



MOSMAN OIL AND GAS
LIMITED

ACN 150 287 111

ANNUAL REPORT
30 JUNE 2021

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Company Directory

Directors

John W Barr
Andrew R Carroll
John A Young

Company Secretary

Jarrod White

Head and Registered Office

C/-Traverse Accountants Pty Ltd
Suite 305, Level 3, 35 Lime Street
Sydney NSW Australia NSW 2000

Stock Exchange

AIM Market of the London
Stock Exchange plc (AIM)
Stock Symbol: LON: MSMN

Auditors

Elderton Audit Pty Ltd

Nominated Adviser & Broker

SP Angel Corporate Finance LLP

Registrars

In Australia:
Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace
Perth Western Australia 6000

In the UK:
Computershare Investor Services plc
The Pavilions
Bridgewater Road
Bristol BS99 6ZY

Company Website

www.mosmanoilandgas.com

Bankers

In Australia:
National Australia Bank

Lawyers

As to English law
Druces LLP

As to Australian law
Thomson Geer

Chairman's Letter

Overview of the 2021 financial year

As we stand today, Mosman can look forward with greater optimism. We have secured an established production base in the US, expanded this base with two acquisitions since year end and continue to build on this, with two new wells drilled, completed and others planned, in parallel with significant exploration progress in Australia.

In the 2021 financial year to 30 June almost \$2 million was spent on exploration and development projects. Since our June year end, Mosman has completed a new acquisition of the US Company NADSOILCO LLC, increased its ownership to 75% for the Falcon well, as well as drilled two new wells; Stanley-5 and Winters-2. Achieving this in a pandemic has not been a simple task in multiple jurisdictions, and we appreciate and thank all of our staff and consultants who have helped us achieve this.

2020 was a very challenging year for junior oil and gas companies, and Mosman navigated this by selling the Welch asset and raising capital to fund exploration and strengthen the balance sheet. 2021 was better with stronger commodity prices and the additional production from the Falcon well. Falcon is now producing strongly and has more than replaced the contribution from Welch (in net barrels of oil equivalent or "boe"). The Falcon project production is primarily gas, and has both lower sale price and also lower unit operating costs than Welch.

Mosman's strategic objectives remain consistent: to identify opportunities which will provide operating cash flow and have development upside, in conjunction with progressing exploration of existing exploration permits.

There is a clear plan for 2022, to continue to build the oil and gas production base in the USA and to progress hydrocarbon, helium and hydrogen exploration in Australia. This is being delivered by continuing to increase the number of wells under production, and continued exploration in the Amadeus Basin in Australia.

Balancing exploration risk with production growth and cost controls are an ongoing management challenge. Alongside our focus on growth, Mosman continues to take its Health and Safety requirements very seriously and to date there are no reported health or wellbeing issues in our team or operations. That said, Mosman is not immune to the effects of the global pandemic and has been affected operationally with the challenge of sourcing contractors which continues to be a challenge, together with travel restrictions. Very recently supply chain demands have also affected the operations.

USA

In the United States, Mosman has producing projects.

Net Production attributable to Mosman in the full year to 30 June 2021 was 22,824 boe (barrels of oil equivalent), compared to 23,159 in 2020.

	Gross Project Production ² BOE ¹	Net Production to Mosman ³ BOE ¹
Stanley	45,309	7,296
Greater Stanley	1,588	342
Welch (now sold)	5,846	4,481
Arkoma	5,033	1,257
Falcon	18,897	9,448
Total Production	76,673	22,824

¹BOE/boe – barrels of oil equivalent based on calorific value as opposed to dollar value

²Gross Project Production – means the production of BOE at a total project level (100% basis) before royalties (where Mosman is the Operator) and where Mosman is not the operator the total gross production for the project

³Net Production – Net to Mosman's Working interest after royalties

Production for the 3 months ended 30 September 2021

Net Production attributable to Mosman in the September quarter 2021 was 10,157 boe (110 boepd) which compares strongly against the total FY21 production 22,824 boe (62 boepd).

	Gross Project Production²	Net Production to Mosman³
	BOE¹	BOE¹
Stanley	6,576	2,400
Stanley Older Leases	330	66
Winters	176	51
Greater Stanley	-	-
Arkoma	4,255	1,063
Falcon	8,854	6,577
Total Production	20,191	10,157

¹BOE/boe – barrels of oil equivalent based on calorific value as opposed to dollar value

²Gross Project Production – means the production of BOE at a total project level (100% basis) before royalties (where Mosman is the Operator) and where Mosman is not the operator the total gross production for the project

³Net Production – Net to Mosman's Working interest after royalties

Since year end with the acquisition of Nadsoilco LLC, and a further interest in the Falcon Well, higher net production to Mosman is being achieved. Arkoma is gradually improving but remains for sale if a good price can be achieved.

Stanley – East Texas

The Stanley Project has provided valuable production and ongoing exploration experience at a modest working interest. This was recently increased by the Nadsoilco acquisition. It is considered that here is significant oil remaining in multiple zones. The full field redevelopment will progress with operational lessons learnt. For example, the importance of primary cementing to ensure zone isolation will reduce the premature water influx. Sand production remains an issue with some zones, and gravel packs have not been successful. Gas infrastructure will enable production of higher gas zones as is the case in Stanley-4. Operations have been restricted as service companies struggle with covid related issues and crew availability, and the increase in oil price led to a surge in activity with a shortage of equipment and services.

The Stanley-5 well was recently drilled and is now on production.

Greater Stanley – East Texas

The interest in Greater Stanley was acquired in 2020, as part of the plan to focus on the East Texas area. The Duff lease is Held By Production. Recently the Winters-2 well was drilled and flow tests are underway at this time.

Champion – East Texas

The Falcon-1 well was successfully drilled and brought online in December 2020. Excellent initial production rates were achieved, however, a change in pressure and a significant water influx resulted in the well being recompleted and brought back on production in June 2021. Production is largely gas which is transported to market via an existing close by pipeline owned by another party. The gas is then sold.

Challenger – East Texas

The Cinnabar Lease is "Held By Production". Two wells drilled in the Lease have produced significant quantities of oil but are now shut-in. Mosman is the Operator of the Cinnabar Lease. There are four development drilling locations previously identified using 3D seismic on the Cinnabar Lease. Recent reprocessing and re-interpretation of the 3D seismic is providing additional clarity to the geological model and will be used to determine drilling locations. Contract operator services will be provided by a Contour Exploration and Production LLC who has the right to acquire a 12% WI in the Lease.

Arkoma - Oklahoma

Arkoma production showed some improvement during the year, and the operator is considering expanding production further. No written proposal has yet been received. Overall the Project continues to be disappointing and will be sold when a realistic price can be achieved.

Welch

The sale of Welch was completed in January 2021 for a full settlement of US\$420,000 (cA\$553,000).

Other Matters

Australia

Mosman has continued to conduct technical work on its Central Australian exploration projects, focused on the 100% owned EP-145, in the Amadeus Basin.

Post year end, an airborne gravity and gradiometry survey was completed. That survey is a significant step in the exploration programme for EP-145 and is the first time data has been acquired for the whole 818 square km of the permit area.

During the financial year the permit was extended for an additional year. The Central Land Council (CLC) are now expected to complete ground clearance work that is required for the Seismic Survey in the next quarter.

At EPA-155 the permit is subject to a farmout with the next step being completion of Native Title negotiations. Mosman understands that the partner is currently in the process of arranging funding.

CORPORATE

Financial Report

The Board continues to focus on achieving a cash flow positive position on a Company level. Given the current financial position, the results of recent drilling, recent hydrocarbon pricing trends and the ongoing focus to control costs, this is now becoming an increasingly achievable objective.

Overall, in the year to 30 June 2021, the Company made a loss of \$1,355,923.

Of significance, almost \$2 million was spent on investing activities on assets in the portfolio during the year, continuing to reflect the Group's growth strategy. Further funds were expended subsequent to year end with two acquisitions (Nadsoil and a further interest in the Falcon well) and two new wells (Winters-2 and Stanley-5).

The net proceeds of funds raised during the year was \$5,965,534.

Overhead costs continue to be controlled. Mosman continues to operate with a very small number of Employees and Consultants. The Company operates in three countries and in four-time zones, and the role played by the Employees and Consultants is vital in achieving Mosman's strategic objective. Accordingly, I again express my profound gratitude for everyone's efforts in the year.

POST YEAR END ACTIVITY

Nadsoilco Acquisition

On 1 July 2021, Mosman completed the acquisition of Nadsoilco LLC ("Nadsoil") for a consideration of US\$1.1 million. The Acquisition increased the WI in the Stanley Project from 15-19% to 35-39%; provided a 20% WI in the oil producing Livingston Leases; and a 23.3% WI in oil producing Winters Lease. Mosman also became Operator of these leases, providing more control over day-to-day operations and drilling new wells.

Working Interest Acquisitions

In July 2021, Mosman increased its production portfolio in East Texas with the acquisition of an additional 25% working interest in the Falcon lease (including the Falcon-1 well) and 25% of the adjacent Galaxie lease for a cash consideration of US\$160,000.

Outlook

Whilst 2021 has undoubtedly continued to be challenging, Mosman remains resolute in delivering on its strategic objectives to increase production.

Whilst our lean team remains nimble and have avoided COVID related down time, some of our suppliers and consultants have been impacted, inevitably slowing progress in our development. Mosman is determined and focused on delivering a more robust performance in the year ahead with the support of our valued partners.

We again acknowledge it has been another turbulent year for shareholders and would like to take this opportunity to thank them for their continued support whilst reassuring them of our confidence to achieve growth in both production and value for the business.

Yours truly,



John W. Barr
Executive Chairman
29 December 2021

Directors' Report

Your Directors provide their Statutory required report as to the results and state of affairs of the Mosman Oil and Gas Limited Group of Companies, being the Company (hereafter referred to as "Mosman" or "the Company") and its controlled and associated entities, for the year ended 30 June 2021. Please note that all amounts quoted are in Australian Dollars, unless otherwise stated.

Operations Overview

A summary of the current oil and gas projects:

US PROJECTS			
Asset/ Project	Mosman Interest ¹	Location	Status
Falcon	75%	Texas	Producing
Stanley (various wells)	34.85% to 38.5%	Texas	Producing
Livingston	20%	Texas	Producing
Winters-1	29%	Texas	Producing
Winters-2	23%	Texas	Testing
Greater Stanley (Duff wells)	40%	Texas	Producing
Arkoma	27% (held for sale)	Oklahoma	Producing
Galaxie	85.0%	Texas	Undeveloped
Cinnabar	85.0% (after JV)	Texas	Undeveloped

AUSTRALIAN EXPLORATION PROJECTS						
Asset/Project	Mosman Interest ¹	Location	Status	Permit Number	Licence Renewal Date	Comments
Australia, Amadeus Basin	100%	NT	Exploration	EP 145	21 st August 2022	Extension to 21 August 2022 approved
Australia, Amadeus Basin	100% (subject to farmin dilution)	NT	Exploration	EPA 155	Application	Joint Venture partner currently raising capital to proceed

^{1.} Mosman's ownership is working interest before royalties. The interest shown is approximate, as there are small variations on individual wells

Directors

The names of the Directors of the Company in office during the year and as at the date of this report are as follows:

John W Barr	Executive Chairman
Andrew R Carroll	Technical Director
John A Young	Non-Executive Director

Directors Meetings

The number of meetings held and attended by each of the directors of the Company during the financial period are:

Director	Number of meetings held during the time the director held office	Number of meetings attended
J W Barr	7	7
A R Carroll	7	7
J A Young	7	7

Principal Activities

The principal activities of the Company during the financial year were oil and gas exploration, development and production.

Corporate Financial Position

As at 30 June 2021 the Company had current assets of \$3,682,719 (2020: \$606,413).

Results of Operations

The net loss of the Company for the year ended 30 June 2021 was \$1,355,923 (2020: \$4,837,410).

Future Developments, Prospects and Business Strategies

The Company proposes to continue its focus on its strategic objective to identify opportunities which will provide operating cash flow and have development upside, in conjunction with exploration of existing exploration permits.

Significant Changes

During the financial year, the activities and results of the Company continued to be affected by the Covid-19 pandemic and a number of matters were dealt with by the Board.

In the opinion of the Directors there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review.

Events Subsequent to the End of the Financial Year

- On 1 July 2021, Mosman completed the acquisition of Nadsoilco LLC ("Nadsoil") for a consideration of US\$1.1 million. The Acquisition increased the WI in the Stanley Project from 15-19% to 35-39%; provided a 20% WI in the oil producing Livingston Leases; and a 23.3% WI in oil producing Winters Lease. Mosman also became Operator of these leases, providing more control over day-to-day operations and drilling new wells.
- In July 2021, the airborne survey was completed for the EP-145 permit.
- In July 2021, Mosman increased its production portfolio in East Texas with the acquisition of an additional 25% working interest in the Falcon lease (including the Falcon-1 well) and 25% of the adjacent Galaxie lease for a cash consideration of US\$160,000.
- The Winters-2 well was drilled.
- The Stanley-5 well was drilled and has been placed on production.

Corporate Information

Mosman is an Australian incorporated public company which was admitted to trade its shares on the AIM market of the London Stock Exchange in 2014.

