

2 July 2014

Mosman Oil and Gas Limited
(“Mosman” or the “Company”)

Acquisition of Trident Energy Limited

Mosman Oil and Gas Limited (AIM: MSMN), the New Zealand and Australia focussed oil exploration and development company, has entered into a binding Bid Implementation Agreement (“BIA”) pursuant to which it is proposing to acquire all of the issued shares in Trident Energy Limited (“Trident”), an Australian unlisted public company with onshore and offshore oil interests in Australia (“Acquisition”).

Acquisition Highlights

- The Acquisition will complement and expand Mosman’s regional exploration portfolio.
- Trident has three exploration assets located in the highly prospective 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
- The total consideration comprises circa £1.6m (based on the current share price of 23p and an exchange rate of £1:A\$1.813) payable in three tranches:
 - The issue of 2,892,978 Mosman Shares to acquire 100% of the issued share capital of Trident
 - Settlement of outstanding loans and directors’ fees by the issue of 2,147,427 Ordinary Shares (the “Loan Shares”)
 - Settlement of outstanding creditors by the issue of up to 308,113 Ordinary Shares (the “Creditor Shares”) and
 - An agreement to provide a loan of up to A\$750,000 to Trident
- The Mosman board 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

John W Barr, Executive Chairman of Mosman commented: “The Trident acquisition complements Mosman’s existing Petroleum Creek and Officer Basin projects, ensuring that Mosman has a diversified asset portfolio in five prospective hydrocarbon regions.

“Exploration of the 5 permits is fully funded and we believe the enlarged portfolio will deliver operational activity and exploration milestones in the coming months and years.

“As we stated at IPO in March, Mosman’s strategy is to develop the business organically and by acquisition, which we are delivering both in only four months since IPO, having achieved the recent oil discovery at Cross Roads-1 and now our first acquisition.”

TRIDENT EXPLORATION ASSETS

VIC/P62 –Otway Basin, Victoria (30%)

VIC/P62 is a large 4,630 sq. km permit in shallow water (50- 90m) in the Otway Basin. Loyz Energy Limited (a company listed on the Catalist Exchange of the Singapore Stock Exchange) has a 70% interest and funded a 3D seismic survey in 2013 at a cost of in excess of A\$4.5 million.

Mosman has had all the data reviewed by SRK Consulting (Australasia) Pty Ltd and is encouraged by their identification of multiple possible drilling targets.

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

VIC /P62 is currently being renewed and the Acquisition is subject to that process being completed.



EPA 145: Amadeus Basin, Northern Territory (100%)

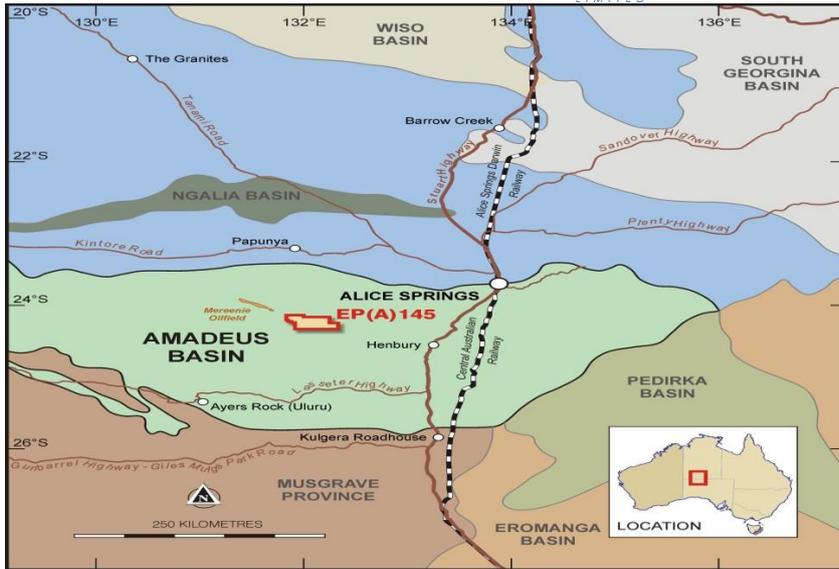
EPA 145 is an application for a permit in the Amadeus Basin in the Northern Territory of Australia. Grant of EPA 145 is currently pending signature by the Minister and that is a condition of the Acquisition. A deed for exploration between Trident and the Central Land Council (CLC) for native title matters has been successfully negotiated and executed.

The Amadeus Basin comprises 170,000 sq km and is one of Australia's least explored basins, which contains two producing fields, Mereenie Oil and Gas field and the Palm Valley Gas field. Recently, Central Petroleum has developed the Surprise Oil Field, demonstrating oil as well as gas in the area.

EPA 145 is close to existing infrastructure, and the permit area contains the West Walker-1 Discovery which flowed 3.5 mmcf/d gas, with composition similar to the Mereenie oil field.



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EP478 – Canning Basin, WA

The EP478 permit is located in the Canning Basin of Western Australia. The permit covers a large structure on a proven petroleum system. (Looma-1: 500 million barrel tight oil discovery).

Trident has the right to farm-in to 17.5% of EP478 by funding 25% of the first well. Should Trident not elect to farm in and the well is a discovery, Trident earns 7.5% of the permit.

Apache Energy has an option to take up to a 40% in interest in EP478, subject to the exercise of Trident's pre-emptive rights.

INFORMATION ON TRIDENT

In the financial year ended 30 June 2013, Trident had audited losses of A\$258,861 before tax and net liabilities of A\$ 855,426.

TRANSACTION SUMMARY AND MECHANICS

Under the terms of the BIA, Mosman will seek to acquire 100% of the issued share capital of Trident via an off-market takeover to be undertaken in accordance with the requirements of the Australian Corporations Act 2001 (Cth) ("Takeover Offer"). Under the Takeover Offer, Trident shareholders will be offered one (1) fully paid ordinary share in Mosman ("Mosman Share") for every five (5) fully paid ordinary shares in Trident ("Trident Shares") that they hold.

The Takeover Offer will be subject to the following conditions, which may be waived by Mosman, including:

1. A minimum acceptance from Trident shareholders representing at 90% of the Trident Shares;
2. Mosman completing an equity capital raising of at least A\$2 million;
3. VIC/P62 permit being renewed; and
4. The grant of Exploration Permit 145 (EP145).

The full conditions of the Takeover Offer are detailed in Annexure A to this RNS and a copy of the BIA is in Annexure B to this RNS.

An application will be made to the London Stock Exchange for the Mosman Shares and the Loan Shares to be issued to the Trident shareholders, directors and creditors and the Placing Shares to be issued by way of a capital raising, which will rank *pari passu* with the Company's existing issued Ordinary Shares, to be admitted to trading on AIM.

Mosman intends to lodge a Bidder's Statement (containing the terms of the Takeover Offer) with the Australian Securities and Investments Commission ("ASIC"), in accordance with the requirements of the Corporations Act, as soon as practicable (refer to the proposed timetable below).

Trident Board Recommendation

The board of directors of Trident have agreed to unanimously recommend the Takeover Offer in the absence of a superior competing proposal. In addition, the individual Trident directors have undertaken to accept, or procure the acceptance of the Takeover Offer, in respect to Trident Shares that they or their associates own or control, in the absence of a superior competing proposal.

Lock Up

80% of the Mosman Shares and the Loan Shares to be issued to the Trident Shareholders will be subject to a 12 month Lock-In, commencing on the date of their issue.

