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Mosman Oil and Gas Limited
08 November 2023

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Mosman Oil and Gas Limited

("Mosman" or the "Company")

Final Results to 30 June 2023

Mosman Oil and Gas Limited (AIM: MSMN) the hydrocarbon, helium and hydrogen exploration, development, and production company, announces its final results for the year ended 30 June 2023.

Summary

· Gross Project Production 86,933 BOE[1] [2]

· Net Production to Mosman 31,067 BOE[3]

· Revenue increased to AU$2.25m

· Gross Profit AU$0.67m

· Net loss for the year improved to AU$2.1m

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

2. Gross 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

3. Net to Mosman's Working Interest; Net Production attributable to Mosman means net to Mosman's Working Interest before royalties

Operational overview

USA

· Cinnabar project (75% WI) Cinnabar-1 well successfully drilled in November 2022 and commenced production in December, initially producing 100 bopd. Technical work is currently underway following a drop in production rates.

· Stanley project - Whilst overall production declined in the year, the installation and operation of jet pumps has resolved this with production now increasing.

Australia

EP145

· Published a new Prospective Resource estimate and license extended by 12 months to August 2026.

· Signed a farmin agreement with a subsidiary of Greenvale Energy Ltd to fund seismic and drilling.

The Company expects to publish its annual report today which will be posted and made available on the Company's website at www.mosmanoilandgas.com/financial-reports.

Board update

· John W Barr and John Young stepped down from the Board in September 2023.

· Andy Carroll, Technical Director appointed CEO in September, with Nigel Harvey appointed as Non-Executive Chairman and Carl Dumbrell appointed to the Board as Non-Executive Director

Andy Carroll, CEO of Mosman commented: "Whilst 2023 has been challenging, we have also made considerable progress. Mosman remains resolute in identifying opportunities which will provide operating cash flow and have development upside, in conjunction with exploration of existing exploration permits, whilst also being in a position to evaluate further acquisition targets.

"The team is building a strong foundation from which we plan to scale up the business and grow by taking advantage of opportunities in the year ahead.

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

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Updates on the Company's activities are regularly posted on its website:

www.mosmanoilandgas.com

Notes to editors

Mosman (AIM: MSMN) is an oil exploration, development, and production company with projects in the US and Australia. 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. The Company has several projects in the US, in addition to exploration projects in the Amadeus Basin in Central Australia.

Chairman's Letter

I am pleased to provide my first report as Chair, following appointment in October 2023. FY 23 and its subsequent events have certainly been a busy and important period for Mosman Oil & Gas.

Both our board and our operations have materially evolved. They have done so around our continuing strategic objective to identify opportunities with significant upside and actual or potential operating cash flow. These opportunities have so far been predominantly in hydrocarbons, hydrogen and helium within our existing or expanding portfolio in Texas and central Australia.

My first duty as your Chair must be on behalf of all us shareholders, to acknowledge and thank both my former colleagues on the board. Our former Executive Chair John W Barr and our former Non-Executive Director John Young who both made invaluable and longstanding contributions since the Company's foundation. I must also welcome to the Board our new Non-Executive Director Mr Carl Dumbrell who brings great expertise to our table.

Executive Director Andy Carroll, formerly Technical Director, has now stepped up to become our Chief Executive Officer. He will be driving the Company forward supported by myself and

Mr Dumbrell both as Non-Executives and our team of consultants. These include in particular Mr Howard McLauqhlin running our US operations, Dr Julie Daws our geologist focused on the central Australia assets, Jarrod White and his team at Traverse (especially Nick Marshall) providing financial and accounting support.

We plan to keep our team rightsized and our costs as low as practicable in pursuit of our objective of sustainable positive cash flow.

You will read ahead of several significant evolutions to our operations during the year as well.

In East Texas we drilled our first well at Cinnabar and expanded our lease there somewhat, buoyed by a very promising independent reserve report. Whilst subsequent production has been disappointing our team continues to work on technical solutions to access those more significant reserves.

Our Stanley assets have been responding very well to workovers and in particular installation of jet pumps. Our Falcon assets were disposed of and with them any residual liability.

The equity market's excitement around hydrogen and helium saw us looking at various potential paths for the significant prospective resources we have worked up with our key central Australian assets. This included even potentially a separate IPO. Ultimately, however, it was deemed more effective to farmout, which is yielding us certainty and importantly, no call on capital for these assets for quite some time. Mosman will be carried through the first few years of seismic and technical development as well as the cost of the first well (up to AUD5.5MM) and then retain a 25% interest in its EP 145 block near Alice Springs. Its other application block is also progressing slowly under an earlier farmout.

Nigel Harvey

Chair

Overview of the 2023 Financial Year

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 and acquiring high potential projects.

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.

Summary

The Company has several active projects in the US in addition to exploration projects in the Amadeus Basin in Central Australia.

In the period there were several notable developments:

The Cinnabar project was acquired in 2021 at low cost when oil prices were lower. Two wells have been producing since the 1980s, with natural decline. 3D seismic was used to map the field and reservoir engineering modelling indicated significant remaining oil reserves. The current production rates need to be increased and technical work is underway to determine the best way forward.

At Stanley, gas lift was successful in increasing rates, but there is limited gas available. Jet pumps were installed, and after initial teething problems with sand production, have successfully increased production rates at the relevant wells. Technical work indicates additional recoverable oil at Stanley.

After shutting production in the year, the Falcon lease was disposed of post year end, and with it the liability for any potential future abandonment costs.

In the period, sales increased by 24% to $2,252,029 ($1,812,119 in 2022). Gross profit decreased by to $674,665 ($695,096 in 2022). The financial results were supported by increased ownership of projects, stronger commodity prices and the establishment of a broader production base, including the Cinnabar wells.

