



MOSMAN OIL AND GAS
LIMITED

ACN 150 287 111

CONDENSED CONSOLIDATED HALF YEAR
FINANCIAL REPORT
31 DECEMBER 2021

Company Directory

Directors

John W Barr
Andy R Carroll
John A Young

Company Secretary

Jarrold 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
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In the UK:
Computershare Investor Services plc
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Company Website

www.mosmanoilandgas.com

Bankers

In Australia:
National Australia Bank

Joint Broker

Monecor (London) Ltd trading as ETX Capital

Lawyers

As to English law
Druces LLP

As to Australian law
Thomson Geer

Operations Review

Mosman's strategic objective remains to identify opportunities which will provide operating cash flow and have further development upside, in conjunction with adding value to the Company's existing exploration permits.

Mosman has established increasing strong oil and gas production. The company has a portfolio of development and exploration projects, which provide the opportunity for further production growth and increasing cashflow. Two exploration areas in Australia are positioned to take advantage of the increasing demand for Helium and Hydrogen as well as Oil and Gas.

Oil and gas prices have increased as economies recover from Covid19 and the recent events in Europe. These increased prices mean more cashflow from production, and added value to the portfolio of development projects such as Cinnabar.

More than \$940,000 was spent on increasing production and exploration during the period.

The Company's production base continues to build with the purchase of Working Interest (WI) in producing wells and the drilling and completions of Stanley-5 and Winters-2.

East Texas Highlights

- Drilled the Stanley-5 and Winters-2 wells:
 - Both of these wells are now on production
 - Continued the 100% success rate on development wells being put on production
- Completed installation of the gas infrastructure to enable gas sales from Stanley and Winters
- Completed the Acquisition of Nadsoilco LLC:
 - 20% increase in WI in the Stanley Project from 15-19% to 35-39%
 - 20% WI in the oil producing Livingston Leases
 - 23.3% WI in oil producing Winters Lease with development well to be drilled
 - Mosman becomes Operator of these leases, providing more control over day-to-day operations and drilling new wells
- Completed the acquisition of an additional 25% WI in Falcon-1 well increasing WI to 75% WI:
 - Production is steady
- Cinnabar project:
 - Completed the acquisition of an additional 15% WI increasing WI to 85%
 - Completed 3D seismic reprocessing and interpretation
 - Identified potential development drilling locations with multiple Wilcox sand targets

Results

The unaudited results for the six months to 31 December 2021 reflect the ongoing recovery from the drop in oil prices in 2019. Revenue increased by \$363,652 to \$745,790 (2020: \$383,138) mainly due to the increased working interests following the acquisition of Nadsoilco LLC and additional interest in Falcon. Gross Profit increased to \$188,487 (2020: \$56,828).

The average sale prices achieved during the period was US\$71.07 per barrel for oil, and US\$3.74 per MMBtu for gas (in each case after transport and processing costs and prior to royalties).

Corporate and administrative expenses were tightly controlled which resulted in a decrease of \$92k to \$506,610 (2020: \$598,802).

The overall result for the period was a net loss of \$498,940 (2020: \$708,822), and total comprehensive loss of \$326,289 (2020: \$537,739).

Projects

Mosman has Working Interests in several onshore producing projects located in the USA. The Company also owns one granted exploration permit and one application for an exploration permit in the Amadeus Basin in Central Australia.

Producing Projects in the USA

PRODUCING		
Project	Location	Approx Working Interest
Falcon (Falcon-1 well)	Texas	75%
Stanley (various wells)	Texas	34.85% to 38.5%
Livingston	Texas	20%
Winters (Winters-1 and Winters-2 wells)	Texas	29% Winters-1 23% Winters-2
Greater Stanley (Duff wells)	Texas	40%
Arkoma Stacked Pay	Oklahoma	27% (held for sale)

UNDEVELOPED		
Project	Location	Approx Working Interest
Galaxie	Texas	85%
Cinnabar	Texas	97% (potentially reducing to 85% after drilling)

Australia

EXPLORATION		
Project	Location	Approx Working Interest
Amadeus Basin	Northern Territory, Australia	100% in EP145 100% in EPA 155 (potentially reducing to 10% subject to farmout conditions)

Production Summary for the six months ending 31 December 2021

Net Production attributable to Mosman before royalties for the six months to 31 December 2021 was 17,344 boe, an increase of 5,201 boe, or 43% compared to the six months to June 2021 of 12,143 boe. This is despite the operational issues experienced in December that reduced the production in the 3 months to 31 December 2021. This progress reflects the uplift in production from growth of existing projects, the acquisition of Nadoilco LLC and an increased interest in Falcon.

