MOSMAN OIL AND GAS

LIMITED

ACN 150 287 111

ANNUAL REPORT
30 JUNE 2020

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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
DLA Piper

Chairman's Letter

Overview of the 2020 financial year

Looking back at my closing remarks for the last Financial Year, I outlined how Mosman's focus for the year ahead was to deliver on the strategic objectives the Board had set out, building on the progress made through project acquisitions to increase production and how we were excited by the opportunity this presented for the next phase of growth. Nothing at that time could have predicted the 2020 year that lay before us all. It has proven to be one of the most difficult on record with the Global Pandemic affecting most aspects of our lives.

This has been a very challenging year for junior oil and gas companies, with turbulent markets and commodity fluctuations, navigating lock downs and the broader implications on many aspects of both day to day life and business. Mosman takes its Health and Safety requirements very seriously and to date we are not aware of any health or wellbeing issues in our small team.

As we stand today, Mosman can now look forward with greater optimism. We have secured an established production base, and continue to build on this, with further project acquisitions and acquisition targets with a clear plan for the drilling programme to increase production in 2021.

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.

This is being delivered by increasing production and gross profit in the USA, and exploration in the Amadeus Basin in Australia.

USA

In the United States, Mosman currently has four producing projects, with a fifth expected shortly at the Falcon-1 well on the Champion project.

In March 2020, Mosman conducted a full review of all operations with the objective to reduce costs and protect income. Cost reductions were implemented and production continued with an emphasis on margin rather than volume to mitigate against the challenges of the pandemic, whilst at the same time ensuring production continued on the four initial projects.

Net Production attributable to Mosman in the full year to 30 June 2020 was 23,143 boe (barrels of oil equivalent), compared to 18,216 in 2019. This modest increase in production volumes was suppressed mainly due to the pandemic, as operations were curtailed as the oil price drastically fell.

Production

	Gross Project Production[2] BOE[1]	Net Production to Mosman[3] BOE[1]
Stanley	70,808	11,359
Greater Stanley	485	97
Welch	13,420	10,287
Arkoma	7,457	1,374
Total Production	**92,170**	**23,117**

[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 after royalties

Notwithstanding the smaller than expected rise in production volumes, sales increased by $387,569 (c.35%) to $1,493,664. Importantly, partially because of the swift action by the Board in the third quarter of the year, with gross profit increased to over $710,000, which sets us in good stead for the year ahead.

The focus in East Texas includes the Stanley, Greater Stanley, Champion and Challenger projects:

Stanley

The Stanley Project has provided valuable experience at a modest working interest. The natural flowing wells have low lifting costs. Stanley-3 is still producing from the original completion zone. On two wells, work-overs have been undertaken to improve production rates, with mixed success. Stanley-2 is shut-in waiting on artificial lift to be installed, and Stanley-1 is currently shut-in following an unsuccessful workover. In September 2020, a new well was drilled at Stanley-4 and was immediately placed on production.

Greater Stanley

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 as there are two wells and nominal production. The first activity will be to workover one existing well.

Champion

The Falcon-1 well was successfully drilled and cased in September 2020. The wireline logs indicate good porosity and hydrocarbons in the primary and secondary Frio sandstone target zones interbedded with shale between circa 7100 to 7550 feet TVD. The mud logs also showed hydrocarbons in these zones with an increase in mud gas readings from a background of circa 30 units to over 3000 units in the primary zone.

Oil and gas were produced at rates up to 80 bopd and 2.78 mmcfd (c463 boepd) equating to a combined total of c543 boepd. The well is now shut in to obtain more pressure data.

The Company is now planning the next well at Champion.

Challenger

The Cinnabar Lease is "Held By Production". Two wells drilled in the Lease have produced significant quantities of oil but are now usually shut-in. Mosman will become the Operator of the Cinnabar Lease, will review operations and the possible workover of one or both of the wells to increase production. There are four development drilling locations identified using 3D seismic on the Cinnabar Lease. 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.

Welch

Performance at Welch in the year was sound. This asset remains for sale at an appropriate price. The sale of the asset will continue the shift in the Company's focus to East Texas operations.

A sale was agreed in May 2020, however, the purchaser failed to complete the purchase, and the buyer forfeited the US$90,000 deposit. In the current year, US$60,000 was received, with US$30,000 post year end. The purchaser is now seeking the return of the deposit and the matter is scheduled to be heard in Court in due course.

Arkoma

At Arkoma, Mosman owns a 27% interest in wells as part of a three-way joint venture. The asset has been disappointing in 2020.

Other Matters

Currently there is evaluation work in progress on potential additions to the portfolio and if an opportunity crystalizes then shareholders will be informed.

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.

Due to the pandemic all non-essential access was refused and therefore the team has been unable to make progress. Mosman understands the rationale for the action and is monitoring the position as to when the team will be able to gain access.

Given the lack of access the progress on any joint venture has been slow, as any potential partner would seek to visit the ground.

Given the access constraints an extension of the exploration permit was granted.

In May 2020, Mosman agreed a Farmout on EPA 155, with Westmarket Oil & Gas Pty Ltd, which will undertake technical work to earn a 70% WI interest in the permit and will takes responsibility for Native Title negotiations.

Infrastructure in the Northern Territory (NT) continues to improve, specifically, the Northern Gas Pipeline which has now been completed, and now a second pipeline is under consideration to allow NT gas to supply to the Eastern States gas market.

CORPORATE

Financial Report

Overall, the Company loss for the year increased, which was principally due to the Board taking a conservative approach and impairing the value of many of the oil and gas assets. This was previously reflected in the six monthly financial period to 31 December 2019 which reported a loss after the impairments.

Thus, in the 2021 year, whilst remaining prudent on expenditure we have already made several key decisions and proceeded with drilling new wells and workovers funded by recent capital raisings and the proposed sale of assets.

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 and the ongoing focus to control costs, this is now becoming an increasingly achievable objective.

Overall, in the year to 30 June 2020, the Company made a loss of $4,837,410 after impairments of $4,142,876.