In Australia's Northern Territory, Mosman recently published a new Prospective Resource estimate over the EP 145 lease, saw the license extended to August 2024, and post period end, signed a farmin agreement with a subsidiary of Greenvale Energy Ltd to fund seismic and drilling. Upon completion, Mosman will retain a 25% working interest in EP 145

As shareholders and stakeholders expect, Mosman continues to take its Health and Safety

requirements very seriously and to date there have been no health, safety or wellbeing issues reported in our small team.
Given the operational progress both during the year and after the reporting period, the Board looks forward with great optimism given these achievements and the growth opportunities available to it.

USA

Net Production attributable to Mosman in the year to 30 June 2023 was 31,067 boe, compared to 37,915 boe in 2022.

	Gross Project Production[2] BOE[1]	**Net Production to Mosman[3] BOE[1]**
Stanley	44,915	16,844
Cinnabar	8,465	6,349
Livingston	2,654	531
Winters	22,733	5,304
Arkoma	8,166	2,039
Total Production	**86,933**	**31,067**

[1] BOE/boe - barrels of oil equivalent

[2] Gross 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

[3] Net Production - Net to Mosman's Working Interest; Net Production attributable to Mosman means net to Mosman's Working Interest before royalties

The decrease in net production was primarily due to production halting at Falcon, which was somewhat offset by increased production at Stanley and new production at Cinnabar.

Cinnabar (75% working interest)

A well was drilled in November 2022, with Mosman farming out 25% WI, and a "turnkey" drilling contract was used to reduce cost exposure. The well was successfully drilled to target depth. Electric logs and a third party report indicated multiple oil reservoirs had been penetrated. There was a delay waiting for the third party cement crew and equipment, during which time there was "lost circulation" whereby fluid was pumped in to the well to keep it full, but not all of that fluid returned to surface. This may have damaged the reservoirs and contributed to subsequent production problems.
The well was put on production in late December, and initially produced over 100 bopd of oil and emulsion. Over time, the oil production declined and the water rate increased to the point where the well did not flow. Production logs were run and indicated the water was coming from one zone, and oil from another. A workover was performed to seal off that zone and flow another zone. Despite the production log, after the workover that zone will only flow intermittently (ie the well is shut in, pressure builds, the well is flowed, pressure drops and flow ceases).
The older wells have been worked-over and now flow at higher rates, albeit intermittently. This result suggests the reservoir pressure is not sufficient to maintain flow, and artificial lift is required (as is common in wells onshore USA). Technical work is underway to determine the best type of artificial lift for this field.

Cinnabar Gross Reserves (BOE):

Proved Developed Producing	Proved Developed Behind Pipe	Proved Undeveloped	Total Proved	Total Probable	Total Proved Plus Probable
302,000	147,000	1,132,000	1,581,000	65,000	1,646,000

Stanley (34.85% to 38.5% Working Interests)

Overall production at Stanley declined in the year but is now increasing primarily due to the installation and operation of jet pumps.

Livingston (20% Working Interest) and Greater Stanley (40% Working Interest)

These projects are of strategic importance and form part of the longer-term planning.

Arkoma (27% Working Interest)

Production has increased in FY2023, since the recovery from a significant lightning strike in March 2022. This asset has value when gas prices are high, due to the gas compression and transport costs.

Winters-2 (23% Working Interest)

Winters-2 continues to produce at rates exhibiting natural decline.

Falcon

The Falcon-1 well stopped producing in the June 2022 quarter and the subsequent attempted workovers were not successful. As a result, the well was shut-in for the full 2023 financial year. Subsequent to year-end, given the lower gas prices, Mosman determined not to invest additional resources in this project and reached an agreement to transfer the Falcon lease to 84 Energy Corp in exchange for the equipment on the lease. This means Mosman is not liable for potential future abandonment costs which were estimated to be up to US$200,000.

In addition, the adjacent undeveloped Galaxie exploration lease has not been renewed and has expired with no liabilities.

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, Northern Territory.

An airborne gravity and gradiometry survey was completed in 2022 and provided a wealth of new information that is critical to ongoing work. That survey is a significant step in the exploration programme for EP 145 and is the first time that such data has been acquired for the whole 818 sq/km of the permit area.

This led to a new Prospective Resource estimate by Mosman as detailed below.

Based on a report by the Geognostics Australia Pty Ltd dated October 2022, and data from other wells in the Amadeus basin, Mosman has estimated gross Prospective Resource volumes for hydrocarbons, helium, and hydrogen associated with the Walker Creek Anticline as a lead within the boundaries of the EP 145 permit using a deterministic approach and applying the SPE PRMS standard.

Prospective Resources (Bcf)	**Low Estimate**	**Best Estimate**	**High Estimate**
Total gas	12	440	2,290
Helium	0.3	26.4	229
Hydrogen	0.24	26.4	275

Source: Mosman Oil and Gas Ltd, October 2022

The ongoing exploration work programme on EP 145 is to acquire seismic prior to drilling an exploration well. Mosman has applied for the required regulatory and CLC approvals. The CLC has conducted a site survey and has approved land access approval for seismic acquisition.

Once all approvals are obtained, the next step is the acquisition and interpretation of 2D seismic in the current permit year (expiring August 2024), prior to identifying a drilling location and drilling an exploration well.

Mosman successfully applied for a grant to undertake a soil gas sampling program targeting hydrogen and helium. The grant was awarded by the Northern Territories Government as part of the Geophysics and Collaborations program. Soil gas sampling is a non-invasive, rapid and relatively inexpensive technology to identify the presence of natural hydrogen and helium and provides a preliminary test to determine if these gases are present in the permit. Soil gas sampling for hydrogen is a relatively new technique and only a small number of companies globally have the equipment to undertake these studies. After evaluation, CSIRO are the preferred supplier offering reliable equipment and a relatively quick project turn around and Mosman is currently discussing timing for a survey. Given the remote location and extreme weather in the Northern Territory, collection of data is also restricted to the cooler months (April-October) for safety reasons. Mosman anticipates that it will be able to conduct a survey once all access approvals are met and equipment is available.

