7 November 2022

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

Final Results to 30 June 2022

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development, and production company, announces its final results for the year ended 30 June 2022.

Summary

- Gross Project Production 81,876BOE[1]
- Net Production to Mosman 37,915 BOE[3]
- Revenue AU$1.81m
- Gross Profit AU$0.70m
- Net loss for the year of AU$2.45m

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

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

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

Operational highlights

- Installed and commissioned gas infrastructure at Stanley project in East Texas. This enabled gas zones to be produced, with the gas also being used to provide lift to oil wells in order to improve oil production.
- Extensive program of workovers at Stanley, with the overall results of these activities increasing production post period end.
- Significant development at the Cinnabar project in East Texas with extensive technical work, including reprocessing and re-interpretation of 3D seismic, provided insight into the best location for the first re-development well.
- Post period end, this led to the successful drilling of the Cinnabar-1 well in October 2022.

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

John W Barr, Chairman of Mosman commented:" Mosman has made considerable progress towards this objective with a 66% increase in net production in FY22. Whilst the Board is pleased with this progress, it believes there is significant scope for further progress and will continue to strive to further expand the business.

"Mosman remains resolute in identifying opportunities which will provide operating cash flow and have development upside, in conjunction with exploration of existing exploration permits, whilst also being in a position to evaluate further acquisition targets.

"The small team is nimble and, working with our partners, we are building a strong foundation from which we plan to scale up the business and grow by taking advantage of organic production opportunities in the year ahead.

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

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

Notes to editors

Mosman (AIM: MSMN) is an oil exploration, development, and production company with projects in the US and Australia. Mosman's strategic objectives remain consistent: to identify opportunities which will provide operating cash flow and have development upside, in conjunction with progressing exploration of existing exploration permits. The Company has several projects in the US. In addition to exploration projects in the Amadeus Basin in Central Australia.

Chairman's Letter

Overview of the 2022 Financial Year

Mosman's Strategic Objective remains to identify opportunities which will provide operating cash flow and have development upside, in conjunction with exploration of existing exploration permits.

Mosman has made considerable progress towards this objective with a 66% increase in net production in FY22. Whilst the Board is pleased with this progress, it believes there is significant scope for further progress and will continue to strive to further expand the business.

The Company has several 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.

In the period there were two notable developments:

The first was at the Stanley project in East Texas where Mosman installed and commissioned gas infrastructure. This enable gas zones to be produced, with the gas also being used to provide lift to oil wells in order to improve oil production. This was followed by an extensive program of workovers at Stanley, with the overall results of these activities increasing production after the end of this financial year.

The second significant development was progress at the Cinnabar project in East Texas, which post period end led to the successful drilling of the Cinnabar-1 well in October 2022. This project was acquired at modest cost when oil and gas prices were lower. Extensive technical work, including reprocessing and re-interpretation of 3D seismic, provided insight into the best location for the first re-development well. This technical work, and the investment in drilling, were more than justified by the excellent results achieved to date. This well is expected to be flowed and put on production in November 2022.

The Cinnabar project provides a large resource for additional development wells offering significant organic growth and will be a priority for Mosman in 2023.

In the period, sales increased by 122% to $1,812,119 ($816,695 in 2021). Gross profit also increased significantly by 114% to $695,096 ($324,925 in 2021). The financial results were supported by increased ownership of projects, strong commodity prices and the establishment of a broader production base, including the Winters-2 well.

The Falcon well ceased production due to water influx. The latest technical review led us to believe Mosman's time and money is currently better spent at Cinnabar. As a result, the Company has decided to write down the Falcon well to reflect its current lack of production. This impairment contributed $1,606,816 to the overall loss for the year which was $2,446,274.

As shareholders and stakeholders expect, Mosman continues to take its Health and Safety requirements very seriously and to date there have been no health, safety or wellbeing issues reported in our small team.

In Australia's Northern Territory, Mosman recently published a new Prospective Resource estimate over the EP-145 lease where we hold 100% and continue to work with landowners and government to secure all required approvals for the next step of exploration. Covid19 and regulatory changes have meant this process has taken longer than expected, and an extension in the term of the license was sought and approved by government. Mosman has used the time to conduct extensive technical work, focusing on helium and hydrogen, as well as hydrocarbons. This work led to the new Prospective Resource (as detailed below).

Given the operational progress both during the year and after the reporting period, the Board looks forward with great optimism given these achievements and the growth opportunities available to it.

USA

Net Production attributable to Mosman in the year to 30 June 2022 was 37,915 boe, compared to 22,824 boe in 2021.