Of significance, some $706,215 was spent on investing activities on assets in the portfolio during the year, continuing to reflect the Group's growth strategy. Furthermore, the Board has deferred payment of both Directors fees for the 2020 financial year, as well as 50% of consulting fees for the period of March to August 2020, collectively totaling $225,000 (with $191,000 accrued to 30 June 2020), and reflects the practical decisions made in a difficult year.

The net proceeds of funds raised during the year was $585,139.

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.

Matters subsequent to the reporting period

Other Matters

Norseman Silver Inc (previously named GEM International Resources Inc)

After the year end Mosman sold shares in this Company and realized cash of in excess of $258,000. Mosman still holds 510,000 shares and will dispose of those shares in due course. As of the date of this report, the market value of the shares on hand is approximately $133,000.

Conversion of unpaid Directors Fees and Consulting Fees to Shares

Further to previous announcements, the Directors are proposing to convert a total of $225,000 of Director's fees and consulting fees to shares, and will seek approval at the 2020 AGM.

Outlook

Whilst 2020 has undoubtedly been challenging, Mosman remains resolute in delivering on its strategic objectives to build our production base with a clear focus on increasing production and cash flow whilst also being in a position to evaluate further acquisition targets.

The small team is nimble and working with our partners and we are building stronger foundations from which we plan to build more robust scale in the year ahead.

We acknowledge it has been a 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
24 November 2020

Directors' Report

Your Directors provide their 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 2020. Please note that all amounts quoted are in Australian Dollars, unless otherwise stated.

Operations Overview

A summary of the current oil and gas projects as at today is below:

MAJOR USA PROJECTS			
Asset/ Project	**Mosman Interest[1]**	**Location**	**Status**
Arkoma	27%	Oklahoma	Producing
Welch	100%	Texas	Producing
Stanley	16.5%	Texas	Producing
Greater Stanley -1 and 2	20% & 25%	Texas	Producing
Challenger	85.0% (net)	Texas	Planning
Champion	50.0%	Texas	Drilled recently

AUSTRALIAN EXPLORATION PROJECTS						
Asset/Project	**Mosman Interest[1]**	**Location**	**Status**	**Permit Number**	**Licence Renewal Date**	**Comments**
Australia, Amadeus Basin	100%	NT	Exploration	EP 145	21st August 2021	Extension to year 3 approved due to access restrictions as a result of Covid-19
Australia, Amadeus Basin	30%	NT	Application	EPA 155	Application	70% of Working Interest farmed out to Westmarket Oil & Gas Pty Ltd, June 2020

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	5

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 2020 the Company had current assets of $606,413 (2019: $ 1,267,836).

Results of Operations

The net loss of the Company for the year ended 30 June 2020 was $4,837,410 (2019: $1,208,836). This loss occurred after the Directors decided to impair the carrying value of assets after the oil price fall in 2020, The amount of the impairment was $4,142,876.

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 were significantly affected by the Covid-19 pandemic and a number of matters were dealt with by the Board, including a collapse of the oil price, reducing operating and overhead costs, and raising fresh capital to fund operations and expand operations. Importantly all operations were reviewed, and the decision was made to sell some operations to focus on the Eastern Texas operations.

Mosman successfully managed to increase its interest in the Falcon project to 50% and acquired an interest in the Greater Stanley project, and increased its interest in Challenger.

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

Subsequent to balance date the company notes the following material developments to the group:

1. The Stanley-4 well was drilled and has been placed on production;
2. The Stanley-1 and 2 wells were worked over;
3. The Falcon-1 well was drilled. Oil and gas were produced at rates up to 80 bopd and 2.78 mmcfd (c463 boepd) equating to a combined total of c543 boepd;
4. A workover at Greater Stanley was completed;
5. Shares that were held in the Canadian Company, Norseman Silver Inc (formerly Gem International Resources Inc) were partially sold releasing some $258,000 back into treasury;

6. A placement was completed in July 2020 and $721,000 raised;
7. Warrants to the value of $505,000 were exercised with the funds being added to treasury;
8. A further placement was completed in October 2020 and $1,645,000 raised;
9. An additional 80.83% interest was acquired in the Cinnabar Lease, bringing the Group's interest up to 97%, with 12% subject to a farm in to a third party

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.

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 2020, 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
J W Barr	**CA FAICD** **Executive Chairman** 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. During the year Mr Barr acted as Interim CEO of Norseman Silver Inc. After yearend he ceased that function and remains a Director.
A R Carroll	**MA, BA** **Technical Director** 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 and Chairman of ASX listed High Peak Royalties Ltd.
J A Young	**B App Sc (Geol), Grad Dip Tech Management, MAUSIMM** **Non-Executive Director** 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, 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** 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 2020**	**Year to 30 June 2019**
J W Barr – Executive Chairman	$237,000[1]	$220,750
A R Carroll – Technical Director	$178,000[2]	$218,000
J A Young – Non-Executive Director	$30,000[3]	$30,000
J T White – Company Secretary	$66,000[4]	$80,423
Total	**$ 511,000**	**$ 549,173**

1. Directors fees of $60,000 and consulting fees of $177,000 were paid or are payable to Kensington Advisory Services Pty Ltd;
2. Director fees of $30,000 and consulting fees of $148,000 were paid or are payable to Australasian Energy Pty Ltd;
3. 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.

Of the $511,000 in total fees, an 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. It is proposed that the full amount outstanding including post 30 June will be settled by the issue of shares. The matter will be placed before shareholders at the Annual General Meeting. If shareholders do not approve the payments by the issue of shares, then the amount will remain payable and will be paid from the Company's funds.

Options

Other than disclosed below, no options were issued to Directors during the financial year ending 30 June 2020.

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.

Options 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	-	13,000,000	**13,000,000**
Mr Andrew R Carroll	Technical Director	-	13,000,000	**13,000,000**
Mr John A Young	Non-Executive Director	-	1,500,000	**1,500,000**
Mr Jarrod White	CFO	-	1,000,000	**1,000,000**
Mr Howard McLaughlin	US Operations Manager	-	750,000	**750,000**
Total		**-**	**29,250,000**	**29,250,000**

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 on 16 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 on 19 Jan 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 2020 year, Mr Young provided no additional services to his retainer as a Director;

- This agreement commenced on 1 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 $3,750 and $750 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 2020, the Company issued 1,085,810,968 Ordinary Shares (2019: 885,810,968).