Subsequent to the end of the Financial Year, Mosman announced the funding of seismic and drilling by farmout to ASX listed Greenvale Mining Ltd. Subject to completion including government approvals, Mosman will retain 25% and Greenvale will earn 75% of the permit.

Mosman's other central Australian project is EPA-155. This permit is subject to a farmout with the next step being completion of Native Title negotiations.

Glossary:

boe	Barrels of oil equivalent based on calorific value as opposed to dollar value
boepd	Barrels of oil per day of oil equivalent based on calorific value as opposed to dollar value
bopd	Barrels of oil per day
Gross 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
Mcf	Thousand cubic feet
Bcf	Billion cubic feet
Mcfpd	Thousand cubic feet per day
MBtu	One thousand British Thermal Units
MBtupd	One thousand British Thermal Units per day
MMBtu	One million British Thermal Units
MMBtupd	One million British Thermal Units per day
Net Production	Net to Mosman's Working Interest; Net Production attributable to Mosman means net to Mosman's Working Interest before royalties
SPE	Society of Petroleum Engineers
SPE PRMS	A standard for the definition, classification, and estimation of hydrocarbon resources developed by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers and named the Petroleum Resource Management System

CORPORATE

Financial Report

Overall, in the year to 30 June 2023, the Company made a loss of $2,127,198 (2022: $2,446,276) after impairments of $474,586 (2022: $1,606,816).

Revenue increased to $2,252,029 (2022: $1,812,119) as higher value oil production replaced lower value gas production.

Gross Profit decreased to $674,665 (2022: $695,096), primarily due to lower gas prices.

Of significance, some $2,567,643 (2022: $1,588,036) was spent on investing activities on assets in the portfolio during the year in support of the Group's growth strategy.
Asset value increase to $8,669,676 (2022: $8,602,400).

The net proceeds of fundraising activities during the year were $1,931,908 (2022: $2,043,051).

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

Overhead costs continue to be tightly 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.

Outlook

Whilst 2023 has been challenging, we have also made considerable progress. Mosman remains resolute in identifying opportunities which will provide operating cash flow and have development upside, in conjunction with exploration of existing exploration permits, whilst also being in a position to evaluate further acquisition targets.
The team is building a strong foundation from which we plan to scale up the business and grow by taking advantage of organic production opportunities in the year ahead.
We acknowledge it has been a turbulent period for shareholders and would like to take this opportunity to thank them for their continued support whilst reassuring them of our confidence of achieving growth in both production and value for the business.

Andrew R Carroll

Executive Director and CEO

8 November 2023

Consolidated Statement of Financial Performance

Year Ended 30 June 2023

All amounts are in Australian Dollars

	Notes	**Consolidated 2023 $**	**Consolidated 2022 $**
Revenue	21	2,252,029	1,812,119
Cost of sales	2	(1,577,364)	(1,117,023)
Gross profit		**674,665**	**695,096**
Interest income		483	-
Administrative expenses		(587,084)	(326,098)
Corporate expenses	3	(964,014)	(741,080)
Directors fees		(137,667)	(120,000)
Exploration expenses incurred, not capitalised		(9,300)	(14,775)
Employee benefits expense		(57,065)	(70,024)
Finance costs		(5,636)	(3,324)
Amortisation expense	11	(436,028)	(237,194)
Depreciation expense		(2,064)	(11,974)
Bad debts expense		(121,847)	-
Impairment expense	11	(474,586)	(1,606,816)
Loss on foreign exchange		(7,055)	(10,085)
Loss on settlement of Director liabilities		-	-
Loss from ordinary activities before income tax expense		**(2,127,198)**	**(2,446,274)**
Income tax expense	5	-	-
Net loss for the year		**(2,127,198)**	**(2,446,274)**
Other comprehensive profit			
Items that may be reclassified to profit or loss:			
- Foreign currency gain/(loss)	4	184,479	360,408
Total comprehensive income attributable to members of the entity		**(1,942,719)**	**(2,085,866)**
Basic loss per share (cents per share)	22	*(0.03) cents*	*(0.06) cents*

Diluted loss per share (cents per share)	22	*(0.03) cents*	*(0.06) cents*

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2023

All amounts are in Australian Dollars

	Notes	**Consolidated 30 June 2023 $**	**Consolidated 30 June 2022 $**
Current Assets			
Cash and cash equivalents	7	520,613	2,354,689
Trade and other receivables	8	863,639	787,040
Other assets	9	78,086	69,514
Total Current Assets		1,462,338	3,211,243
Non-Current Assets			
Property, plant & equipment	10	6,220	5,128
Oil and gas assets	11	5,780,587	4,145,488
Capitalised oil and gas exploration	12	1,420,531	1,240,541
Total Non-Current Assets		7,207,338	5,391,157
Total Assets		8,669,676	8,602,400
Current Liabilities			
Trade and other payables	13	1,185,450	1,111,338
Provisions	14	15,500	25,654
Total Current Liabilities		1,200,950	1,136,992
Non-Current Liabilities			
Provisions	14	180,587	38,617
Other payables	13	-	145,159
Total Non-Current Liabilities		180,587	183,776
Total Liabilities		1,381,537	1,320,768
Net Assets		**7,288,139**	**7,281,632**
Shareholders' Equity			
Contributed equity	15	40,675,340	38,743,432
Reserves	16	908,094	706,297
Accumulated losses	17	(34,295,295)	(32,168,097)
Total Shareholders' Equity		**7,288,139**	**7,281,632**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