Production

	Gross Project Production[2] BOE[1]	Net Production to Mosman[3] BOE[1]
Falcon	29,114	21,836
Stanley	26,212	9,746
Greater Stanley	1,530	306
Winters	14,726	3,456
Arkoma	10,294	2,571
Total Production	**81,876**	**37,915**

[1]BOE/boe – barrels of oil equivalent
[2]Gross Project Production – Means the production of BOE at a total project level (100% basis) before royalties (where Mosman is the Operator) and where Mosman is not the operator the total gross production for the project
[3]Net Production – Net to Mosman's Working Interest; Net Production attributable to Mosman means net to Mosman's Working Interest before royalties

The focus in East Texas includes the Stanley, Greater Stanley, Champion and Challenger projects. We completed the acquisition of Nadsoilco last year, and subsequent to this acquired a further interest in the Falcon Well and Champion Lease resulting in higher net production to Mosman being achieved. Importantly the new Cinnabar well has been drilled in October 2022.

Cinnabar (75% working interest)

Cinnabar has two existing wells and a third well was drilled in October 2022 by Mosman and its Joint venture partners. This well is expected to be flowed and put on production in November 2022.

This is considered to be a major step forward.

Winters-2 (23% Working Interest)

Production of gas from the Winters-2 well, which commenced in March 2022, continues and the June quarter is the first full quarter of production reported. Post the end of the quarter, a new compressor was installed at Winters.

Stanley (34.85% to 38.5% Working Interests)

Overall production at Stanley is increasing but variable where workovers were undertaken to target increased production from higher zones. In addition, installed gas infrastructure continues to be used to further optimise overall production.

Falcon (75% Working Interest)

The Falcon-1 well stopped producing in the June quarter and the first attempted workover was not successful.

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

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

Arkoma (27% Working Interest)

Production had been variable since the significant lightning strike in March 2022.

This asset is being held for sale as other projects are preferred for further investment.

Australia

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

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

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

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

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

Source: Mosman Oil and Gas Ltd, October 2022

The Aboriginal Areas Protection Authority (APAA) sacred site clearance certificate has been received. The Central Land Council (CLC) is currently working on their requirements.

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

Once the surveys are completed, the next step will be to progress the technical work to further define the prospectivity of the permit. This will include the acquisition and interpretation of 2D seismic will comprise the next significant exploration activity in the current permit year (expiring August 2023), prior to identifying a drilling location and drilling an exploration well.

All seismic and drilling activities are subject to obtaining the necessary planning approvals from the NT Department of Industry and Resources, which are currently being coordinated by the project manager.

At Mosman's other central Australian project in EPA-155, the permit is subject to a farmout with the next step being completion of Native Title negotiations. Mosman understands that the farm-in partner is currently arranging funding.

Glossary:

boe	Barrels of oil equivalent based on calorific value as opposed to dollar value
boepd	Barrels of oil per day of oil equivalent based on calorific value as opposed to dollar value
bopd	Barrels of oil per day
Gross Project Production	Means the production of BOE at a total project level (100% basis) before royalties (where Mosman is the Operator) and where Mosman is not the operator the total gross production for the project
Mcf	Thousand cubic feet
Bcf	Billion cubic feet
Mcfpd	Thousand cubic feet per day
MBtu	One thousand British Thermal Units
MBtupd	One thousand British Thermal Units per day
MMBtu	One million British Thermal Units
MMBtupd	One million British Thermal Units per day
Net Production	Net to Mosman's Working Interest; Net Production attributable to Mosman means net to Mosman's Working Interest before royalties
SPE	Society of Petroleum Engineers
SPE PRMS	A standard for the definition, classification, and estimation of hydrocarbon resources developed by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers and named the Petroleum Resource Management System

CORPORATE

Financial Report

Overall, in the year to 30 June 2022, the Company made a loss of $2,446,274 after impairments of $1,606,816.

Of significance, some $1,588,036 was spent on investing activities on assets in the portfolio during the year, in support of the Group's growth strategy.

The net proceeds of fundraising activities during the year were $2,009,461.

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

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

Matters subsequent to the reporting period

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

- The Cinnabar development well in Tyler County, Texas has completed drilling. The well was drilled to a depth of 9,900 feet. The mud-log confirmed multiple oil-bearing Wilcox sands from 9,050 feet to 9,850 feet. The Wilcox sands are the primary targets which notably have a long production history in nearby wells (mainly oil with some associated gas);
- This well is expected to be flowed and put on production in November 2022;
- The Company changed its registered office on 1 October 2022;
- On 19 October 2022, 376,000,000 warrants expired; and
- On 27 October 2022, the Company announced it had raised £800,000, by way of a placing of 1,142,857,142 new ordinary shares of no-par value in the capital of the Company, at a placing price of 0.07p per share, with one warrant for every two Placing Shares exercisable at a price of 0.15p with a term of 24 months.