It does not reflect recent increases in production at Falcon which occurred after 31 December 2021 and does not include the Winters-2 well which was drilled in November and was recently recompleted and flowed gas. It also only includes minor production from Stanley-5.

Subsequent Events

In the quarter ending 31 March 2022, the Company completed the construction of a gas network to allow gas to be transferred to market. This development has already enabled sale of gas from Winters-2 and Stanley-4.

A 12 month extension of the Amadeus Basin Permit EP-145 License was approved by the Minister for Mining and Industry in the Northern Territory Government in February 2022. An on-site environmental survey was completed in March 2022.

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For The Half Year Ended 31 December 2021**

	Notes	Consolidated 6 months to 31 December 2021 \$	Consolidated 6 months to 31 December 2020 \$
Revenue		745,790	383,138
Cost of sales	2	(557,303)	(326,310)
Gross profit		188,487	56,828
Interest income		-	37
Other income		8,684	51,512
Gain on sale of oil and gas assets		-	122,000
Administrative expenses		(148,375)	(158,325)
Corporate expenses	3	(358,235)	(440,477)
Directors fees		(60,000)	(60,000)
Exploration expenses incurred not capitalised		(8,100)	(10,090)
Employee benefits expense		(35,408)	(29,337)
Finance costs		(3,324)	(6,362)
Amortisation expense		(81,564)	(63,297)
Depreciation expense		(1,105)	(1,559)
Loss on foreign exchange		-	(19,846)
Loss on sale of OCI financial assets		-	(149,906)
Loss from ordinary activities before income tax expense		(498,940)	(708,822)
Income tax expense		-	-
Net loss for the period		(498,940)	(708,822)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Gain on financial assets at fair value through other comprehensive income (FVOCI)	4	-	525,118
Foreign currency (loss)/gain	4	172,651	(354,035)
Other comprehensive income for the period, net of tax		172,651	171,083
Total comprehensive loss attributable to members of the entity		(326,289)	(537,739)
Basic and diluted loss per share		<i>(0.01) cents</i>	<i>(0.04) cents</i>

The accompanying notes form part of these consolidated financial statements.
All amounts are in Australian Dollars

**Condensed Consolidated Statement of Financial Position
As at 31 December 2021**

	Notes	Consolidated Balance as at 31 December 2021 \$	Consolidated Balance as at 30 June 2021 \$
Current Assets			
Cash and cash equivalents		948,376	2,289,674
Funds held in trust		-	1,197,127
Trade and other receivables	5	1,099,486	172,500
Other assets	6	223,969	23,418
Total Current Assets		2,271,831	3,682,719
Non-Current Assets			
Property, plant & equipment		15,999	7,147
Oil and gas assets	7	5,406,696	3,328,029
Capitalised oil and gas exploration	8	1,003,256	706,702
Total Non-Current Assets		6,425,951	4,041,878
Total Assets		8,697,782	7,724,597
Current Liabilities			
Trade and other payables	10	1,287,403	377,727
Provisions		24,039	22,423
Total Current Liabilities		1,311,442	400,150
Non-Current Liabilities			
Provisions		36,664	-
Other payables	10	137,817	-
Total Non-Current Liabilities		174,481	-
Total Liabilities		1,485,923	400,150
Net Assets		7,211,859	7,324,447
Shareholders' Equity			
Contributed equity	11	36,914,082	36,700,381
Reserves	12	518,540	436,247
Accumulated losses		(30,220,763)	(29,812,181)
Equity attributable to shareholders		7,211,859	7,324,447
Total Shareholders' Equity		7,211,859	7,324,447