Year Ended 30 June 2023

All amounts are in Australian Dollars

	Accumulated Losses $	**Contributed Equity $**	**Reserves $**	**Total $**
Balance at 1 July 2022	**(32,168,097)**	**38,743,432**	**706,297**	**7,281,632**
Comprehensive income				
Loss for the period	(2,127,198)	-	-	(2,127,198)
Other comprehensive income for the period	-	-	-	-
	-	-	184,479	184,479
Total comprehensive loss for the period	**(2,127,198)**	**-**	**184,479**	**(1,942,719)**
Transactions with owners, in their capacity as owners, and other transfers:				
New shares issued	-	2,016,286	-	2,016,286
Cost of raising equity	-	(84,378)	-	(84,378)
Options issued	-	-	17,318	17,318

Total transactions with owners and other transfers	-	1,931,908	17,318	1,949,226
Balance at 30 June 2023	**(34,295,295)**	**40,675,340**	**908,094**	**7,288,139**
Balance at 1 July 2021	**(29,812,181)**	**36,700,381**	**436,247**	**7,324,447**
Comprehensive income				
Loss for the period	(2,446,274)	-	-	(2,446,274)
Other comprehensive income for the period	-	-	360,408	360,408
Total comprehensive loss for the period	**(2,446,274)**	**-**	**360,408**	**(2,085,866)**
Transactions with owners, in their capacity as owners, and other transfers:				
New shares issued	-	2,159,819	-	2,159,819
Cost of raising equity	-	(116,768)	-	(116,768)
Options expired	90,358	-	(90,358)	-
Total transactions with owners and other transfers	90,358	2,043,051	(90,358)	2,043,051
Balance at 30 June 2022	**(32,168,097)**	**38,743,432**	**706,297**	**7,281,632**

These accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows

Year Ended 30 June 2023

All amounts are in Australian Dollars

	Notes	**Consolidated 2023 $**	**Consolidated 2022 $**
Cash flows from operating activities			
Receipts from customers		2,067,563	1,598,554
Interest received & other income		-	38,626
Payments to suppliers and employees		(3,270,744)	(2,129,149)
Interest paid		(5,636)	(3,324)
Net cash outflow from operating activities	23	**(1,208,817)**	**(495,293)**
Cash flows from investing activities			
Payments for property, plant and equipment		(3,156)	-
Payments for oil and gas assets		(2,182,687)	(815,243)
Payments for exploration and evaluation		(179,990)	(533,839)
Payments for Company acquisition		(145,158)	-
Acquisition of oil and gas production projects		(56,652)	(238,954)
Net cash outflow from investing activities		**(2,567,643)**	**(1,588,036)**
Cash flows from financing activities			
Proceeds from shares issued		2,016,286	2,159,819
Payments for costs of capital		(84,378)	(116,768)
Net cash inflow from financial activities		**1,931,908**	**2,043,051**
Net (decrease)/increase in cash and cash equivalents		**(1,844,552)**	**(40,278)**
Effects of exchange rate changes on cash and cash equivalents		10,478	105,293
Cash and cash equivalents at the beginning of the financial year		2,354,689	2,289,674
Cash and cash equivalents at the end of the financial year	7	**520,615**	**2,354,689**

The accompanying notes from part of these financial statements

Notes to the Financial Statements

Year Ended 30 June 2023

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 financial statements have been prepared on the going concern basis. As at 30 June 2023, the consolidated entity incurred a net loss of $2,127,198 during the year ended 30 June 2023 and, as of that date, the group had a cash balance of $520,613.

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realization of assets and settlement of liabilities in the normal course of business.

In arriving at this position, the Directors have had regard to the fact that the Group has, or in the directors' opinion will have access to, sufficient cash to fund administrative and other committed expenditure for a period of not less than 12 months from the date of this report.

In forming this view the directors have taken into consideration the following:

? The ability of the Group to obtain funding through various sources, including equity raised which are currently being investigated by management;

? The Group has the capacity, if necessary, to reduce its operating cost structure in order to minimize its working capital requirements; and

? The Directors have reasonable expectations that they will be able to raise additional funding needed for the Group to continue to execute against its milestones in the medium term.

Should the company or the group not able to achieve matters set out above, there is a significant uncertainty related to events or conditions that may cast significant doubt on the company and the Group's ability to continue as a going concern, and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report was authorised for issue by the Directors on 8 November 2023.

(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 Note 27 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

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 9, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Hybrid contracts

If a hybrid contract contains a host that is a financial asset, the policies applicable to financial assets are applied consistently to the entire contract.

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

· financial assets at amortised cost

· financial assets at fair value through profit or loss (FVPL)

· debt instruments at fair value through other comprehensive income (FVOCI)

· equity instruments at fair value through other comprehensive income (FVOCI)

Classifications are determined by both:

· the entity's business model for managing the financial asset

· the contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

· they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows

· the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Debt instruments at fair value through other comprehensive income (Debt FVOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at FVOCI. Any gains or losses recognised in OCI will be recycled upon derecognition of the asset.

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under this category, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend income is taken to profit or loss unless the dividend clearly represents return of capital.

Impairment of Financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through 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 until 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) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the

date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

(v) 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.

(w) 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.

(x) 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).

(y) 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 2023 $	**Consolidated 2022 $**
2 Cost of sales		
Cost of sales	109,373	99,358
Lease operating expenses	1,467,991	1,017,665
	1,577,364	**1,117,023**
3 Corporate Costs		
Accounting, Company Secretary and Audit fees	273,162	178,839
Consulting fees - board	309,273	291,610
Consulting fees - other	118,730	86,379
NOMAD and broker expenses	172,140	112,141
Legal and compliance fees	90,709	72,111
	964,014	**741,080**
4 Other comprehensive profit		
Foreign currency gain/(loss)	184,479	360,408
	184,479	**360,408**

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 (2022 - $NIL).

