



6 May 2009

ASX ANNOUNCEMENT

Weekly Operations Update

Churchie-11 (PL 192, Surat-Bowen Basin, Qld, MOS-100%)

Mosaic Oil NL (ASX: MOS) advises that the Churchie-11 gas/condensate development well is expected to spud by the end of the week. MB Century Rig-7 is currently rigging up on the Churchie-11 site.

It is anticipated, on a trouble free basis, to take 17 days to drill and evaluate the well, which has a planned total depth of 2192 m KB.

Churchie-11 is located on a subsidiary structural closure on the western flank of the Churchie Field between Churchie-3 (1.7 km north-northeast) and Churchie West-1 (1.1 km south-southwest). The well location is defined by good quality 2D seismic data with positive seismic attributes similar to Churchie-3. Churchie-11 will target mean recoverable reserves of 3.5 BCF of gas. The P10 recoverable reserves are estimated at 8.6 BCF of gas. The Churchie-11 well location is approximately 700 metres from the Churchie Plant ensuring that it can be connected quickly for production if successful.

Stratton 2D Seismic Acquisition (ATP 608P-Stratton Block, MOS-Earning 35%)

A 116 km 2D seismic acquisition program as part of Mosaic Oil's farm-in oil exploration program into the Bow Energy operated permit has been completed. A decision on a farm-in well location is expected to be made by August following processing and interpretation of the new and reprocessed historical seismic data set. Drilling is scheduled for the fourth quarter, 2009.

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