



Oil encountered in New Zealand South Island onshore well 10 Jun 2014

AIM board petroleum explorer Mosman Oil & Gas Ltd has announced it has encountered oil shows at 146 m during drilling of the shallow Cross Roads-1 exploration well at the Petroleum Creek project, west coast of New Zealand's South Island.

As a result drilling was halted at 172 m to allow coring of the well and the company reported finding visible oil on the core from 151 m in depth to its current depth of 172 m, are interpreted to be from the Eight Mile conglomerate formation.

Mosman originally farmed-in on the west coast permit owned by New Zealand Stock exchange listed Aorere Resources Ltd. It then fully acquired the licence with Aorere taking shares for equity and also investing in the IPO to become a significant shareholder. The company listed on AIM in March and last month undertook a new capital raising to fund the cost of drilling two more wells on Petroleum Creek: Crestal-1 and Crestal-2 and talked of funding a fourth well.

The company is now carrying out wireline logs of the site, with full data analysis "to be completed soon."

Mosman Oil & Gas said it expects to set the new casing, core the remainder of the Eight Mile formation, drill and core the Miocene sandstone and Cobden Limestone targets, and drill to the basement of the site during this week. "Whilst it is still early days, we are pleased with the encouraging results so far. Oil shows indicate a technical success, but it is too early to make any comment on the commercial significance," said Mosman CEO John Barr.