

22 August 2014

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

Proposed acquisition of Trident Energy Limited Release of Bidder's Statement (the "Bidder's Statement")

Mosman Oil and Gas Limited (AIM: MSMN), the New Zealand and Australia focussed oil exploration and development company, has today lodged with the Australian Securities and Investments Commission ("ASIC") the Bidder's Statement in relation to an offer announced by Mosman on 2 July 2014 to acquire all of the issued shares of Trident Energy Limited ("Trident"), an Australian unlisted public company with onshore and offshore oil interests in Australia.

Click here for the link to the full Bidder's Statement:

http://mosmanoilandgas.com/sites/mosmanoilandgas.com/files/files/724247_1_Bidder_s%20Statement%20-%20Mosman%20Oil%20and%20Gas%20Limited%2022_08_14.pdf

Detailed below is a summary of the Offer and of certain matters detailed in the Bidder's Statement. This RNS announcement should not be utilised by the shareholders of Trident in making any decision on whether or not to accept or decline the Offer and is solely being released for AIM disclosure purposes. Shareholders should read the Bidder's Statement in its entirety before making any decision on whether to accept or reject the Offer, and should consult their financial or other professional advisers if they are in doubt as to how to deal with the Bidder's Statement.

Terms used in this announcement have the same meaning as defined in the Bidders Statement.

Highlights of the Offer

- The offer is one (1) ordinary share in the capital of Mosman ("Mosman Share") for every five (5) fully paid ordinary shares in the capital of Trident ("Trident Shares") on the terms and conditions detailed in the Bidder's Statement (the "Offer");
- If the Offer is 100% accepted, Mosman will issue 2,892,978 Mosman Shares to acquire all of the issued share capital of Trident;
- The board of Trident have unanimously recommended that the Trident shareholders accept the Offer, in the absence of a superior proposal;
- Members of the board of Trident intend to accept the Offer in respect of all of the Trident Shares they control;
- 80% of the Mosman Shares to be issued to the Trident Shareholders will be subject to a 12 month holding lock, commencing on the date on which Mosman Shares are first issued pursuant to the Offer;
- Trident's exploration assets complement Mosman's existing portfolio of oil and gas projects, expanding Mosman's diversified asset portfolio with interests in additional prospective hydrocarbon regions;
- The directors of Mosman believe the enlarged portfolio will deliver operational activity and exploration milestones in the coming months and years; and
- Trident has interests in exploration projects located in the Canning, Amadeus and Otway Basins, providing Mosman with exposure to both conventional and unconventional oil and gas opportunities:
 - VIC/P62 in the Otway Basin
 - EPA 145 in the Amadeus Basin
 - EP 478 in the Canning Basin

John W Barr, Executive Chairman of Mosman commented: “The Trident acquisition will provide Mosman with additional complimentary hydrocarbon exploration projects and is in line with our strategy to build a mid-tier oil and gas business by acquisition and organic growth”.

Summary of the Offer

The Offer comprises one (1) Mosman Share for every five (5) Trident Shares on the terms and conditions detailed in the Bidder's Statement. If 100% acceptances are received Mosman will issue 2,892,978 Mosman Shares to acquire the entire issued share capital of Trident.

The board of Mosman believes this represents a low entry price for a portfolio of three permits in these highly sought after locations, increasing the portfolio from two to five permits with minimal dilution.

If at or before the end of the period during which the offer is open for acceptance (the “Offer Period”), Mosman has a Relevant Interest in such number of Trident Shares which represents at least 90% of the aggregate of all Trident Shares on issue at the end of the Offer Period, then the Company will compulsorily acquire the remaining Trident Shares in accordance with the relevant provisions of the Corporations Act 2001 (Cth).

If Mosman’s Relevant Interest in the Trident Shares is equal to or more than 50.1% and less than 90% of the aggregate of all Trident Shares on issue at the end of the Offer Period (and the Offer becomes unconditional), then two of the current Trident Directors, being Messrs Haslam and Carruthers, will resign, and Messrs Barr and Carroll will be appointed as two of the three Trident Directors. In addition Mosman will undertake a strategic review of Tridents assets and operations.