At 30 June 2021, Mosman has five wholly owned Subsidiaries:

1. Mosman Oil USA, Inc; (a USA incorporated company);
2. Mosman Texas, LLC; (a USA incorporated company); and
3. Mosman Operating, LLC; (a USA incorporated company).²
4. OilCo Pty Ltd;
5. Trident Energy Pty Ltd;

Details of these Controlled Entities and an Associated Entity are contained in Notes 29 and 30 to the Financial Statements.

Dividends

No amounts were paid by way of dividends since the end of the previous financial period and the Directors do not recommend a payment of a dividend.

Environmental Regulations

The Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the company.

Information on Directors

Director	Qualifications, experience & special responsibilities
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J W Barr	CA FAICD Executive Chairman
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Mr. John W Barr is a Chartered Accountant and Fellow of the Australian Institute of Company Directors and has acted as Director of listed and unlisted companies for over thirty years. He has extensive Australian and international experience with exposure to manufacturing, mining and mineral exploration and development in respect to several commodities.

Mr. Barr specialises in the management of private and public companies including advice on capital raisings, mergers and acquisitions, negotiating onshore and offshore acquisitions and joint ventures, negotiating commodity-based funding, and compliance with corporate and stock exchange requirements.

A R Carroll	MA, BA Technical Director
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Mr. Carroll has over 30 years of oil industry experience, from permit applications and initial exploration operations including drilling, to development, production and marketing of oil and gas. Initially worked at BP and led the E&P division of InterOil Corporation from applying for Permits to discovery of a new petroleum system in Papua New Guinea (PNG) that is now being developed for LNG exports.

International experience includes UK, Canada, Australia, NZ and PNG. Currently founder and Managing Director of Australasian Energy Pty Ltd.

J A Young	B App Sc (Geol), Grad Dip Tech Management, MAUSIMM Non-Executive Director
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Mr. Young is a geologist with 25 years' experience in resource project management and corporate management. He is a Member of the Australian Institute of Mining and Metallurgy and has worked on a wide variety of mineral and resource projects throughout Australia and overseas. In addition, Mr. Young has held senior management and operational positions and is currently Non-Executive Chairman of RAREX Limited and Green Technology Metals Limited, as well as Non-Executive Director of Bardoc Gold Limited, and Executive Director of Trek Metals Limited.

Information on Company Secretary & Chief Financial Officer

J T White	Bachelor of Business, CA & CTA
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Mr. White is a Chartered Accountant and founding Director of Traverse Accountants Pty Ltd, a Corporate Advisory and Chartered Accounting Firm. In conjunction with his Corporate Advisory roles at Traverse Mr. White has been appointed Company Secretary and Chief Financial Officer of several other listed entities that operate on the Australian Stock Exchange and has a sound knowledge of corporate governance and compliance. Jarrod has also been an advisor to a wide range of capital raisings, IPO's and reverse takeover transactions and has a focus on working with growing Companies in the exploration, technology and biotech space.

Indemnification and Insurance of Officers

The Company has previously entered into Deeds of Indemnity, Insurance and Access with officers of the Company which continued throughout this financial year.

REMUNERATION REPORT

1. Principles of Remuneration

This report details the amount and nature of remuneration of each Key Management Person ('KMP') of the Company. The KMP have authority and responsibility for planning and controlling the activities of the Company.

Board Members' Remuneration Policy

The remuneration policy is to provide a fixed directors fee component (Directors receive an annual fee, of \$30,000, and the Chairman receives an annual fee of \$60,000); and a consulting fees component based on actual days worked. The Board believes that this remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate in aligning director objectives with shareholder and business objectives.

2. Board of Director's Remuneration Arrangements

At Admission, the Board established a Remuneration Committee responsible for making recommendations to the Board on remuneration arrangements for Directors and executives of the Company.

KMP Fees and Consulting Fees Paid	Year to 30 June 2021	Year to 30 June 2020
J W Barr – Executive Chairman	\$245,000 ¹	\$237,000
A R Carroll – Technical Director	\$166,000 ²	\$178,000
J A Young – Non-Executive Director	\$30,000 ³	\$30,000
J T White – Company Secretary	\$66,000 ⁴	\$66,000
Total	\$507,000	\$ 511,000

1. Contracted Directors fees of \$60,000 and consulting fees of \$185,000 were paid or are payable to Kensington Advisory Services Pty Ltd;
2. Contracted Director fees of \$30,000 and consulting fees of \$136,000 were paid or are payable to Australasian Energy Pty Ltd;
3. Contracted Directors fees of \$30,000 were paid or are payable to J A Young; and
4. CFO, Company Secretary and Consulting Fees totalling \$66,000 were paid and payable to J T White's accounting firm, Traverse Accountants Pty Ltd.

During the 2021 financial year a portion of the Directors fees owed to Messrs Barr, Carroll and Young were settled by way of the issuance of shares and warrants on terms the same as were issued with respect to the July 2020 placement to third parties. As a result in the delay between the terms of the issuances of those equities and the required shareholder approvals there was a temporary accounting difference in the valuation of those instruments on issue versus the terms on foot when the Directors agreed to have those liabilities discharged as equity. A summary of those variances is below:

Accounting Based Adjustments based on the timing of the issue of Director Shares and Warrants for the year ended 30 June 2021	Number of Shares Issued	Additional Expense Recorded	Number of Warrants Issued	Additional Expense Recorded
J W Barr – Executive Chairman	52,254,583	\$29,247	52,254,583	\$46,826
A R Carroll – Technical Director	41,780,834	\$17,339	41,780,834	\$36,143
J A Young – Non-Executive Director	10,416,667	(\$3,238)	10,416,667	\$7,389
Total	104,452,084	\$43,348	104,452,084	\$90,358

Please see note 16 for more detail.

Warrants

Warrants issued to Directors during the financial year ending 30 June 2021 are detailed below.

There is no direct link between remuneration paid to any of the KMP and corporate performance such as bonus payments for achievements of key performance indicators. Warrants issued to the Directors and management of the Company are as follows:

Name	Position	Number of New Share Options Granted	Existing exercisable options on issue directly and indirectly held	Total Options Held
Mr John W Barr	Executive Chairman	52,254,583	-	52,254,583
Mr Andrew R Carroll	Technical Director	41,780,834	-	41,780,834
Mr John A Young	Non-Executive Director	10,416,667	-	10,416,667
Total		104,452,084	-	104,452,084

Service Agreements

The Executive Chairman, Mr. John W Barr

J W Barr is employed under a contract for services with Kensington Advisory Services Pty Ltd. The Agreement commenced in January 2015.

Under the terms of the present contract:

- Mr Barr's services as an executive are contracted pursuant to an agreement between Mosman and Mr Barr's nominee, Kensington Advisory Services Pty Ltd (Kensington);
- Mosman or Kensington may terminate the agreement for any reason by providing six months written notice to the other;
- In accordance with that agreement, Mr Barr must provide a minimum of 12 days per month of service to Mosman for a retainer of A\$15,000 per month. In addition, if required, additional services will be provided at a daily rate of A\$1,250 per day.

The Technical Director, Mr. Andrew R Carroll

A R Carroll is employed under a contract for services with Australasian Energy Pty Ltd. The Agreement commenced in January 2015.

Under the terms of the present contract:

- Mr Carroll's services as an executive are contracted pursuant to an agreement between Mosman and Mr Carroll's nominee, Australasian Energy Pty Ltd (Australasian Energy);
- Mosman or Australasian Energy may terminate the agreement for any reason by providing six months written notice to the other;
- In accordance with that agreement, Mr Carroll must provide a minimum of five days per month of service to Mosman for a retainer of A\$10,000 per month. In addition, if required, additional services will be provided at a daily rate of A\$2,000 per day.

The Non-Executive Director, Mr. John A Young

J A Young is employed under a contract for services with Metallon Resources Pty Ltd.

Under the terms of the present contract:

- Mr. Young provides consultancy services to Mosman pursuant to a consultancy agreement between the Company, Mr Young's nominee, Metallon Resources Pty Ltd (Metallon), and Mr Young dated 25 May 2014;

- In accordance with that agreement, Mr Young will be paid for services as a Director by retainer of \$30,000 per annum, and where required up to eight days per month of service to the Company for a retainer of \$100 per hour to a maximum of \$1,000 per day. Throughout the 2021 year, Mr Young provided no additional services to his retainer as a Director;
- This agreement commenced in June 2014 and continues until terminated by either Mosman or Metallon by giving not less than 3 months written notice.

The Company Secretary, Mr. Jarrod T White

J T White is employed under a contract for services with Traverse Accountants Pty Ltd.

Under the terms of the contract:

- Mr. White's provides services to Mosman are pursuant to a consultancy agreement between the Company and Mr White's nominee, Traverse Accountants Pty Ltd. In accordance with the engagement, Mr White provides Company Secretarial and CFO services for a fee of \$2,000 and \$3,500 per month respectively and any additional amounts are invoiced on a time cost basis.

Board of Directors' Dealings in Company Securities

As disclosed in the Financial Statements (Note 18), during the year ending 30 June 2021, the Company issued 104,452,084 Ordinary Shares to Directors (2020: NIL).

The Directors (and their related entities) owned the following shares and options of the Company as at 30 June 2021, representing 4.18% of the undiluted issued capital of Mosman at that:

Director	Title	Directors' Interest in Ordinary Shares	Company Ownership	Directors' Interest in Unlisted Options
John W Barr	Executive Chairman	82,354,584	2.19%	52,254,583 ¹
Andrew R Carroll	Technical Director	63,657,334	1.69%	41,780,834 ²
John A Young	Non-Executive Director	11,466,667	0.30%	10,416,667 ³
Total Director Holdings		157,478,585	4.18%	104,452,084

1. Comprises of:
 - a. 20,833,333 Mosman Options with an exercise price of 0.23 Great British Pence and an expiry date of 30 December 2021; and
 - b. 31,421,250 Mosman Options with an exercise price of 0.15 Great British Pence and an expiry date of 30 December 2021.
2. Comprises of:
 - a. 20,833,333 Mosman Options with an exercise price of 0.23 Great British Pence and an expiry date of 30 December 2021; and
 - b. 20,947,500 Mosman Options with an exercise price of 0.15 Great British Pence and an expiry date of 30 December 2021.
3. Comprises of:
 - a. 10,416,667 Mosman Options having an exercise price of 0.23 Great British Pence and an expiry date of 30 December 2021.

Mosman Locked-In Shares

At the date of this report, no shares held by directors or key management personnel are escrowed.

KMP Share Holdings

The number of shares held by each KMP of the Group during the financial year is as follows:

ORDINARY SHARES	30 June 2020 Balance	Issued in lieu of cash compensation during the Year	Other Changes during the Year	30 June 2021 Balance
J W Barr	30,100,001	52,254,583	-	82,354,584
A Carroll	21,876,500	41,780,834	-	63,657,334
J Young	1,050,000	10,416,667	-	11,466,667
Totals	53,026,501	104,452,084	-	157,478,585

ORDINARY SHARES	30 June 2019 Balance	Issued in lieu of cash compensation during the Year	Other Changes during the Year	30 June 2020 Balance
J W Barr	30,100,001	-	-	30,100,001
A Carroll	21,876,500	-	-	21,876,500
J Young	1,050,000	-	-	1,050,000
Totals	53,026,501	-	-	53,026,501

KMP Warrant and Option Holdings

The number of warrants and options held by each KMP of the Group during the financial year is as follows:

WARRANTS AND OPTIONS	30 June 2020 Balance	Granted as Remuneration during the Year	Issued during the Year	Options lapsed during the year	30 June 2021 Balance	Vested and Exercisable
J W Barr	13,000,000	-	52,254,583	13,000,000	52,254,583	52,254,583
A Carroll	13,000,000	-	41,780,834	13,000,000	41,780,834	41,780,834
J Young	1,500,000	-	10,416,667	1,500,000	10,416,667	10,416,667
Totals	27,500,000	-	104,452,084	27,500,000	104,452,084	104,452,084

WARRANTS AND OPTIONS	30 June 2019 Balance	Granted as Remuneration during the Year	Issued during the Year	Options lapsed during the year	30 June 2020 Balance	Vested and Exercisable
J W Barr	13,000,000	-	-	-	13,000,000	13,000,000
A Carroll	13,000,000	-	-	-	13,000,000	13,000,000
J Young	1,500,000	-	-	-	1,500,000	1,500,000
Totals	27,500,000	-	-	-	27,500,000	27,500,000

Warrants and Options

As of the date of signing this report, unissued ordinary shares of the Company under option were:

Grant Date	Number of Warrants on Issue	Exercise Price	Expiry Date
14 February 2018	750,000	2 Great British Pence	14 February 2023
19 October 2020	16,000,000	0.125 Great British Pence	19 October 2022
19 October 2020	360,000,000	0.25 Great British Pence	19 October 2022
30 December 2020	52,368,750	0.15 Great British Pence	30 December 2021
30 December 2020	52,083,334	0.23 Great British Pence	30 December 2021
25 March 2021	500,000,000	0.25 Great British Pence	25 March 2023
25 March 2021	20,000,000	0.15 Great British Pence	25 March 2023
Total Unlisted Options	1,001,202,084		

The above options represent unissued ordinary shares of the Company under option as at the date of this report.

Since 30 June 2021 and up until the date of this report, 77,375,000 warrants have been exercised.