The Directors (and their related entities) owned the following shares and options of the Company as at 30 June 2020, representing 4.88% 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	30,100,001	2.77%	13,000,000 [1]
Andrew R Carroll	Technical Director	21,876,500	2.01%	13,000,000 [2]
John A Young	Non-Executive Director	1,050,000	0.10%	1,500,000 [3]
Total Director Holdings		53,026,501	4.88%	27,500,000

1. Comprises of:
   a. 3,000,000 Mosman Options with an exercise price of 2 Great British Pence and an expiry date of 18 December 2020; and
   b. 10,000,000 Mosman Options with an exercise price of 0.4 Great British Pence and an expiry date of 08 December 2020.

2. Comprises of:
   a. 3,000,000 Mosman Options with an exercise price of 2 Great British Pence and an expiry date of 18 December 2020; and
   b. 10,000,000 Mosman Options with an exercise price of 0.4 Great British Pence and an expiry date of 08 December 2020.

3. Comprises of:
   a. 1,500,000 Mosman Options having an exercise price of 2 Great British Pence and an expiry date of 18 December 2020.

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 2019 Balance	Issued on Exercise of Options 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**

ORDINARY SHARES	30 June 2018 Balance	Issued on Exercise of Options during the Year	Other Changes during the Year	30 June 2019 Balance
J W Barr	10,100,001	-	20,000,000	30,100,001
A Carroll	1,876,500	-	20,000,000	21,876,500
J Young	1,050,000	-	-	1,050,000
Totals	**13,026,501**	**-**	**40,000,000**	**53,026,501**

KMP Option Holdings

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

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	1,500,00
Totals	**27,500,000**	**-**	**-**	**-**	**27,500,000**	**27,500,000**

OPTIONS	30 June 2018 Balance	Granted as Remuneration during the Year	Exercised during the Year	Options lapsed during the year	30 June 2019 Balance	Vested and Exercisable
J W Barr	4,000,000	-	10,000,000	(1,000,000)	13,000,000	4,000,000
A Carroll	4,000,000	-	10,000,000	(1,000,000)	13,000,000	4,000,000
J Young	1,500,000	-	-	-	1,500,000	1,500,000
Totals	**9,500,000**	**-**	**20,000,000**	**(2,000,000)**	**27,500,000**	**9,500,000**

Options

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

Grant Date	*Number of Options on Issue*	*Exercise Price*	*Expiry Date*
18 December 2017	10,000,000	2 Great British Pence	18 December 2020
14 February 2018	750,000	2 Great British Pence	14 February 2023
23 November 2018	70,909,091	0.4 Great British Pence	23 November 2020
08 December 2018	20,000,000	0.4 Great British Pence	08 December 2020
Total Unlisted Options	**101,659,091**		

The above options represent unissued ordinary shares of the Company under option as at the date of this report. These unlisted options do not entitle the holder to participate in any share issue of the Company. The holders of unlisted options are not entitled to any voting rights until the options are exercised into ordinary shares.

Since 30 June 2020 and up until the date of this report, no options 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.

Warrants

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 2020	200,000,000	0.23 Great British Pence	14 February 2021
2 July 2020	311,250,000	0.15 Great British Pence	2 July 2021
19 October 2020	376,000,000	0.25 Great British Pence	19 October 2022
Total Unlisted Warrants	**887,250,000**		

Since 30 June 2020 and up until the date of this report, 188,750,000 warrants have been exercised.

Amounts Outstanding from Subsidiaries

Trident Energy Pty Ltd
At 30 June 2020 the Company's 100% owned subsidiary, Trident Energy Pty Ltd, owed Mosman Oil and Gas Limited $2,901,011 (2019: $2,883,384).

OilCo Pty Ltd
At 30 June 2020 the Company's 100% owned subsidiary, OilCo Pty Ltd (OilCo), owed Mosman Oil and Gas Limited $776,879 (2019: $776,412).

Mosman Oil USA, Inc
At 30 June 2020 the Company's 100% owned subsidiary, Mosman Oil USA, Inc, owed Mosman Oil and Gas Limited $4,021,465 (2019: $3,751,440).

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 2020 (2019: $NIL).

Proceedings on Behalf of the Company

Mosman entered into contract to sell the Welch project in West Texas for US$300,000. Total deposits were received of US$90,000. The acquirer did not pay the balance, and thus the deposit was forfeited and Mosman has banked those funds.

The acquirer is seeking to have the funds returned, which Mosman is disputing, and legal representation has been secured.

Aside from the above, no person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or any part of the proceedings.

The Company was not party to any other proceeding during the year.

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
24 November 2020

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 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 Company ("QCA") corporate governance code with exceptions noted below:

	QCA Code Recommendation	*Application by the Company*
1.	**Principle 1** **Establish a strategy and business model which promote long-term value for shareholders** • 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.	Mosman strategic objective remains to identify opportunities which will provide operating cash flow and have development upside, in conjunction with exploration of existing exploration permits. 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 technics of exploration and development and production, this includes a range of on field techniques and desk top determinations 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; Australian projects are focused on early stage exploration and the identification of new potential production assets.

2.	**Principle 2** **Seek to understand and meet shareholder needs and expectations** • 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.	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. The Company also has engaged a profession service organisation to run news flow via a twitter account. 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; 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; 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; 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; The company website is monitored and regularly updated to be a source of useful information to stakeholders.
3.	**Principle 3** **Take into account wider stakeholder and social responsibilities and their implications for long-term success** • 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	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; 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;