If Mosman receives acceptances for less than 50.1% of the Trident Shares, it will not proceed with the Offer.

Additional Arrangements

Mosman and Trident have entered into a loan agreement pursuant to which Mosman agreed to loan Trident A\$750,000 for Trident to utilise to repay certain third party creditors as well as for general working capital expenses. Mosman has advanced an initial loan of A\$185,000 (“Initial Loan”) and a further loan of A\$565,000 (“Further Loan”) will be advanced on Mosman acquiring a relevant interest in 50.1% of Trident Shares and the Offer becoming unconditional.

Trident has agreed to pay Mosman a reimbursement fee of A\$150,000 in certain circumstances. Similarly Mosman has agreed to pay Trident a reimbursement fee of A\$150,000 if there is a material breach of the bid implementation agreement entered into on 2 July 2014 by Mosman and that breach is not remedied within 10 Business Days.

Mosman Special Purpose Financial Report as at 30 June 2014 (the “SPFR”)

In order to satisfy Australian requirements, a Special Purpose Financial Report (the “SPFR”) for Mosman as at 30 June 2014 has been prepared and audited. The SPFR is included in the Bidder’s Statement and is also attached as Appendix 1 to this announcement.

The financial information detailed in the Bidder’s Statement for the financial year ended 30 June 2014 includes historical consolidated financial statements extracted from the audited consolidated statements of financial position for the financial years ended 30 June 2012, 30 June 2013 and from the SPFR. This information in the SPFR will be included in Mosman's annual report for the financial year ended 30 June 2014.

This SPFR is not the annual audited accounts for the Company which will be sent to shareholders without delay and in any event not later than six months after the end of the financial year.

Offer Period

Mosman will advise of the opening and closing dates of the Offer by separate RNS announcement. As at the date of this announcement, Mosman anticipates opening the Offer in the week commencing 1 September 2014 and closing it one month after.

Overview of Trident

Trident is an Australian unlisted public company that is in the business of oil and gas exploration in Australia and has interests in three exploration assets at varying stages of maturity.

At the date of this Bidder's Statement, Trident's issued securities consisted of 14,464,888 fully paid ordinary shares.

The significant shareholders of Trident (being any shareholders with a holding of 3% or more of the issued share capital of Trident) at the date of the Bidder's Statement are:

Registered Name	Shares	%
Christopher Osborne Haslam	3,489,561	24.12%
Terra Firma Technology Pty Ltd	1,102,556	7.62%
Private Equity Capital Pty Ltd	800,000	5.53%
Techbase Australasia Pty Ltd	784,000	5.42%
Geoffrey Clive Geary	728,267	5.03%
Kerrco Inc.	700,000	4.84%
Mutual Trust Pty Ltd	533,333	3.69%
John Larking (Dr.)	500,000	3.46%

Financial information on Trident

In the financial year ended 30 June 2014, Trident had audited losses of approximately A\$241,000 before tax and net liabilities of A\$1,825,000.

Effect of the Offer

The effect of the Offer on the capital structure of Mosman as at the date of this Bidder's Statement is as follows:

Issued Capital	Mosman Shares	Mosman Options
On issue at the date of Bidder's Statement	81,027,175	6,427,674 ¹
To be issued pursuant to the Offer ²	2,892,978	Nil
Total on issue at the completion of the Offer ³	83,920,153	6,427,674

Notes:

1. Comprising:

- (a) 2,000,000 options over Mosman Shares ("Mosman Options") with an exercise price of A\$0.20 exercisable on or before 31 March 2016;
- (b) 3,200,000 Mosman Options with an exercise price of A0.15 exercisable on or before 13 January 2019; and