Exclusivity and Reimbursement Fee

The BIA contains "no shop" and "no talk" obligations on Trident in favour of Mosman (subject to standard fiduciary care outs) that terminate on the earlier of the Takeover Offer closing or the termination of the BIA. The BIA also contains notification rights and a first right to match competing proposals.

A mutual reimbursement fee of A\$150,000 applies in certain circumstances.

Full details of the above arrangements are in Annexure B to this RNS.

Additional Arrangements

Mosman has agreed to provide Trident with a loan facility for an aggregate amount of A\$750,000, which will be utilised by Trident for the payment of current outstanding third party creditors and in part payment of outstanding directors' fees and loan funds provided by certain Trident directors.

Mosman has also agreed that it will issue up to 308,113 Creditor Shares to third party creditors in lieu of cash amounts owing by Trident.

The directors of Trident have entered into deeds of warranty, undertaking and release with Mosman, pursuant to which (amongst other things) the directors provide certain representations and warranties in favour of Mosman and have agreed to accept the issue of a total of up to 2,147,427 Mosman Shares in part payment of directors' and other fees owing to them by Trident.

PRO-FORMA CAPITAL STRUCTURE

On completion of the Acquisition, Mosman's capital structure will be as follows:

	Shares	Options
Current Issued Capital	77,927,175	9,527,674*
Mosman Shares for Takeover Offer	2,892,978	Nil
Loan Shares to be issued to Trident directors	2,147,427	Nil
Creditor Shares to be issued	308,113	Nil
TOTAL	83,275,693	9,527,674

* Comprised of:

- (a) 3,000,000 options with exercise price of A\$0.20 exercisable on or before 31 March 2016;
- (b) 3,300,000 options with exercise price of A\$0.15 exercisable on or before 13 January 2019;
- (c) 2,000,000 options with exercise price of A\$0.05 exercisable on or before 15 February 2017; and
- (d) 1,227,674 options with exercise price of £0.08 exercisable on or before 20 March 2019.

Note also that Mosman is proposing to undertake an equity capital raising to raise up to A\$2,000,000 (completion of which is a condition to the Takeover Offer). The exact number and pricing of the Mosman securities to be issued is yet to be determined.

INDICATIVE TIMETABLE

An indicative timetable for the completion of the Acquisition and associated transactions is as follows:

Event	Date
Execution of BIA and announcement of Acquisition	Wednesday 2 July 2014
Mosman lodges Bidder's Statement with ASIC and announces lodgement on AIM	Wednesday 23 July 2014
Trident lodges Target's Statement with ASIC and Mosman announces lodgement on AIM	Wednesday 30 July 2014
Mosman's Bidder's Statement and Trident's Target's Statement sent to Trident shareholders Takeover Offer Period commences	Wednesday 6 August 2014
Takeover Offer closes	Wednesday 10 September 2014



Please note that the above timetable is indicative only and the directors of Mosman reserve the right to amend the timetable as required.

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, NZ, 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

In 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.

ANNEXURE A – TAKEOVER OFFER BID CONDITIONS

The Takeover Offer is subject to the following bid conditions. Terms used in this Annexure A have the meaning given in the BIA as provided in Annexure B.

1. Minimum acceptance

At or before the end of the Offer Period, Mosman has a Relevant Interest in such number of Target Shares which represents at least 90% of the aggregate of all the Target Shares on issue at the end of the Offer Period.

2. Regulatory approvals

Before the end of the Offer Period, all approvals or consents that are required by any applicable law, by any Government Agency or by any other Third Party as are necessary to permit:

- (a) the Offer to be lawfully made to and accepted by the Target Shareholders;
- (b) the transactions contemplated by the Bidder's Statement to be completed; and
- (c) the Target to be in material compliance with each of its and its subsidiaries' contracts, permits, licences and other agreements,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

3. No regulatory action and consents

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (a) there is not in effect any preliminary or final decision, order or decree issued by any Government Agency;
- (b) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (c) no application is made to any Government Agency (other than by the Bidder or any associate of the Bidder),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impacts upon, the making of the Offer and the completion of any transaction contemplated by the Bidder's Statement or which requires the divestiture by the Bidder of any Target Shares or any material assets of the Target or any subsidiary of the Target.

4. No material adverse change

Between the Announcement Date and the end of the Offer Period (each inclusive) none of the following occurs:



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- (a) an event, change, condition, matter or thing occurs or will or is reasonably likely to occur;
- (b) information is disclosed or announced by the Target concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur; or
- (c) information concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur becomes known to the Bidder (whether or not becoming public),

(each of (a), (b) and (c) being a **Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, matters or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Target Group taken as a whole or without limiting the generality of the foregoing, the effect of a diminution in the value of the consolidated net assets of the Target Group, taken as a whole, by at least \$200,000 against what it would reasonably have been expected to have been but for such Specified Event, other than:

- (d) an event, matter, change or circumstance caused, or materially contributed to, by the Bidder;
- (e) anything required or permitted to be done or not done under this Agreement or otherwise required to be done in connection with the legal obligations for the implementation of the Takeover Bid;
- (f) any event, matter, change or circumstance:
 - (i) fairly disclosed by the Target to the Bidder or any Related Person of the Bidder prior to the date of this Agreement;
 - (ii) disclosed prior to the date of this Agreement in public filings by the Target to ASIC; or
 - (iii) otherwise known by the Bidder or any Related Person of the Bidder, at any time prior to the date of this Agreement.

5. Capital expenditures

Between the Announcement Date and the end of the Offer Period (each inclusive), the Target does not incur or commit to incur an amount of capital expenditure in excess of \$50,000 other than:

- (a) capital expenditure incurred on existing projects in which the Target has an interest as at the Announcement Date; or
- (b) capital expenditure in the day to day operating activities of the business of the Target and its subsidiaries conducted in the same manner as before the Announcement Date.

6. No litigation on foot or pending



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Between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against the Target which may reasonably result in a judgment of \$200,000 or more is commenced, is threatened to be commenced, is announced, or is made known to the Bidder (whether or not becoming public) or the Target.

7. No prescribed occurrences

Between the Announcement Date and the end of the Offer Period (each inclusive), none of the following events occurs:

- (c) the Target converting all or any of the Target Shares into a larger or smaller number of Target Shares;
- (d) the Target or any other member of the Target Group resolving to reduce its share capital in any way;
- (e) the Target or any other member of the Target Group entering into a buyback agreement or resolving to approve the terms of a buyback agreement under sections 257C(1) or 257D(1) of the Corporations Act;
- (f) the Target making an issue of Target Shares or granting an option over the Target Shares or agreeing to make such an issue or grant such an option;
- (g) the Target or any other member of the Target Group or agreeing to issue, convertible notes or any of securities;
- (h) the Target or any other member of the Target Group disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (i) the Target or any other member of the Target Group granting, or agreeing to grant, a Security Interest in the whole, or a substantial part, of its business or property;
- (j) the Target or any other member of the Target Group resolving that it be wound up;
- (k) the appointment of a liquidator or provisional liquidator of the Target or any other member of the Target Group;
- (l) the making of an order by a court for the winding up of the Target or any other member of the Target Group;
- (m) an administrator of the Target or any other member of the Target Group being appointed under sections 436A, 436B or 436C of the Corporations Act;
- (n) the Target or any other member of the Target Group executing a deed of company arrangement; or
- (o) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of the Target or any other member of the Target Group.

8. No distributions



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Between the Announcement Date and the end of the Offer Period (each inclusive), the Target does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

9. Bidder Capital Raising

Completion by the Bidder before the end of the Offer Period of the Bidder Capital Raising.