	• 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.	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; 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; 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; 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.
4.	**Principle 4** **Embed effective risk management, considering both opportunities and threats, throughout the organisation** • 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).	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. The Board is responsible for putting in place and communicating a sound system to manage risk and implement. The key risks are also outlined in the analysis of risks contained in the Company's annual report. 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 (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.
5.	**Principle 5** **Maintain the board as a well-functioning, balanced team led by the chair** • 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,	In view of the size of the Company and limited activities and available management resourcing/responsibilities the company, there is currently only one Independent NED on the Board of Mosman, Mr John Young; Notwithstanding John Young's tenure on the board (he was appointed in 2011, the Board consider him to be independent given: • 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 is not involved in the day-to-day management of the Group's operations. 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 NED's as the complexity of operations increases; The Company has two part time employees and largely operates using consultants, meaning that

	remuneration, nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively. • Directors must commit the time necessary to fulfil their roles.	the available internal resources outside of the Board are limited; 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; 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. 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: https://mosmanoilandgas.com/financial-reports 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. 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; The time commitments for the Company's NED is approximately 10 hours per month; There were 5 meetings held in FY20 with attendance as below: ○ John Barr – 7 ○ Andrew Carroll – 7 ○ John Young – 5 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 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 John W Barr; 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. 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.
6.	**Principle 6** **Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities** • 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.	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: http://mosmanoilandgas.com/directors Where the Board requires additional skills and experience to effectively perform their roles as directors the Company seeks input from professional and strategic advisors. 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: https://mosmanoilandgas.com/financial-reports/2018 All directors attend external training as required by their positions within the Board or professional membership requirements. 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 non executive director.
7.	**Principle 7** **Evaluate board performance based on clear and relevant objectives, seeking continuous improvement**	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

	• 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.	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 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. 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. Shareholders are encouraged to attend Members 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. 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.
8.	**Principle 8** **Promote a corporate culture that is based on ethical values and behaviours** • 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.	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. 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

	• 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.	accordance with AIM Rule 21 the requirements of the Market Abuse Regulation which came into effect in 2016. 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. The Board has also established a number of appropriate policies such as Anti-bribery and Corruption and a social media policy. The Company uses the QCA guidelines as a guiding principle in promoting an ethical and open environment.

9.	**Principle 9**
	
	Maintain governance structures and processes that are fit for purpose and support good decision-making by the board
	
	• The company should maintain governance structures and processes in line with its corporate culture and appropriate to its:
	  o size and complexity; and
	  o 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.
		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.
		
		The Executive Chairman, Mr John W Barr, is responsible for the governance and oversight of the Companies operation, and Technical Director Mr Andy Carroll plays an active role in the business taking on management and operational responsibilities.
		
		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.
		
		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.
		
		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 remuneration. The remuneration of all directors will be reviewed by the board. 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: https://mosmanoilandgas.com/corporate-governance These processes are regularly implemented at the Meetings of Directors as set out in the Directors' Report and are updated as necessary based on: o Corporate Culture; o Size; o The capacity and appetite for risk and the tolerances of the company; and o Business complexity. 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.

10.	**Principle 10**
	
	Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders
	
	• 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:
	  o the communication of shareholders' views to the board; and
	  o 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).
		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.
		
		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
		
		http://mosmanoilandgas.com
		
		The Annual Report details the work of the Board, Management and various committees that are utilised throughout the year.
		
		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.

Other	Consider relationship agreement where there is a dominant shareholder	N/A

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 CEO 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 and 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;

- 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
24 November 2020

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
24 November 2020

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.

ELDERTON
AUDIT PTY LTD

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 2020, 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

24 November 2020

T +61 8 6324 2900
F +61 8 6555 9555
E info@eldertongroup.com
W www.eldertongroup.com
A Level 2, 267 St Georges Terrace, Perth WA 6000
P PO Box 983 West Perth WA 6872

ELDERTON

AUDIT PTY LTD

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 2020, 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 2020 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) ,1(h) and 1(p).

Key Audit Matter	How our audit addressed the matter
During the year ended 30 June 2020, the Group capitalised $66,582 and recorded $1,381,296 impairment on its capitalised exploration expenditure which was significant portion of Group's expenses for the year ended 30 June 2020, we considered it necessary to assess the facts and circumstances associated with the expense.	Our audit work included, but was not restricted to, the following: • Obtaining evidence as to whether the Group has valid rights to explore the areas represented by the previously capitalised exploration costs; • Understanding and assessing managements assumptions and analysis of their impairment assessment of capitalised exploration costs; and

- Enquiring with management, reviewing the Group's AIM announcements, and reviewing minutes of Board meetings.

Oil and Gas Assets

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

Key Audit Matter	How our audit addressed the matter
During the year ended 30 June 2020, the Group capitalised $639,684 and recorded $2,380,043 impairment on its oil and gas assets which was a significant portion of the Group's expenses for the year ended 30 June 2020, we considered it necessary to assess the facts and circumstances associated with the expense.	Our audit work included, but was not restricted to, the following: • Obtaining evidence as to whether the Group has valid rights to capitalised Oil and Gas costs; • Understanding and assessing managements assumptions and analysis of their impairment assessment of the Oil and Gas Assets; 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 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 2020.

In our opinion, the Remuneration Report of Mosman Oil and Gas Limited, for the year ended 30 June 2020, 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
24 November 2020

Consolidated Statement of Financial Performance
Year Ended 30 June 2020
All amounts are in Australian Dollars

	Notes	Consolidated 2020 $	Consolidated 2019 $
Revenue		1,493,664	1,106,095
Cost of sales	2	(782,727)	(821,000)
Gross profit		**710,937**	**285,095**
Interest income		28,447	39,715
Other income		152,809	43,320
Administrative expenses		(173,552)	(180,688)
Corporate expenses	3	(901,576)	(771,506)
Directors fees		(120,000)	(120,000)
Exploration expenses incurred, not capitalised		(71,604)	(8,125)
Employee benefits expense		(55,064)	(69,392)
Evaluation and due diligence		(153,493)	(162,447)
Finance costs		(5,177)	(2,250)
Loss on foreign exchange		-	(3,953)
Loss on sale of joint venture assets		-	(156,105)
Amortisation expense		(102,222)	(82,958)
Depreciation expense		(4,039)	(5,765)
Impairment expense	12 & 13	(4,142,876)	-
Costs associated with abandoned acquisitions		-	(13,777)
Loss from ordinary activities before income tax expense		**(4,837,410)**	**(1,208,836)**
Income tax expense	5	-	-
Net loss for the year		**(4,837,410)**	**(1,208,836)**
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	38,887	-
- Foreign currency gain	4	142,410	109,977
Total comprehensive income attributable to members of the entity		**(4,656,113)**	**(1,098,859)**
Basic loss per share (cents per share)	25	*(0.50) cents*	*(0.20) cents*
Diluted loss per share (cents per share)	25	*(0.50) cents*	*(0.20) cents*

