



MOSMAN OIL AND GAS
LIMITED

ACN 150 287 111

ANNUAL REPORT
30 JUNE 2023

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Company Directory

Directors

Nigel Harvey (appointed 29 November 2022)
Andrew R Carroll
Carl Dumbrell (appointed 29 September 2023)

Company Secretary

Jarrod White

Head and Registered Office

C/-Traverse Accountants Pty Ltd
24-26 Kent Street
Millers point NSW 2000

Stock Exchange

AIM Market of the London
Stock Exchange plc (AIM)
Stock Symbol: LON: MSMN

Auditors

Elderton Audit Pty Ltd

Nominated Adviser & Joint Broker

SP Angel Corporate Finance LLP

Registrars

In Australia:
Computershare Investor Services Pty Ltd
Level 17, 221 St Georges Terrace
Perth Western Australia 6000

In the UK:
Computershare Investor Services plc
The Pavilions
Bridgewater Road
Bristol BS99 6ZY

Company Website

www.mosmanoilandgas.com

Bankers

In Australia:
National Australia Bank

Joint Broker

CMC Markets UK Plc

Lawyers

As to English law
Druces LLP

As to Australian law
Thomson Geer

Chairman's Letter

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

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

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

Executive Director Andy Carroll, formerly Technical Director, has now stepped up to become our Chief Executive Officer. He will be driving the Company forward supported by myself and Mr Dumbrell both as Non-Executives and our team of consultants. These include in particular Mr Howard McLauqhlin running our US operations, Dr Julie Daws our geologist focused on the central Australia assets, Jarrod White and his team at Traverse (especially Nick Marshall) providing financial and accounting support.

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

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

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

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

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



Nigel Harvey
Chair

Overview of the 2023 Financial Year

Mosman's strategic objective remains to identify opportunities which will provide operating cash flow and have development upside, in conjunction with exploration of existing exploration permits and acquiring high potential projects.

The current medium term focus, through wholly owned subsidiary Mosman Oil USA Inc, is on developing the existing production assets in the USA to deliver production increases and cash flow.

Summary

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

In the period there were several notable developments:

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

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

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

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

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

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

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

USA

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

	Gross Project Production²	Net Production to Mosman³
	BOE¹	BOE¹
Stanley	44,915	16,844
Cinnabar	8,465	6,349
Livingston	2,654	531
Winters	22,733	5,304
Arkoma	8,166	2,039
Total Production	86,933	31,067

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

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

Cinnabar (75% working interest)

A well was drilled in November 2022, with Mosman farming out 25% WI, and a “turnkey” drilling contract was used to reduce cost exposure. The well was successfully drilled to target depth. Electric logs and a third party report indicated multiple oil reservoirs had been penetrated. There was a delay waiting for the third party cement crew and equipment, during which time there was “lost circulation” whereby fluid was pumped in to the well to keep it full, but not all of that fluid returned to surface. This may have damaged the reservoirs and contributed to subsequent production problems.

The well was put on production in late December, and initially produced over 100 bopd of oil and emulsion. Over time, the oil production declined and the water rate increased to the point where the well did not flow. Production logs were run and indicated the water was coming from one zone, and oil from another. A workover was performed to seal off that zone and flow another zone. Despite the production log, after the workover that zone will only flow intermittently (ie the well is shut in, pressure builds, the well is flowed, pressure drops and flow ceases).

The older wells have been worked-over and now flow at higher rates, albeit intermittently. This result suggests the reservoir pressure is not sufficient to maintain flow, and artificial lift is required (as is common in wells onshore USA). Technical work is underway to determine the best type of artificial lift for this field.

Cinnabar Gross Reserves (BOE):

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

Stanley (34.85% to 38.5% Working Interests)

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

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

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

Arkoma (27% Working Interest)

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

Winters-2 (23% Working Interest)

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

Falcon

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

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

AUSTRALIA

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

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

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

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

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

Source: Mosman Oil and Gas Ltd, October 2022

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

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

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

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

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

Glossary:

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

CORPORATE

Financial Report

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

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

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

Of significance, some \$2,567,643 (2022: \$1,588,036) was spent on investing activities on assets in the portfolio during the year in support of the Group's growth strategy.