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

	Consolidated 2023 $	**Consolidated 2022 $**
1. Loss before tax	**2.** (2,127,198)	**3.** (2,446,274)
4. Income tax calculated at 25% (2022: 25%)	**5.** (531,800)	**6.** (611,569)
7. Tax effect of amounts which are deductible/non-deductible 8. In calculating taxable income:	9.	10.
11. Impairment expense	**12.** 71,188	13. 241,022
14. Upfront exploration expenditure claimed	**15.** (44,998)	16. (130,613)
17. Other	**18.** (13,565)	**19.** (22,738)
Effects of unused tax losses and tax offsets not recognised as deferred tax assets	**20.** 519,175	**21.** 523,898
Income tax expense attributable to operating profit	22. NIL	23. NIL

25. (b) Tax

Losses

26.

27. As at 30 June 2023 the Company had Australian tax losses of $15,994,372 (2022: $14,107,506). 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.

5 Income Tax (continued)

(c) Unbooked Deferred Tax Assets and Liabilities

	Consolidated 2023 $	Consolidated 2022 $
Unbooked deferred tax assets comprise:		
Capital Raising Costs	18,080	30,227
Provisions/Accruals/Other	88,998	172,017
Tax losses available for offset against future taxable income	3,998,593	3,642,324
	4,105,670	**3,844,568**

6 Auditors Remuneration

Audit - Elderton Audit Pty Ltd		
Audit of the financial statements	32,300	32,000
	32,300	**32,000**

7 Cash and Cash Equivalents

Cash at Bank	520,613	2,354,689
	520,613	**2,354,689**

8 Trade and Other Receivables

Joint interest billing receivables[1]	644,904	393,166
Less: allowance for expected credit losses	(123,762)	-
Deposits	55,358	54,875
GST receivable	24,353	19,250
Accrued revenue	253,044	318,399
Other receivables	9,742	1,350
	863,639	**787,040**

1. When appropriate, unpaid joint interest billing receivables are recovered from the interest holders share of production income.

9 Other Assets

Prepayments	75,547	69,514
Incorporation costs	2,539	-
	78,086	**69,514**

10 Property, Plant and Equipment

	Office Equipment and Furniture $	Total $
Cost		
Balance at 1 July 2022	175,665	175,665
Additions	3,156	3,156
Disposals	-	-
Effective movement in exchange rates	-	-
Balance at 30 June 2023	**178,821**	**178,821**
Accumulated Depreciation		
Balance at 1 July 2022	(170,537)	(170,537)
Depreciation for the year	(2,064)	(2,064)
Disposals	-	-
Effective movement in exchange rates	-	-
Balance at 30 June 2023	**(172,601)**	**(172,601)**

Carrying amounts

Balance at 30 June 2022	5,128	5,128
Balance at 30 June 2023	**6,220**	**6,220**

11 Oil and Gas Assets	**Consolidated 2023 $**	**Consolidated 2022 $**
Cost brought forward	**4,145,488**	**3,328,029**
Acquisition of oil and gas assets during the year	54,113	1,622,681
Disposal of oil and gas assets on sale during the year	-	-
Capitalised equipment workovers during the year	2,362,772	697,070
Amortisation for the year	(436,028)	(237,194)
Impairment of oil and gas assets[1]	(474,586)	(1,606,816)
Impact of Foreign Exchange on opening balances	128,828	341,718
Carrying value at end of year	**5,780,587**	**4,145,488**

1. The Falcon-1 well stopped producing in the June 2022 quarter and the following workovers were not successful. As a result, an impairment of $1,412,233 was put through against the asset in FY2022 (as well a further impairment of $194,583 in relation to Greater Stanley assets), and a further $474,586 in FY2023.

12 Capitalised Oil and Gas Expenditure

Cost brought forward	**1,240,541**	**706,702**
Exploration costs incurred during the year	179,990	533,839
Impairment of oil and gas expenditure	-	-
Carrying value at end of year	**1,420,531**	**1,240,541**

13 Trade and Other Payables

	Consolidated 2023 $	**Consolidated 2022 $**
CURRENT		
Trade creditors[1]	1,000,619	900,748
Amounts owing for acquisition of Nadsoilco LLC	150,830	145,159
Other creditors and accruals	34,001	65,431
	1,185,450	**1,111,338**
NON-CURRENT		
Amounts owing for acquisition of Nadsoilco LLC	-	145,159
	-	**145,159**

1. The balance includes amounts payable on behalf of other royalty holders for which there are also receivables owing for their share of the workover costs (refer Note 8).

14 Provisions

CURRENT		
Employee provisions	15,500	25,654
	15,500	**25,654**
NON-CURRENT		
Provision for abandonment	180,587	38,617
	180,587	**38,617**

15 Contributed Equity

Ordinary Shares:
Value of Ordinary Shares fully paid

Movement in Contributed Equity			**Number of shares**	**Contributed Equity $**
Balance as at 1 July 2021:			3,767,763,052	36,700,381
08/07/2021	Shares issued (ii)	$0.00276	77,375,000	213,701
17/05/2022	Shares issued (i)	$0.00142	1,375,000,000	1,946,117
Capital raising costs				(116,767)
Balance as at 1 July 2022:			**5,220,138,052**	**38,743,432**
02/11/2022	Shares issued (i)	$0.00123	1,142,857,142	1,406,312
04/04/2023	Shares issued (iii)	$0.00101	45,454,545	45,829
26/04/2023	Shares issued (i)	$0.00103	545,454,545	564,145
Capital raising costs				(84,378)
Balance at end of year			**6,953,904,284**	**40,675,340**

(i) Placements via capital raising as announced

(ii) Shares issued upon conversion of warrants

(iii) Shares issued to suppliers

16 Reserves

	Consolidated 2023 $	Consolidated 2022 $
Foreign currency translation reserve	890,776	706,297
Options reserve	17,318	-
	908,094	**706,297**

16 Reserves (continued)

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.

