



16 June 2014

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

Cross Roads-1 Weekly Drilling Update

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

At 08.00 (NZ time) on Monday 16 June, Cross Roads-1 had reached a depth of 313 m. At 241 m the Cobden limestone was encountered and the cuttings sample from this depth had oil shows (cut and fluorescence), following which the decision was made to set and cement 7 inch casing and to install the Blow Out Preventer (BOP). Coring commenced on the 14th and continues. To date the Cobden limestone has good oil shows to 248 m (cut and fluorescence) and this formation has good matrix and fracture porosity.

As announced, the Company was advised (in accordance with the NZ legislation) that the data from work completed on the Eight Mile formation met the definition of a discovery and was required to be reported to the Regulator, NZPAM. This report was lodged on 13 June 2014.

The well testing programmes will be finalised when the drilling of each well is completed, as this will determine factors such as additional casing strings to be run, zones to be tested and equipment requirements.

Mosman has started to plan an appraisal programme that may include seismic and/or additional wells. Management are also progressing plans for further exploration, including ranking of exploration targets, seismic data acquisition and land access agreements for seismic and wells.

The Board had site visits to Cross Roads-1, Crestal-1 and Crestal-2 well sites, and reviewed possible well and seismic line locations.

Anticipated operations for the coming week commencing 16 June include drilling to basement at Cross Roads-1. The well will then be suspended for future well testing and will be cased in order that it is suitable for production. The Drill Force Rig 1 will then be moved to the Crestal-1 site which is approximately 1.2 kilometres to the south-east of Cross Roads-1. The Crestal-1 drilling location is ready and Crestal-2 location is nearing completion. Access arrangements for an additional drilling location are anticipated to be completed this week so that site preparation can commence. The exact number and sequence of the wells to be drilled depends on the results of the first two wells, Cross Roads-1 and Crestal-1.

John W Barr, Executive Chairman of Mosman commented: "The continued excellent results from Cross Roads-1 are positive both for this location and for the other seismic defined Eight Mile and Cobden formation prospects in this permit. We look forward to drilling Crestal-1 to test the Kotuku Dome crestal area. The Board met a number of stakeholders during the week, and greatly appreciates the support from local contractors, Government Departments and local landowners."



MOSMAN OIL AND GAS
LIMITED

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 the Cross Roads-1 well was declared an Oil Discovery in June 2014.

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.