



MOBY OIL & GAS LIMITED

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RELEASE

MOBY SALE OF A 5% INTEREST IN WA-360-P FOR US\$7,000,000 BECOMES UNCONDITIONAL

Moby Oil & Gas Limited (*ASX code: MOG*) (**Moby** or **Company**) is pleased to advise that the sale of a 5% Participating Interest in WA-360-P, by its wholly-owned subsidiary Rankin Trend Pty Ltd (**Rankin Trend**) to North West Shelf Exploration Pty Ltd (**North West**), a wholly-owned subsidiary of MEO Australia Ltd (*ASX code: MEO*), is now unconditional.

The WA-360-P permit contains the Artemis Prospect.

The sale by Rankin Trend to North West is for a cash consideration of US\$7,000,000 (approx A\$7.47 million), of which a deposit of US\$1,500,000 (approx A\$1.76 million) has been received.

The agreement was subject to receipt of the usual regulatory approvals and the last of these has been obtained. The balance of the consideration is payable to Rankin Trend by North West within 5 business days of the date North West receives the US\$ cash consideration payable to it by Petrobras in respect of the farmout by North West of part of its interest in WA-360-P to Petrobras.

MEO has announced that all regulatory approvals have been received for the Petrobras farmin and that MEO will now invoice Petrobras. Moby will make a further announcement when final settlement has been effected.

Moby, through Rankin Trend, retains a 10% interest in WA-360-P. This interest is fully carried through the drilling of the forthcoming Artemis well, which MEO has advised is now expected to commence drilling in early to mid November 2010.

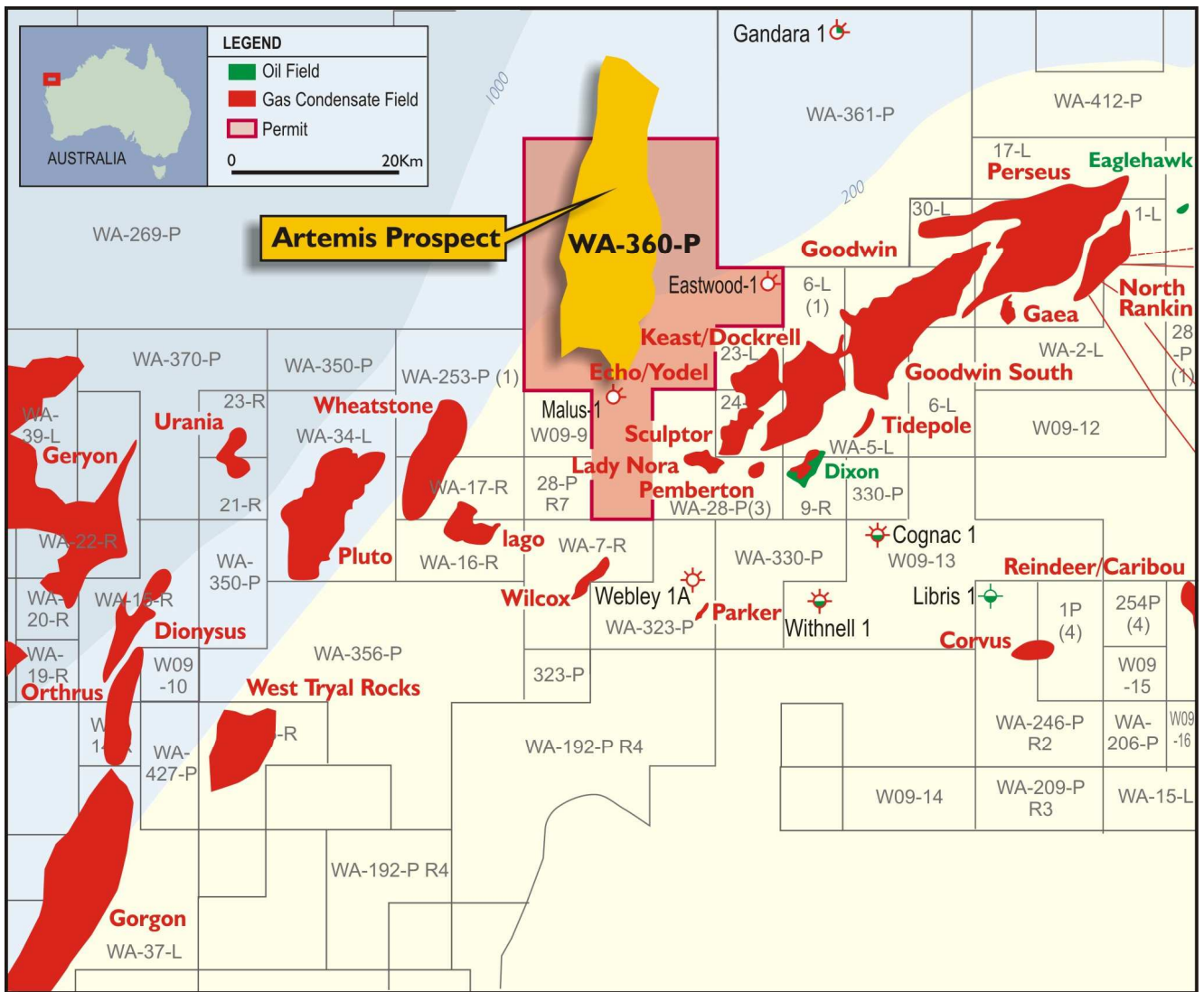
As announced at the time this sale arrangement was entered into, the Directors are pleased to have concluded such a transaction that has put the Company in the most positive working capital position it has enjoyed, exceeding even that achieved when listing on ASX in July 2004. This positive working capital position will enable Moby to discharge the funding facility detailed in the release to shareholders of 7 May 2010 and ensures the Company has sufficient funds on hand to continue with its planned exploration activities, regardless of the outcome of the Artemis well.

By this sale of an interest in WA-360-P, Moby is partially insulated from the consequences that might otherwise flow from a lack of success at Artemis. However, despite having agreed to sell the 5% interest in the permit, the Directors consider that Moby shareholders still retain considerable upside exposure from the retention of a 10% interest in the permit in the event of success at Artemis.

By Order of the Board

J.G. Tuohy
Company Secretary

16 September 2010



The WA-360-P permit and the Artemis Prospect