

5 January 2016

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

Oil Price Update

Mosman Oil and Gas Limited (AIM: MSMN) the New Zealand and Australian focussed oil exploration and development company, has noted the fall in the Brent Oil Price, moving below USD40/bbl on 10 December 2015 and has remained below that level since then, with regard to its acquisition of the South Taranaki Energy Project ("STEP") in New Zealand. As a consequence, Mosman has elected to issue a Review Notice to Origin Energy Limited, ("Origin") under the terms of the Origin sale and purchase agreement ("SPA").

As outlined in the SPA if the Brent Oil Price, as quoted on the Intercontinental Exchange ("ICE"), remains below USD 40/bbl for 15 consecutive (ICE) business days, there is the provision for either party to issue a Review Notice that will lead to good faith negotiations of amendments to the SPA. If there is no agreement within 30 days of a party's receipt of the Review Notice, either party has the option to terminate the SPA.

The SPA also contains provisions for either party to cancel the SPA if the New Zealand, ("NZ") Government consent conditions are not satisfied by 31 January 2016, unless extended by the mutual consent of all parties.

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, prior to the STEP acquisition being completed, Mosman has an interest in nine permits or accepted permit applications.

Production

As noted above. Mosman is currently progressing the acquisition of 70% of STEP, located onshore NZ. The acquisition is expected to complete after all approvals are secured and subject to the aforementioned review.

STEP currently produces oil, condensate, gas, LPG and electricity, which deliver several revenue streams with payments being received in both US\$ and NZ\$.

The Project will be operated under a joint operating agreement and Mosman will be the operator. The assets being acquired include the Rimu Production Station and two petroleum mining permits.

Exploration

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 in 2014 as part of the 2014 Block Offer. At Murchison a 13 TCF contingent resource has been identified.

Officer Basin Project, Australia (Application)

Mosman has a 25% investment in the Officer Basin Project, a 22,527 sq. km large land holding with 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.