

**INDEPENDENT EXPERT CONCLUDES THAT THE PROPOSED
SCHEME OF ARRANGEMENT IN CONNECTION WITH AGL'S
ACQUISITION OF MOSAIC IS FAIR AND REASONABLE**

Australian oil and gas producer, Mosaic Oil NL (ASX: MOS) (**Mosaic**) has received the PricewaterhouseCoopers Securities Ltd (**PwC**) report on the proposed Scheme of Arrangement (the **Scheme**) in connection with AGL Energy Limited (**AGL**) acquisition of Mosaic. PwC has advised the Mosaic Board that it has concluded the Scheme to be in the best interests of Mosaic's fully and partly paid shareholders on the basis that it is fair and reasonable.

PwC has assessed the fair market value of Mosaic shares to be in a range from \$0.128 to \$0.197. Both the cash and scrip consideration offered by AGL has been determined by PwC to be within the valuation range and considered fair.

After Mosaic entered into a Scheme Implementation Deed with AGL on 14 July 2010, the Mosaic Board commissioned PwC to provide an independent expert's report in relation to the Scheme.

The PwC independent expert's report will be included in the Scheme Booklet, which will be issued to shareholders following registration of the Scheme Booklet with the Australian Securities and Investments Commission, which is currently scheduled for 6 September 2010.

For further information:

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