The accompanying notes form part of these consolidated financial statements.
All amounts are in Australian Dollars

**Condensed Consolidated Statement of Changes in Equity
For the Half Year Ended 31 December 2021**

	Accumulated Losses	Contributed Equity	Reserves	Total
	\$	\$	\$	\$
Balance at 1 July 2020	(28,939,390)	30,691,497	712,134	2,464,241
<i>Comprehensive income</i>				
Loss for the period	(708,822)	-	-	(708,822)
Other comprehensive loss for the period	-	-	171,083	171,083
Total comprehensive loss for the period	(708,822)	-	171,083	(537,739)
Transactions with owners, in their capacity as owners, and other transfers:				
New shares issued	-	3,095,575	-	3,095,575
Cost of raising equity	-	(141,948)	-	(141,948)
Total transactions with owners and other transfers	-	2,953,627	-	2,953,627
Balance at 31 December 2020	(29,648,212)	33,645,124	883,217	4,880,129
Balance at 1 July 2021	(29,812,181)	36,700,381	436,247	7,324,447
<i>Comprehensive income</i>				
Loss for the period	(498,940)	-	-	(498,940)
Other comprehensive loss for the period	-	-	172,651	172,651
Total comprehensive loss for the period	(498,940)	-	172,651	(326,289)
Transactions with owners, in their capacity as owners, and other transfers:				
New shares issued	-	213,701	-	213,701
Cost of raising equity	-	-	-	-
Lapsed warrants	90,358	-	(90,358)	-
Total transactions with owners and other transfers	90,358	213,701	(90,358)	213,701
Balance at 31 December 2021	(30,220,763)	36,914,082	518,540	7,211,859

These accompanying notes form part of these consolidated financial statements
All amounts are in Australian Dollars

**Condensed Consolidated Statement of Cash Flows
For the Half Year Ended 31 December 2021**

	Consolidated 6 months to 31 December 2021 \$	Consolidated 6 months to 31 December 2020 \$
Cash flows from operating activities		
Receipts from customers	635,709	387,356
Interest received & other income	47,309	51,511
Payments to suppliers and employees	(1,307,346)	(1,423,368)
Interest paid	(3,324)	(6,361)
Net cash used in operating activities	(627,652)	(990,862)
Cash flows from investing activities		
Payments for exploration and evaluation	(296,553)	(82,359)
Deposits paid for acquisition	-	(135,223)
Payments for oil and gas acquisitions	(209,212)	-
Payments for oil and gas assets	(436,452)	(1,602,290)
Proceeds from sale of assets	-	261,177
Net cash used in investing activities	(942,217)	(1,558,695)
Cash flows from financing activities		
Proceeds from shares issued	180,111	3,095,575
Payments for costs of capital	-	(141,948)
Net cash provided by financial activities	180,111	2,953,627
Net increase/(decrease) in cash and cash equivalents	(1,389,758)	404,070
Cash and cash equivalents at the beginning of the financial period	2,289,674	372,479
Effects of foreign currency exchange	48,460	-
Cash and cash equivalents at the end of the financial period	948,376	776,549

The accompanying notes from part of these consolidated financial statements
All amounts are in Australian Dollars

**Condensed Notes to the Financial Statements
For the Half-Year Ended 31 December 2021
All amounts are Australian Dollars**

1. Summary of Significant Accounting Policies

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2021 annual financial report for the financial year ended 30 June 2021, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards (IFRS).

Going Concern

The condensed consolidated financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

The directors have considered the funding and operational status of the business in arriving at their assessment of going concern and believe that the going concern basis of preparation is appropriate, based upon the following:

- The ability to further vary cash flow depending upon the achievement of certain milestones within the business plan and;
- The ability of the Company to obtain funding through various sources, including debt and equity.

However, should the Group be unable to raise further required financing from equity markets or other sources, there is uncertainty which may cast doubt as to whether or not the Group will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Exploration and Evaluation Costs

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area for which the rights to tenure are current and that has not at reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

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.