There were no other material matters that occurred subsequent to 30 June 2022.

Outlook

Whilst 2022 has been challenging, we have also made considerable progress. Mosman remains resolute in identifying opportunities which will provide operating cash flow and have development upside, in conjunction with exploration of existing exploration permits, whilst also being in a position to evaluate further acquisition targets.

The small team is nimble and, working with our partners, we are building a strong foundation from which we plan to scale up the business and grow by taking advantage of organic production opportunities in the year ahead.

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

John W Barr
Chairman
7 November 2022

Consolidated Statement of Financial Performance
Year Ended 30 June 2022
All amounts are in Australian Dollars

	Notes	Consolidated 2022 $	Consolidated 2021 $
Revenue	23	1,812,119	816,695
Cost of sales	2	(1,117,023)	(491,770)
Gross profit		**695,096**	**324,925**
Interest income		-	55
Other income		-	93,072
Gain on sale of oil and gas assets		-	118,067
Administrative expenses		(326,098)	(415,130)
Corporate expenses	3	(741,080)	(957,713)
Directors fees		(120,000)	(120,000)
Exploration expenses incurred, not capitalised		(14,775)	(21,866)
Employee benefits expense		(70,024)	(62,878)
Finance costs		(3,324)	(6,362)
Amortisation expense		(237,194)	(171,539)
Depreciation expense		(11,974)	(2,848)
Impairment expense	12	(1,606,816)	-
Loss on foreign exchange		(10,085)	-
Loss on settlement of Director liabilities		-	(133,706)
Loss from ordinary activities before income tax expense		**(2,446,274)**	**(1,355,923)**
Income tax expense	5	-	-
Net loss for the year		**(2,446,274)**	**(1,355,923)**
Other comprehensive profit			
Items that may be reclassified to profit or loss:			
- Gain on financial assets at fair value through other comprehensive income (FVOCI)	4	-	374,839
- Foreign currency gain/(loss)	4	360,408	(257,952)
Total comprehensive income attributable to members of the entity		**(2,085,866)**	**(1,239,036)**
Basic loss per share (cents per share)	24	*(0.06) cents*	*(0.05) cents*
Diluted loss per share (cents per share)	24	*(0.06) cents*	*(0.04) cents*

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
As at 30 June 2022
All amounts are in Australian Dollars

	Notes	Consolidated 30 June 2022	Consolidated 30 June 2021
		$	$
Current Assets			
Cash and cash equivalents	7	2,354,689	2,289,674
Funds held in trust	8	-	1,197,127
Trade and other receivables	9	787,040	172,500
Other assets	10	69,514	23,418
Total Current Assets		3,211,243	3,682,719
Non-Current Assets			
Property, plant & equipment	11	5,128	7,147
Oil and gas assets	12	4,145,488	3,328,029
Capitalised oil and gas exploration	13	1,240,541	706,702
Total Non-Current Assets		5,391,157	4,041,878
Total Assets		8,602,400	7,724,597
Current Liabilities			
Trade and other payables	15	1,111,338	377,727
Provisions	16	25,654	22,423
Total Current Liabilities		1,136,992	400,150
Non-Current Liabilities			
Provisions	16	38,617	-
Other payables	15	145,159	-
Total Non-Current Liabilities		183,776	-
Total Liabilities		1,320,768	400,150
Net Assets		**7,281,632**	**7,324,447**
Shareholders' Equity			
Contributed equity	17	38,743,432	36,700,381
Reserves	18	706,297	436,247
Accumulated losses	19	(32,168,097)	(29,812,181)
Total Shareholders' Equity		**7,281,632**	**7,324,447**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
Year Ended 30 June 2022
All amounts are in Australian Dollars

