligence both internally and using external consultants.

As is usual in the oil industry, the Asset has subsurface, reserve and production risk.

A number of assumptions have been made in determining the operational targets, production rates and expected cost reductions possible that may not be achieved or may be influenced negatively by factors outside Mosman's control.

This RNS contains forward-looking statements which have not been based solely on historical facts but rather on Mosman's and its technical advisers' current expectations about future events and a number of assumptions which are subject to significant uncertainties and contingencies.

Hydrocarbon prices in the world environment remain volatile.

Exchange rates are volatile.

Any individual who is in any doubt about the investment should consult an authorised person specialising in advising on investments of the kind referred to.



Appendix 5

WELLS, LANDS, LEASES & UNITS

Lease and Well	API No.	Lease No.	Field
Second Sub-Clarksville Unit #202	42-499-01362	4886	Pine Mills (Sub-Clarksville)
Second Sub-Clarksville Unit #204	42-499-80472	4886	Pine Mills (Sub-Clarksville)
Second Sub-Clarksville Unit #206	42-499-01360	4886	Pine Mills (Sub-Clarksville)
Second Sub-Clarksville Unit #303-SWD	42-499-01368	4886	Pine Mills (Sub-Clarksville)
Second Sub-Clarksville Unit #305	42-499-80475	4886	Pine Mills (Sub-Clarksville)
Second Sub-Clarksville Unit #307	42-499-80477	4886	Pine Mills (Sub-Clarksville)
Second Sub-Clarksville Unit #311-SWD	42-499-32097	4886	Pine Mills (Sub-Clarksville)
Second Sub-Clarksville Unit #701	42-499-01399	4886	Pine Mills (Sub-Clarksville)
Second Sub-Clarksville Unit #702	42-499-01403	4886	Pine Mills (Sub-Clarksville)
Second Sub-Clarksville Unit #1001-SWD	42-499-80479	4886	Pine Mills (Sub-Clarksville))
Second Sub-Clarksville Unit #2801	42-499-80489	4886	Pine Mills (Sub-Clarksville)
Second Sub-Clarksville Unit #3501-SWD	42-499-80512	4886	Pine Mills (Sub-Clarksville)
Second Sub-Clarksville Unit #3601	42-499-80494	4886	Pine Mills (Sub-Clarksville)
Woodbine-A Unit #903	42-499-32020	4887	Pine Mills (Woodbine)
Woodbine-A Unit #2802	42-499-80507	4887	Pine Mills (Woodbine)
Woodbine-A Unit #2905	42-499-32024	4887	Pine Mills (Woodbine)
Woodbine-A Unit #3802	42-499-02346	4887	Pine Mills (Woodbine)
Woodbine-A Unit #4003	42-499-02344	4887	Pine Mills (Woodbine)
Woodbine-Wagoner Unit #1805	42-499-80513	4888	Pine Mills (Woodbine Wagoner)
Woodbine-Wagoner Unit #1808-SWD	42-499-80517	4888	Pine Mills (Woodbine Wagoner)
Woodbine-Wagoner Unit #2601-SWD	42-499-01453	4888	Pine Mills (Woodbine Wagoner)
Cantos #2	42-499-81181	11119	Pine Mills (Woodbine Wagoner)
Wagoner #1A	42-499-31926	13968	Pine Mills (Orr)
Wagoner #1821	42-499-31944	14043	Pine Mills (Orr)
Mezzles #1	42-499-31130	10904	Pine Mills,W.(Second Sub-Clark)
Mezzles #2	42-499-31154	10904	Pine Mills,W.(Second Sub-Clark)
Mezzles #3	42-499-31222	10904	Pine Mills,W.(Second Sub-Clark)
Smith #1	42-499-31104	10868	Pine Mills,W.(Second Sub-Clark)
Smith #3	42-499-31217	11218	Pine Mills, W. (Woodbine-B)