10. Renewal of VIC/P62 and waiver of right of pre-emption

- (a) Renewal of VIC/P62 before the end of the Offer Period.
- (b) Waiver of the right of pre-emption in relation to VIC/P62 before the end of the Offer Period.

11. Grant of EP145

Grant of EP145 before the end of the Offer Period.

ANNEXURE B – BID IMPLEMENTATION AGREEMENT

Bid Implementation Agreement

Trident Energy Limited

Target

Mosman Oil and Gas Limited

Bidder

This Agreement is made this _____ day of _____ 2014

Parties **Mosman Oil and Gas Limited ACN 150 287 111** of Level 1, 981 Wellington Street, West Perth, Western Australia (**Bidder**)

and

Trident Energy Limited ACN 113 536 182 of Suite 2, 337A Lennox Street, Richmond, Victoria (**Target**)

Recitals

- A. The Bidder is proposing to make the Takeover Bid and the Target Directors are proposing to recommend the Takeover Bid in the absence of a Superior Proposal.
- B. The Parties have agreed that the Takeover Bid will be implemented on the terms and conditions in this Agreement.

This Agreement provides

1. Definitions and Interpretation

1.1 Definitions

In this Agreement the following terms shall bear the following meanings:

Agreed Bid Terms means the terms and conditions in Schedule 1.

Agreement means this agreement.

AIM means the alternative investment market of the London Stock Exchange.

AIM Rules means the AIM Rules for Companies published by the London Stock Exchange (as supplemented by the AIM note for Mining and Oil & Gas Companies published by the London Stock Exchange), as amended from time to time.

Announcement Date means the date of the announcement of the Takeover Bid by the Bidder pursuant to clause 2.2.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of the Corporations Act included a reference to this agreement.

Bidder Capital Raising means an equity capital raising by the Bidder to raise a minimum of \$2,000,000.

Bid Conditions means the conditions to the Takeover Bid detailed in section 3 of the Agreed Bid Terms, each of which being a **Bid Condition**.

Bidder Group means the Bidder and its Related Bodies Corporate.

Bidder Share means an ordinary fully paid share in the capital of the Bidder.

Bidder's Statement means the bidder's statement to be prepared by the Bidder in relation to the Takeover Bid in compliance with Part 6.5 of the Corporations Act.

Break Fee means \$150,000.

Business Day means a day on which banks are open for business in Perth, other than a Saturday, Sunday or public holiday.

Competing Proposal means any expression of interest, proposal, offer, transaction or arrangement by or with any person pursuant to which, if the expression of interest, proposal, offer, transaction or arrangement is entered into or completed substantially in accordance with its terms, would result in a Third Party:

- (c) directly or indirectly acquiring an interest, a Relevant Interest in or becoming the holder of more than 20% or more of the Target Shares;
- (a) acquiring Control of the Target; or
- (b) otherwise directly or indirectly:
 - (i) acquiring or merging with the Target, or having the right to so acquire or merge with; or
 - (ii) acquiring a significant economic interest in all or significant part of the business or assets of the Target,

in each case whether by way of takeover bid, scheme of arrangement, security holder-approved acquisition or resolution, reverse takeover bid, capital reduction, security buy-back, sale or purchase of assets, joint venture, dual listed company and/or trust structure, or other transaction or arrangement.

Control has the meaning given in section 50AA of the Corporations Act.

Corporations Act means the Corporations Act 2001 (Cth).

Court means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act.

Encumbrance means any mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.

EP145 means the exploration permit of that number, located in the onshore Amadeus Basin.

Exclusivity Period means the period from the date of this agreement until:

- (d) termination of this Agreement; or

(e) the end of the Offer Period,

whichever is earlier.

Government Agency means any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.

Loan Agreement means the agreed form loan agreement to be entered into between the Bidder and the Target on the date of this Agreement pursuant to which the Bidder will loan to the Target an aggregate total of \$750,000.

security will be provided, by the Target to the Bidder, for the funds advanced.

Offer Period means the period that the Offer is open for acceptance.

Offer has the meaning given in clause 2.1(b).

Oil and Gas Rights means any oil and gas exploration and/or exploitation rights, tenements, licences, concessions (held directly or indirectly) or contractual rights in respect of the same in which the Target has an interest.

Party means a party to this Agreement and **Parties** means both of them.

PPSA means the Personal Property Securities Act 2009 (Cth).

Related Body Corporate has the meaning given in section 50 of the Corporations Act.

Related Person means in relation to a Party:

- (f) a Related Body Corporate;
- (c) its advisers or an adviser of a Related Body Corporate of that Party; or
- (d) an officer or employee of any entity referred to in paragraphs (f) or (c) above.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Security Interest has the meaning given in section 12 of the PPSA.

Stakeholder means any community group, industry group, environmental group, landowners or traditional owners.

Subsidiary has the meaning given in Division 6 of Part 1.2 of the Corporations Act.

Superior Proposal means a Competing Proposal that the Target Board determines in good faith (based on the written opinion of external financial and legal advisors) is:

- (g) reasonably capable of being valued and completed in a timely manner, taking into account all aspects of the Competing Proposal and the person making it; including without limitation, having regard to legal, financial and regulatory matters and conditions precedent reasonably capable of being completed;
- (e) more favourable to Target Shareholders as a whole than the Offer, taking into account all the terms and conditions of the Competing Proposal.

Takeover Bid has the meaning given in clause 2.1(a).

Target Board means the board of Target Directors.

Target Director means a director of the Target.

Target Group means the Target and its Related Bodies Corporate.

Target Share means a fully paid ordinary share in the capital of the Target.

Target Shareholder means a registered holder of Target Shares.

Target's Statement means the target's statement to be prepared by the Target in relation to the Takeover Bid in compliance with Part 6.5 of the Corporations Act.

Third Party means a party other than the Target, the Bidder and any of their Subsidiaries.

Timetable means the timetable in **Error! Reference source not found..**

Unacceptable Circumstances has the meaning set out in section 657A of the Corporations Act.

VIC/P62 means Victorian Petroleum Exploration Permit VIC/P62, in the Torquay Sub-basin off the coastline of southern Victoria.

Warranty, Undertaking and Release Deeds means the agreed form deeds to be entered into on the date of this Agreement between:

- (h) the Bidder, the Target and Mr David Carruthers;
- (f) the Bidder, the Target and Mr Walter Dewe; and
- (g) the Bidder, the Target and Mr Christopher Haslam,

pursuant to which, amongst other things:

- (h) each Target Director will provide certain warranties in favour of the Bidder
- (i) the Bidder agrees to issue Bidder Shares to each Target Director in satisfaction of fees and/or outstanding loan monies owing to the Target Directors.

1.2 Interpretation

In this Agreement:

- (a) headings are for convenience only and do not affect interpretation;
- (b) the schedules and recitals are to be construed as part of this Agreement:

and unless the context indicates a contrary intention:

- (c) the expression 'person' includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (d) a reference to any Party includes that Party's executors, administrators, successors and permitted assigns, including any person taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;



- (e) a reference to any document (including this agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (f) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (g) words importing the singular include the plural (and vice versa), and words indicating a gender include every other gender;
- (h) references to Parties, clauses, schedules, exhibits or annexures are references to Parties, clauses, schedules, exhibits and annexures to or of this Agreement, and a reference to this Agreement includes any schedule, exhibit or annexure to this Agreement;
- (i) specifying anything after the words 'including', 'for example' or similar expression does not limit what else is included unless there is express wording to the contrary;
- (j) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (k) a reference to '\$' or 'dollar' is to Australian currency; and
- (l) if any day appointed or specified by this Agreement for the payment of any money or doing of anything falls on a day which is not a Business Day, the day so appointed or specified shall be deemed to be the next Business Day.

