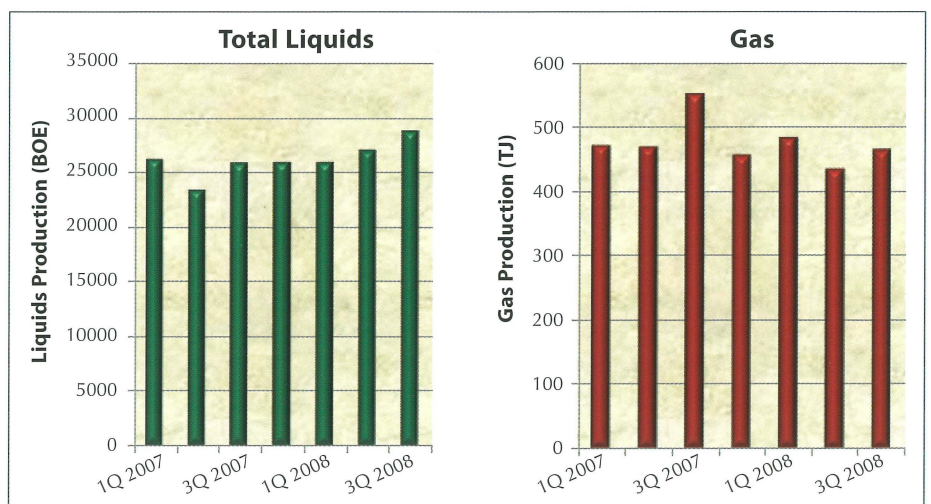


High Price Makes Rich Mosaic

Sydney-based Mosaic Oil has reported record third-quarter revenues of \$8.4 MM, up 95% over the year period, increasing production quarter-on-quarter amid record oil prices.

Mosaic, however, saw quarterly production fall year-on-year to 102,276 boe from 113,067 boe for the same period in 2007, reflecting a drop in gas output amid a steady increase in liquids production. The company said the quarter-on-quarter increase was driven by production from the Waggamba-4H well in Queensland.

Mosaic also struck gas pay in the Taylor-19 and Freneau-1 exploration wells during the quarter. Taylor-19 was connected to the company's gathering system and the Frenea-1 exploration well was cased and suspended as a future producer after striking about 9.1 m of gas pay in Permian sandstones. The Jawsone-1 and West Boggo Creek-1 wells were both plugged and abandoned.



Mosaic said a full quarter of production from Waggamba-4H led a 32% increase in gas production and 17% increase in oil production from the Silver Springs/Waggamba area.

Completion of the Waggamba-5H gas condensate producer was delayed from July after an accident in which a contractor was injured. Remedial and testing work restarted on the well in October.

Also in the period, Mosaic and local partner L&M Petroleum successfully bid to explore on Block 5, PEP 51151, in New Zealand's onshore Taranaki Basin. The deal marks Mosaic's entry into the New Zealand oil patch. ■