



ASX Release

20 May 2010

MOSAIC OIL AWARDED KAHERU BLOCK IN NEW ZEALAND'S TARANAKI BASIN

Australian oil and gas producer, Mosaic Oil NL (ASX: MOS) is pleased to advise that the New Zealand Ministry of Economic Development has granted Mosaic and its joint venture partners application for the Kaheru block (PEP 52181). The five-year, proposed work program includes one well by mid 2013.

Mosaic, which holds a 15% interest in the block, has been awarded with joint venture partners Roc Oil (New Zealand) Limited (50% & Operatorship); Mighty River Power Limited (20%); and L&M Energy Limited (15%).

Mosaic CEO Alex Parks said: "The Block offers near term drilling opportunities for Mosaic, and complements PEP 51149 and PEP 51151, our existing acreage in the Taranaki Basin."

The near-shore PEP 52181 block lies on the prospective Eastern Margin trend of the Taranaki Basin. The permit has existing 3D seismic, including coverage of the block's primary prospect, the large Kaheru structure.

The Kaheru prospect has multiple reservoir targets with the potential to contain an estimated mean prospective resource of 350 billion cubic feet of gas and 10 million barrels of condensate.

For further information:

Investor Relations:
Sally Highducheck, Mosaic Oil
+61 2 9247 9324
shighducheck@mosaicoil.com

Media:
Bill Kemmery, Fortbridge
+61 400 122 449
Bill.kemmery@fortbridge.com

Steve Rotherham, Fortbridge
+61 421 488 320
steve.rotherham@fortbridge.com

Mosaic Oil N.L.
ABN 56 003 329 084
6th Floor, 6-8 Underwood Street
Sydney NSW 2000 Australia

p + 61 2 9247 9324
f + 61 2 9241 1655
www.mosaicoil.com
website@mosaicoil.com