2. Takeover Bid

2.1 Making the Takeover Bid

The Bidder agrees to:

- (a) make an off-market takeover bid under Chapter 6 of the Corporations Act to acquire all the Target Shares on terms and conditions no less favourable to Target Shareholders than the Agreed Bid Terms (**Takeover Bid**); and
- (b) make offers to the Target Shareholders to acquire the Target Shares pursuant to the Takeover Bid (**Offer**).

2.2 Public announcement of Takeover Bid

As soon as reasonably practicable following the execution of this Agreement, the Bidder will issue a public announcement concerning the Takeover Bid substantially in the form in **Error! Reference source not found.** or as otherwise agreed between the Parties.

2.3 Target Directors' recommendation and acceptance

The Target represents and warrants that:

- (a) the Target Board has met and considered the possibility of the Bidder agreeing to make the Takeover Bid; and
- (b) all of the Target Directors have informed the Target that, if the Bidder complies with clause 2.1, they will:



- (i) unanimously recommend that Target Shareholders accept the Offer to be made to them; and
- (ii) accept, or procure the acceptance of, the Offer in respect of any Target Shares that they, or their associates, own or control,

in each case in the absence of a Superior Proposal.

2.4 Target Board Changes

- (a) On or before the date that is 5 Business Days after the earlier to occur of:
 - (i) if the Offer is unconditional, the Bidder acquiring a Relevant Interest in at least 50.1% of the Target Shares; and
 - (ii) if the Bidder acquires a Relevant Interest in at least 50.1% of the Target Shares before the Takeover Bid becomes unconditional, the Offer becoming unconditional,

the Target will procure that Messrs David Carruthers and Christopher Haslam resign as Target Directors and that Messrs John W. Barr and Andrew Carroll (each of whom are nominees of the Bidder) are appointed as Target Directors as casual vacancies.

- (b) Following the appointment of Messrs Barr and Carroll as Target Directors, the Bidder will procure that those creditors of the Target detailed in the Loan Agreement are, as soon as reasonably practicable following the appointment of Messrs Barr and Carroll, paid the outstanding monies owing to them in accordance with the terms and conditions of the Loan Agreement.
- (c) The Bidder acknowledges that following the appointments and resignations detailed in clause 2.4(a), Mr Walter Dewe will continue as a Target Director on the same terms of engagement as existing at the date of this Agreement.

3. Facilitation of Offer

3.1 Bidder's Statement

- (a) The Bidder will prepare and dispatch the Bidder's Statement in accordance with this clause 3.1.
- (b) The Bidder will ensure that the Bidder's Statement (including any documentation dispatched together with the Bidder's Statement) is consistent with the Agreed Bid Terms and complies with all applicable legal requirements.
- (c) The Bidder will, to the extent practicable, give the Target a reasonable opportunity to review an advanced draft of the Bidder's Statement at least 5 Business Days before the Bidder is required to lodge the Bidder's Statement with ASIC and will consult in good faith with the Target with respect to any comments the Target may have.

3.2 Target's Statement

- (a) The Target will prepare and dispatch the Target's Statement in accordance with this clause 3.2.



- (b) The Target will ensure that the Target's Statement (including any documentation dispatched together with the Target's Statement) complies with all applicable legal requirements.
- (c) The Target will, to the extent practicable, give the Bidder a reasonable opportunity to review an advanced draft of the Target's Statement at least 5 Business Days before the Target is required to lodge the Target's Statement with ASIC and will consult in good faith with the Bidder in relation to any comments the Bidder may have.

3.3 Dispatch of Offer

- (a) The Target agrees that the Offer and accompanying documents to be sent by the Bidder under item 6 of section 633(1) of the Corporations Act may be sent on a date nominated by the Bidder that is earlier than the date prescribed by item 6 of section 633(1) of the Corporations Act.
- (b) Each Party agrees to use reasonable endeavours to implement the Takeover Bid as quickly as reasonably permitted in the circumstances, having regard to the Timetable.
- (c) Provided that a Superior Proposal has not been received by the Target in the interim, each Party agrees to use reasonable endeavours to send the Bidder's Statement and Target's Statement to Target Shareholders together.

3.4 Access to information

Each Party agrees to provide the other Party, on a timely basis, with information that may be reasonably required to assist in the preparation of the Bidder's Statement and the Target's Statement (as applicable).

3.5 Promoting the Takeover Bid

- (a) From the Announcement Date until the end of the Offer Period, in the absence of a Superior Proposal, the Target will procure that the Target Board will support the Takeover Bid and participate in efforts reasonably required by the Bidder to promote the merits of the Takeover Bid, including meeting with key Target Shareholders, analysts and media representatives if requested to do so by the Bidder, but only to the extent that the Target Board has determined, in good faith and acting reasonably (after obtaining written legal advice from external lawyers) that the Target can comply with this clause 3.5 without the Target Directors' breaching fiduciary or statutory duties.
 - (b) From the Announcement Date until the end of the Offer Period, in the absence of a Superior Proposal, the Target agrees:
 - (i) to include in all public statements relating to the Takeover Bid (following the initial announcement of the Takeover Bid made pursuant to clause 2.2), a statement to the effect that:
 - (A) the Target Directors unanimously recommend that Target Shareholders accept the Offer to be made to them; and
 - (B) each Target Director intends to accept, or procure the acceptance of, the Offer made to them in respect of all Target Shares they own or control,
- in each case in the absence of a Superior Proposal;



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- (ii) not to make any public statement or take any other public action which would suggest that the Takeover Bid is not unanimously recommended by the Target Directors unless a Superior Proposal emerges; and
- (iii) to procure that the Target Directors do not withdraw their recommendation subsequently unless a Superior Proposal emerges.

3.6 Conduct of the Target during Offer Period

From the Announcement Date until the end of the Offer Period, the Target will, and will procure that each other member of the Target Group will:

- (a) not knowingly take any action which causes a breach of the Agreed Bid Terms;
- (b) conduct its business in its usual and ordinary course and on a basis consistent with past practice or as may be required in order to satisfy a specific requirement of a Government Agency;
- (c) maintain its current liabilities at existing levels (excluding liabilities in respect to monies owing to the Target Directors) and discharge current liabilities as they fall due;
- (d) not incur additional liabilities (to those as at the date of this Agreement) in excess of \$50,000, excluding liabilities under the Loan Agreement;
- (e) not acquire, dispose of or create any Encumbrance over, or agree to acquire or dispose of or create any Encumbrance over an asset (other than in the ordinary course of business as an exploration company);
- (f) not acquire or dispose of one or more assets, entities or businesses for an amount in aggregate of more than \$50,000;
- (g) provide the Bidder, as soon as reasonably practicable, with copies of any correspondence received by it from any Government Agency or Stakeholder in respect of any of the Oil and Gas Rights;
- (h) not, other than in the ordinary course of business:
 - (i) contact or correspond (directly or indirectly); or
 - (ii) make or lodge any submission, report or application (whether formal or informal),

with any Government Agency or any Stakeholder in respect of any of the Oil and Gas Rights without obtaining the Bidder's prior written consent as to the form and content of any relevant contact, correspondence, submission, report or application, such consent not to be unreasonably withheld;
- (i) not relinquish, surrender or otherwise dispose of any right or interest in any of the Oil and Gas Rights;
- (j) not enter into any new:
 - (i) farm-in, joint venture, joint operating partnership, option agreement or similar arrangements; or
 - (ii) royalty, off-take, marketing or similar arrangements,