No person entitled to exercise any option has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

Amounts Outstanding from Subsidiaries

Trident Energy Pty Ltd

At 30 June 2021 the Company's 100% owned subsidiary, Trident Energy Pty Ltd, owed Mosman Oil and Gas Limited \$3,413,988 (2020: \$2,901,011).

OilCo Pty Ltd

At 30 June 2021 the Company's 100% owned subsidiary, OilCo Pty Ltd (OilCo), owed Mosman Oil and Gas Limited \$776,879 (2020: \$776,879).

Mosman Oil USA, Inc

At 30 June 2021 the Company's 100% owned subsidiary, Mosman Oil USA, Inc, owed Mosman Oil and Gas Limited \$7,025,196 (2020: \$4,021,465).

Other Related Party Transactions

Since the last financial year, no director of the Company has received or become entitled to receive a benefit included (other than a benefit in the aggregated amount of emoluments, received or due and receivable by directors shown in the accounts) by reason of a contract made by the Company with the director or with a firm of which he is a member, or with an entity in which he has a substantial financial interest.

Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

No fees were paid or payable to Elderton Audit Pty Ltd for non-audit services provided during the year ended 30 June 2021 (2020: \$NIL).

Proceedings on Behalf of the Company

The Company was not party to any legal proceedings as at the year ended 30 June 2021.

Auditor Independence Declaration

The auditor's independence declaration as required under s307c of the Corp Act 2001 is included in the financial report and forms part of the financial report for the financial year ended 30 June 2020.

Signed in accordance with a resolution of the Directors.



John W. Barr
Executive Chairman
29 December 2021

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE

This Corporate Governance Statement ("CGS") has been prepared by the Executive Chairman of the Company in accordance with the recommendations of the QCA Corporate Governance Code 2018 (the "Code"). The CGS explains how the 10 Principles of the QCA Code are applied by the Company and where it departs from the QCA Code an explanation of the reasons for doing so is provided.

The information will need to be reviewed annually and the website should include the date on which the information was last reviewed. Going forward this is likely to be done and reviewed at the same time as the Annual Report and Accounts are prepared.

Role of the Executive Chairman and application of the QCA Code

Responsibility for corporate governance lies with the Executive Chairman and the Board has a collective responsibility and legal obligation to promote the long-term success of the Company.

The Board's primary role is the protection and enhancement of medium to long term shareholder value. To fulfil this role, the Board is responsible for the overall Corporate Governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board of Directors of Mosman Oil and Gas Limited (the "Company") has established high standards for the Company's employees, officers and directors. It is the duty of the Board of Directors to oversee the management of the Company's business and to ensure the Company as a whole and the Company's representatives behave in a manner that is fitting of the Company's corporate and social responsibilities. To discharge this duty, the Board of Directors follows the procedures and standards that are contained in the Corporate Governance Guidelines established through the UK Quoted Companies Alliance ("QCA") corporate governance code with exceptions noted below:

	<i>QCA Code Recommendation</i>	<i>Application by the Company</i>
1.	<p>Principle 1</p> <p>Establish a strategy and business model which promote long-term value for shareholders</p> <ul style="list-style-type: none"> The board must be able to express a shared view of the company's purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the company intends to deliver shareholder value in the medium to long-term. It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the company from unnecessary risk and securing its long-term future. 	<p>Mosman's strategic objective remains to identify opportunities which will provide operating cash flow and have development upside, in conjunction with exploration of existing exploration permits.</p> <p>The current medium term focus through wholly owned subsidiary Mosman Oil USA Inc is on developing the existing production assets in the USA to deliver production increases and cash flow, which has included identifying key assets of production which have been inefficient and providing investment to increase the production rates at a well head level, by utilising modern techniques of exploration and development and production, this includes a range of on field techniques and desk top determinations.</p> <p>Longer term focus is on the acquisition of assets that will provide increasing production opportunities, which leads to higher value to shareholders. This is to be achieved by the acquisition of oil and gas field assets which have been under-producing of their potential, with the application of capital investment to produce higher production rates.</p> <p>Australian projects are focused on early stage exploration and the identification of new potential production assets.</p>

2.	<p>Principle 2</p> <p>Seek to understand and meet shareholder needs and expectations</p> <ul style="list-style-type: none"> • Directors must develop a good understanding of the needs and expectations of all elements of the company's shareholder base. • The board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions. 	<p>Mosman keeps its shareholder base up to date via the Regulatory News Service (RNS) of the London Stock Exchange, as well as investor presentations and interviews, in an effort to communicate with shareholders more effectively. The Company attempts to maintain regular news flow and includes contact details on all its news releases to enhance the information it shares and to ensure ongoing dialogue with shareholders.</p> <p>The Company also has engaged a profession service organisation to run news flow via a twitter account.</p> <p>The Board views the Annual General Meeting as a forum for communication between the Company and all its shareholders and encourages and welcomes their participation in its agenda. The Directors attempt to attend the Annual General Meeting and are available to answer questions.</p> <p>The combination of these avenues has provided information flow to investors and increased the visibility of the vision of Mosman to shareholders. The Executive Chairman takes a proactive approach to providing production data to the market to provide stakeholders with timely information and detailed half yearly updates.</p> <p>Increased shareholder engagement with the Company has been sought by the dissemination of, in particular, production rates of the producing assets that are held by the Company.</p> <p>The Directors seek to maintain regular contact with significant and engaged shareholders and the Company works with its Broker in London as a point of contact for all shareholders, in order to gauge the needs and expectations of shareholders in the Company.</p> <p>The Company website is monitored and regularly updated to be a source of useful information to stakeholders.</p>
3.	<p>Principle 3</p> <p>Take into account wider stakeholder and social responsibilities and their implications for long-term success</p> <ul style="list-style-type: none"> • Long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (suppliers, customers, regulators and others). The board needs to identify the company's stakeholders and understand their needs, interests and expectations 	<p>The Company's business model and strategy are clearly laid out in the Annual Report. The Executive Chairman reaches out to the Company's stakeholders by regular communication via the publication of announcements through RNS, as well as through roadshows.</p> <p>Other than shareholders, the Board has identified the Company's stakeholders to include staff, suppliers, customers, joint venture partners, fellow working interest partners in projects, landowners, local governments and the wider community. The Company uses its local agents to liaise and work closely with all operational stakeholders in the business including suppliers, landowners, government authorities and workers.</p>

	<ul style="list-style-type: none"> Where matters that relate to the company's impact on society, the communities within which it operates or the environment have the potential to affect the company's ability to deliver shareholder value over the medium to long-term, then those matters must be integrated into the company's strategy and business model. Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups. 	<p>Through Mosman Oil USA Inc, Mosman Operating LLC and Mosman Texas USA works with the local Texas Rail Road authorities to ensure compliance with local laws and regulations with respect to operated oil and gas production assets.</p> <p>Through wholly owned Trident Energy Pty Ltd the group has also ensured good relations with the Northern Territory Department of Mines and Energy including compliance with annual reporting and expenditure obligations on permits owned by Trident. The requirement to work with traditional owners in the indigenous community to coordinate rights of access and working with the indigenous community generally is also acknowledged as a key responsibility of the Company.</p> <p>The entire group across all jurisdictions seeks to apply best practices for the protection of the environment and for the benefit of the local community.</p> <p>In addition to the above, the Company monitors social media platforms and blogging community websites from time to time to identify potential concerns which may have been raised. As a result, the Executive Chairman proactively engages with stakeholders and works to address any feedback in a timely manner while remaining vigilant of the Market Abuse Regulations' restrictions on inside information and the AIM Rules for Companies.</p>
4.	<p>Principle 4</p> <p>Embed effective risk management, considering both opportunities and threats, throughout the organisation</p> <ul style="list-style-type: none"> The board needs to ensure that the company's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; companies need to consider their extended business, including the company's supply chain, from key suppliers to end-customer. Setting strategy includes determining the extent of exposure to the identified risks that the company is able to bear and willing to take (risk tolerance and risk appetite). 	<p>The Company and its directors have identified and keep under consideration the risks facing the Company and its subsidiaries. In view of the current position of the Company and its activities these are limited.</p> <p>The Board is responsible for putting in place and communicating a sound system to manage risk and implement.</p> <p>The key risks are also outlined in the analysis of risks contained in the Company's annual report.</p> <p>Management determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Company's process of risk management and internal compliance and control includes:</p> <ul style="list-style-type: none"> a) establishing the Company's goals and objectives, and implementing and monitoring strategies and policies to achieve these goals and objectives; b) continuously identifying and reacting to risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the

		<p>environment for emerging factors and trends that affect these risks;</p> <p>c) formulating risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls; and (monitoring the performance of, and continuously improving the effectiveness of, risk management systems and internal compliance and controls, including an ongoing assessment of the effectiveness of risk management and internal compliance and control.</p> <p>Within the identified risk profile of the Company, comprehensive practices are in place that are directed towards achieving the following objectives:</p> <p>a) effectiveness and efficiency in the use of the Company's resources;</p> <p>b) compliance with applicable laws and regulations; and</p> <p>c) preparation of reliable published financial information.</p> <p>The Board oversees an ongoing assessment of the effectiveness of risk management and internal compliance and control.</p>
5.	<p>Principle 5</p> <p>Maintain the board as a well-functioning, balanced team led by the chair</p> <ul style="list-style-type: none"> The board members have a collective responsibility and legal obligation to promote the interests of the company and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the board. The board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight. The board should have an appropriate balance between executive and non-executive directors and should have at least two independent non-executive directors. Independence is a board judgement. The board should be supported by committees (e.g. audit, 	<p>In view of the size of the Company and limited activities and available management resourcing/responsibilities in the Company, there is currently only one Independent NED on the Board of Mosman, Mr John Young.</p> <p>Notwithstanding John Young's tenure on the Board (he was appointed in 2011) the Board consider him to be independent given:</p> <ul style="list-style-type: none"> He does not receive additional remuneration from the Company apart from a director's fee; He has immaterial passive investment in the Company that he has held throughout his tenure. He has previously supported the Company by taking remuneration in shares during 2020; He is not involved in the day-to-day management of the Group's operations. <p>Currently the balance of non-executive to executive directors does not comply with the QCA recommendations however the Board regularly reviews the size and scale of Company operations and requirements to ensure that this is appropriate for operations at the time. It is the intention of the Board to add further independent NED's as the complexity of operations increases and taking into account the areas highlighted above in respect of Mr. Young's ongoing independence.</p>

	<p>remuneration, nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively.</p> <ul style="list-style-type: none"> • Directors must commit the time necessary to fulfil their roles. 	<p>The Company has one part time employee and largely operates using consultants, meaning that the available internal resources outside of the Board are limited.</p> <p>The Executive Chairman Mr John W Barr and Technical Director Mr Andy Carroll play an active role in the business taking on management and operational responsibilities.</p> <p>The Board appreciates that the QCA Code advises that save in exceptional circumstances, the chairman should not also fulfil the role of chief executive. Given the current size, stage of development and limited resources of the Company, the Board considers this combined role is currently merited, although this will be monitored as the Company grows.</p> <p>The Group retains an outsourced Company Secretary/CFO, Mr Jarrod White, who provides a level of independent review and added management and financial capability to assist the Board. Mr White is a Chartered Accountant and director of Traverse Accountants, a Corporate Advisory and Chartered Accounting firm in Sydney Australia. Further details of Mr White's qualifications can be found in the most recent Annual Report. This can be found on the Mosman website, as linked.</p> <p>https://mosmanoilandgas.com/financial-reports</p> <p>The Directors are of a view that the Company does not currently require a separate CFO to be appointed to the Board due to the current scale of operations and financial experience of the directors. In particular the Company's Executive Chairman, John W Barr, is a Chartered Accountant and Fellow of the Australian Institute of Company Directors.</p> <p>Remuneration for Director fees is separate to remuneration for additional consulting services performed as required meaning that Directors have the time and motivation to discharge their duties;</p> <p>The time commitments for the Company's NED is approximately 10 hours per month;</p> <p>There were 7 meetings held in FY21 with attendance as below:</p> <ul style="list-style-type: none"> ○ John Barr – 7 ○ Andrew Carroll – 7 ○ John Young – 7 <p>An audit committee, comprising John W Barr and John Young has been established to determine the application of financial reporting and internal control principles, including reviewing the effectiveness of</p>
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		<p>the Group's financial reporting, internal control and risk management procedures and the scope, quality and results of the external audit. The audit committee is chaired by John W Barr.</p> <p>A remuneration committee, comprising John Young and Andrew Carroll has also been established to review the performance of the executive directors. Directorial remuneration and remuneration of any other services provided by Directors are set in accordance with contracts established in 2014, and which are disclosed in Annual reports. Any directors' option schemes are approved by shareholders at a General Meeting. Each of the executive directors will take no part in discussions concerning their remuneration. The remuneration committee is chaired by John Young. The remuneration of all directors will be reviewed by the Board.</p> <p>Given the size of the Company the Board has agreed that appointments to the Board should be made by the Board as a whole so Mosman has not created a nominations committee.</p>
6.	<p>Principle 6</p> <p>Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities</p> <ul style="list-style-type: none"> • The board must have an appropriate balance of sector, financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. The board should understand and challenge its own diversity, including gender balance, as part of its composition. • The board should not be dominated by one person or a group of people. Strong personal bonds can be important but can also divide a board. • As companies evolve, the mix of skills and experience required on the board will change, and board composition will need to evolve to reflect this change. 	<p>The existing Board of Directors brings a balance of skills and experience to the Company, including legal, financial, mining, petroleum engineering and market expertise. Details of each Director are given in the biographies of each director in the annual report and within the Company's web site below:</p> <p>http://mosmanoilandgas.com/directors</p> <p>Where the Board requires additional skills and experience to effectively perform their roles as directors the Company seeks input from professional and strategic advisors.</p> <p>All directors and external adviser information can be found within the Information on Directors section of the most recent Annual Report. This can be found on the Mosman website, as per the link below:</p> <p>https://mosmanoilandgas.com/financial-reports</p> <p>All directors attend external training as required by their positions within the Board or professional membership requirements.</p> <p>The Company will continue to monitor the need to bring additional skills onto the Board as appropriate as the Company grows and evolves, including the appointment of a second Independent Non-Executive Director.</p>
7.	<p>Principle 7</p> <p>Evaluate board performance based on clear and relevant objectives, seeking continuous improvement</p>	<p>As part of the annual review of the performance of the Board, the appropriate size, composition and terms and conditions of appointment to and retirement from the Board are considered. The level of remuneration for non-executive directors is considered with regard to practices of other public</p>