Movement in Options Reserve	Consolidated 2023 $	Consolidated 2022 $
Options Reserve at the beginning of the year	**-**	**90,358**
Options issued	17,318	-
Options expired	-	(90,358)
Options Reserve at the end of the year	**17,318**	**-**

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.

Movement in Foreign Currency Translation Reserve		
Foreign Currency Translation Reserve at the beginning of the year	706,297	345,889
Current year movement	184,479	360,408
Foreign Currency Translation Reserve at the end of the year	**890,776**	**706,297**

17 Accumulated Losses

Accumulated losses at the beginning of the year	**32,168,097**	**29,812,181**
Net loss attributable to members	2,127,198	2,446,274
Options expired	-	(90,358)
Accumulated losses at the end of the year	**34,295,295**	**32,168,097**

18 Related Party Transactions

	Consolidated 2023 $	Consolidated 2022 $
Key Management Personnel Remuneration		
Cash Payments to Directors and Management (i)	512,940	471,000
Total	**512,940**	**471,000**

i. During the year to 30 June 2023:

a. Directors fees of $17,667 were paid or are payable to Mr Nigel Harvey;

b. Director fees of $30,000 and consulting fees of $120,000 were paid or are payable to Australasian Energy Pty Ltd;

c. Directors fees of $60,000 and consulting fees of $189,273 were paid or are payable to Kensington Advisory Services Pty Ltd;

d. Directors fees of $30,000 were paid or are payable to J A Young;

e. 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.

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 2023 the Company's 100% owned subsidiary, Trident Energy Pty Ltd, owed Mosman Oil and Gas Limited $4,060,949 (2022: $3,943,847).

OilCo Pty Ltd

At 30 June 2023 the Company's 100% owned subsidiary, OilCo Pty Ltd (OilCo), owed Mosman Oil and Gas Limited $763,034 (2022: $762,468).

Mosman Oil USA, Inc

At 30 June 2023 the Company's 100% owned subsidiary, Mosman Oil USA, Inc, owed Mosman Oil and Gas Limited $9,528,917 (2022: $7,611,451).

Adagio Resources Limited

At 30 June 2023 the Company's 100% owned subsidiary, Adagio Resources Limited, owed Mosman Oil and Gas Limited $2,539 (2022: nil).

19 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 2023, total exploration expenditure commitments for the next 12 months are as follows:

Entity	Tenement	2023 $	2022 $
Trident Energy Pty Ltd	EP145[1]	-	-
Oilco Pty Ltd	EPA155	-	-
		-	**-**

1. *EP145 is currently under extension until 21 August 2024, therefore there are no committed expenditures as of the date of this report.*

19 Expenditure Commitments (continued)

(b) Capital Commitments

The Company had no other capital commitments at 30 June 2023 (2022: $NIL).

20 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.

(i) Segment performance

	United States $	Australia $	Total $
Year ended 30 June 2023			
Revenue			
Revenue	2,252,029	-	2,252,029
Interest income		483	483
Segment revenue	**2,252,029**	**483**	**2,252,512**

Segment Result			
Allocated			
- Corporate costs	(67,343)	(896,671)	(964,014)
- Administrative costs	(293,071)	(294,013)	(587,084)
- Lease operating expenses	(1,467,991)	-	(1,467,991)
- Cost of sales	(109,373)	-	(109,373)
Segment net profit (loss) before tax	**314,251**	**(1,190,201)**	**(875,950)**
Reconciliation of segment result to net loss before tax			
Amounts not included in segment result but reviewed by the Board			
- Exploration expenses incurred not capitalised			(9,300)
- Amortisation			(436,028)
- Impairment			(474,586)
- Bad debts expense			(121,847)
Unallocated items			
- Employee benefits expense			(194,732)
- Loss on foreign exchange			(7,055)
- Depreciation			(2,064)
- Finance costs			(5,636)
Net Loss before tax from continuing operations			**(2,127,198)**

20 Segment Information (continued)

(i) Segment performance

	United States $	Australia $	Total $
Year ended 30 June 2022			
Revenue			
Revenue	1,812,119	-	1,812,119
Interest income			
Gain on sale of oil and gas assets			
Other income			
Segment revenue	**1,812,119**	**-**	**1,812,119**
Segment Result			
Allocated			
- Corporate costs	(41,949)	(699,131)	(741,080)
- Administrative costs	(160,880)	(165,218)	(326,098)
- Lease operating expenses	(1,017,665)	-	(1,017,665)
- Cost of sales	(99,358)	-	(99,358)
Segment net profit (loss) before tax	**492,267**	**(864,349)**	**(372,082)**
Reconciliation of segment result to net loss before tax			
Amounts not included in segment result but reviewed by the Board			
- Exploration expenses incurred not capitalised	-	(14,775)	(14,775)
- Amortisation	(237,194)	-	(237,194)
- Impairment	(1,606,816)	-	(1,606,816)
Unallocated items			
- Employee benefits expense	-	-	(190,024)
- Loss on foreign exchange	-	-	(10,085)
- Depreciation	-	-	(11,974)
- Finance costs	-	-	(3,324)
Net Loss before tax from continuing operations			**(2,446,274)**