Asset value increase to \$8,669,676 (2022: \$8,602,400).

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

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

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

Outlook

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

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

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

A handwritten signature in dark ink, appearing to read 'Andrew Carroll', with a horizontal line underneath.

Andrew R Carroll
Executive Director and CEO

8 November 2023

Directors' Report

Your Directors provide their Statutory required report as to the results and state of affairs of the Mosman Oil and Gas Limited Group of Companies, being the Company (hereafter referred to as "Mosman" or "the Company") and its controlled and associated entities, for the year ended 30 June 2023. Please note that all amounts quoted are in Australian Dollars, unless otherwise stated.

Operations Overview

A summary of the current oil and gas projects as at 8 November 2023:

US PROJECTS			
Asset/ Project	Mosman Interest ¹	Location	Status
Cinnabar	75.0%	Texas	Producing
Cinnabar Extended	78.0%	Texas	Undrilled
Stanley (various wells)	34.85% to 38.5%	Texas	Producing
Livingston	20%	Texas	Producing
Winters-1	29%	Texas	Producing
Winters-2	23%	Texas	Producing
Greater Stanley (Duff wells)	40%	Texas	Producing
Arkoma	27%	Oklahoma	Producing

AUSTRALIAN EXPLORATION PROJECTS						
Asset/Project	Mosman Interest ¹	Location	Status	Permit Number	Licence Renewal Date	Comments
Australia, Amadeus Basin	100% ²	NT	Exploration	EP 145	21 st August 2024	Extended for 12 months
Australia, Amadeus Basin	100% (subject to farm-in dilution)	NT	Exploration	EPA 155	Application	Negotiating land access with CLC

^{1.} Mosman's ownership is working interest before royalties. The interest shown is approximate, as there are small variations on individual wells

^{2.} 75% farmin subject to completion

Directors

The names of the Directors of the Company in office during the year and as at the date of this report are as follows:

Nigel Harvey	Non-Executive Chairman (appointed as Non-Executive Director on 29 November 2022, and Chairman on 1 October 2023)
Andrew R Carroll	Executive Director and CEO (appointed as CEO 1 on October 2023)
Carl Dumbrell	Non-Executive Director (appointed 29 September 2023)
John W Barr	Executive Chairman (resigned 30 September 2023)
John A Young	Non-Executive Director (resigned 4 September 2023)

Directors Meetings

The number of meetings held and attended by each of the directors of the Company during the financial period are:

Director	Number of meetings held during the time the director held office	Number of meetings attended
N Harvey	4	4
A R Carroll	6	6
J W Barr	6	6
J A Young	6	6

Principal Activities

The principal activities of the Company during the financial year were oil and gas exploration, development and production.

Corporate Financial Position

As at 30 June 2023 the Company had current assets of \$1,462,338 (2022: \$3,211,243).

Results of Operations

The net loss of the Company for the year ended 30 June 2023 was \$2,127,198 (2022: \$2,446,274).

Future Developments, Prospects and Business Strategies

The Company proposes to continue its focus on its strategic objective to identify opportunities which will provide operating cash flow and have development upside, in conjunction with exploration of existing exploration permits.

Significant Changes

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

Events Subsequent to the End of the Financial Year

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

- On 13 July 2023, the Company announced it had raised £300,000, by way of a placing of 857,142,857 new ordinary shares of no-par value in the capital of the Company, at a placing price of 0.035p per share, with one warrant for every two Placing Shares exercisable at a price of 0.07p with a term of 24 months.
- On 31 August 2023, the Company announced that a frac was completed at the G-2 production well in the Cinnabar project.
- On 4 September 2023, the Company announced that Executive Chairman, John W Barr had given his notice of resignation as Director, effective 30 September 2023.
- On 4 September 2023, it was also announced the Mr John Young had resigned as Non-Executive Director, effective immediately.
- On 6 September 2023, the Company announced that the year three report on EP 145 had been lodged with the Northern Territory Government.
- On 7 September 2023, it was announced that the Company had reached an agreement to transfer the Falcon lease to 84 Energy Corp in exchange for equipment on the lease, noting the Company is not liable for potential future abandonment costs.
- In addition, the Galaxie exploration lease was not renewed and expired with no liabilities.
- On 29 September 2023, the Company announced the appointment of Mr Carl Dumbrell as an independent Non-Executive Director, with immediate effect. Subsequent to Mr John Barr's resignation, Mr Nigel Harvey would replace Mr John Barr as Chairman, and Mr Andrew Carroll would lead the business as CEO, both effective 1 October 2023.