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
As at 30 June 2020
All amounts are in Australian Dollars

	Notes	Consolidated 30 June 2020	Consolidated 30 June 2019
		$	$
Current Assets			
Cash and cash equivalents	7	372,479	823,959
Trade and other receivables	8	78,719	330,160
Inventory		44,508	77,961
Other financial assets	9 & 32	93,748	-
Other assets	10	16,959	35,756
Total Current Assets		606,413	1,267,836
Non-Current Assets			
Property, plant & equipment	12	9,995	14,034
Oil and gas assets	13	2,061,131	3,905,106
Loans receivable	11	-	337,201
Other receivables		54,820	50,000
Capitalised oil and gas exploration	14	301,242	1,615,956
Total Non-Current Assets		2,427,188	5,922,297
Total Assets		3,033,601	7,190,133
Current Liabilities			
Trade and other payables	15	358,091	569,234
Equity settled liabilities	16	191,000	
Provisions	17	20,269	27,170
Total Current Liabilities		569,360	596,404
Total Liabilities		569,360	596,404
Net Assets		**2,464,241**	**6,593,729**
Shareholders' Equity			
Contributed equity	18	30,691,497	30,164,872
Reserves	19	712,134	530,837
Accumulated losses	20	(28,939,390)	(24,101,980)
Total Shareholders' Equity		**2,464,241**	**6,593,729**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
Year Ended 30 June 2020
All amounts are in Australian Dollars

	Accumulated Losses	Contributed Equity	Reserves	Non-Controlling Interest	Total
	$	$	$	$	$
Balance at 1 July 2019	**(24,101,980)**	**30,164,872**	**530,837**	**-**	**6,593,729**
Comprehensive income					
Loss for the period	(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)**
Transactions with owners, in their capacity as owners, and other transfers:					
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**
Balance at 1 July 2018	**(22,921,464)**	**28,044,804**	**420,860**	**28,320**	**5,572,520**
Comprehensive income					
Loss for the year	(1,180,516)	-	-	(28,320)	(1,208,836)
Other comprehensive income for the period	-	-	109,977	-	109,977
Total comprehensive loss for the period	**(1,180,516)**	**-**	**109,977**	**(28,320)**	**(1,098,859)**
Transactions with owners, in their capacity as owners, and other transfers:					
New shares issued	-	2,266,306	-	-	2,266,306
Cost of raising equity	-	(146,238)	-	-	(146,238)
Total transactions with owners and other transfers	-	2,120,068	-	-	2,120,068
Balance at 30 June 2019	**(24,101,980)**	**30,164,872**	**530,837**	**-**	**6,593,729**

These accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows
Year Ended 30 June 2020
All amounts are in Australian Dollars

	Notes	Consolidated 2020 $	Consolidated 2019 $
Cash flows from operating activities			
Receipts from customers		1,557,395	1,134,767
Interest received & other income		114,439	83,034
Payments to suppliers and employees		(2,157,505)	(2,166,978)
Bonds refunded		10,000	71,807
Interest paid		(5,177)	(2,249)
Net cash outflow from operating activities	26	**(480,848)**	**(879,619)**
Cash flows from investing activities			
Proceeds from sale of joint venture assets		-	106,944
Payments for oil and gas assets		(469,432)	(777,586)
Payments for exploration and evaluation		-	(124,937)
Deposit paid for acquisition		-	(641)
Acquisition of oil and gas production projects		(236,783)	(883,151)
Net cash outflow from investing activities		**(706,215)**	**(1,679,371)**
Cash flows from financing activities			
Proceeds from shares issued		585,138	2,266,306
Payments for costs of capital		(58,514)	(146,238)
Transactions with non-controlling interests		-	-
Proceeds from third party loans		67,064	(60,201)
Net cash inflow from financial activities		**593,688**	**2,059,867**
Net decrease in cash and cash equivalents		**(593,375)**	**(499,123)**
Effects of exchange rate changes on cash and cash equivalents		5	(2)
Cash and cash equivalents at the beginning of the financial year		823,959	1,323,084
Cash and cash equivalents at the end of the financial year	7	**230,589**	**823,959**

The accompanying notes from part of these financial statements

Notes to the Financial Statements
Year Ended 30 June 2020
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.

Further to the above, the Group have shown its ability to raise capital, with an additional $2,366,000 raised subsequent to year end.

The carrying value of all oil and gas assets was reviewed in early 2020, and as a result a significant impairment provision was created, given the background of the pandemic and the collapse of the oil price at the time. The Board has not reversed the impairment provision given the pandemic has not as yet reached its conclusion.

Other than the matters above, 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 24 November 2020.

(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 joint venture.

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 it's 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 re 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 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) 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 2020 $	Consolidated 2019 $
2 Cost of sales		
Cost of sales	253,271	254,132
Lease operating expenses	529,456	566,868
	782,727	**821,000**

	Consolidated 2020 $	Consolidated 2019 $
3 Corporate Costs		
Accounting, Company Secretary and Audit fees	193,841	224,884
Consulting fees – board	325,000	348,750
Consulting fees – other	116,024	109,549
Investor relations & marketing	81,297	-
Legal and compliance fees	185,414	88,323
	901,576	**771,506**

	Consolidated 2020 $	Consolidated 2019 $
4 Other comprehensive profit		
Gain on shares at fair value through other comprehensive income (FVOCI)	38,887	-
Foreign currency gain	142,410	109,977
	181,297	**109,977**

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 (2019 - $NIL).

