



ASX RELEASE

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MOSAIC TO COMMENCE FRACTURE STIMULATION OF CHURCHIE-1 WELL

Australian oil and gas producer, Mosaic Oil NL (ASX: MOS) is pleased to announce that all equipment has arrived on site and the company is in the final stages of preparation for the Massive Hydraulic Fracture stimulation ("frac") of the Churchie-1 well, located within the Churchie Field, PL 192, Surat-Bowen Basin, Queensland. The frac is scheduled to take place within the next 48 hours, and results will be evaluated over the next two weeks.

"Mosaic has commissioned a substantial amount of core work, fluid trials and frac design work over the last few months," said Alex Parks, Mosaic CEO. "The operation is now ready to commence and we will advise on its outcome once we have evaluated the frac geometry and the flow, pressure and tracer data."

The Churchie-1 frac is the first of what will potentially be a wider program aimed at enhancing gas flows from the Churchie Field and other tight reservoirs in the Surat-Bowen Basin. It comes after months of analysis to refine the frac fluid design and tailor the fluid to the conditions of Mosaic's reservoirs.

The Churchie-1 frac has been designed to propagate and extend a substantial fracture within the Tinowon sand formation, some 250 metres either side of the wellbore. If the fracture propagates as planned, initial stabilised gas flow rates will increase from pre-fracture rates of less than 0.5MMscf/day to post-fracture rates of more than 1.5 MMscf/day.

The field trial is a crucial stage in the process. If successful, the application of the fracture stimulation should lead to significant increase in Mosaic's total rates of production over the coming years.

Mosaic will release an update on the operation next week.

For further information:

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

Media:
Bill Kemmerly, Fortbridge
+61 400 122 449
Bill.kemmerly@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

