MOSMAN OIL AND GAS LIMITED

2 March 2015

Mosman Oil and Gas Limited

Flow Testing at Crossroads-1
Update

The Directors of Mosman Oil and Gas Limited ("Mosman" or the "Company") (AIM: MSMN), the New Zealand and Australia focused oil exploration and development company is pleased to update shareholders in respect of the recent operational activity at Cross Roads-1.

The Company advises that the Drill Force Rig #1 was rigged up at the Cross Roads-1 location last week. The Company successfully perforated the Cobden Limestone zone 242-245m, recompleted the well, and installed the downhole pump. The nodding donkey was installed on 2 March ready for flow testing.

Visible oil was noted on wireline tools retrieved to surface having been used downhole after the Cobden Limestone was perforated. The further evidence of oil is encouraging, but flow rates and volumes can only be determined by flow testing which will now proceed for up to 60 days.

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: "I am encouraged by the additional evidence of oil at this stage from the Cross Roads-1 well. The challenge now is to establish steady oil flow rates. "

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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 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.