

MOSAIC OIL NL (ASX: MOS) RECEIVES PROPOSAL TO ACQUIRE COMPANY

Mosaic Oil NL ("**Mosaic**") received an unsolicited proposal ("**Proposal**") from AGL Energy Limited ("**AGL**") to acquire all of the shares in Mosaic at a cash price of 15 cents per share, after the close of the market yesterday. AGL has advised that the Proposal is conditional upon Mosaic entering into a Scheme of Arrangement ("**Scheme**") by execution of a Scheme Implementation Deed with AGL.

AGL has expressly indicated that the Proposal is incomplete and non-binding.

The Mosaic Board has not yet considered the Proposal, but will accept AGL's offer to meet to discuss the Proposal in further detail. Mosaic shareholders will be advised in due course of the outcome of any of these discussions. The Mosaic Board advises shareholders that such discussions may or may not lead to an agreed transaction with AGL.

AGL has further disclosed that it has entered into a number of "pre bid acceptance agreements" in respect of 12.8% of Mosaic's issued share capital. Whilst AGL did not provide share price details for these agreements, it indicated that it will accordingly be lodging a substantial shareholding notice in relation thereto no later than Friday 2 July 2010. AGL has not otherwise indicated that it will make a takeover offer for any shares of Mosaic.

Mosaic shareholders should take no action with respect to their Mosaic shares, pending further announcement.

For further information:

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