**Condensed Notes to the Financial Statements
For the Half-Year Ended 31 December 2021
All amounts are Australian Dollars**

1. Summary of Significant Accounting Policies (Continued)

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. 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.

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; and
- Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

Revenue Reporting

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 the Group's share of the sale by the 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.

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.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance.

New standards and interpretations

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Mosman Oil and Gas Limited Condensed Consolidated Half Year Financial Report 2021

**Condensed Notes to the Financial Statements
For the Half-Year Ended 31 December 2021
All amounts are Australian Dollars**

	Consolidated 6 months to 31 December 2021 \$	Consolidated 6 months to 31 December 2020 \$
2. Cost of sales		
Cost of sales	40,933	70,571
Lease operating expenses	516,370	255,739
	557,303	326,310
3. Corporate costs		
Accounting, Company Secretary and Audit fees	92,945	97,174
Consulting fees – Board	140,000	166,000
Consulting fees – Other	79,793	83,176
Legal and compliance fees	45,497	94,127
	358,235	440,477
4. Other comprehensive income		
Gain on financial assets at fair value through other comprehensive income (FVOCI)	-	525,118
Foreign currency (loss)/gain	172,651	(354,035)
	172,651	171,083
5. Trade and other receivables		
Joint interest billing receivables	888,947 ¹	-
Deposits	54,875	54,875
GST receivable	25,348	39,867
Accrued revenue	125,464	73,768
Other receivables	4,852	3,990
	1,099,486	172,500
1. Amounts receivable from other royalty holders in projects operated by Nadsolco LLC, and funds are to be used predominantly for new well workovers.		
6. Other assets		
Prepayments	223,969	23,418
	223,969	23,418

Mosman Oil and Gas Limited Condensed Consolidated Half Year Financial Report 2021

Condensed Notes to the Financial Statements For the Half-Year Ended 31 December 2021 All amounts are Australian Dollars

	Consolidated Balance as at 31 December 2021 \$	Consolidated Balance as at 30 June 2021 \$
7. Oil and gas assets		
Cost brought forward	3,328,029	2,061,131
Acquisition of oil and gas assets during the period	1,003,420 ¹	158,486
Revaluation of acquisition assets to fair value ²	593,789 ²	-
Disposal of oil and gas assets on sale during the period	-	(441,384)
Capitalised equipment workovers	418,641	1,899,759
Amortisation for the period	(82,274)	(170,388)
Impairment of oil and gas assets	-	-
Impact of foreign exchange	145,091	(179,575)
Carrying value at end of the period	5,406,696	3,328,029

1. \$796,637 relates to new oil and gas assets recognised as part of the Nadsoilco LLC acquisition. \$206,783 relates to the acquisition of an additional 25% working interest in the Falcon lease.
2. Refer to Note 9 for further information.

8. Capitalised oil and gas expenditure

Costs brought forward	706,702	301,242
Exploration costs incurred during the period	296,554	405,460
Impairment of oil and gas expenditure	-	-
Carrying value at the end of the period	1,003,256	706,702

9. Business combinations

On 1 July 2021, the Group acquired 100% of the shares in Texas based oil and gas producer, Nadsoilco LLC. The Group acquired Nadsoilco LLC for US\$1,100,000, of which US\$900,000 was paid in cash in July 2021, with a further \$100,000 payable on 1 July 2022 and \$100,000 payable on 1 July 2023.

Consideration transferred

Cash consideration paid	1,202,726
Cash consideration payable	267,272
	1,469,998

Net assets acquired in Nadsoilco at the date of acquisition	876,209
Fair value adjustment to be allocated to oil and gas assets	593,789
	1,469,998
Goodwill	-

**Condensed Notes to the Financial Statements
For the Half-Year Ended 31 December 2021
All amounts are Australian Dollars**

10. Trade and other payables

	Consolidated Balance as at 31 December 2021 \$	Consolidated Balance as at 30 June 2021 \$
CURRENT		
Trade creditors	1,062,634 ¹	295,243
Amounts owing for acquisition of Nadsoilco LLC	137,817	-
Other creditors and accruals	86,952	82,484
	1,287,403	377,727
NON-CURRENT		
Amounts owing for acquisition of Nadsoilco LLC	137,817	-
	137,817	-

1. The increase in trade creditors is primarily attributable to creditors in Nadsoilco LLC and relates to amounts owing for prepaid workover costs. The balance includes amounts payable on behalf of other royalty holders for which there are also receivables owing for their share of the workover costs (refer Note 5).

