



3 July 2014

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

Petroleum Creek Discovery Notice and Drilling Update

Mosman Oil & Gas (AIM: MSMN), the New Zealand and Australia focussed oil exploration and development company, announces an update on its Petroleum Creek Project.

As previously reported on 30 June, Mosman encountered strong oil shows at Cross Roads-1 in the Cobden Limestone at approximately 240 – 250m. The Company has now received detailed petrophysical analysis from its third party consultants including SRK and has determined the oil encountered in the Cobden Limestone at Cross Roads-1 meets the definition of a discovery in accordance with the New Zealand ("NZ") legislation. As required, Mosman reported this update to the Regulator, New Zealand Petroleum & Minerals ("NZPAM"), on 3 July 2014.

Flow testing is planned for later in 2014 on both this Cobden Limestone interval and the Eight Mile Formation at Cross Roads-1. In addition, additional seismic data will be acquired to assist in mapping the extent of the accumulation and drilling locations for appraisal drilling.

In addition, Mosman confirms that drilling commenced at Crestal-1 at 12.30 (NZ time) today.

John W Barr, Executive Chairman of Mosman commented: "This further positive result from Cross Roads-1 is extremely encouraging. As we have outlined, this is the first stage of the process as we now move into the appraisal process at Cross Roads-1. The next steps will be to carry out flow tests, additional seismic acquisition and processing work, and then complete the economic modelling required to determine commercial viability. This process is anticipated to take several months."

Competent Person's Statement

The information contained in this announcement has been reviewed and approved by Andy Carroll, Technical Director for Mosman Oil and Gas, who has over 35 years of relevant experience in the oil industry. Mr Carroll is a member of the Society of Petroleum Engineers (SPE).

Enquiries

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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 a New Zealand and Australia focussed oil exploration and development company, with the Petroleum Creek Project, an onshore oil and gas projects in New Zealand and in the Officer Basin Project in Western Australia.

Petroleum Creek Project, New Zealand

Mosman's immediate focus is on the Petroleum Creek Project 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 OIIP of 26.6 MmStb, and recently the Cross Roads-1 well was declared an Oil Discovery.

Officer Basin Project, 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.