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in respect of any of the Oil and Gas Rights;

- (k) not incur or commit to incur capital expenditure (other than the ordinary course of business) and not to undertake, or commit to undertake any exploration, development or capital investment activities in respect of any of the Oil and Gas Rights other than those activities that are required to comply with the conditions of the Oil and Gas Rights;
- (l) not alter the terms of engagement or remuneration or benefits provided to any Target Directors', employees or consultants;
- (m) not appoint any person as a director of the Target;
- (n) not:
 - (i) convert any of the Target Shares into a larger or small number of Target Shares;
 - (ii) resolve to reduce its share capital in any way;
 - (iii) enter into any buy-back agreement or resolve to approve the terms of any buy-back agreement;
 - (iv) issue Target Shares, grant an option to subscribe for Target Shares or agree to make such an issue or grant such an option;
 - (v) agree to issue convertible notes or any other instruments convertible into Target Shares; or
 - (vi) resolve to be wound up,

save as otherwise agreed by the Bidder.

3.7 Conduct of the Bidder during Offer Period

From the Announcement Date until the end of the Offer Period:

- (a) the Bidder will, and will procure that each other member of the Bidder Group:
 - (i) conduct its business in its usual and ordinary course and on a basis consistent with past practice or as may be required in order to satisfy a specific requirement of a Government Agency; and
 - (ii) preserve and maintain the value of its business and assets, and its relationships with customers, suppliers, employees and others with whom they have business dealings; and
- (b) the Bidder will not issue any securities except:
 - (i) in respect of the Bidder Capital Raising; and
 - (ii) as a consequence of the exercise of options on issue as at the date of this Agreement.

3.8 Bid Conditions

- (a) Subject to clause 3.8(b), the Target agrees not to do (or omit to do) anything which will, or is likely to, result in any of the Bid Conditions being breached, or not being, or not being capable of being, satisfied.
- (b) Nothing in this clause 3.8 prevents the Target or the Target Board from taking, or failing to take, any action where to do otherwise would, in the opinion of the Target Board (determined in good faith have obtained external legal advice), constitute a breach of the Target Directors' fiduciary or statutory duties.
- (c) If any event occurs or becomes apparent which would cause any of the Bid Conditions to be breached or cause satisfaction of them to be unreasonably delayed, each Party must, to the extent that the Party is actually aware of such information, immediately notify the other Party of that event.

3.9 No independent expert

The Parties:

- (a) agree that an independent expert's report accompanying the Target's Statement is not required by section 640 of the Corporations Act; and
- (b) acknowledge and agree that the Target does not currently intend to commission the preparation of an independent expert's report to accompany the Target's Statement.

3.10 Approvals

The Bidder agrees that, as soon as practicable after the Announcement Date, it will apply for all relevant approvals required from any Government Agency in relation to the Takeover Bid and the Target will provide all reasonable assistance to the Bidder in seeking such approvals.

4. Takeover Bid – variation and waiver

4.1 Variation

The Bidder may vary the terms and conditions of the Takeover Bid in any manner which is permitted by the Corporations Act, provided that the varied terms and conditions are not less favourable to Target Shareholders than the Agreed Bid Terms.

4.2 Waiver of Bid Conditions and extension

Subject to the Corporations Act, the Bidder may declare the Takeover Bid to be free from any Bid Condition or extend the Takeover Bid at any time.

5. Payment of costs

5.1 Background

- (a) The Bidder and the Target acknowledge that, if they enter into this Agreement and the Takeover Bid is subsequently not implemented, the Bidder and the Target will incur significant costs.



- (b) Each Party has requested that provision be made for the payments detailed in this clause 5, without which they would not have entered into this Agreement or have otherwise agreed to implement the Takeover Bid.
- (c) The Break Fee has been calculated to reimburse the Bidder or the Target (as applicable) for the following:
- (i) fees for legal and financial advice in planning and implementing the Takeover Bid;
 - (ii) reasonable opportunity costs incurred in engaging in the Takeover Bid or in not engaging in other alternative acquisitions or strategic initiatives;
 - (iii) costs of management and directors' time in planning and implementing the Takeover Bid;
 - (iv) out of pocket expenses incurred by the Bidder's or the Target's (as applicable) employees, advisers and agents in planning and implementing the Takeover Bid; and
 - (v) any damage to the Bidder's or the Target's (as applicable) reputation associated with a failed transaction and the implications of those damages if the Bidder seeks to execute similar transactions in the future,
- in each case, incurred by the Bidder or the Target (as applicable) directly or indirectly as a result of pursuing the Takeover Bid.
- (d) Each Party confirms that its board of directors:
- (i) has received legal advice in relation to this Agreement and the operation of this clause 5; and
 - (ii) believes that the Takeover Bid will provide benefits to it and its shareholders and that it is appropriate for it to agree to the payments referred to in this clause 5 in order to secure the other Party's participation in the Takeover Bid.

5.2 Payment of costs incurred by the Bidder

The Target undertakes to pay the Break Fee to the Bidder if:

- (a) during the Exclusivity Period any Target Director fails to recommend that Target Shareholders accept the Takeover Bid in the absence of a Superior Proposal or, having made such a recommendation, makes a public statement which withdraws, revises, or qualifies that recommendation, except in circumstances where the Target has validly terminated this Agreement under clause 11.
- (b) during the Exclusivity Period, the Target Board or any Target Director recommends that Target Shareholders accept, vote in favour of or otherwise support (including support by way of accepting or voting, or by way of stating an intention to accept or vote, in respect of Target Shares a Target Director owns, controls or otherwise has a Relevant Interest in) a Competing Proposal of any kind which is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the Exclusivity Period;



- (c) a Competing Proposal of any kind is announced during the Exclusivity Period (whether or not such proposal is stated to be subject to any pre-condition) and within 6 months from the date of such announcement, the Third Party or any Associate of that Third Party:
 - (i) completes a Competing Proposal of a kind referred to in any of paragraphs (b) or (c) of the definition of Competing Proposal; or
 - (ii) without limiting clause 5.2(c)(i), acquires (either alone or together with any Associate or Associates) a Relevant Interest in more than 50% of the Target Shares;
- (d) the Target or any of the Target Directors does (or omits to do) anything (whether or not it may be permitted by the terms of this Agreement) which results in any of the Bid Conditions being breached or incapable of being fulfilled and the Bidder declares the Takeover Bid free of the breached conditions (which the Bidder is under no obligation to do); or
- (e) during the Exclusivity Period, there is a material breach of this Agreement by the Target and that breach is not remedied within 10 Business Days after the Bidder gives the Target written notice requesting the cessation or remedy of the breach.

5.3 Payment of costs incurred by the Target

The Bidder undertakes to pay the Break Fee to the Target if there is a material breach of this Agreement by the Bidder and that breach is not remedied within 10 Business Days after the Target gives the Bidder written notice requesting the cessation or remedy of the breach.

5.4 Timing of payment

- (a) The Bidder may demand payment of the Break Fee under clause 5.2 in writing stating the circumstances which give rise to payment.
- (b) The Target must pay the Break Fee without set-off or withholding within 5 Business Days of receipt of the demand in accordance with clause 5.2.
- (c) The Target may demand payment of the Break Fee under clause 5.3 in writing stating the circumstances which give rise to payment.
- (d) The Bidder must pay the Break Fee without set-off or withholding within 5 Business Days of receipt of the demand in accordance with clause 5.3.

