



18 August 2009

ASX ANNOUNCEMENT

Appointment of Chief Executive Officer

The Board of Mosaic Oil NL (“**Mosaic**” or “**the Company**”) is pleased to announce the appointment of Mr. Alex Parks as Chief Executive Officer effective from 18th August 2009.

Mr Parks has over 12 years of relevant oil industry experience including seven years of experience in executive management roles as either CEO, Technical Director, or Managing Director. During this time, these positions have involved a wide variety of specific roles from strategic planning for small to mid-cap exploration and production companies, management of asset rationalisation via acquisitions and disposals, oil and gas field development planning and execution, and leading multidisciplinary technical teams and drilling rig operations. He has also successfully raised new equity and established an impressive network of broker and industry contacts across several continents.

In announcing this appointment Mosaic’s Chairman Mr David Herlihy commented:

“We are very pleased that Alex has agreed to accept this position. The Board has conducted a comprehensive search for a suitable candidate to lead Mosaic in the next phase of its growth. This search identified a large number of high calibre applicants from both within and outside Australia several of whom were interviewed by the Board. As part of this process, Alex had impressed the Board with his enthusiasm, energy, relevant upstream petroleum industry knowledge and listed company experience. His technical and management experience is directly aligned with Mosaic’s strategic direction including increasing the commercialisation of our gas reserves, advancing the Company’s exploration portfolio and the prospective Silver Springs Underground Gas Storage Project. The Board also considers that his vast network of contacts and international experience can be of substantial benefit in identifying new domestic and international corporate as well as E&P opportunities for Mosaic”

Mr. Parks was the CEO of Otto Energy from December 2006 to June 2009. During this time, he handled the acquisition of a substantial producing asset, raised over \$100 million in new equity and broadened the shareholder base substantially, all of which resulted in more than a 10-fold increase in the market capitalisation of that company.

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Prior to this, Mr Parks had a 10-year career with RPS Energy (formerly Troy-Ikoda), a company providing high-level strategic and exploration and production asset consulting advice to the international oil and gas industry from majors to small-cap companies. A key achievement during this period involved the successful personal negotiation of several substantial deals. Before joining Otto Energy, Mr Parks had achieved the role of Technical Director for RPS Energy.

Mr. Parks has a Master of Engineering, Petroleum Engineering degree from the Imperial College London, is or has been a founder or chair of various state Chapters and Boards of the Society of Petroleum Engineers (SPE), is a Member of both the Petroleum Exploration Society of Australia (PESA) and Australian Institute of Company Directors (AICD), and was awarded Young Petroleum Engineer of the Year (SE Asia) by the SPE in 2005.

In welcoming his appointment Mr Parks said:

“I am very pleased to be joining Mosaic. The company has a rich history, a solid asset base with good production and further exploration potential. I believe Mosaic has a very bright future and I look forward to working with the Board and the team to deliver sustainable growth and value creation for our shareholders.”

Mr. Parks’ total remuneration package will be structured with a focus on achieving improved performance levels at Mosaic.

A summary of the Key Terms of Mr. Parks’ Employment Agreement is attached.

For further information contact:

Mosaic Oil: David Herlihy - Chairman on (02) 9247 9324

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SUMMARY OF KEY TERMS OF MR PARKS' EMPLOYMENT AGREEMENT

Term of Appointment

3 years from 18 August 2009 till 17 August 2012, subject to extension or renewal.

Remuneration

A first year remuneration of \$425,000 (total cost to the Company including relocation allowance and superannuation).

Annual Review

Mr Parks' performance will be reviewed by the Company in July each year against a set of Key Performance Indicators (**KPIs**). Following each annual review his Remuneration may be adjusted as the Board considers appropriate.

Options and Bonus

Mr Parks' entitlement to any Options and or Bonus will be measured by his performance in meeting his KPIs.

Termination

Either the Company or Mr Parks may terminate the Agreement at any time on 3 months written notice which the Company may elect to pay in lieu of notice. If the Company gives Mr Parks a termination notice without due cause in the first year, he will also be entitled to 6 months Remuneration.