	United States $	Australia $	Total $
Total assets as at 1 July 2022	5,618,867	2,983,533	8,602,400
Segment asset balances at end of year			
- Exploration and evaluation		8,601,449	8,601,449
- Capitalised Oil and Gas Assets	10,490,641		10,490,641
- Less: Amortisation	(909,850)		(909,850)
- Less: Impairment	(3,800,204)	(7,180,918)	(10,981,122)

	5,780,587	**1,420,531**	**7,201,118**
Reconciliation of segment assets to total assets:			
Other assets	1,236,820	231,738	1,468,558
Total assets from continuing operations **As at 30 June 2023**	**7,017,407**	**1,652,269**	**8,669,676**
Total assets as at 1 July 2021	4,925,917	2,798,680	7,724,597
Segment asset balances at end of year			
- Exploration and evaluation	-	8,421,459	8,421,459
- Capitalised Oil and Gas Assets	7,788,307	-	7,788,307
- Less: Amortisation	(449,411)	-	(449,411)
- Less: Impairment	(3,193,408)	(7,180,918)	(10,374,326)
	4,145,488	**1,240,541**	**5,386,029**
Reconciliation of segment assets to total assets:			
Other assets	1,473,379	1,742,992	3,216,371
Total assets from continuing operations **As at 30 June 2022**	**5,618,867**	**2,983,533**	**8,602,400**

(iii) Segment liabilities

	United States **$**	**Australia** **$**	**Total** **$**
Segment liabilities as at 1 July 2022	1,137,363	183,405	1,320,768
Segment liability increases (decreases) for the year	14,805	45,964	60,769
	1,152,168	**229,369**	**1,381,537**
Reconciliation of segment liabilities to total liabilities:			
Other liabilities	**-**	**-**	**-**
Total liabilities from continuing operations **As at 30 June 2023**	**1,152,168**	**229,369**	**1,381,537**
Segment liabilities as at 1 July 2021	29,380	370,770	400,150
Segment liability increases (decreases) for the year	1,107,983	(187,365)	920,618
	1,137,363	**183,405**	**1,320,768**
Reconciliation of segment liabilities to total liabilities:			
Other liabilities	**-**	**-**	**-**
Total liabilities from continuing operations **As at 30 June 2022**	**1,137,363**	**183,405**	**1,320,768**

21 Producing assets

The Group currently has 5 producing assets, which the Board monitors as separate items to the geographical and operating segments.

Project performance is monitored by the line items below.

	Stanley **$**	**Cinnabar** **$**	**Winters** **$**	**Livingston** **$**	**Arkoma** **$**	**Other Projects** **$**	**Total** **$**
Year Ended 30 June 2023							
Revenue							
Oil and gas project related revenue	1,352,924	517,185	210,944	39,222	54,989	76,765	2,252,029
Producing assets revenue	**1,352,924**	**517,185**	**210,944**	**39,222**	**54,989**	**76,765**	**2,252,029**
Project-related expenses							
- Cost of sales	(65,817)	(23,834)	(13,956)	(1,807)	(3,959)	-	(109,373)
- Lease operating expenses	(842,878)	(186,735)	(165,788)	(93,968)	(21,103)	(157,519)	(1,467,991)
Project cost of sales	**(908,695)**	**(210,569)**	**(179,744)**	**(95,775)**	**(25,062)**	**(157,519)**	**(1,577,364)**
Project gross profit							
Gross profit	**444,229**	**306,616**	**31,200**	**(56,553)**	**29,927**	**-80,754**	**674,665**

21 Producing assets (continued)

	Stanley **$**	**Falcon** **$**	**Winters** **$**	**Livingston** **$**	**Arkoma** **$**	**Other Projects** **$**	**Total** **$**
Year Ended 30 June 2022							
Revenue							
Oil and gas project related revenue	816,044	636,387	189,479	20,670	69,545	79,994	1,812,119
Producing assets revenue	**816,044**	**636,387**	**189,479**	**20,670**	**69,545**	**79,994**	**1,812,119**
Project-related expenses							
- Cost of sales	(37,535)	(43,977)	(11,871)	(952)	(5,023)	-	(99,358)
- Lease operating expenses	(408,172)	(305,882)	(96,392)	(26,676)	(33,996)	(146,547)	(1,017,665)
Project cost of sales	**(445,707)**	**(349,859)**	**(108,263)**	**(27,628)**	**(39,019)**	**(146,547)**	**(1,117,023)**
Project gross profit							
Gross profit	**370,337**	**286,528**	**81,216**	**(6,958)**	**30,526**	**(66,553)**	**695,096**

22 Earnings/ (Loss) per shares

	Consolidated 2023 $	Consolidated 2022 $
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	**(2,127,198)**	**(2,446,274)**
	Number of shares 2023	**Number of shares 2022**
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share:	6,079,575,874	4,009,195,586
Basic loss per share (cents per share)	0.03	0.06
Diluted loss per share (cents per share)	0.03	0.06

23 Notes to the statement of cash flows

Reconciliation of loss from ordinary activities after income tax to net cash outflow from operating activities:	Consolidated 2023 $	Consolidated 2022 $
Loss from ordinary activities after related income tax	(2,127,198)	(2,446,274)
Depreciation and amortisation	438,092	249,167
Impairment	474,586	1,606,816
Increase in trade and other receivables	(85,171)	(660,636)
Increase/(decrease) in trade and other payables	74,112	606,666
Unrealised FX	16,762	148,968
Net cash outflow from operating activities	**(1,208,817)**	**(495,293)**

24 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:

Consolidated 2023	**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%**	520,613	-	-	520,613
Trade and other Receivables	8		-	-	863,639	863,639
Other assets	9		-	-	78,086	78,086
Total Financial Assets			**520,613**	**-**	**941,725**	**1,462,338**
Financial Liabilities			**-**	**-**		
Trade and other Payables	13				1,185,450	1,185,450
Provisions	14				196,087	196,087
Total Financial Liabilities					**1,381,537**	**1,381,537**
Net Financial Assets/(Liabilities)			**520,613**		**(439,812)**	**80,801**

Consolidated 2022	**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%**	2,354,689	-	-	2,354,689
Trade and other Receivables	8		-	-	787,040	787,040
Other assets	9		-	-	69,514	69,514

Total Financial Assets		**2,354,689**	**-**	**856,554**	**3,211,243**
Financial Liabilities					
Trade and other Payables	13	-	-	1,256,497	1,256,497
Provisions	14	-	-	64,271	64,271
Total Financial Liabilities		**-**	**-**	**1,320,768**	**1,320,768**
Net Financial Assets		**2,354,689**	**-**	**(464,214)**	**1,890,475**

(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.