	<ul style="list-style-type: none"> • The board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual directors. • The board performance review may be carried out internally or, ideally, externally facilitated from time to time. The review should identify development or mentoring needs of individual directors or the wider senior management team. • It is healthy for membership of the board to be periodically refreshed. Succession planning is a vital task for boards. No member of the board should become indispensable. 	<p>companies and the aggregate amount of fees approved by shareholders. The Board also reviews the appropriate criteria for Board membership collectively.</p> <p>The Board has established processes to review its own performance and the performance of individual directors and the committees of the Board, annually. Directors are reviewed based on their attendance and contributions to meetings of the Board and the relevance of their experience to the operations and decisions of the plan as it executes its objectives. The Board has concluded that the current team and committee structure are suitable for the businesses current stage of operations. The Board expects to continue to use the same evaluation process for the next annual review however this may evolve further as operations and the needs of the business become more complex.</p> <p>Additionally, one third of the Directors under the Company constitution are required to stand for election annually offering shareholders the ability to consider the performance of that particular Director throughout their last term as a Director.</p> <p>Shareholders are encouraged to attend Annual General Meetings. The Company has also kept an active presence through services such as ProActive Investors and Alma PR who assist in the coordination of various communications and Director interviews that are published. The Company has also attended industry forums to assist in the engagement and promotion of the Company.</p> <p>The Board has not currently undertaken any succession planning due to the limited extent of current operations and relatively small number of employees and directors. The Board will evaluate the need for succession planning as the Company's operations continue to develop.</p>
8.	<p>Principle 8</p> <p>Promote a corporate culture that is based on ethical values and behaviours</p> <ul style="list-style-type: none"> • The board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage. • The policy set by the board should be visible in the actions and decisions of the chief executive and the rest of the management team. Corporate values should guide the objectives and strategy of the company. 	<p>The Board is aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The Executive Chairman and the Board promote a strong governance and ethical culture which in turn used to portray and promote the Group's business and other dealings with identified stake holders across all jurisdictions that the Group operates. A large part of the Company's activities are centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders.</p> <p>The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with AIM</p>

	<ul style="list-style-type: none"> The culture should be visible in every aspect of the business, including recruitment, nominations, training and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the company. The corporate culture should be recognisable throughout the disclosures in the annual report, website and any other statements issued by the company. 	<p>Rule 21 the requirements of the Market Abuse Regulation which came into effect in 2016.</p> <p>In view of the current position of the Company and that there is no formal workplace and only two part time employees the Board has taken such steps as it considers appropriate to establish a transparent and accountable corporate culture.</p> <p>The Board has also established a number of appropriate policies such as Anti-bribery and Corruption and a social media policy.</p> <p>The Company uses the QCA guidelines as a guiding principle in promoting an ethical and open environment.</p>
9.	<p>Principle 9</p> <p>Maintain governance structures and processes that are fit for purpose and support good decision-making by the board</p> <ul style="list-style-type: none"> The company should maintain governance structures and processes in line with its corporate culture and appropriate to its: <ul style="list-style-type: none"> size and complexity; and capacity, appetite and tolerance for risk. The governance structures should evolve over time in parallel with its objectives, strategy and business model to reflect the development of the company. 	<p>The Board's corporate governance policies helps ensure that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately.</p> <p>The Executive Chairman, Mr John W Barr, is responsible for the governance and oversight of the Company's operation, and Technical Director Mr Andy Carroll plays an active role in the business taking on management and operational responsibilities.</p> <p>Independent Non-Executive Director, Mr John Young, acts as a relevant non-executive member of the Board to enhance the governance structure of the Board and provide an increased level of independent review of Board decisions and strategy.</p> <p>All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. The business reports monthly on its headline performance against its agreed budget, and the Board reviews the monthly update on performance and any significant variances are reviewed at each meeting.</p> <p>The Board is supported by the audit and remuneration committees. The audit committee determines the application of financial reporting and internal control principles, including reviewing the effectiveness of the Group's financial reporting, internal control and risk management procedures and the scope, quality and results of the external audit. The remuneration committee reviews the performance of the executive directors and sets their remuneration, determines the payment of bonuses to executive directors and consider bonus and option schemes. Each of the executive directors will take no part in discussions concerning their</p>

		<p>remuneration. The remuneration of all directors will be reviewed by the Board.</p> <p>Each committee has access to such resources, information and advice as it deems necessary, at the cost of the Company, to enable the committee to discharge its duties. The terms of reference of each committee are available at the Company's website:</p> <p>https://mosmanoilandgas.com/corporate-governance</p> <p>These processes are regularly implemented at the Meetings of Directors as set out in the Directors' Report and are updated as necessary based on:</p> <ul style="list-style-type: none"> ○ Corporate culture; ○ Size; ○ The capacity and appetite for risk and the tolerances of the Company; and ○ Business complexity. <p>The Company's annual report includes published reports from the Company's audit and remuneration committees setting out particular matters of relevance that have arisen during the reporting period.</p>
10.	<p>Principle 10</p> <p>Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders</p> <ul style="list-style-type: none"> • A healthy dialogue should exist between the board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the company. • In particular, appropriate communication and reporting structures should exist between the board and all constituent parts of its shareholder base. This will assist: <ul style="list-style-type: none"> ○ the communication of shareholders' views to the board; and ○ the shareholders' understanding of the unique circumstances and constraints faced by the company. • It should be clear where these communication practices are described (annual report or website). 	<p>The Company communicates with shareholders through the Annual Report and Accounts, full-year and half-year announcements, the Annual General Meeting (AGM) and one-to-one meetings with large existing or potential new shareholders.</p> <p>A range of corporate information (including all Company announcements and presentations) is also available to shareholders, investors and the public on the Company's corporate website:</p> <p>http://mosmanoilandgas.com</p> <p>The Annual Report details the work of the Board, Management and various committees that are utilised throughout the year.</p> <p>The outcome of each vote in the AGM is always reported to shareholders and released as an RNS on the market announcements platform. It can also be obtained on the Company's website.</p>

Other	Consider relationship agreement where there is a dominant shareholder	N/A
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Setting out the Vision and Strategy

The Board should express a shared view of the Company's vision and strategy.

For details on the Company's objectives, please refer to the Company's website (<http://mosmanoilandgas.com/company-overview>.)

Managing and Communication Risk and Implementing Internal Control

The Board is responsible for putting in place and communicating a sound system to manage risk and implement.

Management determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Company's process of risk management and internal compliance and control includes:

- (a) establishing the Company's goals and objectives, and implementing and monitoring strategies and policies to achieve these goals and objectives;
- (b) continuously identifying and reacting to risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks;
- (c) formulating risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls; and
- (d) monitoring the performance of, and continuously improving the effectiveness of, risk management systems and internal compliance and controls, including an ongoing assessment of the effectiveness of risk management and internal compliance and control.

Within the identified risk profile of the Company, comprehensive practices are in place that are directed towards achieving the following objectives:

- (a) effectiveness and efficiency in the use of the Company's resources;
- (b) compliance with applicable laws and regulations; and
- (c) preparation of reliable published financial information.

The Board oversees an ongoing assessment of the effectiveness of risk management and internal compliance and control.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required by the Board to report back on the efficiency and effectiveness of risk management, inter alia, by benchmarking the Company's performance against industry standards.

The risk profile of the Company contains both financial and non-financial factors including material risks arising from pricing, competitive position, currency movements, operational efficiency, fuel prices, ground water flows, reserve recovery, investments in new projects.

To mitigate these risks, the Company has in place a broad range of risk management policies and procedures including specialised sales contracts, competent management in all disciplines, a comprehensive management information system, an experienced Board, regular Board meetings, financial and internal audits, rigorous appraisal of new investments, advisers familiar with the Company and an internal audit function.

Management is responsible for the ongoing management of risk with standing instructions to appraise the Board of changing circumstances within the Company and within the international business environment.

This policy is reviewed every two years.

Articulating Strategy through Corporate Communication and Investor Relations

A healthy dialogue should exist between the Board and shareholders to enable shareholders to come to informed disclosures decisions about the Company.

The Company recognises the value of providing current and relevant information to its shareholders. The Executive Chairman and Company Secretary have the primary responsibility for communication with shareholders.

Information is communicated to shareholders through:

- (a) continuous disclosure to relevant stock markets of all material information;
- (b) periodic disclosure through the annual report (or concise annual report), half year financial report and periodic reporting of exploration, production and corporate activities (if required);
- (c) notices of meetings and explanatory material;
- (d) the annual general meeting;
- (e) periodic newsletters or letters from the Chairman or CEO; and
- (f) the Company's website.

The Company is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market.

Meeting the Needs and Objectives of Shareholders

Directors should develop a good understanding of the needs and expectations of the Company's shareholders, as well as the motivations behind shareholder voting decisions.

The Company always strives to maintain an open line of communication with Shareholders. A detailed corporate directory, directory of Directors and Management, as well as current and historical notices to shareholders are available on the Company's website.

Annual General Meeting

The Company recognises the rights of shareholders and encourages the effective exercise of those rights through the following means:

- (a) notices of meetings are distributed to shareholders in accordance with the provisions of the Corporations Act;
- (b) notices of meetings and other meeting material are drafted in concise and clear language;
- (c) shareholders are encouraged to use their attendance at meetings to ask questions on any relevant matter, with time being specifically set aside for shareholder questions;
- (d) notices of meetings encourage participation in voting on proposed resolutions by lodgement of proxies, if shareholders are unable to attend the meeting;
- (e) it is general practice for a presentation on the Company's activities to be made to shareholders at each annual general meeting; and
- (f) it is both the Company's policy and the policy of the Company's auditor for the lead engagement partner to be present at the annual general meeting and to answer any questions regarding the conduct of the audit and the preparation and content of the auditor's report.

This policy is reviewed annually.

Meeting Stakeholder and Social Responsibilities

Good governance includes the Board considering the Company's impact on society, the community and the environment.

The Board recognises that the primary stakeholders in the Company are its shareholders. Other legitimate stakeholders in the Company include employees, potential customers and the general community.

The Company's primary objective is to create shareholder wealth through capital growth and dividends by the continued development and commercialisation of its assets.

The Company is committed to conducting all its operations in a manner which:

- (a) protects the health and safety of all Employees, contractors and community members;
- (b) recognises, values and rewards the individual contribution of each employee;
- (c) achieves a balance between economic development, maintenance of the environment and social responsibility;
- (d) maintains good relationships with suppliers and the local community; and
- (e) is honest, lawful and moral.

All employees (including directors) are expected to act with the utmost integrity and objectivity, striving always to enhance the reputation and performance of the Company.

This policy is reviewed annually.

Using Cost Effective and Value-Added Arrangements

The Board periodically reviews its corporate governance policies to ensure its governance arrangements allows for clear and efficient decision-making processes.

The risk management processes outlined above highlight the key risks faced by the Company and facilitates a clear understanding of how value is enhanced, and abuses prevented, through the governance policies and processes.

Developing Structures and Processes

The Board's corporate governance policies helps ensure that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately.

These processes are regularly implemented at the Meetings of Directors as set out in the Directors' Report and are updated as necessary based on:

- Corporate Culture;
- Size;
- The capacity and appetite for risk and the tolerances of the Company; and
- Business complexity.

Being Responsible and Accountable

Responsibility for corporate governance lies with the Chairman and the Board has a collective responsibility and legal obligation to promote the long-term success of the Company.

Role of the Board and Management

The Board's primary role is the protection and enhancement of medium to long term shareholder value. To fulfil this role, the Board is responsible for the overall Corporate Governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board has sole responsibility for the following:

- Appointing and removing executive directors and approving their remuneration;
- Appointing and removing the Company Secretary and approving their remuneration;
- Determining the strategic direction of the Company and measuring performance of management against approved strategies;

- Reviewing the adequacy of resources for management to properly carry out approved strategies and business plans;
 - Adopting operating and capital expenditure budgets at the commencement of each financial period and monitoring the progress by both financial and non-financial key performance indicators;
 - Monitoring the Company's medium term capital and cash flow requirements;
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- Approving and monitoring financial and other reporting to regulatory bodies, shareholders and other organisations;
 - Determining that satisfactory arrangements are in place for auditing the Company's financial affairs;
 - Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and compliance with legislative requirements; and
 - Ensuring that policies and compliance systems consistent with the Company's objectives and best practice are in place and that the Company and its officers act legally, ethically and responsibly on all matters.