	Accumulated Losses $	Contributed Equity $	Reserves $	Total $
Balance at 1 July 2021	**(29,812,181)**	**36,700,381**	**436,247**	**7,324,447**
Comprehensive income				
Loss for the period	(2,446,274)	-	-	(2,446,274)
Other comprehensive income for the period	-	-	360,408	360,408
Total comprehensive loss for the period	**(2,446,274)**	**-**	**360,408**	**(2,085,866)**
Transactions with owners, in their capacity as owners, and other transfers:				
New shares issued	-	2,159,819	-	2,159,819
Cost of raising equity	-	(116,768)	-	(116,768)
Options expired	90,358	-	(90,358)	-
Total transactions with owners and other transfers	90,358	2,043,051	(90,358)	2,043,051
Balance at 30 June 2022	**(32,168,097)**	**38,743,432**	**706,297**	**7,281,632**
Balance at 1 July 2020	**(28,939,390)**	**30,691,497**	**712,134**	**2,464,241**
Comprehensive income				
Loss for the period	(1,355,923)	-	-	(1,355,923)
Other comprehensive income for the period	-	-	116,887	116,887
Total comprehensive loss for the period	**(1,355,923)**	**-**	**116,887**	**(1,239,036)**
Transactions with owners, in their capacity as owners, and other transfers:				
New shares issued	-	6,313,678	-	6,313,678
Cost of raising equity	-	(304,794)	-	(304,794)
Warrants issued	-	-	90,358	90,358
Options expired	471,818	-	(471,818)	-
Reclassification on disposal of financial assets	11,314	-	(11,314)	-
Total transactions with owners and other transfers	483,132	6,008,884	(392,774)	6,099,242
Balance at 30 June 2021	**(29,812,181)**	**36,700,381**	**436,247**	**7,324,447**

These accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows
Year Ended 30 June 2022
All amounts are in Australian Dollars

	Notes	Consolidated 2022 $	Consolidated 2021 $
Cash flows from operating activities			
Receipts from customers		1,598,554	841,671
Interest received & other income		38,626	93,071
Payments to suppliers and employees		(2,129,149)	(1,995,223)
Interest paid		(3,324)	(6,361)
Net cash outflow from operating activities	25	**(495,293)**	**(1,066,842)**
Cash flows from investing activities			
Proceeds from sale of assets		-	468,586
Payments for oil and gas assets		(815,243)	(1,689,008)
Payments for exploration and evaluation		(533,839)	(405,459)
Payments for Company acquisition		-	(1,197,127)
Acquisition of oil and gas production projects		(238,954)	(158,486)
Net cash outflow from investing activities		**(1,588,036)**	**(2,981,494)**
Cash flows from financing activities			
Proceeds from shares issued		2,159,819	6,270,330
Payments for costs of capital		(116,768)	(304,794)
Proceeds from third party loans		-	141,890
Net cash inflow from financial activities		**2,043,051**	**6,107,426**
Net (decrease)/increase in cash and cash equivalents		**(40,278)**	**2,059,090**
Effects of exchange rate changes on cash and cash equivalents		105,293	(5)
Cash and cash equivalents at the beginning of the financial year		2,289,674	230,589
Cash and cash equivalents at the end of the financial year	7	**2,354,689**	**2,289,674**

The accompanying notes from part of these financial statements

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, and the continuation of production which results in a gross profit. The directors have reviewed the business outlook and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will achieve this.

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

The financial report was authorised for issue by the Directors on 7 November 2022.

(b) Principles of Consolidation and Equity Accounting

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

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

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

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

Joint ventures

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

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

Equity method

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

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

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

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

(c) Use of Estimates and Judgements

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

Critical Accounting Estimates and Judgements

Impairment of Exploration and Evaluation Assets

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

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

The key areas of judgement and estimation include:

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

Taxation

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

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

Exploration and Evaluation Assets

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

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

(d) Income Tax

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

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

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

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

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

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

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

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

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

(e) Goods and Services Tax

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

(i) Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset, or as part of the expense item as applicable;

(ii) Receivables and payables are stated with the amount of GST included;

(iii) The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position;

(iv) Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows; and

(v) Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(f) Property, Plant and Equipment

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

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

(g) Depreciation

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

(h)
Exploration and Evaluation Assets

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

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

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

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

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

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

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

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

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

(i) Accounts Payable

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

(j) Contributed Equity

Issued Capital

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

(k) Earnings Per Share

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

(l) Share-Based Payment Transactions

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

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

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

(m) Comparative Figures

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

(n) Financial Risk Management

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

(o) Financial Instruments

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

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

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

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

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

- financial assets at amortised cost
- financial assets at fair value through profit or loss (FVPL)
- debt instruments at fair value through other comprehensive income (FVOCI)
- equity instruments at fair value through other comprehensive income (FVOCI)

Classifications are determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial assets

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

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

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

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

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

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

Impairment of Financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.
Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

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

(p) Oil and gas assets

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

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

(q) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is

compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

(r) Employee Entitlements

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

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

(s) 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.

(t) 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.

(u) 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.

(v) Business combinations

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

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

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

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

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

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

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

(w) 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.

(x) 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.

(y) 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).