11. Contributed Equity

Ordinary Shares

Total shares at 31 December 2021: 3,845,138,052 (30 June 2021: 3,767,763,052) ordinary shares fully paid.

	Contributed Equity \$	No. of shares
a) Shares movements during the half-year		
Balance at 30 June 2021	36,700,381	3,767,763,052
Shares issued	213,701	77,375,000
Cost of issued shares	-	-
Balance at 31 December 2021	36,914,082	3,845,138,052

	Consolidated Balance as at 31 December 2021	Consolidated Balance as at 30 June 2021

12. Reserves

Options reserve	-	90,358
Foreign currency translation reserve	518,540	345,889
	518,540	436,247

a) Options Reserve

Options Reserve at the beginning of the period	90,358	471,818
Options issued	-	90,358
Options expired	(90,358) ²	(471,818)
Options Reserve at the end of the period	-	90,358

2. 104,452,083 warrants issued to Directors expired on 22 December 2021.

**Condensed Notes to the Financial Statements
For the Half-Year Ended 31 December 2021
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12. Reserves (continued)

b) Foreign Currency Translation Reserve

Foreign Currency Translation Reserve at the beginning of the period	345,889	603,841
Current movement in the period	172,651	(257,952)
Foreign Currency Translation Reserve at the end of the period	518,540	345,889

13. 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 the United States. 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, the United States. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

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**Condensed Notes to the Financial Statements
For the Half-Year Ended 31 December 2021
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13. Segment Information (continued)

(i) Segment performance

	United States \$	Australia \$	Total \$
Period ended 31 December 2021			
Revenue			
Revenue	745,790	-	745,790
Other income	-	8,684	8,684
Segment revenue	745,790	8,684	754,474

Segment Result

Loss			
Allocated			
- Corporate costs	(35,045)	(323,190)	(358,235)
- Administrative costs	(94,108)	(54,267)	(148,375)
- Lease operating expenses	(516,370)	-	(516,370)
- Cost of sales	(40,933)	-	(40,933)
Segment net profit/(loss) before tax	59,334	(368,773)	(309,439)

Reconciliation of segment result to net loss before tax

Amounts not included in segment result but reviewed by the Board

- Evaluation expenses incurred not capitalised	-	(8,100)	(8,100)
- Amortisation	(81,564)	-	(81,564)
- Impairment	-	-	-
Unallocated items			
- Employee benefits expense			(95,408)
- Finance costs			(3,324)
- Depreciation			(1,105)
Net Loss before tax from continuing operations			(498,940)

**Condensed Notes to the Financial Statements
For the Half-Year Ended 31 December 2021
All amounts are Australian Dollars**

13. Segment Information (continued)

(i) Segment performance (continued)

	United States \$	Australia \$	Total \$
Period ended 31 December 2020			
Revenue			
Revenue	383,138	-	383,138
Interest income	-	37	37
Gain on sale of oil and gas assets	122,000	-	122,000
Other income	41,512	10,000	51,512
Segment revenue	546,650	10,037	556,687
Segment Result			
Loss			
Allocated			
- Corporate costs	(65,123)	(375,354)	(440,477)
- Administrative costs	(93,693)	(64,632)	(158,325)
- Lease operating expenses	(255,739)	-	(255,739)
- Cost of sales	(70,571)	-	(70,571)
- Loss on sale of OCI financial assets	(149,906)	-	(149,906)
Segment net profit/(loss) before tax	(88,382)	(429,949)	(518,331)
<i>Reconciliation of segment result to net loss before tax</i>			
Amounts not included in segment result but reviewed by the Board			
- Evaluation expenses incurred not capitalised	-	(10,090)	(10,090)
- Amortisation	(63,297)	-	(63,297)
- Impairment	-	-	-
Unallocated items			
- Employee benefits expense			(89,337)
- Finance costs			(6,362)
- Foreign exchange			(19,846)
- Depreciation			(1,559)
Net Loss before tax from continuing operations			(708,822)
Period ended 31 December 2020			