The Board's role and the Company's corporate governance practices are being continually reviewed and improved as the Company's business develops.

Having Balance on the Board

The Board consists of two Executive Directors, being Mr John W Barr, the Executive Chairman, and Mr Andrew Carroll, the Technical Director, and one Non-Executive Director being Mr John A Young. Major corporate decisions of the Company are subject to Board approval.

The Company's Constitution provides that the number of Directors shall not be less than three and not more than ten. There is no requirement for any shareholding qualification.

The Board considers that Mr Young is an Independent Director of the Company.

The Company notes that the role of the Chair being discharged by an Executive Director is not in line with QCA guidance however is considered appropriate given Mosman's relative early stage of development. The Board does keep this role and compliance with QCA guidelines under close review and the appointment of future potential non-executives, however none have been identified.

Having Appropriate Skills and Capabilities on the Board

Details of the Directors, including their qualifications, experience and date of appointment are set out in the Directors' Report.

An audit committee, comprising Mr Barr and Mr Young has been established to operate with effect from Admission. The audit committee will determine the application of financial reporting and internal control principles, including reviewing the effectiveness of the Group's financial reporting, internal control and risk management procedures and the scope, quality and results of the external audit. The audit committee will be chaired by Mr Barr.

At Admission, the Board established a Remuneration Committee responsible for making recommendations to the Board on remuneration arrangements for Directors and executives of the Company. It will review the performance of the Executive Directors and will set their remuneration, determine the payment of bonuses to Executive Directors and consider bonus and option schemes. Each of the Executive Directors will take no part in discussions concerning their own remuneration. The remuneration of all Directors will be reviewed by the Board. The remuneration committee will be chaired by Mr Young.

Evaluation Board Performance and Development

As part of the annual review of the performance of the Board, the appropriate size, composition and terms and conditions of appointment to and retirement from the Board are considered. The level of remuneration for non-executive directors is considered with regards to practices of other public companies and the aggregate amount of fees approved by shareholders. The Board also reviews the appropriate criteria for Board membership collectively.

The Board has established formal processes to review its own performance and the performance of individual directors and the committees of the Board, annually.

Board

A process has been established to annually review and evaluate the performance of the Board. The annual review includes consideration of the following measures:

- (a) comparison of the performance of the Board against the requirements of the Board charter;
- (b) assessment of the performance of the Board over the previous twelve months having regard to the corporate strategies, operating plans and the annual budget;
- (c) review the Board's interaction with management;
- (d) identification of goals and objectives of the Board for the next year;
- (e) review the type and timing of information provided to the directors; and
- (f) identification of any necessary or desirable improvements to Board or committee charters.

The method and scope of the performance evaluation will be set by the Board and which may include a Board self-assessment checklist to be completed by each director. The Board may also use an independent adviser to assist in the review.

Committees

Similar procedures to those for the Board review are applied to evaluate the performance of each of the Board committees.

An assessment will be made of the performance of each committee against each charter and areas identified where improvements can be made.

Non-Executive Directors

The Chairman will have primary responsibility for conducting performance appraisals of Non-Executive Directors in conjunction with them, having regard to:

- (a) contribution to Board discussion and function;
- (b) degree of independence including relevance of any conflicts of interest;
- (c) availability for and attendance at Board meetings and other relevant events;
- (d) contribution to Company strategy;
- (e) membership of and contribution to any Board committees; and
- (f) suitability to Board structure and composition.

Where the Chairman, following a performance appraisal, considers that action must be taken in relation to a Director's performance, the Chairman must consult with the remainder of the Board regarding whether a Director should be counselled to resign, not seek re-election, or in exceptional circumstances, whether a resolution for the removal of a Director be put to shareholders.

Senior Executives

The Executive Chairman is responsible for assessing the performance of the key executives within the Company. This is to be performed through a formal process involving a formal meeting with each senior executive. The basis of evaluation of senior executives will be on agreed performance measures.

This policy is reviewed annually.

Providing Information and Support

Each director has the right to seek independent professional advice on matters relating to their position as a Director of the Company at the Company's expense, subject to the prior approval of the Chairman, which shall not be unreasonably withheld.

Non-Executive Directors are provided with access to all information they require and are authorised to engage external advisors as necessary. There was no such requirement for external advisors in FY19.

Nominated Advisor

In accordance with the AIM Rules for Companies, SP Angel Corporate Finance LLP has been appointed to advise the Board as its Nominated Advisor. A Nominated Advisor's responsibility is to the Exchange for assessing the appropriateness of an applicant for AIM, or an existing AIM company when appointed its Nominated Adviser, and for advising and guiding an AIM company on its responsibilities under the AIM Rules for Companies.

Audit Committee Report

An important part of the role of the Audit Committee is its responsibility for reviewing the effectiveness of the Group's financial reporting, internal control policies, and procedures for the identification, assessment and reporting of risk. The latter two areas are integral to the Group's core management processes and the Committee devotes significant time to their review.

One of the key governance requirements of the Group's financial statements is for the report and accounts to be fair, balanced and understandable. The co-ordination and review of the Group-wide input into the Annual Report and Accounts is a sizeable exercise performed within an exacting time frame. It runs alongside the formal audit process undertaken by external Auditors and is designed to arrive at a position where initially the Audit Committee, and then the Board, is satisfied with the overall fairness, balance and clarity of the document is underpinned by the following:

- detailed guidance issued to contributors at operational levels;
- a verification process dealing with the factual content of the reports;
- thorough review undertaken at different levels that aim to ensure consistency and overall balance; and
- comprehensive review by the senior management team.

The Audit Committee has also sought to remove any duplication and has sequenced information in as logical a manner as possible without compromising compliance with UK regulatory and accounting requirements.

An essential part of the integrity of the financial statements are the key assumptions and estimates or judgments that must be made. The Committee reviews key judgments prior to publication of the financial statements at the full and half year, as well as considering significant issues throughout the year. This includes reviewing any materially subjective assumptions within the Group's activities to enable an appropriate determination of asset valuation and provisioning. The Committee reviewed and was satisfied that the judgments exercised by management on material items contained within the Annual Report were reasonable.

Additionally, the Committee also considered management's assessment of going concern with respect to the Group's cash position and its commitments for the next 12 months. In this respect, the Committee refers to the Going concern section in the Directors' Report.

The Audit Committee has considered the Group's internal control and risk management policies and systems, their effectiveness and the requirements for an internal audit function in the context of the Group's overall risk management system. The Committee is satisfied that the Group does not currently require an internal audit function.

John W Barr
Chairman of the Audit Committee
29 December 2021

Audit Committee Members

This committee comprises:

- John W Barr (Chairman)
- John A Young

Summary of responsibilities of the Audit Committee

- Reviewing the effectiveness of the Group's financial reporting, internal control policies and procedures for the identification, assessment and reporting of risk;
- monitoring the integrity of the Group's financial statements;
- monitoring the effectiveness of the internal control environment;
- making recommendations to the Board on the appointment of the Auditors;
- agreeing the scope of the Auditors' annual audit programme and reviewing the output;
- keeping the relationship with the Auditors under review;
- assessing the effectiveness of the audit process; and
- developing and implementing policy on the engagement of the Auditors to supply non-audit services.

The external Auditors have unrestricted access to the Chairman of the Audit Committee. Audit Committee meetings are also attended by the external Auditor where appropriate and, by invitation, the Chairman and any other Directors and senior management.

Remuneration Committee Report

The Remuneration Committee ("Committee") convened once during the year and has been engaged on all matters of corporate remuneration. Over the past year, the Committee has considered the following matters:

- Director remuneration; and
- Consultancy status and terms for individuals serving the group on a non-exclusive basis.

Given Mosman's focus on capital-required new project acquisitions subsequent to balance date, it was decided that no bonus should be paid in cash to employees or Directors despite their significant efforts during the year.

Directors, employees and certain consultants are only eligible to participate in the Group bonus or equity incentive schemes at the absolute discretion of the Board, with recommendations from the Remuneration Committee. There is no formal bonus scheme in place and it is the policy of the Remuneration Committee that any material bonus be put to shareholders for formal ratification and approval.

The Committee, when reviewing base remuneration, consider matters of retention, motivation, the economic climate, and the challenges facing the business and the wider sector; they also consider appropriate industry benchmarks. The annual remuneration levels for the executive Director is noted in the Directors' report.

John Young
Chairman of the Remuneration Committee

29 December 2021

Remuneration Committee Members

This committee comprises:

- John A Young (Chairman)
- Andrew R Carroll

Summary of responsibilities of the Remuneration Committee

- Agreeing a policy for the remuneration of the Chairman, Executive Directors, Non-Executive Directors and other senior executives;
- Within the agreed policy, determining individual remuneration packages for the Chairman, Executive Directors, Non-Executive Directors and other senior executives;
- Agreeing the policy on terms and conditions to be included in service agreements for the Chairman, Executive Directors, Non-Executive Directors and other senior executives, including termination payments and compensation commitments, where applicable; and
- Approving any employee incentive schemes and the performance conditions to be used for such schemes including share performance targets.

Auditor's Independence Declaration

To Mosman Oil and Gas Limited

As auditor for the audit of Mosman Oil and Gas Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- i. no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd



Rafay Nabeel

Audit Director

Perth

29 December 2021

Independent Audit Report to the members of Mosman Oil and Gas Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Mosman Oil and Gas Limited ('the Company') and its subsidiaries (collectively referred to as 'the Group'), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Capitalised Exploration Expenditure

Refer to Note 14, Deferred exploration expenditure and accounting policy Notes 1(c) and 1(h).

Key Audit Matter	How our audit addressed the matter
As at 30 June 2021, the Group has significant exploration and evaluation expenditure which has been capitalised. As the carrying value of exploration and evaluation expenditures represents a significant asset of the Group, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of this asset may exceed its recoverable amount. Management of the Group considered whether there were any indicators of impairment.	<p>Our audit work included, but was not restricted to, the following:</p> <ul style="list-style-type: none">Obtaining evidence as to whether the Group has valid rights to explore the areas represented by the previously capitalised exploration costs;We enquired with management and reviewed budgets to ensure that substantive expenditure on further exploration for and evaluation of the mineral resources in the Group's area of interest were planned;We enquired with management, reviewed announcements made and reviewed minutes of directors' meetings to ensure that the company had not decided to discontinue activities in any of its areas of interest;

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The Group capitalises exploration and evaluation expenditure in line with AASB 6 Exploration for and Evaluation of Mineral Resources. The assessment of each asset's future perspective requires significant judgement. There is a risk that the amounts are capitalised which no longer meet the recognition criteria of AASB 6.

- We enquired with management to ensure that the Group had not decided to proceed with development of a specific area of interest, yet the carrying amount of the exploration and evaluation asset was unlikely to be recovered in full from successful development or sale.

Oil and Gas Assets

Refer to Note 13, Oil and gas assets and accounting policy Notes 1(p) and 1(q).

Key Audit Matter	How our audit addressed the matter
<p>Included in the consolidated statement of financial position at 30 June 2021 is the capitalised oil and gas assets of \$3,328,029. This represented 43% of the total Group assets at that date.</p> <p>Oil and Gas assets are amortised on a units of production basis over the life of the economically recoverable reserves.</p> <p>The carrying value of the tangible assets must be assessed for impairment when facts and circumstances indicate that the carrying value exceeds its recoverable amount.</p> <p>Following an assessment of a number of internal and external factors, the directors determined that there were no impairment indicators present at 30 June 2021.</p> <p>This was a key audit matter because the oil and gas assets are the largest non-financial asset on the consolidated statement of financial position and judgement is required in determining whether impairment indicators exist.</p>	<p>Our audit work included, but was not restricted to, the following:</p> <ul style="list-style-type: none"> • Obtaining evidence as to whether the Group has valid rights to capitalised Oil and Gas assets; • We challenged the appropriateness of the Group's assessment and conclusion that there were no impairment indicators present as at 30 June 2021. In assessing whether any impairment indicators were present, we analysed the future projected cash flows of the CGUs. • Assess and challenge the reasonableness of the key assumptions such as forecast oil and gas prices and discount rates used including agreeing them to external market data and; • Enquiring with management, reviewing the Group's AIM announcements, and reviewing minutes of Board meetings.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in Directors' Report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 12 to 15 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Mosman Oil and Gas Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd



Rafay Nabeel

Audit Director

Perth

29 December 2021

Consolidated Statement of Financial Performance
Year Ended 30 June 2021
All amounts are in Australian Dollars