(z) 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 2022 $	Consolidated 2021 $
2 Cost of sales		
Cost of sales	99,358	96,600
Lease operating expenses	1,017,665	395,170
	1,117,023	**491,770**
3 Corporate Costs		
Accounting, Company Secretary and Audit fees	178,839	200,622
Consulting fees – board	291,610	321,000
Consulting fees – other	86,379	193,391
NOMAD and broker expenses	112,141	115,684
Legal and compliance fees	72,111	127,016
	741,080	**957,713**
4 Other comprehensive profit		
Gain on shares at fair value through other comprehensive income (FVOCI)	-	363,525
Foreign currency gain/(loss)	360,408	(257,952)
	360,408	**105,573**

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 (2021 - $NIL).

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

	Consolidated 2022 $	Consolidated 2021 $
(i) Loss before tax	(ii) (2,446,274)	(iii) (1,355,942)
(iv) Income tax calculated at 25% (2021: 26%)	(v) (611,569)	(vi) (352,540)
(vii) Tax effect of amounts which are deductible/non-deductible	(ix)	(x)
(viii) In calculating taxable income:		
(xi) Impairment expense	(xii) 241,022	(xiii) 744,811
(xiv) Upfront exploration expenditure claimed	(xv) (130,613)	(xvi) (18,310)
(xvii) Other	(xviii) (22,738)	(xix) (64,170)
Effects of unused tax losses and tax offsets not recognised as deferred tax assets	(xx) 523,898	(xxi) 484,821
Income tax expense attributable to operating profit	(xxii) **NIL**	(xxiii) **NIL**

(xxiv)

(xxv) **(b) Tax Losses**

(xxvi)

(xxvii) As at 30 June 2022 the Company had Australian tax losses of $14,107,506 (2021: $13,116,433). 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 2022 $	Consolidated 2021 $
Unbooked deferred tax assets comprise:		
Capital Raising Costs	30,227	57,528
Provisions/Accruals/Other	172,017	121,259
Tax losses available for offset against future taxable income	3,642,324	3,529,031
	3,844,568	**3,707,818**

6 Auditors Remuneration

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

7 Cash and Cash Equivalents

Cash at Bank	2,354,689	2,289,674
	2,354,689	**2,289,674**

8 Funds Held in Trust

Funds held in Lawyers trust account[1]	-	1,197,127
	-	**1,197,127**

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

9 Trade and Other Receivables

Joint interest billing receivables[2]	393,166	-
Deposits	54,875	54,875
GST receivable	19,250	39,867
Accrued revenue	318,399	73,768
Other receivables	1,350	3,990
	787,040	**172,500**

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

10 Other Assets

Prepayments	69,514	23,418
	69,514	**23,418**

11 Property, Plant and Equipment

	Office Equipment and Furniture $	Total $
Cost		
Balance at 1 July 2021	165,710	165,710
Additions	10,488	-
Disposals	-	-
Effective movement in exchange rates	(533)	-
Balance at 30 June 2022	**175,665**	**165,710**
Accumulated Depreciation		
Balance at 1 July 2021	(158,563)	(158,563)
Depreciation for the year	(11,974)	(2,848)
Disposals	-	-
Effective movement in exchange rates	-	-
Balance at 30 June 2022	**(170,537)**	**(158,563)**
Carrying amounts		
Balance at 30 June 2021	7,147	7,147
Balance at 30 June 2022	**5,128**	**5,128**

12 Oil and Gas Assets

	Consolidated 2022 $	Consolidated 2021 $
Cost brought forward	**3,328,029**	**2,061,131**
Acquisition of oil and gas assets during the year	1,622,681	158,486
Disposal of oil and gas assets on sale during the year	-	(441,384)
Capitalised equipment workovers during the year	697,070	1,899,759
Amortisation for the year	(237,194)	(170,388)
Impairment of oil and gas assets[1]	(1,606,816)	-
Impact of Foreign Exchange on opening balances	341,718	(179,575)
Carrying value at end of year	**4,145,488**	**3,328,029**

1. The Falcon-1 well stopped producing in the June quarter and the first workover was not successful. As a result, an impairment of $1,412,233 was put through against the asset, as well a further impairment of $194,583 in relation to Greater Stanley assets that are also not currently producing.

13 Capitalised Oil and Gas Expenditure

Cost brought forward	**706,702**	**301,242**
Exploration costs incurred during the year	533,839	405,460
Impairment of oil and gas expenditure	-	-
Carrying value at end of year	**1,240,541**	**706,702**

14 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	-

	Consolidated 2022 $	Consolidated 2021 $
15 Trade and Other Payables		
CURRENT		
Trade creditors	900,748[1]	295,243
Amounts owing for acquisition of Nadsoilco LLC	145,159	-
Other creditors and accruals	65,431	82,484
	1,111,338	**377,727**
NON-CURRENT		
Amounts owing for acquisition of Nadsoilco LLC	145,159	**-**
	145,159	**-**

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 9).

