



29 July 2008

ASX ANNOUNCEMENT

Mosaic Oil Weekly Operations Update – Surat-Bowen Basin, Qld

West Boggo Creek-1 (PL 16 – MOS 100%)

West Boggo Creek-1 nearfield exploration well is expected to be spudded by the end of the week. The rig move was delayed due to wet weather conditions late last week. Current operation is rigging up on the West Boggo Creek-1 location.

West Boggo Creek-1 is targeting the Showground Sandstone which has the potential to contain 0.43 million barrels of recoverable oil resource in the P10 case.

It is expected, on a trouble free basis, to take approximately 12 days to drill and evaluate the well, which has a planned total depth of 2016 metres.

Silver Springs-6 Walloon CSG (PL 16 – MOS 100%)

After plugging off the deeper depleted reservoir interval, the intervals 1488.4-1492.3 metres and 1494.4-1497.4 metres in the Walloon Coal Measures were perforated.

An injection/fall off test and a step rate fracture test were undertaken to obtain the coal permeability and other coal seam properties. The downhole pumping equipment is being installed for production testing of the perforated coal intervals to determine their gas production deliverability.

Data from this well will be used to determine the potential coal seam gas resource of the Walloon Coal Measures in the Silver Springs area.

For further information contact:

Mosaic Oil: Lan Nguyen – Managing Director on +61-2 9247 9324

Media: Bill Kemmery – Fortbridge on +61-2 9331 0655, mob 0400 122 449

Mosaic Oil N.L.
ABN 56 003 329 084

6th Floor, 6-8 Underwood Street
Sydney NSW 2000 Australia

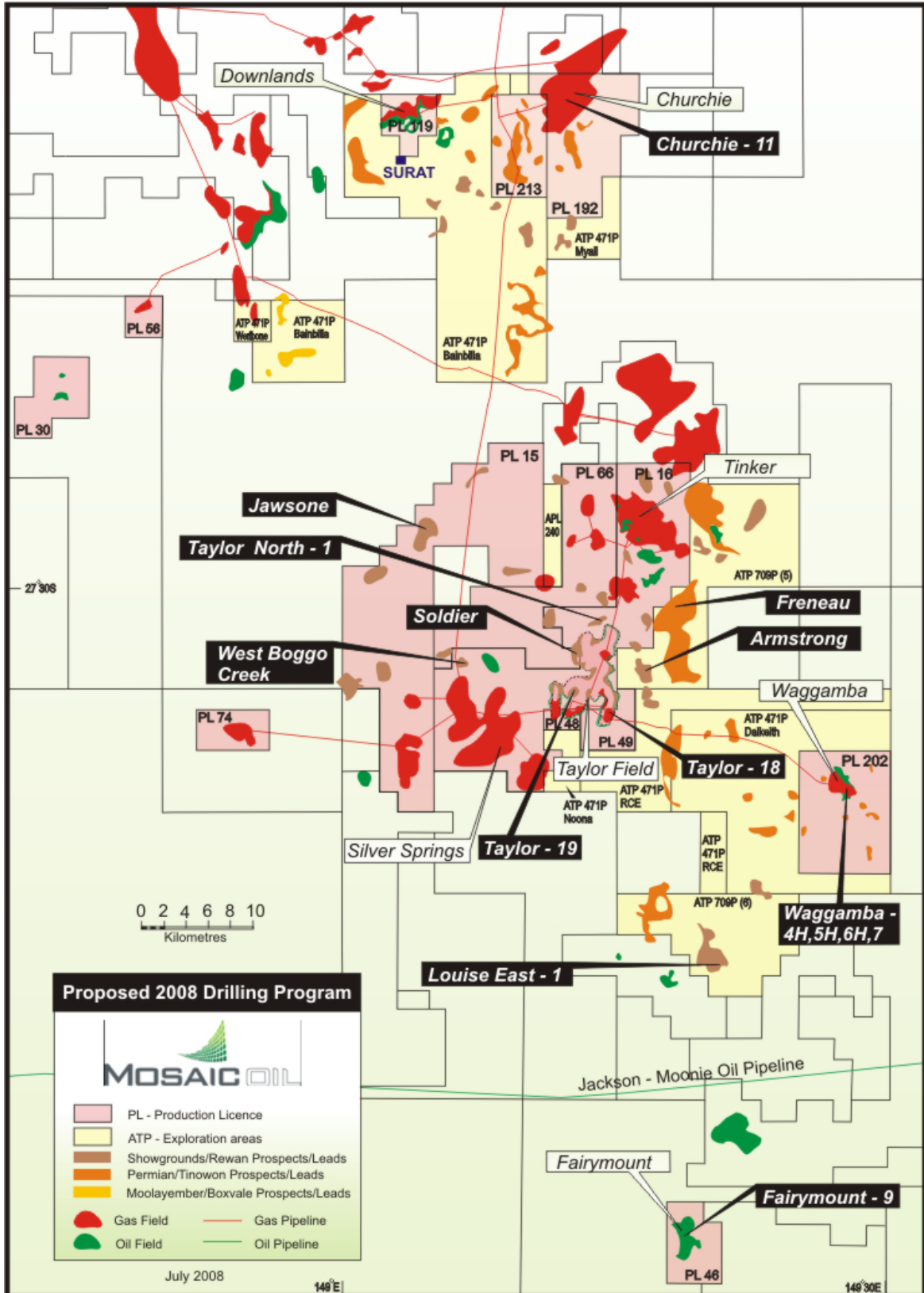
p + 61 2 9247 9324
f + 61 2 9241 1655

www.mosaicoil.com
website@mosaicoil.com





MOSAIC OIL



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