	Notes	Consolidated 2021 \$	Consolidated 2020 \$
Revenue	24	816,695	1,493,664
Cost of sales	2	(491,770)	(782,727)
Gross profit		324,925	710,937
Interest income		55	28,447
Other income		93,072	152,809
Gain on sale of oil and gas assets		118,067	-
Administrative expenses		(415,130)	(173,552)
Corporate expenses	3	(957,713)	(901,576)
Directors fees		(120,000)	(120,000)
Exploration expenses incurred, not capitalised		(21,866)	(71,604)
Employee benefits expense		(62,878)	(55,064)
Evaluation and due diligence		-	(153,493)
Finance costs		(6,362)	(5,177)
Amortisation expense		(171,539)	(102,222)
Depreciation expense		(2,848)	(4,039)
Impairment expense	12 & 13	-	(4,142,876)
Loss on settlement of Director liabilities	21	(133,706)	-
Loss from ordinary activities before income tax expense		(1,355,923)	(4,837,410)
Income tax expense	5	-	-
Net loss for the year		(1,355,923)	(4,837,410)
Other comprehensive profit			
Items that may be reclassified to profit or loss:			
Gain on financial assets at fair value through other comprehensive			
- income (FVOCI)	4	374,839	38,887
- Foreign currency gain/(loss)	4	(257,952)	142,410
Total comprehensive income attributable to members of the entity		(1,239,036)	(4,656,113)
Basic loss per share (cents per share)	25	(0.05) cents	(0.50) cents
Diluted loss per share (cents per share)	25	(0.04) cents	(0.50) cents

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
As at 30 June 2021
All amounts are in Australian Dollars

	Notes	Consolidated 30 June 2021	Consolidated 30 June 2020
		\$	\$
Current Assets			
Cash and cash equivalents	7	2,289,674	372,479
Funds held in trust	8	1,197,127	-
Trade and other receivables	9	172,500	78,719
Inventory		-	44,508
Other financial assets	10	-	93,748
Other assets	11	23,418	16,959
Total Current Assets		<u>3,682,719</u>	<u>606,413</u>
Non-Current Assets			
Property, plant & equipment	12	7,147	9,995
Oil and gas assets	13	3,328,029	2,061,131
Loans receivable	11	-	-
Other receivables		-	54,820
Capitalised oil and gas exploration	14	706,702	301,242
Total Non-Current Assets		<u>4,041,878</u>	<u>2,427,188</u>
Total Assets		<u>7,724,597</u>	<u>3,033,601</u>
Current Liabilities			
Trade and other payables	15	377,727	358,091
Equity settled liabilities	16	-	191,000
Provisions	17	22,423	20,269
Total Current Liabilities		<u>400,150</u>	<u>569,360</u>
Total Liabilities		<u>400,150</u>	<u>569,360</u>
Net Assets		<u>7,324,447</u>	<u>2,464,241</u>
Shareholders' Equity			
Contributed equity	18	36,700,381	30,691,497
Reserves	19	436,247	712,134
Accumulated losses	20	(29,812,181)	(28,939,390)
Total Shareholders' Equity		<u>7,324,447</u>	<u>2,464,241</u>

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
Year Ended 30 June 2021
All amounts are in Australian Dollars

	Accumulated Losses	Contributed Equity	Reserves	Non- Controlling Interest	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2020	(28,939,390)	30,691,497	712,134	-	2,464,241
<i>Comprehensive income</i>					
Loss for the period	(1,355,923)				(1,355,923)
Other comprehensive income for the period	-	-	116,887	-	116,887
Total comprehensive loss for the period	(1,355,923)	-	116,887	-	(1,239,036)
<i>Transactions with owners, in their capacity as owners, and other transfers:</i>					
New shares issued	-	6,313,678	-	-	6,313,678
Cost of raising equity	-	(304,794)	-	-	(304,794)
Warrants issued	-	-	90,358	-	90,358
Options expired	471,818	-	(471,818)	-	-
Reclassification on disposal of financial assets	11,314	-	(11,314)	-	-
Total transactions with owners and other transfers	483,132	6,008,884	(392,774)	-	6,099,242
Balance at 30 June 2021	(29,812,181)	36,700,381	436,247	-	7,324,447
Balance at 1 July 2019	(24,101,980)	30,164,872	530,837	-	6,593,729
<i>Comprehensive income</i>					
Loss for the year	(4,837,410)	-	-	-	(4,837,410)
Other comprehensive income for the period	-	-	181,297	-	181,297
Total comprehensive loss for the period	(4,837,410)	-	181,297	-	(4,656,113)
<i>Transactions with owners, in their capacity as owners, and other transfers:</i>					
New shares issued	-	585,139	-	-	585,139
Cost of raising equity	-	(58,514)	-	-	(58,514)
Total transactions with owners and other transfers	-	526,625	-	-	526,625
Balance at 30 June 2020	(28,939,390)	30,691,497	712,134	-	2,464,241

These accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows
Year Ended 30 June 2021
All amounts are in Australian Dollars

	Notes	Consolidated 2021 \$	Consolidated 2020 \$
Cash flows from operating activities			
Receipts from customers		841,671	1,557,395
Interest received & other income		93,071	114,439
Payments to suppliers and employees		(1,995,223)	(2,157,505)
Bonds refunded		-	10,000
Interest paid		(6,361)	(5,177)
Net cash outflow from operating activities	26	(1,066,842)	(480,848)
Cash flows from investing activities			
Proceeds from sale of assets		468,586	-
Payments for oil and gas assets		(1,689,008)	(469,432)
Payments for exploration and evaluation		(405,459)	-
Deposit paid for Company acquisition		(1,197,127)	-
Acquisition of oil and gas production projects		(158,486)	(236,783)
Net cash outflow from investing activities		(2,981,494)	(706,215)
Cash flows from financing activities			
Proceeds from shares issued		6,270,330	585,138
Payments for costs of capital		(304,794)	(58,514)
Transactions with non-controlling interests		-	-
Proceeds from third party loans		141,890	67,064
Net cash inflow from financial activities		6,107,426	593,688
Net decrease in cash and cash equivalents		2,059,090	(593,375)
Effects of exchange rate changes on cash and cash equivalents		(5)	5
Cash and cash equivalents at the beginning of the financial year		230,589	823,959
Cash and cash equivalents at the end of the financial year	7	2,289,674	230,589

The accompanying notes from part of these financial statements

Notes to the Financial Statements
Year Ended 30 June 2021
All amounts are Australian Dollars

1 Statement of Accounting Policies

The principal accounting policies adopted in preparing the financial report of Mosman Oil and Gas Limited (or "the Company") and Controlled Entities ("Consolidated entity" or "Group"), are stated to assist in a general understanding of the financial report. These policies have been consistently applied to all the years presented, unless otherwise indicated.

Mosman Oil and Gas Limited is a Company limited by shares incorporated and domiciled in Australia.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. Compliance with Australian Accounting Standards ensures that the financial statements also comply with International Financial Reporting Standards.

The financial report has been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

Going Concern

The Group recognises that its ability to continue as a going concern to meet its debts when they fall due is dependent on the Group raising funds as required to pay its debts as and when they fall due, and the continuation of production which results in a gross profit. The directors have reviewed the business outlook and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will achieve this.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

The financial report was authorised for issue by the Directors on 29 December 2021.

(b) Principles of Consolidation and Equity Accounting

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Mosman Oil and Gas Limited at the end of the reporting period. A controlled entity is any entity over which Mosman Oil and Gas Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. Details of Controlled and Associated entities are contained in Notes 29 and 30 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Under AASB 11 *Joint Arrangements*, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Mosman Oil and Gas Limited has a working interest in various joint operations.

Joint ventures

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 1(q).

(c) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Critical Accounting Estimates and Judgements

Impairment of Exploration and Evaluation Assets

The ultimate recoupment of the value of exploration and evaluation assets, is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets.

Impairment tests are carried out when there are indicators of impairment in order to identify whether the asset carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements;
- Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

Taxation

Balances disclosed in the financial statements and the notes related to taxation, are based on the best estimates of directors and take into account the financial performance and position of the Group as they pertain to current income tax legislation, and the directors understanding thereof. No adjustment has

been made for pending or future taxation legislation. The current tax position represents the best estimate, pending assessment by the tax authorities.

Exploration and Evaluation Assets

The accounting policy for exploration and evaluation expenditure results in expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

This policy requires management to make certain estimates as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that the recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to profit and loss.

(d) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised;

The carrying amount of deferred income tax assets is reviewed at each balance sheet date reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- (i) Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset, or as part of the expense item as applicable;
- (ii) Receivables and payables are stated with the amount of GST included;
- (iii) The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position;
- (iv) Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows; and
- (v) Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(f) Property, Plant and Equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss, or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(q) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

(g) Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

(h) Exploration and Evaluation Assets

Mineral exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest and is subject to impairment testing. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- Such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively by its sale; or
- Exploration and/or evaluation activities in the area have not reached a stage which permits a reasonable assessment of the existence, or otherwise, of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest is continuing.

In the event that an area of interest is abandoned accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Where a resource has been identified and where it is expected that future expenditures will be recovered by future exploitation or sale, the impairment of the exploration and evaluation is written back and transferred to development costs. Once production commences, the accumulated costs for the relevant

area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

Costs of site restoration and rehabilitation are recognised when the Company has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Exploration and evaluation assets are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

(i) Accounts Payable

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Contributed Equity

Issued Capital

Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit.

(k) Earnings Per Share

Basic earnings per share ("EPS") are calculated based upon the net loss divided by the weighted average number of shares. Diluted EPS are calculated as the net loss divided by the weighted average number of shares and dilutive potential shares.

(l) Share-Based Payment Transactions

The Group provides benefits to Directors, KMP and consultants of the Group in the form of share-based payment transactions, whereby employees and consultants render services in exchange for shares or rights over shares ("equity settled") transactions.

The value of equity settled securities is recognised, together with a corresponding increase in equity.

Where the Group acquires some form of interest in an exploration tenement or an exploration area of interest and the consideration comprises share-based payment transactions, the fair value of the assets acquired are measured at grant date. The value is recognised within capitalised mineral exploration and evaluation expenditure, together with a corresponding increase in equity.

(m) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework, to identify and analyse the risks faced by the Group. These risks include credit risk, liquidity risk and market risk from the use of financial instruments. The Group has only limited use of financial instruments through its cash holdings being invested in short term interest bearing securities. The Group has no debt, and working capital is maintained at its highest level possible and regularly reviewed by the full board.

(o) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company determines the classification of its financial instruments at initial recognition.

Financial assets

From 1 July 2018, financial assets are classified at initial recognition a (i) subsequently measured at amortised cost, (ii) fair value through other comprehensive income (OCI) or (iii) fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designed upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if

they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the Income Statement within finance costs. Transaction costs arising on initial recognition are expensed in the Income Statement.

Financial assets at fair value through other comprehensive income

The financial asset is held for both collecting contractual cash flows and selling the financial asset. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

The Company's financial assets at fair value through other comprehensive income include its investment in listed equities.

Financial assets at amortised cost

Financial asset at amortised costs are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gain and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include 'trade and other receivables' and 'cash and equivalents' in the Balance Sheet.

Financial liabilities

Financial liabilities are classified at initial recognition as (i) financial liabilities at fair value through profit or, (ii) loans and borrowings, (iii) payables or (iv) derivatives designated as hedging instruments, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings. These are subsequently measured at amortised cost using the effective interest method. Gain and losses are recognised in the Income Statement when the liabilities are derecognised. Amortisation is included as finance costs in the Income Statement.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models. The expression "fair value" – and derivatives thereof – wherever used in this report bears the meaning ascribed to that expression by the Australian Accounting Standards Board.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the profit or loss.

(p) Oil and gas assets

The cost of oil and gas producing assets and capitalised expenditure on oil and gas assets under development are accounted for separately and are stated at cost less accumulated amortisation and impairment losses. Costs include expenditure that is directly attributable to the acquisition or construction of the item as well as past exploration and evaluation costs.

When an oil and gas asset commences production, costs carried forward are amortised on a units of production basis over the life of the economically recoverable reserves. Changes in factors such as estimates of economically recoverable reserves that affect amortisation calculations do not give rise to prior financial period adjustments and are dealt with on a prospective basis.

(q) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(r) Employee Entitlements

Liabilities for wages and salaries, annual leave and other current employee entitlements expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Contributions to employee superannuation plans are charged as an expense as the contributions are paid or become payable.

(r) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be the result and that outlay can be reliably measured.

(s) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(t) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from Joint Operations is recognised based on its share of the sale by joint operation.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

(u) Acquisition of Subsidiary Not Deemed a Business Combination

When an acquisition of assets does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial exemption for deferred tax under AASB 12 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

(v) Foreign Currency Translation

Functional currency

Items included in the financial statements of the Group's operations are measured using the currency of the primary economic environment in which it operates ('the functional currency').

The functional currency of the Company and controlled entities registered in Australia is Australian dollars (AU\$).

The functional currency of the controlled entities registered in the US is United States dollars (US\$).

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss, except when they are deferred in other comprehensive income as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

Presentation currency

The financial statements are presented in Australian dollars, which is the Group's presentation currency. Functional currency balances are translated into the presentation currency using the exchange rates at the balance sheet date. Value differences arising from movements in the exchange rate is recognised in the statement of comprehensive income.

(w) Joint operations

A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

Interests in joint operations are accounted for by recognising the Group's assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

(x) New standards and interpretations

Account Standard and Interpretation

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

	Consolidated 2021 \$	Consolidated 2020 \$
2 Cost of sales		
Cost of sales	96,600	253,271
Lease operating expenses	395,170	529,456
	491,770	782,727
3 Corporate Costs		
Accounting, Company Secretary and Audit fees	200,622	193,841
Consulting fees – board	321,000	325,000
Consulting fees – other	193,391	116,024
Investor relations & marketing	-	81,297
NOMAD and broker expenses	115,684	119,264
Legal and compliance fees	127,016	66,150
	957,713	901,576
4 Other comprehensive profit		
Gain on shares at fair value through other comprehensive income (FVOCI)	363,525	38,887
Foreign currency gain	(257,952)	142,410
	105,573	181,297

5 Income Tax

No income tax is payable by the Group as it has incurred losses for income tax purposes for the year, therefore current tax, deferred tax and tax expense is \$NIL (2020 - \$NIL).

