

1 May 2015

Mosman Oil and Gas Limited

**MEO Australia Limited
Proposed Takeover Bid**

The Directors of Mosman Oil and Gas Limited (“Mosman” or the “Company”) (AIM: MSMN) announce that the Company has today resolved to lodge a Notice of Variation (“the Variation Notice”) in respect of the takeover of MEO Australia Limited (“MEO”) with the Australian Securities & Investments Commission (“ASIC”). The key Variations are set out below and will be incorporated into a Supplementary Bidders Statement that will be published shortly;

Variations

The Offer was scheduled to close on 8 May 2015. Mosman has varied the Offer by:

- extending the Offer Period from 5:00pm (WST) on 8 May 2015 to 5:00pm (WST) on 12 June 2015;
- increasing the Offer Consideration to one Mosman share for every five MEO shares (previously one for ten); and
- Freeing the Offer from many of the conditions including the minimum acceptance of 90%. Specifically the Conditions in section 10.11 of the Offer except for condition section 10.11(b) which relates to Mosman Shareholder approval.

The Mosman Directors are of the opinion that implementing the above, together with the recent share placement directly answers many of the issues raised by MEO in their Target Statement, and Supplementary Target Statements.

Please click here for link to full Variation Notice:

http://mosmanoilandgas.com/sites/mosmanoilandgas.com/files/files/MOGLtd_Notice_Further_Extn_Date_of_Notice.pdf

Mosman expects to dispatch a First Supplementary Bidder Statement to MEO Shareholders shortly.

As at 1 May 2015 Mosman has acceptances from some 480 MEO shareholders which represent 1.60% of the issued capital of MEO.

This RNS announcement should not be utilised by the MEO shareholders in making any decision on whether or not to accept or decline the Offer and is solely being released for AIM disclosure purposes.

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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 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.

Taramakau, Murchison and East Coast Permits (New Zealand)

These permits were granted to Mosman 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.