

24 June 2014

## NZX Announcement

### **Mosman provides weekly update**

Following recent placements by Mosman Oil and Gas, Aorere Resources Limited now holds approximately 13.1% of this AIM listed company.

Mosman released the following announcement in London today.

Our Mosman shareholding now has a present market value of NZD 4 million, based on the present market price of 20 pence. As a result the undiluted net asset backing of an Aorere share (including all significant portfolio assets at market value) is now 1.56 cents. 47% of that value is represented by the Mosman shareholding.

Regards,

Chris Castle, Managing Director

Aorere Resources Ltd

23 June 2014

### ***Mosman Oil and Gas Limited***

#### ***Weekly Project Update***

*Mosman Oil & Gas (AIM: MSMN), the New Zealand and Australia focused oil exploration and development company, advises on latest progress at its Petroleum Creek Project as follows.*

*The Cross Roads-1 well has been halted at 335m, for future re-entry and testing. The Oil Discovery in the Eight Mile formation means the exploration phase has been successful and signals the start of the appraisal phase. Meetings will be held next week to review the core and wireline log data obtained, and to consider the next steps. This includes laboratory analysis of core data, review of the geological model and detailed well test design. The team will also review the mapped extent of the accumulation and consider what additional information is required to determine contingent resources.*

*As previously reported the Cobden limestone had oil shows in the bottom of the 8.5 inch hole at 241m and in the first 6m of core (242m to 247m). Evidence of fracturing then increased, significant mud losses occurred, and oil shows ceased. Wireline logs were performed and reviewed by independent consultants and it has been determined that the logs for the Cobden limestone are inconclusive and further analyses and tests are required.*

*This has no effect on the Oil Discovery reported for the Eight Mile formation.*

*Cross Roads-1 was cored and drilled to near-basement at 335m, and 4.5 inch casing run and cemented to allow future cased hole testing of the Cobden and Eight Mile formations. Due to extended coring and logging operations created by the previously reported oil shows, and minor rig equipment delays, the well has taken a few days longer than anticipated. In accordance with operational Health Safety and Environment (HSE) requirements, the rig crew is now on break time. From an HSE perspective, we are pleased to report there have been no HSE incidents. The rig, crew and service company performance has been excellent.*

*With the new geological information acquired and the encouraging results, Mosman (in consultation with its existing resource consultants, and now additional petroleum engineers), is reviewing the 2014 forward programme at Petroleum Creek. Of note is an increased focus on the seismic defined flank prospects near Cross Roads-1. These include the Blair, Pipers Creek, No Town Track and Bells Gully prospects, which were previously identified by SRK. At this stage it is anticipated that some of these locations could be ready to drill in the next few weeks. The prospects and logistics are being reviewed to determine the optimal well design and the sequence of drilling. The recent funding allows important foundation work to be undertaken, such as additional technical studies and seismic acquisition and re-processing, as well as operational improvements such as the purchase of the currently rented property to provide the local base camp and storage area.*

*Given the recent capital raising, and the success at Cross Roads-1, it is now anticipated that at least 4 and possibly 5 or 6 wells may be drilled in 2014. Planning has also commenced on seismic targets which may be acquired in the near term.*

**John W Barr, Executive Chairman** of Mosman commented: "Cross Roads-1's success has brought early exploration success and as a result we are making every effort to increase and maximize the exploration efforts in 2014. Focus has now broadened to review and appraisal and resetting priorities for the next few months."

#### ***Investor presentations***

*John W Barr and Andy Carroll will be in London presenting at the Oil Barrel conference on 2 July, and at the Proactive Investors event on 10 July. Both events are recommended to investors.*

#### ***Competent Person's Statement***

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