5.5 Quantification

Each Party acknowledges and agrees that the loss actually incurred by it under clause 5.1(c) will be of such nature that it cannot accurately be ascertained and that the amount of the Break Fee is a genuine and reasonable pre-estimate of those fees, costs and losses.

5.6 Compliance with law

If:

- (a) it is found by the Takeovers Panel or a Court that all or any part of the payment required to be made under clauses 5.2 or 5.3 is unlawful, involves a breach of director's duties or constitutes Unacceptable Circumstances and the



period for lodging an application for review or a notice of appeal (as applicable) has expired without such an application or notice having been lodged; or

- (b) an application for review or a notice of appeal having been lodged with the Takeovers Panel or a Court within the prescribed period, it is found by the relevant review panel or appeal Court that all or any part of the payment required to be made under clauses 5.2 or 5.3 is unlawful, involves a breach of director's duties or constitutes Unacceptance Circumstances,

(Challenged Amount) then:

- (c) the undertaking under clauses 5.2 or 5.3 (as applicable) does not apply to the extent of the Challenged Amount; and
- (d) in the case any Challenged Amount relates to a payment required to be made under clause 5.2, the Bidder must immediately refund that Challenged Amount; and
- (e) in the case any Challenged Amount relates to a payment required to be made under clause 5.3, the Target must immediately refund that Challenged Amount.

5.7 Break Fee payable only once

Where a Break Fee becomes payable under this clause 5 and is actually paid, the recipient of the Break Fee cannot make any claim against the other Party for payment of any subsequent Break Fee.

5.8 Other claims

- (a) Notwithstanding any other provision of this Agreement, where a Break Fee becomes payable by the Target to the Bidder (or would be payable if a demand was made), the Bidder cannot make any claim (or seek other remedy or compensation) against the Target in relation to an event referred to in clause 5.2.
- (b) Notwithstanding any other provision of this Agreement, where a Break Fee becomes payable by the Bidder to the Target (or would be payable if a demand was made), the Target cannot make any claim (or seek other remedy or compensation) against the Bidder in relation to an event referred to in clause 5.3.

6. Exclusivity

6.1 Cease existing discussions

The Target warrants that, as at the time of execution of this Agreement, it is not in any discussions or negotiations, and has ceased any discussions or negotiations with any Third Party in respect of:

- (a) any Competing Proposal; or
- (b) any transaction that is reasonably likely to reduce the likelihood of the success of the Takeover Bid.

6.2 Prohibition

During the Exclusivity Period, the Target must not, and must ensure that each of its Related Persons does not, directly or indirectly:



- (a) **(No shop)** solicit, invite, encourage or initiate (including, without limitation, by the provision of non-public information) any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, a Competing Proposal, or communicate any intention to do any of those things (whether from a person with whom the Target or any of its Related Persons has previously been in discussions or not); and
- (b) **(no talk)** subject to clause 6.3:
- (i) participate in any negotiations or discussions or provide any information to any person with respect to any inquiry, expression of interest, offer or proposal by any person to make a Competing Proposal;
 - (ii) accept or enter into, or offer to accept or enter into, any agreement, arrangement or understanding regarding a Competing Proposal; or
 - (iii) disclose any non-public information about the business or affairs of the Target to a Third Party (other than a Government Agency) with a view to obtaining or which may reasonably be expected to lead to receipt of a Competing Proposal, other than in the ordinary course of business or as required by law; or
 - (iv) communicate to any person an intention to do anything referred to in this clause 6.2(b).

Nothing in this clause 6.2 prevents the Company from continuing to make normal presentations to brokers, investors and analysts in the ordinary course of business or promoting the merits of the Takeover Bid.

6.3 Fiduciary exception

Clause 6.2(b) does not prohibit any action or inaction by the Target or any of its Related Persons if compliance with clause 6.2(b) would, in the opinion of the Target Board, formed in good faith in reliance on specific written advice from its external legal advisers constitute, or would be likely to constitute, a breach of any of the fiduciary or statutory duties of the Target Directors, provided that the Competing Proposal was not directly or indirectly brought about by, or facilitated by, a breach of clause 6.2(a).

6.4 Notification of approaches

- (a) During the Exclusivity Period, the Target must immediately notify the Bidder if it or any of its Related Persons receives written notice of a bona fide and credible Competing Proposal from any Third Party, with such notification to include:
- (i) the identity of that Third Party; and
 - (ii) all other material terms and conditions of the actual, proposed or potential Competing Proposal, including but not limited to the details of the proposed or implied value of the Competing Proposal, conditions, timing and break fee (if any).
- (b) The Target must:
- (i) not enter into any legally binding agreement, arrangement or understanding (whether or not in writing) in relation to the Competing Proposal with a Third Party; and



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- (ii) must use its best endeavours to procure that none of the Target Directors change their recommendation in favour of the Takeover Bid to publicly recommend a Competing Proposal,

unless, Target has:

- (iii) complied with its notification obligation under clause 6.4(a); and
- (iv) has given the Bidder at least 5 Business Days after the provision of the information referred to in clause 6.4(a) to provide a matching or superior proposal to the terms of the Competing Proposal.

7. Ancillary Documents

Simultaneous with the execution of this Agreement:

- (a) the Parties will, and the Target will procure that the Target Directors will, execute and deliver to each of the Parties the Warranty, Undertaking and Release Deeds; and
- (b) the Parties will execute and deliver to the other the Loan Agreement.

8. Lock-up

- (a) The Target agrees and acknowledges that the Bidder Shares issued to the Target Shareholders by the Bidder as consideration under the Takeover Bid will be subject to a 12 month lock-up.
- (b) The Bidder will use reasonable endeavours to negotiate with its AIM nominated adviser:
 - (i) a lock-up period less than that specified in clause 8(a); or
 - (ii) a lock-up of part only of the Bidder Shares.

9. Confidentiality

A Party (**Recipient**):

- (a) must keep confidential any confidential information of the other Party (**Disclosing Party**) disclosed to the Recipient by the Disclosing Party, or of which the recipient becomes aware, except information which is public knowledge otherwise than as a result of a breach of confidentiality by the Recipient or any of its permitted discloses;
- (b) may disclose any confidential information in respect of which the Recipient has an obligation of confidentiality under clause 9(a) only to those of the Recipient's officers or employees or financial, legal or other advisers who have a need to know for the purposes of this Agreement or the transactions contemplated by it.



10. Warranties

10.1 Mutual warranties

Each Party represents and warrants to the other that, as at the date of this Agreement and until the end of the Offer Period:

- (a) it is validly incorporated, organised and subsisting under the laws of the place of its incorporation;
- (b) it has full power and capacity to enter into and perform its obligations under this Agreement;
- (c) this Agreement has been duly executed and is a legal, valid and binding agreement, enforceable against the Party in accordance with its terms;
- (d) all necessary authorisations for the execution, delivery and performance by it of this Agreement in accordance with its/their terms have been obtained;
- (e) it is not bound by any agreement that would prevent or restrict it from entering into and performing its obligations under this Agreement or the transaction contemplated by it;
- (f) no resolutions have been passed or steps taken, and no petition or other process has been presented or threatened in writing against it, for winding-up or dissolution, and no receiver, receiver and manager, liquidator, administrator or like official has been appointed, or is threatened or expected to be appointed, over the whole or any part of its assets; and
- (g) no regulatory action of any nature has been taken that would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this Agreement.