Mosman Oil and Gas Limited Condensed Consolidated Half Year Financial Report 2021

**Condensed Notes to the Financial Statements
For the Half-Year Ended 31 December 2021
All amounts are Australian Dollars**

13. Segment Information (continued)

(ii) Segment assets

	United States \$	Australia \$	Total \$
As at 31 December 2021			
Segment assets as at 1 July 2021	4,925,917	2,798,680	7,724,597
Segment asset balances at end of period			
- Exploration and evaluation	-	8,184,174	8,184,174
- Capitalised Oil and Gas	6,509,155	-	6,509,155
- Less: Amortisation	(271,686)	-	(271,686)
- Less: Impairment	(1,424,562)	(7,180,918)	(8,605,480)
	4,812,907	1,003,256	5,816,163

Reconciliation of segment assets to total assets:

Other assets	2,120,098	761,521	2,881,619
Total assets from continuing operations	6,933,005	1,764,777	8,697,782

	United States \$	Australia \$	Total \$
As at 30 June 2021			
Segment assets as at 1 July 2020	2,350,564	683,037	3,033,601
Segment asset balances at end of year			
- Exploration and evaluation	-	7,887,620	7,887,620
- Capitalised oil and gas assets	4,885,757	-	4,885,757
- Less: Amortisation	(182,811)	-	(182,811)
- Less: Impairment	(1,374,917)	(7,180,918)	(8,555,835)
	3,328,029	706,702	4,034,731

Reconciliation of segment assets to total assets:

Other assets	1,597,888	2,091,978	3,689,866
Total assets from continuing operations	4,925,917	2,798,680	7,724,597

**Condensed Notes to the Financial Statements
For the Half-Year Ended 31 December 2021
All amounts are Australian Dollars**

13. Segment Information (continued)

(iii) Segment liabilities

	United States	Australia	Total
	\$	\$	\$
As at 31 December 2021			
Segment liabilities as at 1 July 2021	29,380	370,770	400,150
Segment liability increase/(decrease) for the year	1,238,118	(152,345)	1,085,773
	1,267,498	218,425	1,485,923
<i>Reconciliation of segment liabilities to total liabilities:</i>			
Other liabilities	-	-	-
Total liabilities from continuing operations	1,267,498	218,425	1,485,923
As at 30 June 2021			
Segment liabilities as at 1 July 2020	87,486	481,874	569,360
Segment liability (decrease) for the year	(58,106)	(111,104)	(169,210)
	29,380	370,770	400,150
<i>Reconciliation of segment liabilities to total liabilities:</i>			
Other liabilities	-	-	-
Total liabilities from continuing operations	29,380	370,770	400,150

Mosman Oil and Gas Limited Condensed Consolidated Half Year Financial Report 2021

**Condensed Notes to the Financial Statements
For the Half-Year Ended 31 December 2021
All amounts are Australian Dollars**

14. Producing assets

The Group currently has 3 producing assets, which the Board monitors as separate items to the geographical and operating segments. The Stanley and Welch are Oil and Gas producing assets in the United States along with some other projects.

Project performance is monitored by the line items below.

