

31 March 2022

Mosman Oil and Gas Limited
("Mosman" or the "Company")

Half Year Results

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, announces its Half Year results to 31 December 2021, a period in which it significantly increased oil and gas production across its US projects.

Summary

- Revenue increased 95% to AUD 745,790 (compared to AUD \$383,138 in the six months ending 30 June 2021)
- Gross Profit increased 232% to AUD188,487 (compared to AUD \$56,828 in the six months ending 30 June 2021)
- Net loss narrowed to AUD 498,940 (compared to AUD \$708,822 in the six months ending 30 June 2021)
- Net Production to Mosman increased 43% to 17,344 BOE
- Completed acquisition of Nadsoilco increasing working interest in Stanley Project, Livingston and Winters leases and became operator of these leases, providing more day to day control
- Acquired additional working interests in Falcon-1 and Cinnabar in East Texas. Completed 3D seismic reprocessing and interpretation and identified potential development drilling locations with multiple Wilcox sand targets at Cinnabar.

¹BOE/boe – barrels of oil equivalent

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

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

Post Period end

- Completed the construction of a gas network in East Texas in February, enabling the sale of gas from Winters-2 and Stanley-4 and enabling ongoing production optimisation.
- 12 month extension of EP-145 in Australia secured and an on-site environmental survey completed.

John W Barr, Chairman of Mosman commented: *"We remain focussed on delivering on our strategic objectives to build oil and gas production and development upside, delivering solid progress on this objective through the acquisition of Nadsoilco and additional working interests at Falcon-1 and Cinnabar in East Texas.*

"Good progress was made across our development projects, increasing production. Revenues have benefitted from the increasing oil and gas prices, which remain very strong. We have identified potential drilling locations to target further increases in production."

Enquiries:

Mosman Oil & Gas Limited
John W Barr, Executive Chairman
Andy Carroll, Technical Director
jwbarr@mosmanoilandgas.com
acarroll@mosmanoilandgas.com

NOMAD and Broker
SP Angel Corporate Finance LLP
Stuart Gledhill / Richard Hail / Adam Cowl
+44 (0) 20 3470 0470

Alma PR

Justine James / Joe Pederzoli
+44 (0) 20 3405 0205
+44 (0) 7525 324431
mosman@almapr.co.uk

Joint Broker

Monecor (London) Ltd trading as ETX Capital
Thomas Smith
020 7392 1432

Updates on the Company's activities are regularly posted on its website:
www.mosmanoilandgas.com

Notes to editors

Mosman (AIM:MSMN) is an oil exploration, development, and production company with projects in the US and Australia.

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

The Company has seven projects in the US: Stanley, Greater Stanley, Livingston, Winters, Challenger and Champion in East Texas and Arkoma in Oklahoma in addition to exploration projects in the Amadeus Basin in Central Australia.

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 2019/2020. 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 Nadsoilco 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 | | <u>2,271,831</u> | <u>3,682,719</u> |
| 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 | | <u>6,425,951</u> | <u>4,041,878</u> |
| Total Assets | | <u>8,697,782</u> | <u>7,724,597</u> |
| Current Liabilities | | | |
| Trade and other payables | 10 | 1,287,403 | 377,727 |
| Provisions | | 24,039 | 22,423 |
| Total Current Liabilities | | <u>1,311,442</u> | <u>400,150</u> |
| Non-Current Liabilities | | | |
| Provisions | | 36,664 | - |
| Other payables | 10 | 137,817 | - |
| Total Non-Current Liabilities | | <u>174,481</u> | <u>-</u> |
| Total Liabilities | | <u>1,485,923</u> | <u>400,150</u> |
| Net Assets | | <u>7,211,859</u> | <u>7,324,447</u> |
| 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 | | <u>7,211,859</u> | <u>7,324,447</u> |
| Total Shareholders' Equity | | <u>7,211,859</u> | <u>7,324,447</u> |

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.

**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 |

**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
All amounts are Australian Dollars**

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.

**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

| | 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) |
| <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 | - | (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) |

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 | - | (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

**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 |
| <i>Reconciliation of segment assets to total assets:</i> | | | |
| 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 |
| <i>Reconciliation of segment assets to total assets:</i> | | | |
| Other assets | 1,597,888 | 2,091,978 | 3,689,866 |
| Total assets from continuing operations | 4,925,917 | 2,798,680 | 7,724,597 |

**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 |

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 |

**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 2021 | 31 December 2020 |
|------------------------|--------------------|---------------------|---------------------|
| | | \$ | \$ |
| Trident Energy Pty Ltd | EP145 ¹ | - | - |
| Oilco Pty Ltd | EPA155 | - | - |
| | | <u>-</u> | <u>-</u> |

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**