16 Provisions

CURRENT		
Employee provisions	25,654	22,423
	25,654	**22,423**
NON-CURRENT		
Provision for abandonment	38,617	-
	38,617	**-**

17 Contributed Equity

Ordinary Shares:

Value of Ordinary Shares fully paid

Movement in Contributed Equity			**Number of shares**	**Contributed Equity $**
Balance as at 1 July 2020:			1,085,810,968	30,691,497
02/07/2020	Shares issued (i)	$0.00144	500,000,000	720,813
09/09/2020	Shares issued (ii)	$0.00271	56,250,000	152,467
17/09/2020	Shares issued (ii)	$0.00266	62,500,000	166,015
23/09/2020	Shares issued (ii)	$0.00266	70,000,000	186,278
20/10/2020	Shares issued (i)	$0.00228	720,000,000	1,645,001
22/12/2020	Shares issued (iii)	$0.00143	52,368,750	75,000
22/12/2020	Shares issued (iii)	$0.00288	52,083,334	150,000
22/12/2020	Equity adjustment (iv)	-	-	43,348
05/02/2021	Shares issued (ii)	$0.00270	37,500,000	101,208
15/02/2021	Shares issued (ii)	$0.00268	10,000,000	26,811
19/03/2021	Shares issued (i)	$0.00271	1,000,000,000	2,714,097
21/05/2021	Shares issued (ii)	$0.00274	37,500,000	102,698
11/06/2021	Shares issued (ii)	$0.00274	70,000,000	191,777
23/06/2021	Shares issued (ii)	$0.00278	13,750,000	38,165
Capital raising costs				(304,794)
Balance as at 1 July 2021:			**3,767,763,052**	**36,700,381**
08/07/2021	Shares issued (ii)	$0.00276	77,375,000	213,701
17/05/2022	Shares issued (i)	$0.00142	1,375,000,000	1,946,117
Capital raising costs				(116,767)
Balance at end of year			**5,220,138,052**	**38,743,432**

(i) Placements via capital raising as announced

(ii) Shares issued upon conversion of warrants

(iii) Shares issued to settle Director liabilities

(iv) Accounting Based Adjustments based on the timing of the issue of Director Shares and Warrants for the year ended 30 June 2021

18 Reserves

	Consolidated 2022 $	Consolidated 2021 $
Options reserve	-	90,358
Foreign currency translation reserve	706,297	345,889
	706,297	**436,247**

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 2022 $	Consolidated 2021 $
Options Reserve at the beginning of the year	**90,358**	**471,818**
Options issued	-	90,358
Options expired	(90,358)	(471,818)
Options Reserve at the end of the year	**-**	**90,358**

Foreign Currency Translation Reserve

Nature and purpose of the Foreign Currency Translation Reserve

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

Movement in Foreign Currency Translation Reserve

Foreign Currency Translation Reserve at the beginning of the year	345,889	603,841
Current year movement	360,408	(257,952)
Foreign Currency Translation Reserve at the end of the year	**706,297**	**345,889**

19 Accumulated Losses

Accumulated losses at the beginning of the year	**29,812,181**	**28,939,390**
Net loss attributable to members	2,446,274	1,355,923
Options expired	(90,358)	(471,818)
Reclassification on disposal of financial assets	-	(11,314)
Accumulated losses at the end of the year	**32,168,097**	**29,812,181**

20 Related Party Transactions

	Consolidated 2022 $	Consolidated 2021 $
Key Management Personnel Remuneration		
Cash Payments to Directors and Management (i)	471,000	507,000
Total	**471,000**	**507,000**

i. During the year to 30 June 2022:

a. Directors fees of $60,000 and consulting fees of $165,000 were paid or are payable to Kensington Advisory Services Pty Ltd;
b. Director fees of $30,000 and consulting fees of $120,000 were paid or are payable to Australasian Energy Pty Ltd;
c. Directors fees of $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.

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 2022 the Company's 100% owned subsidiary, Trident Energy Pty Ltd, owed Mosman Oil and Gas Limited $3,943,847 (2021: $3,413,988).

OilCo Pty Ltd

At 30 June 2022 the Company's 100% owned subsidiary, OilCo Pty Ltd (OilCo), owed Mosman Oil and Gas Limited $762,468 (2021: $776,879).

Mosman Oil USA, Inc

At 30 June 2022 the Company's 100% owned subsidiary, Mosman Oil USA, Inc, owed Mosman Oil and Gas Limited $7,611,451 (2021: $7,025,196).

