

24 July 2015

Mosman Oil and Gas Limited

("Mosman" or the "Company")

Preferred Bidder on Potential Acquisition and Speculation re fundraising

Mosman Oil and Gas Limited (AIM: MSMN) the New Zealand ("NZ") and Australia focussed oil exploration and development company, notes speculation today regarding a potential equity fundraising by the Company.

On 22 May 2015 and in subsequent announcements, the Board indicated it was actively evaluating potential acquisition opportunities. One particular opportunity that Mosman has completed detailed due diligence on over a three-month period has now progressed to an advanced stage, whereby Mosman has been designated as the preferred purchaser by the Vendor and been granted a period of exclusivity.

The proposed transaction fits Mosman's strategic objectives and would provide immediate production and cash flow on completion, which would clearly be transformational. The proposed acquisition would see Mosman become the operator of an existing project containing:

- Onshore oil and gas producing fields
- Reserves and Resources (both 2P + 2C)
- Associated processing facilities and infrastructure

The Board of Mosman confirms that it is actively considering fundraising options, which may include the issue of equity, to enable the Company to enter into a sale and purchase agreement in respect of the acquisition and looks forward to providing further updates to the market.

Enquiries:

Mosman Oil & Gas Limited

John W Barr, Executive Chairman

Andy Carroll, Technical Director

jwbarr@mosmanoilandgas.com

acarroll@mosmanoilandgas.com

NOMAD and Broker

SP Angel Corporate Finance LLP

Stuart Gledhill / Richard Hail

+44 (0) 20 3470 0470

Gable Communications Limited

John Bick / Justine James

+44 (0) 20 7193 7463

mosman@gablecommunications.com

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