



MOSMAN OIL AND GAS
LIMITED

30 September 2014

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

Crestal-1 Flow Test Commences Crestal-2 Drilling Update Seismic Acquisition

Mosman Oil & Gas (AIM: MSMN), the New Zealand and Australia focussed oil exploration and development company, is pleased to advise progress at its Petroleum Creek Project as follows.

Crestal-1 Flow Test

The casing at the Cobden Limestone zone has been perforated in preparation for the flow testing. The well is now completed with rods and tubing to surface and a rod pump downhole.

Initial pumping has now commenced and a nodding donkey will be installed to pump the well for an extended well test ("EWT") to determine flow rates from this zone and we will report the results once a sufficient test period has been completed over the coming weeks.

Crestal-2 Drilling

The well has been drilled to 223m with 4.5 inch casing run and cemented. Oil shows (fluorescence, cut and visible oil) indicates hydrocarbons present. Wireline logs were run and the log data has been forwarded to petrophysical experts for review. The on-site analysis is not conclusive; it indicates good porosity in the Cobden Limestone but indicates mainly water with some possible oil zones. Once the expert reports are received a decision will be made on the next steps.

Due to difficult hole conditions (caving sands and conglomerate), wireline logs could not be run from 50m to 86m, and another well may be required to evaluate the Eight Mile formation. As a result of the conditions encountered, the casing design of future wells will be modified accordingly in order allow for similar conditions.

Cross Roads-1

After Crestal-2, The Drill Force rig crew will take a short rest break and the rig will then be moved to Cross Roads-1 for well re-entry, flow testing and well completion operations.

Seismic Acquisition

The seismic acquisition programme is now nearing 75% complete and processing of the data has commenced. This acquisition, processing and interpretation of the data is essential to continually update the geological model, and to determine the exact locations of the next exploration wells scheduled for later this year. The initial interpretation data indicates a fault between Crestal-1 and Crestal-2, which explains some of the differences in geology of each of these wells, such as the Cobden Limestone being 13m lower at Crestal-2 compared to Crestal-1. It also indicates the Cobden Limestone is higher north of Crestal-1, and a seismic line will be acquired to map this area.



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John W Barr, Executive Chairman of Mosman commented: “The past week has seen a lot of hard work by the Company’s staff and consultants, and that is appreciated. The information gained is an essential part of the exploration and appraisal process and good progress is being made in detailed understanding the area. We look forward to further exploration and development aiming for oil production in due course.”

Competent Person's Statement

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

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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 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 four permits in New Zealand and Australia. This number will increase to seven on completion of the Trident Offer.

Petroleum Creek Project, New Zealand

The Petroleum Creek Project is 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 Prospective Resource of 26.6 million barrels. In the first month of drilling, oil was discovered at Cross Roads-1 well which declared an Oil Discovery in June 2014 and at Crestal-1 which declared an Oil Discovery in July 2014. In H2 2014, the focus is on the appraisal of existing discoveries and additional exploration with both seismic and a multi-well drilling programme.

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



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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 one granted Permit and one application in the Amadeus Basin in Central Australia. These permits are complimentary with Trident permit, EP145, and bring Mosman's holdings to a total of 5,458 sq. km on completion of the Trident acquisition.

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

Trident Energy Limited 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.

Within the Otway Basin there is commercial production both onshore and offshore.