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

	Consolidated 2020 $	Consolidated 2019 $
Loss before tax	(4,837,410)	(1,208,836)
Income tax calculated at 27.5% (2019: 27.5%)	(1,330,287)	(332,429)
Tax effect of amounts which are deductible/non-deductible		
In calculating taxable income:		
JV share of profit	-	(6,399)
Legal and consulting expenses	-	-
Impairment expense	744,811	-
Upfront exploration expenditure claimed	(18,310)	(34,358)
Other	(64,170)	(137,518)
Effects of unused tax losses and tax offsets not recognised as deferred tax assets	667,956	510,704
Income tax expense attributable to operating profit	**NIL**	**NIL**

5 Income Tax (continued)
(b) Tax Losses

As at 30 June 2020 the Company had Australian tax losses of $11,719,814 (2019: $10,875,861). 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 2020 $	Consolidated 2019 $
Unbooked deferred tax assets comprise:		
Capital Raising Costs	60,354	130,607
Provisions/Accruals/Other	51,797	31,482
Tax losses available for offset against future taxable income	3,349,052	2,990,862
	3,461,203	**3,152,951**

6 Auditors Remuneration

Audit – Elderton Audit Pty Ltd		
Audit of the financial statements	31,500	31,000
	31,500	**31,000**

7 Cash and Cash Equivalents

Cash at Bank	230,589	823,959
Funds at call[1]	141,890	-
	372,479	**823,959**

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 Trade and Other Receivables

Deposits	-	10,642
GST receivable	20,112	18,002
Cash calls receivable	-	208,791
Accrued Revenue	54,235	84,516
Other receivables	4,372	8,209
	78,719	**330,160**

9 Other financial assets

Shares in Norseman Silver Inc[2]	93,748	-
	93,748	**-**

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

10 Other assets

Prepayments	16,959	35,756
	16,959	**35,756**

11 Loans receivable

Loan to GEM International Resources Inc[1]	-	119,034
Loan to Blackstone Oil and Gas, Inc[2]	-	210,210
Other loans[3]	-	7,957
	-	**337,201**

1. *This loan was fully settled during the financial year.*
2. *This loan was partially recovered following legal action resulting in a US$107,500 settlement during the year, and the balance of the loan subsequently written off.*
3. *This loan was written off during the year.*

12 Property, Plant and Equipment

	Office Equipment and Furniture $	Total $
Cost		
Balance at 1 July 2019	165,713	165,713
Additions	-	-
Disposals	-	-
Effective movement in exchange rates	-	-
Balance at 30 June 2020	**165,713**	**165,713**
Depreciation		
Balance at 1 July 2019	151,679	151,679
Depreciation for the year	4,039	4,039
Disposals	-	-
Effective movement in exchange rates	-	-
Balance at 30 June 2020	**155,718**	**155,718**
Carrying amounts		
Balance at 30 June 2019	14,034	14,034
Balance at 30 June 2020	**9,995**	**9,995**

	Consolidated 2020 $	Consolidated 2019 $
13 Oil and Gas Assets		
Cost brought forward	**3,905,106**	**2,592,814**
Acquisition of oil and gas assets during the year	236,783	883,151
Disposal of oil and gas assets on sale during the year	-	(133,503)
Capitalised equipment workovers during the year	402,901	645,602
Amortisation for the year	(103,616)	(82,958)
Impairment of oil and gas assets	(2,380,043)	
Carrying value at end of year	**2,061,131**	**3,905,106**

14 Capitalised Oil and Gas Expenditure

Cost brought forward	**1,615,956**	**1,491,019**
Exploration costs incurred during the year	66,582	124,937
Impairment of oil and gas expenditure	(1,381,296)	-
Carrying value at end of year	**301,242**	**1,615,956**

	Consolidated 2020 $	Consolidated 2019 $
15 Trade and Other Payables		
Trade creditors	331,972	503,470
Other creditors and accruals	26,119	65,764
	358,091	**569,234**

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. It is proposed that the amount of $191,000 will be settled by the issue of shares. The matter will be placed before shareholders at the Annual General Meeting. If shareholders do not approve the payments by the issue of shares, then the amount will remain payable and will be paid from the Company's funds.

	Consolidated 2020 $	Consolidated 2019 $
17 Provisions		
Employee provisions	20,269	27,170
	20,269	**27,170**

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 2018:			453,992,787	28,044,804
Date	*Nature of Transaction*	*Issue Price*		
15/11/2018	Shares issued (i)	$0.00486	41,090,908	199,717
23/11/2018	Shares issued (i)	$0.00486	100,727,273	489,659
08/12/2018	Shares issued (i)	$0.00495	40,000,000	198,000
20/05/2019	Shares issued (i)	$0.00552	250,000,000	1,378,930
Capital raising costs			-	(146,238)
Balance as at 1 July 2019:			**885,810,968**	**30,164,872**
14/02/2020	Shares issued (i)	$0.00293	200,000,000	585,139
Capital raisings costs			-	(58,514)
Balance at end of year			**1,085,810,968**	**30,691,497**

(i) Placements via capital raising as announced

19 Reserves

	Consolidated 2020 $	Consolidated 2019 $
Options reserve	471,818	471,818
Asset revaluation reserve	(363,525)	(402,412)
Foreign currency translation reserve	603,841	461,431
	712,134	**530,837**

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 2020 $	Consolidated 2019 $
Options Reserve at the beginning of the year	**471,818**	**471,818**
Options issued	-	-
Options expired	-	-
Options Reserve at the end of the year	**471,818**	**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.

Movement in Foreign Currency Translation Reserve	Consolidated 2020 $	Consolidated 2019 $
Foreign Currency Translation Reserve at the beginning of the year	461,431	351,454
Current year movement	142,410	109,977
Foreign Currency Translation Reserve at the end of the year	**603,841**	**461,431**

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.

