

4 February 2015

**Mosman Oil and Gas Limited**

**Operations Update  
Commencing Flow Testing at Crossroads-1**

The Directors of Mosman Oil and Gas Limited (“Mosman” or the “Company”) (AIM: MSMN), the New Zealand and Australia focussed oil exploration and development company is pleased to update shareholders in respect to operational activity as follows:

**Petroleum Creek**

The Company has now received the latest technical report from Chemostrat Pty Ltd on the cores and cuttings from the 2014 drilling programme at Cross Roads-1, Crestal-1 and Crestal-2. The report confirms the reservoir potential of the Cobden Limestone in the Petroleum Creek permit, as well as valuable geological information including the identification of multiple distinct depositional layers.

Now that the report has been received the planned and previously announced flow test of the Cobden Limestone at Crossroads-1 will proceed. It is expected to commence in the next few weeks, and will run for 60 days. The tests require the mobilisation of crew and the Drill Force Rig #1 from the nearby storage yard.

Additional seismic acquisition is also planned to finalise drilling locations on identified prospects and leads.

**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.

**John W Barr, Executive Chairman of Mosman, commented:** “We are pleased to have progressed the 2015 exploration programme under the strict capital expenditure programmes which we have determined for each asset. The latest technical report on the Cobden Limestone cores provides excellent third party validation of the value and prospectivity of the NZ exploration permits in the Mosman portfolio. We now look forward to commencing flow testing at Crossroads-1.”

**Enquiries:**

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Updates on the Company's activities are regularly posted on its website [www.mosmanoilandgas.com](http://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 on 9 December 2014 as part of the 2014 Block Offer, a sixteen-fold increase in the exploration area in NZ from 143 sq km to 2,317 sq km.

### **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 in to a geological model to allow identification and ranking of drilling targets. Within the Otway Basin there is commercial production both onshore and offshore.