(i) Project performance

	Stanley	Falcon	Winters	Livingston	Arkoma	Other Projects	Total
	\$	\$	\$	\$	\$	\$	\$
Half-Year Ended 31 December 2021							
<i>Revenue</i>							
Oil and gas project related revenue	321,220	322,803	6,390	7,455	41,386	46,536	745,790
Producing assets revenue	321,220	322,803	6,390	7,455	41,386	46,536	745,790
<i>Project-related expenses</i>							
- Cost of sales	(15,008)	(22,307)	(294)	(344)	(2,980)	-	(40,933)
- Lease operating expenses	(223,615)	(138,701)	(3,956)	(6,483)	(8,133)	(135,482)	(516,370)
Project cost of sales	(238,623)	(161,008)	(4,250)	(6,827)	(11,113)	(135,482)	(557,303)
<i>Project gross profit</i>							
Gross profit	82,597	161,795	2,140	628	30,273	(88,946)	188,487

Mosman Oil and Gas Limited Condensed Consolidated Half Year Financial Report 2021

**Condensed Notes to the Financial Statements
For the Half-Year Ended 31 December 2021
All amounts are Australian Dollars**

14. Producing assets (continued)

(i) Project performance

	Arkoma	Stanley	Welch	Other Projects	Total
	\$	\$	\$	\$	\$
Half-Year Ended 31 December 2020					
<i>Revenue</i>					
Oil and gas project related revenue	-	174,245	203,650	5,243	383,138
Producing assets revenue	-	174,245	203,650	5,243	383,138
<i>Project-related expenses</i>					
- Cost of sales	-	(10,618)	(59,953)	-	(70,571)
- Lease operating expenses	-	(26,588)	(227,974)	(1,177)	(255,739)
Project cost of sales	-	(37,206)	(287,927)	(1,177)	(326,310)
<i>Project gross profit</i>					
Gross profit	-	137,039	(84,277)	4,066	56,828

**Condensed Notes to the Financial Statements
For the Half-Year Ended 31 December 2021
All amounts are Australian Dollars**

15. 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 31 December 2021, total exploration expenditure commitments for the next 12 months are as follows:

Entity	Tenement	31 December	31 December
		2021	2020
		\$	\$
Trident Energy Pty Ltd	EP145 ¹	-	-
Oilco Pty Ltd	EPA155	-	-
		<hr/>	<hr/>
		-	-

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

(b) Capital Commitments

The Company had no capital commitments at 31 December 2021 (2020 - \$Nil).

16. Subsequent Events

In the quarter ending 31 March 2022, the Company completed the construction of a gas network to allow gas to be transferred to market. This development has already seen the initial sale of gas from Winters-2 and Stanley-4.

On 14 February 2022 the Amadeus Basin Permit EP-145 License Extension was approved by the Minister for Mining and Industry in the Northern Territory Government after application by the Company.

Other than the above, there were no significant events subsequent to the date of statement of financial position.

17. Dividends

No dividends have been paid or proposed during the half year ended 31 December 2021.

Directors' Declaration

The Directors of the Consolidated Group declare that:

1. The financial statements and notes, as set out on pages 5-21, 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 consolidated financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the consolidated financial position as at 31 December 2021 and of the performance for the year ended on that date of the Group.
2. In the Directors' opinion there are reasonable grounds to believe that the Group 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

Dated this **31 March 2022**

Auditor's Independence Declaration

To those charged with the governance of Mosman Oil and Gas Limited


As auditor for the review of Mosman Oil and Gas Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Mosman Oil and Gas Limited and the entities it controlled during the period.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd



Rafay Nabeel
Audit Director

31 March 2022

ELDERTON

AUDIT PTY LTD

Independent Auditor's Review Report

To the members of Mosman Oil and Gas Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Mosman Oil and Gas ('the Company') and its controlled entities (collectively referred to as 'the Group'), which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year then ended, a summary of significant accounting policies and other explanatory information, and the director's declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying 31 December 2021 financial report of the Group has not been prepared, in all material respects, in accordance with Australian Accounting Standards and the *Corporation Act 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 to the financial statements, which indicates that the Group's ability to continue to as going concern is dependent on the Company raising finance through debt or equity. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibility of Management for the Financial Report

Management of the Group are responsible for the preparation and fair presentation of the 31 December 2021 financial report in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control management determine is necessary to enable the preparation and fair presentation of the 31 December 2021 financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the financial report has not been prepared, in all material respects in accordance with Australian Accounting Standards and the *Corporations Act 2001*.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd



Rafay Nabeel

Audit Director

31 March 2022

Perth