Movement in Asset Revaluation Reserve	Consolidated 2020 $	Consolidated 2019 $
Asset Revaluation Reserve at the beginning of the year	(402,412)	(402,412)
Revaluation of FVOCI shares	38,887	-
Asset Revaluation Reserve at the end of the year	**(363,525)**[1]	**(402,412)**

1. *The asset revaluation reserve balance related to the accumulated loss on the investment in GEM International Resources Inc recorded in FY2017 and FY2018.*

20 Accumulated Losses

	Consolidated 2020 $	Consolidated 2019 $
Accumulated losses at the beginning of the year	**24,101,980**	**22,921,464**
Net loss attributable to members	4,837,410	1,180,516
Accumulated losses at the end of the year	**28,939,390**	**24,101,980**

21 Related Party Transactions

	Consolidated 2020 $	Consolidated 2019 $
Key Management Personnel Remuneration		
Cash Payments to Directors and Management (i)	511,000	549,173
Total	**511,000**	**549,173**

i. During the year to 30 June 2020:

a. Directors fees of $60,000 and consulting fees of $177,000 were paid or are payable to Kensington Advisory Services Pty Ltd;
b. Director fees of $30,000 and consulting fees of $148,000 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;
e. Norseman Silver Inc was admitted to trade on the NEX Board of the Toronto Stock Exchange (TSX). Furthermore, the Group's loan to Norseman Silver Inc was fully settled, with a total of $81,183 received in cash, and $54,861 via the issue of 1,000,000 shares. As at 30 June 2020 the Group held shares in Norseman Silver Inc to the value of $93,748. Since balance date, the share price appreciated, and approximately $258,000 was received in cash for the sales of shares, and the value on hand as of the date of this report is $133,000.

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 2020 the Company's 100% owned subsidiary, Trident Energy Pty Ltd, owed Mosman Oil and Gas Limited $2,901,011 (2019: $2,883,384).

OilCo Pty Ltd

At 30 June 2020 the Company's 100% owned subsidiary, OilCo Pty Ltd (OilCo), owed Mosman Oil and Gas Limited $776,879 (2019: $776,412).

Mosman Oil USA, Inc

At 30 June 2020 the Company's 100% owned subsidiary, Mosman Oil USA, Inc, owed Mosman Oil and Gas Limited $4,423,121 (2019: $3,751,440).

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 2020, total exploration expenditure commitments for the next 12 months are as follows:

		2020	2019
Entity	**Tenement**	**$**	**$**
Trident Energy Pty Ltd	EP145[1]	-	-
Oilco Pty Ltd	EPA155	-	-
		-	**-**

1. *EP145 is currently under renewal application, 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 2020 (2019: $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 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			
Loss			
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)**
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	-	(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)

(i) Segment performance

	New Zealand $	United States $	Australia $	Total $
Year ended 30 June 2019				
Revenue				
Revenue	-	1,106,095	-	1,106,095
Interest income	-	32,270	7,445	39,715
Gain on sale of non-current assets	937	-	-	937
Other income	-	425	41,958	42,383
Segment revenue	**937**	**1,138,790**	**49,403**	**1,189,130**
Segment Result				
Loss				
Allocated				
- Corporate costs	-	(29,348)	(742,158)	(771,506)
- Administrative costs	-	(65,836)	(114,852)	(180,688)
- Lease operating expenses	-	(566,868)	-	(566,868)
- Cost of sales	-	(254,132)	-	(254,132)
- Share of net loss of joint operation	-	-	-	-
Segment net profit (loss) before tax	**937**	**222,606**	**(807,607)**	**(584,064)**
Reconciliation of segment result to net loss before tax				
Amounts not included in segment result but reviewed by the Board				
- Exploration expenditure previously capitalised, written off in financial year	(8,125)	-	-	(8,125)
- Evaluation and due diligence	-	-	(162,447)	(162,447)
- Amortisation	-	(82,958)	-	(82,958)
- Projects abandoned	(6,645)	-	(7,132)	(13,777)
- Loss on sale of available-for-sale assets	-	(156,105)	-	(156,105)
Unallocated items				
- Employee benefits expense				(189,392)
- Foreign exchange loss				(3,953)
- Depreciation				(5,765)
- Finance costs				(2,250)
Net Loss before tax from continuing operations				**(1,208,836)**

23 Segment Information (continued)

(ii) Segment assets

	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**
Reconciliation of segment assets to total assets:			
Other assets	289,433	381,795	671,228
Total assets from continuing operations			
As at 30 June 2020	**2,350,564**	**683,037**	**3,033,601**

	New Zealand $	United States $	Australia $	Total $
Total assets as at 1 July 2018	60,911	3,098,906	2,868,289	6,028,106
Segment asset balances at end of year				
- Exploration and evaluation	-	-	1,615,956	1,615,956
- Capitalised Oil and Gas Assets	-	4,126,703	-	4,126,703
- Less: Amortisation	-	(88,094)	-	(88,094)
- Less: Expenditure previously capitalised, written off in financial year	-	(133,503)	-	(133,503)
	-	**3,905,106**	**1,615,956**	**5,521,062**
Reconciliation of segment assets to total assets:				
Other assets	-	713,510	955,561	1,669,071
Total assets from continuing operations				
As at 30 June 2019	**-**	**4,618,616**	**2,571,517**	**7,190,133**

23 Segment Information (continued)

(iii) Segment liabilities

	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**
Reconciliation of segment liabilities to total liabilities:			
Other liabilities	-	-	-
Total liabilities from continuing operations			
As at 30 June 2020	**87,486**	**481,874**	**569,360**

	New Zealand $	United States $	Australia $	Total $
Segment liabilities as at 1 July 2018	146,071	136,374	173,141	455,586
Segment liability increases (decreases) for the year	(146,071)	179,818	107,071	140,818
	-	**316,192**	**280,212**	**596,404**
Reconciliation of segment liabilities to total liabilities:				
Other liabilities	-	-	-	-
Total liabilities from continuing operations				
As at 30 June 2019	**-**	**316,192**	**280,212**	**596,404**

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 and Welch and Duff projects are Oil and Gas producing assets in the United States.

Project performance is monitored by the line items below.