25 Contingent Liabilities

There were no material contingent liabilities not provided for in the financial statements of the Company as at 30 June 2023.

26 Mosman Oil and Gas Limited - Parent Entity Disclosures

	2023 **$**	**2022** **$**
Financial position		
Assets		
Current assets	161,866	1,671,987
Non-current assets	12,832,707	10,793,941
Total assets	**12,994,573**	**12,465,928**
Liabilities		
Current liabilities	171,199	183,129
Total liabilities	**171,199**	**183,129**
Net assets	**12,823,374**	**12,282,799**
Equity		
Contributed equity	40,674,671	38,742,763
Reserves	17,318	-
Accumulated losses	(27,868,615)	(26,459,964)
Total Equity	**12,823,374**	**12,282,799**
Financial Performance		
Loss for the year	(1,408,651)	(1,083,787)
Other comprehensive income	-	-
Total comprehensive loss	**(1,408,651)**	**(1,083,787)**

27 Controlled Entities

Investments in group entities comprise:

Name	Principal activities	Incorporation	Beneficial percentage held by economic entity 2023 %	2022 %
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**
Adagio Resources Limited	Oil & Gas exploration	Australia	**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**
NADSOILCO, 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 29 Subsequent Events for additional corporate activity in progress subsequent to the 30 June 2022 year end.

28 Share Based Payments

	Consolidated 2023 Cents	Consolidated 2022 Cents
Basic loss per share (cents per share)	0.03	0.06

A summary of the movements of all company warrant issues to 30 June 2023 is as follows:

Company Warrants	2023 Number of Options	2022 Number of Options	2023 Weighted Average Exercise Price	2022 Weighted Average Exercise Price
Outstanding at the beginning of the year	1,584,250,000	1,143,702,084	$0.0038	$0.0042
Expired	(896,750,000)	(169,577,084)	$0.0045	$0.0031
Exercised	-	(77,375,000)	-	$0.0027
Granted	601,428,571	687,500,000	$0.0026	$0.0028
Outstanding at the end of the year	1,288,928,571	1,584,250,000	$0.0027	$0.0038
Exercisable at the end of the year	1,288,928,571	1,584,250,000	$0.0027	$0.0038

29 Events Subsequent to the End of the Financial Year

Subsequent to the end of the reporting period the Company announced the following material matters occurred:

- On 13 July 2023, the Company announced it had raised £300,000, by way of a placing of 857,142,857 new ordinary shares of no-par value in the capital of the Company, at a placing price of 0.035p per share, with one warrant for every two Placing Shares exercisable at a price of 0.07p with a term of 24 months.
- On 31 August 2023, the Company announced that a frac was completed at the G-2 production well in the Cinnabar project.
- On 4 September 2023, the Company announced that Executive Chairman, John W Barr had given his notice of resignation as Director, effective 30 September 2023.
- On 4 September 2023, it was also announced the Mr John Young had resigned as Non-Executive Director, effective immediately.
- On 6 September 2023, the Company announced that the year three report on EP 145 had been lodged with the Northern Territory Government.

- On 7 September 2023, it was announced that the Company had reached an agreement to transfer the Falcon lease to 84 Energy Corp in exchange for equipment on the lease, noting the Company is not liable for potential future abandonment costs.
- In addition, the Galaxie exploration lease was not renewed and expired with no liabilities.
- On 29 September 2023, the Company announced the appointment of Mr Carl Dumbrell as an independent Non-Executive Director, with immediate effect. Subsequent to Mr John Barr's resignation, Mr Nigel Harvey would replace Mr John Barr as Chairman, and Mr Andrew Carroll would lead the business as CEO, both effective 1 October 2023.
- On 16 October 2023, the Company announced that it had entered into a farmin agreement with Greenvale Gold Pty Ltd, a wholly owned subsidiary of Greenvale Energy Ltd (ASX:GRV) to fund seismic and drilling on its EP 145 project in the Northern Territory of Australia. Upon Completion, Mosman would retain a 25% working interest in EP 145 and Greenvale would earn a 75% working interest in EP 145 by:
    - Committing to pay AUD160,000 in cash within 5 days of Completion, which is subject to government approval of the transfer of interest and Operatorship:
    - Paying for the EP 145 Permit Year 3 Work Program, including seismic, effective from Completion Date;
    - Funding the Permit Year 4 Work Program, including drilling one well with a well cost cap of AUD5.5 million;
    - The Year 3 Work Program is to be completed by August 2024 and the cost of the seismic acquisition is estimated to be circa AUD2 million;
    - The Year 4 Work Program is to be completed by August 2025. The cost of drilling a well depends on many factors including the depth of a well and cost of drilling rigs at the time of drilling.
- On 26 October 2023, the Company announced the Central Land Council ("CLC") had agreed to extend the negotiating period in respect of the Company's EPA 155 permit application until October 2024.

There were no other material matters that occurred subsequent to 30 June 2023.

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Final Results to 30 June 2023
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