- (c) 1,227,674 Mosman Options with an exercise price of £0.08 exercisable on or before 20 March 2019.
2. Assumes 100% acceptance for the Offer and that no other Trident Shares are otherwise issued after the date of this Bidder's Statement.
 3. As detailed in the Bidder's Statement, upon Mosman acquiring a Relevant Interest in 50.1% of the Trident Shares and the Offer becoming unconditional, Mosman will, for and on behalf of Trident, issue 68,858 to a specified third party creditor of Trident in lieu of amounts owing to that creditor by Trident (if agreed by that third party creditor). Note also that:
 - (a) as detailed in the Bidder's Statement, the directors of Trident (the "Trident Directors") are owed certain monies by Trident and have agreed to forbear from requiring payment of part of those monies until the date that is one year from the end of the Offer Period. The Trident Directors have agreed with Trident that, in lieu of receiving those monies owing to them by Trident, they will accept, if required by Trident, a total of 2,147,427 Mosman Shares. The number of Mosman Shares that may be issued to the Trident Directors for the applicable outstanding monies is based on a deemed value of A\$0.50 per Mosman Share; and
 - (b) as detailed in the Bidder's Statement. Trident has agreed with its financial advisor, DDM, that if required by Trident, in lieu of receiving cash fees of A\$100,000 in respect of the Offer, DDM will accept 200,000 Mosman Shares payable on or before the date that is one year from the expiration of the Offer.

Rationale for the Offer

Mosman believes that there are a number of key strategic and financial benefits that will arise from the successful acquisition of Trident by Mosman. These include:

1. complementing Mosman's existing portfolio of oil and gas projects and ensuring that Mosman has a diversified asset portfolio with interests in five prospective hydrocarbon regions;
2. improving access to capital markets, likely to be able to provide additional capital to development projects and to support the valuation of the combined entity;
3. providing access to the expertise of the directors of Mosman, which will be brought to bear to accelerate the development of Trident's existing assets;
4. providing the benefits of scale and of a diversified portfolio of exploration assets in order to present a more attractive investment proposition than Trident or Mosman as standalone entities; and
5. deploying cash resources towards investment in near-production assets which present improved opportunities for shareholders of Mosman in the short-to-medium term.

Trident Board Recommendation

The Trident Directors have agreed to unanimously recommend the Offer in the absence of a Superior Proposal. In addition, the individual Trident Directors have undertaken to accept, or procure the acceptance of the Offer, in respect to Trident Shares that they or their associates own or control, in the absence of a Superior Proposal.

An application will be made to the London Stock Exchange for the Mosman Shares to be issued to the Trident shareholders, which will rank pari passu with the Company's existing issued ordinary shares, to be admitted to trading on AIM.

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 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 two assets: the Petroleum Creek Project, a low cost onshore project in New Zealand and the Officer Basin Project in Western Australia.

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 Crestal-1 was declared an Oil Discovery in July 2014. In H2 2014, the focus is on 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 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.

Appendix One

Mosman Oil and Gas Limited Special Purpose Financial Report as at 30 June 2014



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Business Consultants
Financial Advisors

INDEPENDENT AUDITOR'S REPORT

To the members of Mosman Oil and Gas Limited

We have audited the accompanying Consolidated Statement of Financial Performance, Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Cash Flows, being a special purpose financial report, of Mosman Oil and Gas Limited as at 30 June 2014.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the special purpose financial report and have determined that the basis of preparation are consistent with the basis of preparation as set out in the audited financial report for the year ended 30 June 2013 and are appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a special purpose financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the special purpose financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the special financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the special purpose financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion the special purpose financial report of Mosman Oil and Gas Limited is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's financial position as reflected in the Consolidated Statement of Financial Position as at 30 June 2014 and of its profit or loss for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.