10.2 Target warranties

The Target represents and warrants to the Bidder that each of the following statements is true, accurate and not misleading:

- (a) each member of the Target Group is a corporation validly existing under the laws of its place of incorporation;
- (b) as at the date of this Agreement there are 14,464,888 Target Shares on issue and there are no other shares or other securities (including equity securities, debt securities or convertible securities) or options (listed or unlisted) or performance rights or other instruments which are convertible into securities in the Target nor has it offered or agreed to issue any such shares, securities, options or performance rights or other instruments to any Third Party;
- (c) the Target has terminated all negotiations and discussions (other than with the Bidder) that relate to any Competing Proposal in respect of the Target as at the date of this Agreement, and there are no discussions, negotiations or agreements in relation to any Competing Proposal in respect of the Target other than to the extent permitted under this Agreement;
- (d) no member of the Target Group is involved in any litigation, arbitration, legal, administrative or governmental proceedings or other dispute and there are no



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facts or circumstances known to the Target (after making reasonable inquiries) likely to give rise to any such proceedings or dispute;

- (e) each member of the Target Group holds all material licences, permits and authorisations necessary to conduct its activities as presently conducted;
- (f) so far as the Target is aware, there has been no material breach by any member of the Target Group of any laws applicable to it, any orders of any Government Agency having jurisdiction over it, or any conditions to any material licence, permit or authorisation held by it save in respect to the failure by the Trident to hold annual general meetings in accordance with the requirements of the Corporations Act and the constitution of Trident;
- (g) all information the Target or its representatives has provided to the Bidder or its representatives is to the knowledge of the Target (after making reasonable enquiries) true and correct in all material respects and is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (h) as at the date of this Agreement, the Target is not aware, after having made due enquiry, of any matter which is likely to result in the occurrence of any prescribed occurrence detailed in clause 7 of Schedule 1 between the Announcement Date and the end of the Offer Period (each inclusive);
- (i) the Target's audited financial statements for the financial year ended 30 June 2013:
 - (i) are, in all material respects, a true and fair reflection of the Target's financial position as at 30 June 2013 and of the Target's performance during the financial year ended 30 June 2013; and
 - (ii) comply with Australian Accounting Standards and the Corporations Regulations 2001 (Cth);
- (j) all material agreements to which a member of the Target Group is party are in full force and effect and, so far as the Target is aware, having made due enquiry, are legally binding as between the parties thereto in accordance with their terms;
- (k) as at the date of this Agreement, the Target is not aware of any act, omission, event or fact that would result in any of the Bid Conditions being breached or not satisfied;
- (l) no person has any right (whether subject to conditions or not) to, as a result or otherwise in connection with the Bidder acquiring Target Shares:
 - (i) acquire, or require the Target to dispose of or offer to dispose of, any material asset of the Target Group;
 - (ii) terminate or vary any material deed with any member of the Target Group; or
 - (iii) accelerate or adversely modify the performance of any obligations of a member of the Target Group in a material respect under any material deed, arrangement or understanding;
- (m) no member of the Target Group is in default in any material respect under any document, agreement or instrument binding on it or its assets nor, so far as the Target is aware, having made due enquiry, has anything occurred which is or would with the giving of notice or lapse of time constitute an event of default,



prepayment event or similar event, or give another party thereto a termination right or right to accelerate any right or obligation, under any such document or agreement with such an effect; and

- (n) there is no Encumbrance (of whatsoever nature) over any assets of the Target Group other than an Encumbrance arising in the ordinary course of business or as previously disclosed in writing to the Bidder.

10.3 Notification

Each Party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance that constitutes or may constitute a breach of any of the representations and warranties given by it under this clause 10.

11. Termination

11.1 Termination rights

This Agreement may be terminated by a Party if:

- (a) the other Party is in material breach of this Agreement and, to the extent that the breach is capable of remedy, that breach is not remedied by that other Party within 10 Business Days of it receiving notice from the first Party of the details of the breach and the first Party's intention to terminate;
- (b) the Bidder withdraws the Takeover Bid or the Takeover Bid lapses for any reason including non-satisfaction of a Bid Condition; or
- (c) the Target Directors change their recommendation in relation to the Takeover Bid as a result of the Target Board determining that it has received a Superior Proposal,

by immediate notice to the other Party.

11.2 Effect of termination

If this Agreement is terminated by another Party under this clause 11:

- (a) each Party will be released from its obligations under this Agreement except its obligations under clauses 1,5,9,10,11.2,12,13 and 14;
- (b) each Party will retain the rights it has or may have against the other Party in respect of any past breach of this Agreement; and
- (c) in all other respects, all future obligations of the Parties under this Agreement will immediately terminate and be of no further force or effect, including without limitation any further obligations in respect of the Takeover Bid.

12. GST

12.1 Interpretation

In this clause 12, a word or expression defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) has the meaning given to it in that Act.

12.2 GST gross up

- (a) Subject to clause 12.2(b), if a Party makes a supply under or in connection with this Agreement in respect of which GST is payable, the consideration for the supply but for the application of this clause 12.2 (**GST exclusive consideration**) is increased by an amount equal to the GST exclusive consideration multiplied by the rate of GST prevailing at the time the supply is made.
- (b) Clause 12.2(a) does not apply to any consideration that is expressed in this Agreement to be inclusive of GST.

12.3 Reimbursements and indemnifications

If a Party must reimburse or indemnify another party for a loss, cost or expense, the amount to be reimbursed or indemnified is first reduced by any input tax credit the other Party is entitled to for the loss, cost or expense, and then increased in accordance with clause 12.2.

12.4 Tax invoice

A Party need not make a payment for a taxable supply made under or in connection with this Agreement until it receives a tax invoice for the supply to which the payment relates.

13. Notices

13.1 Method of giving notices

A notice required or permitted to be given by one Party to another under this Agreement must be in writing and is treated as being duly given if it is:

- (i) left at that other Party's address;
- (a) sent by pre-paid mail to that other Party's address; or
- (b) sent by email.

13.2 Time of Receipt

A notice given to a Party in accordance with clause 13.1 is treated as having been duly given and received:

- (j) when delivered (in the case of it being left at that Party's address);
- (a) on the third Business Day after posting (in the case of it being sent by pre-paid mail); and
- (b) upon receipt by the sender of email confirmation of receipt of the email by the recipient of the email, in which event it will be deemed received as at the time and date of transmission of such confirmation (in the case of it being sent by email).

13.3 Address of Parties

For the purposes of this clause 13, the address of a Party is the address below or another address of which that Party may from time to time give notice to each other Party:

The Bidder



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Address: 1/981 Wellington Street
West Perth WA 6005

Email: jwbarr@mosmanoilandgas.com

Attention: Mr John W Barr

The Target

Address: Suite 2, 337A Lennon Street
Richmond VIC 3125

Email: walterdewe@tridentenergy.com.au

Attention: Mr Walter J Dewe

13.4 Change of Address

Each Party may from time to time change its address by giving notice pursuant to clause 13.1 to the other Party.

14. General

14.1 Governing law

This Agreement is governed by and is to be construed according to the laws of Western Australia.

14.2 Jurisdiction

- (a) Each of the Parties irrevocably submits to and accepts generally and unconditionally the non-exclusive jurisdiction of the courts and appellate courts of Western Australia with respect to any legal action or proceedings which may be brought at any time relating in any way to this Agreement.
- (b) Each of the Parties irrevocably waives any objection it may now or in the future have to the venue of any action or proceedings, and any claim it may now or in the future have that the action or proceeding has been brought in an inconvenient forum.

14.3 Severability

Any provision of this Agreement which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions.