(a) Numerical reconciliation of income tax expense to prima facie tax payable

	Consolidated 2021 \$	Consolidated 2020 \$
Loss before tax	(1,355,942)	(4,837,410)
Income tax calculated at 26% (2020: 27.5%)	(352,540)	(1,330,287)
Tax effect of amounts which are deductible/non-deductible		
In calculating taxable income:		
Impairment expense	-	744,811
Upfront exploration expenditure claimed	(105,419)	(18,310)
Other	(26,862)	(64,170)
Effects of unused tax losses and tax offsets not recognised as deferred tax assets	484,821	667,956
Income tax expense attributable to operating profit	NIL	NIL

5 Income Tax (continued)
(b) Tax Losses

As at 30 June 2021 the Company had Australian tax losses of \$13,116,433 (2020: \$11,719,814). The benefit of deferred tax assets not brought to account will only be realised if:

- Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised; and
- The conditions for deductibility imposed by tax legislation continue to be complied with and no changes in tax legislation adversely affect the Company in realising the benefit.

(c) Unbooked Deferred Tax Assets and Liabilities

	Consolidated 2021 \$	Consolidated 2020 \$
Unbooked deferred tax assets comprise:		
Capital Raising Costs	57,528	60,354
Provisions/Accruals/Other	121,259	51,797
Tax losses available for offset against future taxable income	3,529,031	3,349,052
	3,707,818	3,461,203

6 Auditors Remuneration

Audit – Elderton Audit Pty Ltd
 Audit of the financial statements

32,000	31,500
32,000	31,500

7 Cash and Cash Equivalents

Cash at Bank	2,289,674	230,589
Funds at call ¹	-	141,890
	2,289,674	372,479

1. Funds received into trust from Blackstone Oil and Gas, Inc and subsequently deposited into the Group's bank account on 7 July 2020.

8 Funds Held in Trust

Funds held in Lawyers trust account ²	1,197,127	-
	1,197,127	-

2. On 28 June 2021 funds were paid into the Group's lawyers trust for the acquisition of NADSOILCO LLC. The effective acquisition date was 1 July 2021, and the funds were settled on 7 July 2021.

9 Trade and Other Receivables

Deposits	54,875	-
GST receivable	39,867	20,112
Accrued Revenue	73,768	54,235
Other receivables	3,990	4,372
	172,500	78,719

10 Other Financial Assets

Shares in Norseman Silver Inc ³	-	93,748
	-	93,748

3. Valued at fair value with gain/loss recorded through other comprehensive income.

11 Other Assets

Prepayments	23,418	35,756
	23,418	35,756

12 Property, Plant and Equipment

	Office Equipment and Furniture	Total
	\$	\$
Cost		
Balance at 1 July 2020	165,710	165,710
Additions	-	-
Disposals	-	-
Effective movement in exchange rates	-	-
Balance at 30 June 2021	165,710	165,710
Depreciation		
Balance at 1 July 2020	155,715	155,715
Depreciation for the year	2,848	2,848
Disposals	-	-
Effective movement in exchange rates	-	-
Balance at 30 June 2021	158,563	158,563
Carrying amounts		
Balance at 30 June 2020	9,995	9,995
Balance at 30 June 2021	7,147	7,147

	Consolidated 2021	Consolidated 2020
	\$	\$
13 Oil and Gas Assets		
Cost brought forward	2,061,131	3,905,106
Acquisition of oil and gas assets during the year	158,486	236,783
Disposal of oil and gas assets on sale during the year	(441,384)	-
Capitalised equipment workovers during the year	1,899,759	402,901
Amortisation for the year	(170,388)	(103,616)
Impairment of oil and gas assets	-	(2,380,043)
Impact of Foreign Exchange on opening balances	(179,575)	-
Carrying value at end of year	3,328,029	2,061,131

14 Capitalised Oil and Gas Expenditure

Cost brought forward	301,242	1,615,956
Exploration costs incurred during the year	405,460	66,582
Impairment of oil and gas expenditure	-	(1,381,296)
Carrying value at end of year	706,702	301,242

	Consolidated 2021 \$	Consolidated 2020 \$
15 Trade and Other Payables		
Trade creditors	295,243	331,972
Other creditors and accruals	82,484	26,119
	377,727	358,091
16 Equity Settled Liabilities		
Unpaid Directors fees and Directors consulting fees	-	191,000
	-	191,000

The amount of \$191,000 was outstanding as at 30 June 2020, as the Directors had agreed to not draw on Directors fees, and only half of the contracted amount of Consultancy fees were paid. These liabilities, as well as additional liabilities covering Directors consulting fees to August 2020 (bringing the total equity settled liabilities to \$225,000) were subsequently settled by the issue of shares in December 2020, post shareholder approval at the 2020 Annual General Meeting.

	Consolidated 2021 \$	Consolidated 2020 \$
17 Provisions		
Employee provisions	22,423	20,269
	22,423	20,269

18 Contributed Equity

Ordinary Shares:

Value of Ordinary Shares fully paid

Movement in Contributed Equity			Number of shares	Contributed Equity \$
Balance as at 1 July 2019:			885,810,968	30,164,872
<i>Date</i>	<i>Nature of Transaction</i>	<i>Issue Price</i>		
14/02/2020	Shares issued (i)	\$0.00293	200,000,000	585,139
Capital raising costs			-	(58,514)
Balance as at 1 July 2020:			1,085,810,968	30,691,497
02/07/2020	Shares issued (i)	\$0.00144	500,000,000	720,813
09/09/2020	Shares issued (ii)	\$0.00271	56,250,000	152,467
17/09/2020	Shares issued (ii)	\$0.00266	62,500,000	166,015
23/09/2020	Shares issued (ii)	\$0.00266	70,000,000	186,278
20/10/2020	Shares issued (i)	\$0.00228	720,000,000	1,645,001
22/12/2020	Shares issued (iii)	\$0.00143	52,368,750	75,000
22/12/2020	Shares issued (iii)	\$0.00288	52,083,334	150,000
22/12/2020	Equity adjustment (iv)	-	-	43,348
05/02/2021	Shares issued (ii)	\$0.00270	37,500,000	101,208
15/02/2021	Shares issued (ii)	\$0.00268	10,000,000	26,811
19/03/2021	Shares issued (i)	\$0.00271	1,000,000,000	2,714,097
21/05/2021	Shares issued (ii)	\$0.00274	37,500,000	102,698
11/06/2021	Shares issued (ii)	\$0.00274	70,000,000	191,777
23/06/2021	Shares issued (ii)	\$0.00278	13,750,000	38,165
Capital raisings costs			-	(304,794)
Balance at end of year			3,767,763,052	36,700,381

- (i) Placements via capital raising as announced
- (ii) Shares issued upon conversion of warrants
- (iii) Shares issued to settle Director liabilities
- (iv) Accounting Based Adjustments based on the timing of the issue of Director Shares and Warrants for the year ended 30 June 2021

19 Reserves

	Consolidated 2021 \$	Consolidated 2020 \$
Options reserve	90,358	471,818
Asset revaluation reserve	-	(363,525)
Foreign currency translation reserve	345,889	603,841
	436,247	712,134

Options Reserve

Nature and purpose of the Option reserve

The options reserve represents the fair value of equity instruments issued to employees as compensation and issued to external parties for the receipt of goods and services. This reserve will be reversed against issued capital when the underlying shares are converted and reversed against retained earnings when they are allowed to lapse.

19 Reserves (continued)

	Consolidated 2021 \$	Consolidated 2020 \$
<i>Movement in Options Reserve</i>		
Options Reserve at the beginning of the year	471,818	471,818
Options issued	90,358	-
Options expired	(471,818)	-
Options Reserve at the end of the year	90,358	471,818

Foreign Currency Translation Reserve

Nature and purpose of the Foreign Currency Translation Reserve

Functional currency balances are translated into the presentation currency using the exchange rates at the balance sheet date. Value differences arising from movements in the exchange rate is recognised in the Foreign Currency Translation Reserve.

	Consolidated 2021 \$	Consolidated 2020 \$
<i>Movement in Foreign Currency Translation Reserve</i>		
Foreign Currency Translation Reserve at the beginning of the year	603,841	461,431
Current year movement	(257,952)	142,410
Foreign Currency Translation Reserve at the end of the year	345,889	603,841

Asset Revaluation Reserve

Changes in the fair value of investments classified as fair value through other comprehensive income (FVOCI) financial assets are taken to the available-for-sale investments revaluation reserve.

	Consolidated 2021 \$	Consolidated 2020 \$
<i>Movement in Asset Revaluation Reserve</i>		
Asset Revaluation Reserve at the beginning of the year	(363,525)	(402,412)
Revaluation of FVOCI shares	363,525	38,887
Asset Revaluation Reserve at the end of the year	-	(363,525)¹

1. The asset revaluation reserve balance related to the accumulated loss on the investment in Norseman Silver Inc recorded in FY2017 and FY2018.

20 Accumulated Losses

	Consolidated 2020 \$	Consolidated 2019 \$
Accumulated losses at the beginning of the year	28,939,390	24,101,980
Net loss attributable to members	1,355,923	4,837,410
Options expired	(471,818)	-
Reclassification on disposal of financial assets	(11,314)	-
Accumulated losses at the end of the year	29,812,181	28,939,390

21 Related Party Transactions

	Consolidated 2021 \$	Consolidated 2020 \$
Key Management Personnel Remuneration		
Cash Payments to Directors and Management (i)	507,000	511,000
Total	507,000	511,000

i. During the year to 30 June 2021:

- a. Directors fees of \$60,000 and consulting fees of \$185,000 were paid or are payable to Kensington Advisory Services Pty Ltd;
- b. Director fees of \$30,000 and consulting fees of \$136,000 were paid or are payable to Australasian Energy Pty Ltd;
- c. Directors fees of \$30,000 were paid or are payable to J A Young;
- d. CFO, Company Secretary and Consulting Fees totalling \$66,000 were paid or are payable to J T White's accounting firm, Traverse Accountants Pty Ltd.

	Issue of Shares \$	Issue of Warrants \$
Accounting Based Adjustments based on the timing of the issue of Director Shares and Warrants for the year ended 30 June 2021 (FY20: Nil) (i)	43,348	90,358
Total	43,348	90,358

Refer to note 16 for further details.

Movement in Shares and Options

The aggregate numbers of shares and options of the Company held directly, indirectly or beneficially by Key Management Personnel of the Company or their personally-related entities are fully detailed in the Directors' Report.

Amounts owing to the Company from subsidiaries:

Trident Energy Pty Ltd

At 30 June 2021 the Company's 100% owned subsidiary, Trident Energy Pty Ltd, owed Mosman Oil and Gas Limited \$ 3,413,988 (2020: \$2,901,011).

OilCo Pty Ltd

At 30 June 2021 the Company's 100% owned subsidiary, OilCo Pty Ltd (OilCo), owed Mosman Oil and Gas Limited \$776,879 (2020: \$776,879).

Mosman Oil USA, Inc

At 30 June 2021 the Company's 100% owned subsidiary, Mosman Oil USA, Inc, owed Mosman Oil and Gas Limited \$ 7,025,196 (2020: \$4,423,121).

22 Expenditure Commitments

(a) Exploration

The Company has certain obligations to perform minimum exploration work on Oil and Gas tenements held. These obligations may vary over time, depending on the Company's exploration programs and priorities. At 30 June 2021, total exploration expenditure commitments for the next 12 months are as follows:

Entity	Tenement	2021	2020
		\$	\$
Trident Energy Pty Ltd	EP145 ¹	-	-
Oilco Pty Ltd	EPA155	-	-
		<hr/>	<hr/>
		-	-

1. EP145 is currently under extension until 21 August 2022, therefore there are no committed expenditures as of the date of this report.

(b) Capital Commitments

The Company had no other capital commitments at 30 June 2021 (2020: \$NIL).

23 Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board to make decisions about resources to be allocated to the segments and assess their performance.

Operating segments are identified by the board based on the Oil and Gas projects in Australia and the USA (and previously New Zealand until 2019). Discrete financial information about each project is reported to the board on a regular basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the economic characteristics, the nature of the activities and the regulatory environment in which those segments operate.