Somes Cooke



Nicholas Hollens
Perth
22 August 2014



MOSMAN OIL AND GAS
LIMITED

ACN 150 287 111

SPECIAL PURPOSE FINANCIAL
REPORT
30 JUNE 2014



MOSMAN OIL AND GAS
LIMITED

• **Consolidated Statement of Profit and Loss and Other Comprehensive Income
Period Ended to 30 June 2014**

	Note	Consolidated June 2014 \$	Consolidated June 2013 \$
Interest Income		2,524	2,773
Administrative costs		(57,155)	(7,409)
Corporate costs		(1,385,595)	(326,009)
Exploration write off		(3,015)	(305,252)
Employee Benefits expense		(52,276)	(25,686)
Share based payments		(328,522)	(50,000)
Gain/ (Loss) on FX		(36,983)	-
Depreciation		(2,130)	(753)
Loss from ordinary activities before income tax expense		(1,863,152)	(712,336)
Income tax expense		-	-
Net Loss for the year		(1,863,152)	(712,336)
Other Comprehensive Income		-	-
Total comprehensive income attributable to members of the entity		(1,863,152)	(712,336)



MOSMAN OIL AND GAS
LIMITED

**Consolidated Statement of Financial Position
As at 30 June 2014**

	Notes	Consolidated June 2014 \$	Consolidated June 2013 \$
• Current Assets			
Cash and cash equivalents		6,289,921	427,666
Trade and other receivables		266,788	22,348
• Total Current Assets		<u>6,556,709</u>	<u>450,014</u>
• Non-Current Assets			
• Property, plant & equipment		3,573	5,703
• Capitalised mineral exploration expenditure		3,986,591	183,973
• Total Non-current Assets		<u>3,990,164</u>	<u>189,676</u>
• Total Assets		<u>10,546,873</u>	<u>639,690</u>
• Current Liabilities			
Trade and other payables		1,005,936	59,065
Provisions		4,692	-
Share applications received in advance		15,000	-
• Total Current Liabilities		<u>1,025,628</u>	<u>59,065</u>
Total Liabilities		<u>1,025,628</u>	<u>59,065</u>
• Net Assets		<u>9,521,245</u>	<u>580,625</u>
• Shareholders' Equity			
Contributed equity		11,972,319	1,585,000
Reserves		416,453	-
Accumulated losses		(2,867,527)	(1,004,375)
• Total Shareholders' Equity		<u>9,521,245</u>	<u>580,625</u>



MOSMAN OIL AND GAS
LIMITED

Consolidated Statement of Cash Flows
Period Ended 30 June 2014

	Notes	Consolidated June 2014 \$	Consolidated June 2013 \$
• Cash flows from operating activities			
Interest received		2,524	2,773
Payments to suppliers and employees		(1,607,485)	(356,324)
• Net cash (outflow) from operating activities		(1,604,961)	(353,551)
• Cash flows from investing activities			
Payments for Property, plant & equipment		-	(6,456)
Payments for exploration and evaluation assets		(1,246,664)	(403,082)
• Net cash (outflow) from investing activities		(1,246,664)	(409,538)
Cash flows from financing activities			
Proceeds from shares issued		8,698,880	985,000
Proceeds from share subscriptions received in advance		15,000	-
• Net cash inflow from financial activities		8,713,880	985,000
• Net (decrease) / increase in cash and cash equivalents		5,862,255	221,911
• Cash and cash equivalents at the beginning of the financial period		427,666	205,755
• Cash and cash equivalents at the end of the financial period		6,289,921	427,666

**Consolidated Statement of Changes in Equity
Year Ended 30 June 2014**

	Accumulated Losses \$	Contributed Equity \$	Reserves \$	Total \$
Balance at 1 July 2012	(292,039)	550,000	-	257,961
Comprehensive income				
Profit for the year	(712,336)	-	-	(712,336)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	(712,336)	-	-	(712,336)
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued to shareholders	-	1,035,000	-	1,035,000
Total transactions with owners and other transfers	-	1,035,000	-	1,035,000
Balance at 1 July 2013	(1,004,375)	1,585,000	-	580,625
Comprehensive income				
Profit for the year	(1,863,152)	-	-	(1,863,152)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	(1,863,152)	-	-	(1,863,152)
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued to shareholders	-	10,921,853	-	10,921,853
Capital raising costs	-	(534,534)	-	(534,534)
Options issued	-	-	416,453	416,453
Total transactions with owners and other transfers	-	10,387,319	416,453	10,803,772
Balance at 1 July 2013	(2,867,527)	11,972,319	416,453	9,521,245