



13 June 2014

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

Cross Roads-1 Oil Discovery

Mosman Oil & Gas (AIM: MSMN), the New Zealand and Australia focussed oil exploration and development company, is pleased to announce an Oil Discovery (as defined below) at its Petroleum Creek Project in New Zealand.

Drilling commenced at Cross Roads-1 last week and the Company has been advised by its technical and legal advisors that in accordance with the New Zealand legislation the data from work completed to date meets the definition of a Discovery and the regulations require this to be reported to New Zealand Petroleum & Minerals ("NZPAM").

The core and wireline logs indicate two zones each 8.5 metres thick in the Eight Mile formation have good porosity (10 to 20%) and significant moveable oil for a total potential pay of 17 metres.

In addition, the well has now been drilled to 243 metres where the Cobden limestone was encountered. The cuttings sample from this depth had oil shows (cut and fluorescence). 7 inch casing has now been set and cemented. Once blow out preventers ("BOPs") are installed and pressure tested, coring will commence to test the Cobden limestone.

Drilling will then continue until total depth estimated to be circa 350-400metres.

Mosman has started detailed planning for the testing and appraisal programme once drilling at Cross Roads-1 has been completed.

The weekly drilling update is anticipated to be released on Monday 16 June 2014 following the ongoing drilling.

John W Barr, Executive Chairman of Mosman commented: "We are delighted to get an Oil Discovery in the first half of the first well, so soon after drilling commenced at Cross-Roads 1. We are now encouraged by the oil shows in the Cobden limestone and look forward to seeing the results from drilling the rest of this well. The results to date appear to be a "proof of concept" for the 22 prospects and leads identified by geophysics at Petroleum Creek in addition to the Crestal area."

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). The petrophysical analysis of wireline logs that established moveable hydrocarbons logs was completed by Kiwi Well Evaluation Limited and SRK.

Definition of Oil Discovery in NZ

In accordance with the New Zealand legislation a petroleum discovery is considered to be established when there are significant moveable hydrocarbons in the drilling column as a result of exploration and/or appraisal well drilling operations, or well stimulation operations. Moveable



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hydrocarbons can be related to a sub-surface deposit which can be established through testing, sampling, and/or logging.

Significant moveable hydrocarbons are considered to exist if there is evidence of a sufficient quantity of petroleum to justify further appraisal activities.

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.

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.