The Group has two reportable segments based on the geographical areas of the mineral resource and exploration activities in Australia and the USA. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

23 Segment Information (continued)

(i) Segment performance

	United States \$	Australia \$	Total \$
Year ended 30 June 2021			
Revenue			
Revenue	816,695	-	816,695
Interest income	-	55	55
Gain on sale of oil and gas assets	118,067	-	118,067
Other income	40,299	52,773	93,072
Segment revenue	975,061	52,828	1,027,889
Segment Result			
Allocated			
- Corporate costs	(158,979)	(798,734)	(957,713)
- Administrative costs	(265,096)	(150,034)	(415,130)
- Lease operating expenses	(395,170)	-	(395,170)
- Cost of sales	(96,600)	-	(96,600)
Segment net profit (loss) before tax	59,216	(884,626)	(836,724)
<i>Reconciliation of segment result to net loss before tax</i>			
Amounts not included in segment result but reviewed by the Board			
- Exploration expenses incurred not capitalised	-	(21,866)	(21,866)
- Amortisation	(171,539)	-	(171,539)
Unallocated items			
- Employee benefits expense			(182,878)
- Depreciation			(2,848)
- Finance costs			(6,362)
- Other expense			(133,706)
Net Loss before tax from continuing operations			(1,355,923)

23 Segment Information (continued)

(i) Segment performance

	United States \$	Australia \$	Total \$
Year ended 30 June 2020			
Revenue			
Revenue	1,493,664	-	1,493,664
Interest income	20,578	7,869	28,447
Other income	119,773	33,036	152,809
Segment revenue	1,634,015	40,905	1,674,920
Segment Result			
Allocated			
- Corporate costs	(146,873)	(754,703)	(901,576)
- Administrative costs	(32,876)	(140,676)	(173,552)
- Lease operating expenses	(529,456)	-	(529,456)
- Cost of sales	(253,271)	-	(253,271)
Segment net profit (loss) before tax	671,539	(854,474)	(182,935)
<i>Reconciliation of segment result to net loss before tax</i>			
Amounts not included in segment result but reviewed by the Board			
- Exploration expenses incurred not capitalised	-	(71,604)	(71,604)
- Evaluation and due diligence	(84,790)	(68,703)	(153,493)
- Amortisation	(102,222)	-	(102,222)
- Impairment	(2,761,580)	(1,381,296)	(4,142,876)
Unallocated items			
- Employee benefits expense			(175,064)
- Depreciation			(4,039)
- Finance costs			(5,177)
Net Loss before tax from continuing operations			(4,837,410)

23 Segment Information (continued)

	United States \$	Australia \$	Total \$
Total assets as at 1 July 2020	2,350,564	683,037	3,033,601
Segment asset balances at end of year			
- Exploration and evaluation	-	7,887,620	7,887,620
- Capitalised Oil and Gas Assets	4,885,757	-	4,885,757
- Less: Amortisation	(182,811)	-	(182,811)
- Less: Expenditure previously capitalised, written off in financial year	(1,374,917)	(7,180,918)	(8,555,835)
	3,328,029	706,702	4,034,731
<i>Reconciliation of segment assets to total assets:</i>			
Other assets	1,597,888	2,091,978	3,689,866
Total assets from continuing operations	4,925,917	2,798,680	7,724,597
As at 30 June 2021			
	United States \$	Australia \$	Total \$
Total assets as at 1 July 2019	4,618,616	2,571,517	7,190,133
Segment asset balances at end of year			
- Exploration and evaluation	-	7,482,160	7,482,160
- Capitalised Oil and Gas Assets	4,632,884	-	4,632,884
- Less: Amortisation	(191,710)	-	(191,710)
- Less: Impairment	(2,380,043)	(7,180,918)	(9,560,961)
	2,061,131	301,242	2,362,373
<i>Reconciliation of segment assets to total assets:</i>			
Other assets	289,433	381,795	671,228
Total assets from continuing operations	2,350,564	683,037	3,033,601
As at 30 June 2020			

23 Segment Information (continued)

(iii) Segment liabilities

	United States	Australia	Total
	\$	\$	\$
Segment liabilities as at 1 July 2020	87,486	481,874	569,360
Segment liability increases (decreases) for the year	(58,106)	(111,104)	(169,210)
	29,380	370,770	400,150
<i>Reconciliation of segment liabilities to total liabilities:</i>			
Other liabilities	-	-	-
Total liabilities from continuing operations	29,380	370,770	400,150
As at 30 June 2021			
	United States	Australia	Total
	\$	\$	\$
Segment liabilities as at 1 July 2019	316,192	280,212	596,404
Segment liability increases (decreases) for the year	(228,706)	201,662	(27,044)
	87,486	481,874	569,360
<i>Reconciliation of segment liabilities to total liabilities:</i>			
Other liabilities	-	-	-
Total liabilities from continuing operations	87,486	481,874	569,360
As at 30 June 2020			

24 Producing assets

The Group currently has 4 producing assets, which the Board monitors as separate items to the geographical and operating segments. The Arkoma, Stanley, Falcon and Duff projects are Oil and Gas producing assets in the United States. The Welch project was sold in December 2020, therefore figures are reported up until the date of sale.

Project performance is monitored by the line items below.

Project performance

	Arkoma	Stanley	Falcon	Duff	Welch	Total
	\$	\$	\$	\$	\$	\$
Year Ended 30 June 2021						
<i>Revenue</i>						
Oil and gas project related revenue	26,607	362,556	176,017	14,056	237,459	816,695
Producing assets revenue	26,607	362,556	176,017	14,056	237,459	816,695
<i>Project-related expenses</i>						
- Cost of sales	(1,755)	(19,218)	(15,412)	(1,384)	(58,831)	(96,600)
- Lease operating expenses	(24,626)	(22,536)	(95,191)	(16,761)	(236,056)	(395,170)
Project cost of sales	(26,381)	(41,754)	(110,603)	(18,145)	(294,887)	(491,770)
<i>Project gross profit</i>						
Gross profit/(loss)	226	320,802	65,414	(4,089)	(57,428)	324,925

24 Producing assets (continued)

Project performance

	Arkoma \$	Stanley \$	Welch \$	Other Projects \$	Total \$
Year Ended 30 June 2020					
<i>Revenue</i>					
Oil and gas project related revenue	17,350	635,288	841,026	-	1,493,664
Producing assets revenue	17,350	635,288	841,026	-	1,493,664
<i>Project-related expenses</i>					
- Cost of sales	(897)	(29,278)	(223,096)	-	(253,271)
- Lease operating expenses	(10,769)	(102,880)	(389,626)	(26,181)	(529,456)
Project cost of sales	(11,666)	(132,158)	(612,722)	(26,181)	(782,727)
<i>Project gross profit</i>					
Gross profit/(loss)	5,684	503,130	228,304	(26,181)	710,937

25 Earnings/ (Loss) per shares

	Consolidated 2021 \$	Consolidated 2020 \$
The following reflects the loss and share data used in the calculations of basic and diluted earnings/ (loss) per share:		
Earnings/ (loss) used in calculating basic and diluted earnings/ (loss) per share	(1,355,923)	(4,837,410)
	Number of shares 2021	Number of shares 2020
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share:	2,590,321,475	960,879,461
Basic loss per share (cents per share)	0.05	0.50
Diluted loss per share (cents per share)	0.04	0.50

26 Notes to the statement of cash flows

	Consolidated 2021 \$	Consolidated 2020 \$
Reconciliation of loss from ordinary activities after income tax to net cash outflow from operating activities:		
Loss from ordinary activities after related income tax	(1,355,923)	(4,837,410)
Depreciation and amortisation	174,387	106,261
Impairment	-	4,142,876
Fixed assets disposed of during the year	(118,067)	-
Other non-cash items	133,706	-
Decrease/(increase) in trade and other receivables	(38,962)	104,090
Increase in inventory	44,509	33,452
Change in value of NCI	-	-
Increase/(decrease) in trade and other payables	(175,669)	(7,606)
Unrealised FX	269,177	(22,511)
Net cash outflow from operating activities	(1,066,842)	(480,848)

27 Financial Instruments

The Company's activities expose it to a variety of financial and market risks. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

(i) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market, interest rates and the effective weighted average interest rates on those financial assets, is as follows:

27 Financial Instruments (continued)

Consolidated 2021	Note	Weighted Average Effective Interest %	Funds Available at a Floating Interest Rate \$	Fixed Interest Rate \$	Assets/ (Liabilities) Non Interest Bearing \$	Total \$
Financial Assets						
Cash and Cash Equivalents	7	3.80%	2,289,674	-	-	2,289,674
Trade and other Receivables	8		-	-	172,500	172,500
Other assets	10		-	-	1,220,545	1,220,545
Total Financial Assets			2,289,674	-	1,393,045	3,682,719
Financial Liabilities						
Trade and other Payables	16		-	-	377,252	377,252
Provisions	17		-	-	22,898	22,898
Total Financial Liabilities			-	-	400,150	400,150
Net Financial Assets/(Liabilities)			2,289,674	-	992,895	3,282,569

Consolidated 2020	Note	Weighted Average Effective Interest %	Funds Available at a Floating Interest Rate \$	Fixed Interest Rate \$	Assets/ Liabilities Non Interest Bearing \$	Total \$
Financial Assets						
Cash and Cash Equivalents	7	3.80%	372,479	-	-	372,479
Trade and other Receivables	8		-	-	78,719	78,719
Other Financial Assets	9				93,748	93,748
Other assets	10		-	-	16,959	16,959
Total Financial Assets			372,479	-	189,426	561,905
Financial Liabilities						
Trade and other Payables	15		-	-	358,091	358,091
Equity Settled Liabilities	16				191,000	191,000
Provisions	17		-	-	20,269	20,269
Total Financial Liabilities			-	-	569,360	569,360
Net Financial Assets/(Liabilities)			372,479	-	(379,934)	(7,455)

27 Financial Instruments (continued)

(ii) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and in the notes to the financial statements. The Company does not have any material credit risk exposure to any single debtor or group of debtors, under financial instruments entered into by it.

(iii) Commodity Price Risk and Liquidity Risk

At the present state of the Company's operations it has minimal commodity price risk and limited liquidity risk due to the level of payables and cash reserves held. The Company's objective is to maintain a balance between continuity of exploration funding and flexibility through the use of available cash reserves.

(iv) Net Fair Values

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The Company has no financial assets where the carrying amount exceeds net fair values at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

28 Contingent Liabilities

There were no material contingent liabilities not provided for in the financial statements of the Company as at 30 June 2021.

29 Mosman Oil and Gas Limited - Parent Entity Disclosures

	2021	2020
	\$	\$
Financial position		
Assets		
Current assets	2,000,046	292,130
Non-current assets	9,694,257	6,180,398
Total assets	11,694,303	6,472,528
Liabilities		
Current liabilities	370,770	380,276
Total liabilities	370,770	380,276
Net assets	11,323,534	6,092,252
Equity		
Contributed equity	36,699,711	30,690,829
Reserves	90,358	108,295
Accumulated losses	(25,466,535)	(24,706,872)
Total Equity	11,323,534	6,092,252
Financial Performance		
Loss for the year	(1,231,482)	(1,197,064)
Other comprehensive income		
Total comprehensive loss	(1,231,482)	(1,197,064)

30 Controlled Entities

Investments in group entities comprise:

Name	Principal activities	Incorporation	Beneficial percentage held by economic entity	
			2021	2020
			%	%
Mosman Oil and Gas Limited	Parent entity	Australia		
Wholly owned and controlled entities:				
OilCo Pty Limited	Oil & Gas exploration	Australia	100	100
Trident Energy Pty Ltd	Oil & Gas exploration	Australia	100	100
Mosman Oil USA, INC.	Oil & Gas operations	U.S.A.	100	100
Mosman Texas, LLC	Oil & Gas operations	U.S.A.	100	100
Mosman Operating, LLC	Oil & Gas operations	U.S.A.	100	100

Mosman Oil and Gas Limited is the Parent Company of the Group, which includes all of the controlled entities. See also Note 32 Subsequent Events for additional corporate activity in progress subsequent to the 30 June 2020 year end.

31 Share Based Payments

	Consolidated 2021	Consolidated 2020
	\$	\$
Basic loss per share (cents per share)	0.05	0.50

A summary of the movements of all company option issues to 30 June 2021 is as follows:

Company Options	2021 Number of Options	2020 Number of Options	2021 Weighted Average Exercise Price	2020 Weighted Average Exercise Price
Outstanding at the beginning of the year	301,659,091	101,659,091	\$0.0062	\$0.0103
Expired	(300,909,091)	-	-	-
Exercised	(357,500,000)	-	-	-
Granted	1,500,452,084	200,000,000		\$0.0041
Outstanding at the end of the year	1,143,702,084	301,659,091		\$0.0062
Exercisable at the end of the year	1,143,702,084	301,659,091		\$0.0062

32 Events Subsequent to the End of the Financial Year

Subsequent to balance date the company notes the following material developments to the group:
There have been no significant events subsequent to reporting date other than stated above.

- On 1 July 2021, Mosman completed the acquisition of Nadsoilco LLC ("Nadsoil") for a consideration of US\$1.1 million. The Acquisition increased the WI in the Stanley Project from 15-19% to 35-39%; provided a 20% WI in the oil producing Livingston Leases; and a 23.3% WI in oil producing Winters Lease. Mosman also became Operator of these leases, providing more control over day-to-day operations and drilling new wells.
- In July 2021, the airborne survey was completed for the EP-145 permit.
- In July 2021, Mosman increased its production portfolio in East Texas with the acquisition of an additional 25% working interest in the Falcon lease (including the Falcon-1 well) and 25% of the adjacent Galaxie lease for a cash consideration of US\$160,000.
- The Winters-2 well was drilled.
- The Stanley-5 well was drilled and has been placed on production.

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 39-69, are in accordance with the Australian Corporations Act 2001:
 - (a) comply with Accounting Standards, which, as stated in Note 1 - Statement of Accounting Policies to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Group.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed by authority for and on behalf of the Directors by:



John W Barr
Executive Chairman
29 December 2021