



MOSMAN OIL AND GAS
LIMITED

15 October 2014

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

Operations Update

Cross Roads-1 and Crestal-1 ready for Extended Well Tests

Mosman Oil & Gas Limited (AIM: MSMN), the New Zealand and Australia focussed oil exploration and development company is pleased to provide an update on recent progress as follows:

Petroleum Creek Activities

Commencement of Extended Well Tests

Mosman has now drilled three wells at Petroleum Creek; Cross Roads-1, Crestal-1 and Crestal-2. The Drill Force rig crew has returned to site after the crew's rest break. Wells have been completed and sites are being prepared for installing nodding donkeys to pump the wells for an extended period which is required to determine the sustainable flow rates of these shallow wells.

At Cross Roads-1, the well was completed on 11 October in the Eight Mile formation in preparation for the planned flow tests, and is now ready to be pumped as an extended well test ("EWT").

At Crestal-1 initial flow testing commenced from the Cobden Limestone section of the well. As a first step in the initial flow testing programme, pumping has been successful in recovering the drilling mud used during the drilling of Crestal-1. The well has now been re-entered to add the Eight Mile formation as part of the flow tests, and following completion of the Drill Force rig operations is also now ready to be pumped as an EWT, pending the final installation of a recently purchased nodding donkey.

Mosman will report the results from both EWT's once meaningful data is obtained and at this stage it is anticipated that the EWT programme could result in an extended pumping programme.

At Crestal-2 the analysis remains inconclusive; core and drilling data indicate hydrocarbon shows and good porosity over an eighteen metre section in the Cobden Limestone but wireline logs do not indicate significant amounts of oil in place. This may be a result of drilling fluid invasion or a prior displacement of hydrocarbons. As a result, the well is suspended until further technical work indicates the appropriate next step.

New Zealand 2014 Block offer

Recently, considerable management time and effort has been focussed on the New Zealand 2014 Block Offer to submit comprehensive and competitive applications for new Permits. Mosman Oil and Gas (NZ) Pty Ltd, has applied for four additional permits and the Company will advise if the applications are successful. The results are expected in two rounds, the first in December 2014 and the second in March 2015.

Seismic Acquisition

The seismic acquisition programme is now nearing completion, and processing of the data continues. This acquisition, processing and interpretation of the data are essential to continually update the geological model, and to determine the exact locations of the next exploration wells.



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Australian Exploration Activities

Following the recent acquisition of Trident Energy Limited the Company has moved quickly to commence work on the Australian exploration. This will be managed from the new Sydney office, using both staff and consultants to manage overheads. The Company is pleased to have secured the services of Mr Torey Marshall as Exploration Manager, and Mrs Julie Daws as senior consultant geoscientist.

A full review of the Australian permits has been completed, exploration plans prioritised, and budgets prepared.

As part of these plans, exploration at EP 156 has now commenced, with a field survey underway.

Trident Energy Limited (“Trident”)

On 17 September 2014, Mosman notified Trident that the Company waived all remaining bid conditions in Section 10.10 of the Bidder's Statement and that the Offer by Mosman for all the issued Trident Shares was declared unconditional.

To date, Mosman has received confirmation of the acceptances of the Company's offer from approximately 98% of the Trident's Shareholders. The remaining Trident Shares can now be acquired by compulsory acquisition.

Messrs Barr and Carroll have now been appointed to the Board of Trident and are two of the three Trident Directors.

Trident's office and operations are currently being moved to our office in Sydney and Mosman personnel are taking charge of exploration planning, corporate and exploration matters, including the first joint venture meeting for VIC P 62 which has been set for 31 October in Singapore.

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.

Corporate Team Building

The management team has been strengthened with the following key appointments:

Mr Ted Cleary has recently been appointed as CFO. Ted is an Australian and New Zealand Chartered Accountant with 31 years oil & gas accounting and systems experience. Ted is not a Director of Mosman.

Mr Torey Marshall has been appointed as Exploration Manager. Torey is a very experienced Exploration Geologist with board level, operational and consulting experience in Australia, South America, Africa and the USA.

The exploration team has also been bolstered by the addition of Ms Julie Daws who is a senior consultant geoscientist with 21 years' experience with major international operators in UK, Norway and Australia.



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John W Barr, Executive Chairman of Mosman commented: “We continue to make good progress on the Petroleum Creek asset with a high level of cost effective activity. At CrossRoads, we drilled the first of the 22 exploration targets identified by the 2013 SRK Consultants report, and in addition drilled two wells on the shallow Crestal area. The extended well testing and the additional seismic will provide a thorough understanding of the geology and allow us to determine our next drilling targets.

We are delighted to have started work on our Australian assets with the commencement of the field survey work on EP156.”

London Presentations

Upcoming Mosman presentations are as follows:

5 November:

Oilbarrel Conference

The Brewery

52 Chiswell Street

London EC1Y 4SD

<http://oilbarrel.com/pub/conference/action-conference.view/id-69>

6 November:

Proactive Investors One2One Forum

Chesterfield Mayfair

35 Charles Street

Mayfair W1J 5EB

http://www.proactiveinvestors.co.uk/register/event_details/253

9 November:

Holiday Inn Birmingham Airport Hotel

Coventry Road

Birmingham

13 November:

UK Investor Forum

The Cote Brasserie @ Cote St Pauls

26 Ludgate Hill, London, EC4M 7DR

<https://twitter.com/ukinvestorforum/status/513832036860456961?refsrc=email>

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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 seven permits and applications in New Zealand and Australia.

Petroleum Creek Project, New Zealand

The Petroleum Creek Project is a 143.6 sq. km low cost onshore exploration project located near Greymouth on the South Island in the southern extension of the proven Taranaki oil system. The project has a Mean Unrisked Recoverable Prospective Resource of 26.6 million barrels. In the first month of drilling, oil was discovered at Cross Roads-1 well which declared an Oil Discovery in June 2014 and at Crestal-1 which declared an Oil Discovery in July 2014. In H2 2014, the focus is on the appraisal of existing discoveries and additional exploration with both seismic and a multi-well drilling programme.

Officer Basin Application, Australia

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 two granted Permits and one application in the Amadeus Basin in Central Australia. Mosman's holdings cover a total of 5,458 sq. km following the successful acquisition of Trident.

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 at a cost of in excess of A\$4.5 million.

Within the Otway Basin there is commercial production both onshore and offshore.