14.4 Amendments

This Agreement may not be modified, amended or otherwise varied except by a document in writing signed by or on behalf of each of the Parties.

14.5 Waiver

No waiver or indulgence by any Party to this Agreement is binding on the Parties unless it is in writing. No waiver of one breach of any term or condition of this Agreement will operate as a waiver of another breach of the same or any other term or condition of this Agreement.

14.6 Further acts

The Parties will promptly do and perform all further acts and execute and deliver all further documents required by law or reasonably requested by any other Party to carry out and effect the intent and purpose of this Agreement.

14.7 Approvals

Subject to any law to the contrary and unless this Agreement expressly provides otherwise, where the doing or execution of any act, matter or thing is dependent on the consent or approval of a Party, that consent or approval may be given or withheld in the absolute discretion of that Party.

14.8 Duties and Costs

- (a) The Bidder must pay all stamp duty in respect of the execution, delivery and performance of any transaction contemplated by this Agreement.
- (b) Except as otherwise provided in this Agreement, each Party must pay its own legal costs and expenses in respect of the negotiation, preparation, execution, delivery and completion of this Agreement.

14.9 Time of the essence

Time is of the essence of this Agreement.

14.10 Power of attorney

- (a) Each attorney who signs this Agreement on behalf of a Party declares that the attorney has no notice from the Party who appointed him that the power of attorney granted to him, under which the attorney signs this Agreement, has been revoked or suspended in any way.
- (b) Each Party represents and warrants to each other that its respective attorney or authorised officer who signs this Agreement on behalf of that Party has been duly authorised by that Party to sign this Agreement on its behalf and that authorisation has not been revoked, and will provide a copy of such authorization to the Company on request of the Company.

14.11 Entire agreement

- (a) This Agreement constitutes the sole and entire agreement between the Parties in relation to the transaction contemplated by this Agreement and contains all of the representations, warranties, undertakings and agreements of and between the Parties.
- (b) The Parties accept that they rely on only those matters expressly set out in this Agreement, as this Agreement supersedes all prior negotiations, contracts, arrangements or understandings with respect to the subject matter dealt with in this Agreement.
- (c) There are no representations warranties, undertakings or agreements between the Parties, expressed or implied, except as set out in this Agreement.



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14.12 Counterparts

This Agreement may be executed in any number of counterparts (including by facsimile) and all of those counterparts taken together constitute one and the same instrument.



Schedule 1 – Agreed Bid Terms

1. Consideration

1 Bidder Share for every 5 Target Shares.

2. Offer Period

One month from the date the Offer opens, subject to the Bidder's right to extend the period.

3. Bid Conditions

(a) Minimum acceptance

At or before the end of the Offer Period, the Bidder has a Relevant Interest in such number of Target Shares which represents at least 90% of the aggregate of all the Target Shares on issue at the end of the Offer Period.

(b) Regulatory approvals

Before the end of the Offer Period, all approvals or consents that are required by any applicable law, by any Government Agency or by any other Third Party as are necessary to permit:

- (i) the Offer to be lawfully made to and accepted by the Target Shareholders;
- (ii) the transactions contemplated by the Bidder's Statement to be completed; and
- (iii) the Target to be in material compliance with each of its and its subsidiaries' contracts, permits, licences and other agreements,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

(c) No regulatory action and consents

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (i) there is not in effect any preliminary or final decision, order or decree issued by any Government Agency;
- (ii) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (iii) no application is made to any Government Agency (other than by the Bidder or any associate of the Bidder),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impacts upon, the making of the Offer and the completion of any transaction contemplated by the



Bidder's Statement or which requires the divestiture by the Bidder of any Target Shares or any material assets of the Target or any subsidiary of the Target.

(d) **No material adverse change**

Between the Announcement Date and the end of the Offer Period (each inclusive) none of the following occurs:

- (i) an event, change, condition, matter or thing occurs or will or is reasonably likely to occur;
- (ii) information is disclosed or announced by the Target concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur; or
- (iii) information concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur becomes known to the Bidder (whether or not becoming public),

(each of (a), (b) and (c) being a **Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, matters or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Target Group taken as a whole; or

(e) without limiting the generality of condition 4, the effect of a diminution in the value of the consolidated net assets of the Target Group, taken as a whole, by at least \$200,000 against what it would reasonably have been expected to have been but for such Specified Event,

other than:

- (i) an event, matter, change or circumstance caused, or materially contributed to, by the Bidder;
- (ii) anything required or permitted to be done or not done under this Agreement or otherwise required to be done in connection with the legal obligations for the implementation of the Takeover Bid;
- (iii) any event, matter, change or circumstance:
 - (A) fairly disclosed by the Target to the Bidder or any Related Person of the Bidder prior to the date of this Agreement;
 - (B) disclosed prior to the date of this Agreement in public filings by the Target to ASIC; or
 - (C) otherwise known by the Bidder or any Related Person of the Bidder, at any time prior to the date of this Agreement.

(f) **Capital expenditures**

Between the Announcement Date and the end of the Offer Period (each inclusive), the Target does not incur or commit to incur an amount of capital expenditure in excess of \$50,000 other than:



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- (i) capital expenditure incurred on existing projects in which the Target has an interest as at the Announcement Date; or
- (ii) capital expenditure in the day to day operating activities of the business of the Target and its subsidiaries conducted in the same manner as before the Announcement Date.

(g) **No litigation on foot or pending**

Between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against the Target which may reasonably result in a judgment of \$200,000 or more is commenced, is threatened to be commenced, is announced, or is made known to the Bidder (whether or not becoming public) or the Target.

(h) **No prescribed occurrences**

Between the Announcement Date and the end of the Offer Period (each inclusive), none of the following events occurs:

- (i) the Target converting all or any of the Target Shares into a larger or smaller number of Target Shares;
- (ii) the Target or any other member of the Target Group resolving to reduce its share capital in any way;
- (iii) the Target or any other member of the Target Group entering into a buyback agreement or resolving to approve the terms of a buyback agreement under sections 257C(1) or 257D(1) of the Corporations Act;
- (iv) the Target making an issue of Target Shares or granting an option over the Target Shares or agreeing to make such an issue or grant such an option;
- (v) the Target or any other member of the Target Group or agreeing to issue, convertible notes or any of securities;
- (vi) the Target or any other member of the Target Group disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (vii) the Target or any other member of the Target Group granting, or agreeing to grant, a Security Interest in the whole, or a substantial part, of its business or property;
- (viii) the Target or any other member of the Target Group resolving that it be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of the Target or any other member of the Target Group;
- (x) the making of an order by a court for the winding up of the Target or any other member of the Target Group;
- (xi) an administrator of the Target or any other member of the Target Group being appointed under sections 436A, 436B or 436C of the Corporations Act;



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- (xii) the Target or any other member of the Target Group executing a deed of company arrangement; or
- (xiii) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of the Target or any other member of the Target Group.

(i) **No distributions**

Between the Announcement Date and the end of the Offer Period (each inclusive), the Target does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

(j) **Bidder Capital Raising**

Completion by the Bidder before the end of the Offer Period of the Bidder Capital Raising.

(k) **Renewal of VIC/P62 and waiver of right of pre-emption**

- (i) Renewal of VIC/P62 before the end of the Offer Period.
- (ii) Obtaining the consent of Loyz Oil Australia Pty Ltd in respect to the "change of control" provisions of the VIC/P62 Operating Agreement before the end of the Offer Period.

(l) **Grant of EP145**

Grant of EP145 before the end of the Offer Period.