

**MOBY OIL & GAS LIMITED**

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Moby Oil & Gas Limited (**ASX Code: MOG**) provides the following update on the status of drilling operations regarding the Braveheart-1 well which was spudded 29 December 2009 by the Songa Venus semi-submersible drilling rig.

Since the last progress report issued on 31 December 2009, operations have been affected by two incidents. While drilling on 1 January 2010, the bottom hole assembly and drilling bit became stuck in the hole. This required the abandonment of the bottom hole assembly and the initiation of a sidetrack hole. Following the successful initiation of the sidetrack, the hole has been deepened to a depth of 842.2 metres.

Over the last two days a tropical cyclone has developed which is now of a scale that requires the evacuation of the rig. The hole has been secured and appropriate arrangements made for the safety of all rig personnel. Further updates will be provided once there is more information available about the progress of the cyclone.

Braveheart-1 is situated in the Browse Basin permit WA-333-P, offshore Western Australia and is being drilled into the Braveheart Prospect that straddles the WA-332-P and WA-333-P permits.

The participants in the Braveheart-1 well and the Braveheart Joint Venture are:

Moby Oil & Gas Limited (ASX Code: MOG)	26.4375%
Braveheart Resource Pty Ltd (subsidiary of Exoil Limited) (NSX Code: EXX)	25.3750%
Braveheart Oil & Gas Pty Ltd (subsidiary of Australian Oil & Gas Corporation)	14.5000%
Braveheart Energy Pty Ltd (subsidiary of Goldsborough Limited)	7.2500%
Private Interests	26.4375%

The Operator of the Braveheart Joint Venture is Hawkestone Oil Pty Ltd, a subsidiary of Exoil Limited (**NSX Code: EXX**).

By Order of the Board

J.G. Tuohy
Company Secretary

4 January 2010