21 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 2022, total exploration expenditure commitments for the next 12 months are as follows:

Entity	Tenement	2022 $	2021 $
Trident Energy Pty Ltd	EP145[1]	-	-
Oilco Pty Ltd	EPA155	-	-
		-	**-**

1. *EP145 is currently under extension until 21 August 2023, 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 2022 (2021: $NIL).

22 Segment Information

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

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

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

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

(i) Segment performance

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

(i) Segment performance

	United States $	Australia $	Total $
Year ended 30 June 2021			
Revenue			
Revenue	816,695	-	816,695
Interest income	-	55	55
Gain on sale of oil and gas assets	118,067	-	118,067
Other income	40,299	52,773	93,072
Segment revenue	**975,061**	**52,828**	**1,027,889**
Segment Result			
Allocated			
- Corporate costs	(158,979)	(798,734)	(957,713)
- Administrative costs	(265,096)	(150,034)	(415,130)
- Lease operating expenses	(395,170)	-	(395,170)
- Cost of sales	(96,600)	-	(96,600)
Segment net profit (loss) before tax	**59,216**	**(884,626)**	**(836,724)**
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	-	(21,866)	(21,866)
- Amortisation	(171,539)	-	(171,539)
Unallocated items			
- Employee benefits expense	-	-	(182,878)
- Depreciation	-	-	(2,848)
- Finance costs	-	-	(6,362)
- Other expense	-	-	(133,706)
Net Loss before tax from continuing operations			**(1,355,923)**

	United States $	Australia $	Total $
Total assets as at 1 July 2021	4,925,917	2,798,680	7,724,597
Segment asset balances at end of year			
- Exploration and evaluation	-	8,421,459	8,421,459
- Capitalised Oil and Gas Assets	7,788,307	-	7,788,307
- Less: Amortisation	(449,411)	-	(449,411)
- Less: Impairment	(3,193,408)	(7,180,918)	(10,374,326)
	4,145,488	**1,240,541**	**5,386,029**
Reconciliation of segment assets to total assets:			
Other assets	1,473,379	1,742,992	3,216,371
Total assets from continuing operations **As at 30 June 2022**	**5,618,867**	**2,983,533**	**8,602,400**

	United States	Australia	Total
Total assets as at 1 July 2020	2,350,564	683,037	3,033,601
Segment asset balances at end of year			
- Exploration and evaluation	-	7,887,620	7,887,620
- Capitalised Oil and Gas Assets	4,885,757	-	4,885,757
- Less: Amortisation	(182,811)	-	(182,811)
- Less: 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 **As at 30 June 2021**	**4,925,917**	**2,798,680**	**7,724,597**

(iii) Segment liabilities

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

	United States $	Australia $	Total $
Segment liabilities as at 1 July 2020	87,486	481,874	569,360
Segment liability increases (decreases) for the year	(58,106)	(111,104)	(169,210)
	29,380	**370,770**	**400,150**
Reconciliation of segment liabilities to total liabilities:			
Other liabilities	**-**	**-**	**-**
Total liabilities from continuing operations **As at 30 June 2021**	**29,380**	**370,770**	**400,150**

23 Producing assets

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

Project performance is monitored by the line items below.

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

23 Producing assets (continued)

Project performance

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

24 Earnings/ (Loss) per shares

	Consolidated 2022 $	Consolidated 2021 $
The following reflects the loss and share data used in the calculations of basic and diluted earnings/ (loss) per share:		
Earnings/ (loss) used in calculating basic and diluted earnings/ (loss) per share	**(2,446,274)**	**(1,355,923)**
	Number of shares 2022	**Number of shares 2021**
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share:	4,009,195,586	2,590,321,475
Basic loss per share (cents per share)	0.06	0.05
Diluted loss per share (cents per share)	0.06	0.04

25 Notes to the statement of cash flows

Reconciliation of loss from ordinary activities after income tax to net cash outflow from operating activities:	Consolidated 2022 $	Consolidated 2021 $
Loss from ordinary activities after related income tax	(2,446,274)	(1,355,923)
Depreciation and amortisation	249,167	174,387
Impairment	1,606,816	-
Fixed assets disposed of during the year	-	(118,067)
Other non-cash items	-	133,706
Increase in trade and other receivables	(660,636)	(38,962)
Increase in inventory	-	44,509
Increase/(decrease) in trade and other payables	606,666	(175,669)
Unrealised FX	148,968	269,177
Net cash outflow from operating activities	**(495,293)**	**(1,066,842)**

