



MOBY OIL & GAS LIMITED

ABN 17 106 653 794

Level 21
500 Collins Street
Melbourne Victoria 3000 Australia

Tel: (+61 3) 9629 6237
Fax: (+61 3) 9629 6278
Email: admin@moby.com.au
Website: www.moby.com.au

21 December 2009

The Manager,
Companies
ASX Limited
Level 45
South Tower, Rialto
525 Collins Street
Melbourne VIC 3000

Attention Mr Dean Litis

Dear Sir,

PRICE QUERY

In response to your query regarding the recent price increase in the Moby Oil & Gas Limited ("the Company") securities, we provide the following answers using the numbering in your letter:

1. The Company is not aware of any price sensitive information concerning it that it has not already announced to the market.
2. Not applicable.
3. The Company is an oil and gas exploration company and not a trading or production company with an operating revenue stream. Therefore there is no operating result from trading or production either provided via forecasts or reported as part of the half year result.
4. The Company is currently involved in a two well drilling programme, the outcomes of which are as yet unknown. The outcomes of the drilling programme will have an effect on the Company and its financial result but the nature of this effect(s) cannot be known as yet.
5. The Company offers the following explanation for the recent change in the price of the securities of the Company.

During the week commencing 14 December 2009 the Company passed a number of significant interlinked milestones that have progressively eliminated a number of commercial uncertainties. Cumulatively, the achievement of these milestones has had an effect on the value of the Company's securities.

On 14 December at a meeting of the shareholders of the Company, shareholders gave their approval to a number of interdependent transactions which involved (inter alia):

- (i) Approval of the acquisition by the Company of all the shares in Rankin Trend Pty Ltd, a company which has a 15% interest in an offshore petroleum exploration permit, WA-360-P;
- (ii) Approval of a farmin to WA-342-P where a well, Cornea-3, is now being drilled;
- (iii) Approval of a farmin to WA-333-P where a further well, Braveheart-1, will be drilled immediately after Cornea-3;
- (iv) Approval to issue further shares by way of placement.

The acquisition and farmin transactions were further subject to the Company raising \$15.85m via an entitlement issue and the issue of shares via private placement.

On 17 December the Company announced that it had successfully completed its fund raising activities, which in turn meant the acquisition of Rankin Trend Pty Ltd and the farmins to WA-342-P and WA-333-P became unconditional.

Also, on 17 December 2009, the Company resumed drilling operations at Cornea-3 where operations had been suspended for a number of days because of a cyclone.

With regard to the acquisition of Rankin Trend Pty Ltd (which holds a 15% interest in WA-360-P), the holder of a 70% interest in that permit, MEO Australia Ltd (ASX code: MEO), must commit before 31 December 2009 to the drilling of a well in WA-360-P. If MEO does so commit, the Company will retain its 15% interest in WA-360-P but will not have to meet any part of the costs of drilling the well.

On 18 December MEO sought a trading halt for its securities and advised that the trading was sought pending the announcement regarding a farmin transaction in relation to MEO's 70% interest in WA-360-P. The Company is not a party to any farmout transaction which MEO may be negotiating and is not aware of what transaction MEO may be intending to announce. The Company will receive no benefit from any farmout that MEO concludes.

The upshot of these matters is that there is now certainty regarding the participation by the Company in the drilling of the Cornea and Braveheart wells. The announcement by MEO on 18 December also provides further reason for optimism that MEO will commit to the drilling of a well in WA-360-P. However, until such time as the Company in fact receives a drilling commitment notice from MEO, the Company has no further information to provide the market in relation to WA-360-P.

6. The Company confirms that, to the best of its knowledge, it is in compliance with the listing rules and, in particular, listing rule 3.1.

Yours faithfully,



J G TUOHY
Company Secretary



ASX Markets Supervision Pty Ltd
ABN 26 087 780 489
Level 45
South Tower
525 Collins Street
Melbourne VIC 3000

GPO Box 1784
Melbourne VIC 3001

Telephone 61 3 9617 8625
Facsimile 61 3 9614 0303
www.asx.com.au

18 December 2009

Mr Jack Tuohy
Company Secretary
Moby Oil & Gas Limited

Dear Jack

Moby Oil & Gas Limited- Price Query

We have noted a change in the price of the Company's securities from a close of \$0.195 on 17 December 2009, to a high of \$0.28 today. We have also noted an increase in volume today.

In light of the price and volume change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the operating result before abnormal items and income tax so that the figure for the half year ending 31 December 2009 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.
4. Is there any reason to think that the Company may record any material abnormal or extraordinary items for the half year ending 31 December 2009? If so, please provide details.
5. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by return email. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (i.e. before 9.30 a.m. EDST) on **Monday 21 December 2009**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

Yours sincerely

[Sent electronically, without signature]

Dean Litis

**Principal Adviser
Issuers, Melbourne**