Project performance

	Arkoma $	Stanley $	Welch $	Other Projects $	Total $
Year Ended 30 June 2020					
Revenue					
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**
Project-related expenses					
- 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)**
Project gross profit					
Gross profit/(loss)	**5,684**	**503,130**	**228,304**	**(26,181)**	**710,937**

24 Producing assets (continued)

Project performance

	Arkoma $	Stanley $	Strawn $	Welch $	Total $
Year Ended 30 June 2019					
Revenue					
Oil and gas project related revenue	39,342	128,687	56,310	881,756	1,106,095
Producing assets revenue	**39,342**	**128,687**	**56,310**	**881,756**	**1,106,095**
Project-related expenses					
- Cost of sales	(1,307)	(6,408)	(21,014)	(225,403)	(254,132)
- Lease operating expenses	8,335	(26,513)	(58,566)	(490,124)	(566,868)
Project cost of sales	**7,028**	**(32,921)**	**(79,580)**	**(715,527)**	**(821,000)**
Project gross profit					
Gross profit/(loss)	**46,370**	**95,766**	**(23,270)**	**166,229**	**285,095**

25 Earnings/ (Loss) per shares

	Consolidated 2020 $	Consolidated 2019 $
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	**(4,837,410)**	**(1,208,836)**
	Number of shares 2020	**Number of shares 2019**
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share:	960,879,461	590,422,674
Basic loss per share (cents per share)	0.50	0.20

26 Notes to the statement of cash flows

Reconciliation of loss from ordinary activities after income tax to net cash outflow from operating activities:	Consolidated 2020 $	Consolidated 2019 $
Loss from ordinary activities after related income tax	(4,837,410)	(1,218,985)
Share based payments	-	10,149
Depreciation and amortisation	106,261	88,722
Impairment	4,142,876	
Previously capitalised expenses, written off	-	-
Fixed assets disposed of during the year	-	156,105
Share of loss of joint operations	-	-
Fair value loss on available-for-sale assets	-	-
Decrease in other assets	-	-
Decrease/(increase) in trade and other receivables	104,090	(197,519)
Increase in inventory	33,452	28,672
Change in value of NCI	-	-
Increase/(decrease) in trade and other payables	(7,606)	140,818
Unrealised FX	(22,511)	112,419
Net cash outflow from operating activities	**(480,848)**	**(879,619)**

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 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)**

Consolidated 2019	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%**	823,959	-	-	823,959
Trade and other Receivables	8		-	-	330,160	330,160
Other assets	10		-	-	35,756	35,756
Total Financial Assets			**823,959**	**-**	**365,916**	**1,189,875**
Financial Liabilities						
Trade and other Payables	16		-	-	569,234	569,234
Provisions	17		-	-	27,170	27,170
Total Financial Liabilities			**-**	**-**	**596,404**	**596,404**
Net Financial Assets/(Liabilities)			**823,959**	**-**	**(230,488)**	**593,471**

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

Mosman entered into contract to sell the Welch project in West Texas for US$300,000. Total deposits were received of US$90,000. The acquirer did not pay the balance, and thus the deposit was forfeited and Mosman has banked those funds.

The acquirer is seeking to have the funds returned, which Mosman is disputing, and legal representation has been secured.

The Directors estimate the contingent liability to be in the range of US$45,000 - $60,000.

There were no other material contingent liabilities not provided for in the financial statements of the Company as at 30 June 2020.

29 Mosman Oil and Gas Limited - Parent Entity Disclosures

	2020 $	2019 $
Financial position		
Assets		
Current assets	292,130	837,100
Non-current assets	6,180,398	15,157,158
Total assets	**6,472,528**	**15,994,258**
Liabilities		
Current liabilities	380,276	233,970
Total liabilities	**380,276**	**233,970**
Net assets	**6,092,252**	**15,760,288**
Equity		
Contributed equity	30,690,829	30,164,205
Reserves	108,295	69,408
Accumulated losses	(24,706,872)	(14,473,325)
Total Equity	**6,092,252**	**15,760,288**
Financial Performance		
Loss for the year	(1,197,064)	(1,127,224)
Other comprehensive income		-
Total comprehensive loss	**(1,197,064)**	**(1,127,224)**

30 Controlled Entities

Investments in group entities comprise:

Name	Principal activities	Incorporation	Beneficial percentage held by economic entity 2020 %	2019 %
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 2020 $	Consolidated 2019 $
Basic loss per share (cents per share)	0.50	0.20

The following share based payment arrangements existed at 30 June 2020:

Each of the three classes of unlisted options detailed below entitle the holder to acquire one Ordinary share of the Company on the terms disclosed, but do not entitle the holder to participate in any share issue or dividends of the Company and are not transferable. All options vested on the grant date and were therefore not dependent on performance. Options do not lapse on a Director leaving the Company.

(1) On 18 December 2017, 10,000,000 Options were issued to KMP to take up ordinary shares of the Company at an exercise price of 2 GB pence each. The options are exercisable on or before 15 December 2020.

(2) On 15 February 2018, 750,000 Options were issued to UK consultants involved in the AIM IPO to take up ordinary shares of the Company at an exercise price of 2 GB pence each. The options are exercisable on or before 15 February 2021.

A summary of the movements of all company option issues to 30 June 2020 is as follows:

Company Options	**2020 Number of Options**	**2019 Number of Options**	**2020 Weighted Average Exercise Price**	**2019 Weighted Average Exercise Price**
Outstanding at the beginning of the year	101,659,091	14,809,372	$0.0103	$0.0516
Expired	-	(4,059,372)		
Granted	200,000,000	90,909,091	$0.0041	$0.0072
Outstanding at the end of the year	301,659,091	101,659,091	$0.0062	$0.0103
Exercisable at the end of the year	301,659,091	101,659,091	$0.0062	$0.0103

32 Events Subsequent to the End of the Financial Year

Subsequent to balance date the company notes the following material developments to the group:

1. The Stanley-4 well was drilled and has been placed on production;
2. The Stanley-1 and 2 wells were worked over;
3. The Falcon-1 well was drilled. Oil and gas were produced at rates up to 80 bopd and 2.78 mmcfd (c463 boepd) equating to a combined total of c543 boepd;
4. Planning for a workover at Greater Stanley was planned;
5. Shares that were held in the Canadian Company, Norseman Silver Inc (formerly Gem International Resources Inc) were partially sold releasing some $258,000 back into treasury;
6. A placement was completed in July 2020 and $721,000 raised;
7. Warrants to the value of $505,000 were exercised with the funds being added to treasury;
8. A further placement was completed in October 2020 and $1,645,000 raised;
9. An additional 80.83% interest was acquired in the Cinnabar Lease, bringing the Group’s interest up to 97%. The lease will be operated by Mosman Operating, LLC, a wholly owned subsidiary of Mosman Oil and Gas Limited.

There have been no significant events subsequent to reporting date other than stated above.

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 39-68, 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 2020 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
24 November 2020