26 Financial Instruments

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

(i) Interest Rate Risk

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

Consolidated 2022	Note	Weighted Average Effective Interest %	Funds Available at a Floating Interest Rate $	Fixed Interest Rate $	Assets/ (Liabilities) Non Interest Bearing $	Total $
Financial Assets						
Cash and Cash Equivalents	7	**3.80%**	2,354,689	-	-	2,354,689
Trade and other Receivables	9		-	-	787,040	787,040
Other assets	10		-	-	69,514	69,514
Total Financial Assets			**2,354,689**	**-**	**856,554**	**3,211,243**
Financial Liabilities						
Trade and other Payables	15		-	-	1,256,497	1,256,497
Provisions	16		-	-	64,271	64,271
Total Financial Liabilities			**-**	**-**	**1,320,768**	**1,320,768**
Net Financial Assets/(Liabilities)			**2,354,689**	**-**	**(464,214)**	**1,890,475**

Consolidated 2021	Note	Weighted Average Effective Interest %	Funds Available at a Floating Interest Rate $	Fixed Interest Rate $	Assets/ (Liabilities) Non Interest Bearing $	Total $
Financial Assets						
Cash and Cash Equivalents	7	**3.80%**	2,289,674	-	-	2,289,674
Trade and other Receivables	9		-	-	172,500	172,500
Other assets	10		-	-	1,220,545	1,220,545
Total Financial Assets			**2,289,674**	**-**	**1,393,045**	**3,682,719**
Financial Liabilities						
Trade and other Payables	15		-	-	377,252	377,252
Provisions	16		-	-	22,898	22,898
Total Financial Liabilities			**-**	**-**	**400,150**	**400,150**
Net Financial Assets			**2,289,674**	**-**	**992,895**	**3,282,569**

(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.

27 Contingent Liabilities

There were no material contingent liabilities not provided for in the financial statements of the Company as at 30 June 2022.

28 Mosman Oil and Gas Limited - Parent Entity Disclosures

	2022 $	2021 $
Financial position		
Assets		
Current assets	1,671,987	2,000,047
Non-current assets	10,793,941	9,694,257
Total assets	**12,465,928**	**11,694,304**
Liabilities		
Current liabilities	183,129	370,770
Total liabilities	183,129	370,770
Net assets	**12,282,799**	**11,323,534**
Equity		
Contributed equity	38,742,763	36,699,711
Reserves	-	90,358
Accumulated losses	(26,459,964)	(25,466,535)
Total Equity	**12,282,799**	**11,323,534**
Financial Performance		
Loss for the year	(1,083,787)	(1,231,482)
Other comprehensive income	-	-
Total comprehensive loss	**(1,083,787)**	**(1,231,482)**

29 Controlled Entities

Investments in group entities comprise:

Name	Principal activities	Incorporation	Beneficial percentage held by economic entity	
			2022 %	**2021 %**
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**
NADSOILCO, LLC	Oil & Gas operations	U.S.A.	**100**	**-**

Mosman Oil and Gas Limited is the Parent Company of the Group, which includes all of the controlled entities. See also Note 31 Subsequent Events for additional corporate activity in progress subsequent to the 30 June 2022 year end.

30 Share Based Payments

	Consolidated 2022 Cents	Consolidated 2021 Cents
Basic loss per share (cents per share)	0.06	0.05

A summary of the movements of all company warrant issues to 30 June 2022 is as follows:

Company Warrants	2022 Number of Options	2021 Number of Options	2022 Weighted Average Exercise Price	2021 Weighted Average Exercise Price
Outstanding at the beginning of the year	1,143,702,084	301,659,091	$0.0042	$0.0062
Expired	(169,577,084)	(300,909,091)	$0.0031	$0.0023
Exercised	(77,375,000)	(357,500,000)	$0.0027	$0.0027
Granted	687,500,000	1,500,452,084	$0.0028	$0.0038
Outstanding at the end of the year	1,584,250,000	1,143,702,084	$0.0038	$0.0042
Exercisable at the end of the year	1,584,250,000	1,143,702,084	$0.0038	$0.0042

31 Events Subsequent to the End of the Financial Year

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

- The Cinnabar development well in Tyler County, Texas has completed drilling. The well was drilled to a depth of 9,900 feet. The mud-log confirmed multiple oil-bearing Wilcox sands from 9,050 feet to 9,850 feet. The Wilcox sands are the primary targets which notably have a long production history in nearby wells (mainly oil with some associated gas);
- This well is expected to be flowed and put on production in November 2022;
- The Company changed its registered office on 1 October 2022;
- On 19 October 2022, 376,000,000 warrants expired; and
- On 27 October 2022, the Company announced it had raised £800,000, by way of a placing of 1,142,857,142 new ordinary shares of no-par value in the capital of the Company, at a placing price of 0.07p per share, with one warrant for every two Placing Shares exercisable at a price of 0.15p with a term of 24 months.

There were no other material matters that occurred subsequent to 30 June 2022.