- On 16 October 2023, the Company announced that it had entered into a farmin agreement with Greenvale Gold Pty Ltd, a wholly owned subsidiary of Greenvale Energy Ltd (ASX:GRV) to fund seismic and drilling on its EP 145 project in the Northern Territory of Australia. Upon Completion, Mosman would retain a 25% working interest in EP 145 and Greenvale would earn a 75% working interest in EP 145 by:
 - Committing to pay AUD160,000 in cash within 5 days of Completion, which is subject to government approval of the transfer of interest and Operatorship;
 - Paying for the EP 145 Permit Year 3 Work Program, including seismic, effective from Completion Date;
 - Funding the Permit Year 4 Work Program, including drilling one well with a well cost cap of AUD5.5 million;
 - The Year 3 Work Program is to be completed by August 2024 and the cost of the seismic acquisition is estimated to be circa AUD2 million;
 - The Year 4 Work Program is to be completed by August 2025. The cost of drilling a well depends on many factors including the depth of a well and cost of drilling rigs at the time of drilling.
- On 26 October 2023, the Company announced the Central Land Council ("CLC") had agreed to extend the negotiating period in respect of the Company's EPA 155 permit application until October 2024.

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

Corporate Information

Mosman is an Australian incorporated public company which was admitted to trade its shares on the AIM market of the London Stock Exchange in 2014.

At 30 June 2023, Mosman has seven wholly owned Subsidiaries:

1. Mosman Oil USA, Inc (a USA incorporated Company);
2. Mosman Texas, LLC (a USA incorporated Company);
3. Mosman Operating, LLC (a USA incorporated Company);
4. Nadsoilco LLC (a USA incorporated Company);
5. Adagio Resources Limited (incorporated 31 May 2023);
6. OilCo Pty Ltd; and
7. Trident Energy Pty Ltd.

Details of these Controlled Entities and an Associated Entity are contained in Notes 26 and 27 to the Financial Statements.

Dividends

No amounts were paid by way of dividends since the end of the previous financial period and the Directors do not recommend a payment of a dividend.

Environmental Regulations

The Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the company.

Information on Directors

Director	Qualifications, experience & special responsibilities
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N Harvey	BA (Hons) MAICD Non-Executive Chairman (appointed as Non-Executive Director on 29 November 2022, and Chairman on 1 October 2023)
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Mr Harvey is an experienced Director, currently on the board of Emperor Energy (ASX:EMP). He also Chairs a not for profit and holds a wholesale Australian Financial Services Licence. Nigel has a markets consulting practice predominantly on AFSL compliance. He began his career as a business and finance journalist in London and the Middle East. He was subsequently an investment banker in Sydney for several decades predominantly covering the Asia Pacific region for energy derivatives and hedging. He held roles with large banks including JP Morgan, Barclays and Macquarie.

He has undertaken the Australian Institute of Company Directors course and its subsequent updates twice.

A R Carroll	MA, BA Executive Director and CEO (appointed as CEO 1 October 2023)
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Mr. Carroll has over 40 years of oil industry experience, from permit applications and initial exploration operations including drilling, to development, production and marketing of oil and gas. Initially worked at BP and led the E&P division of InterOil Corporation from applying for Permits to discovery of a new petroleum system in Papua New Guinea (PNG) that is now being developed for LNG exports.

International experience includes UK, Canada, Australia, NZ and PNG. Currently founder and Managing Director of Australasian Energy Pty Ltd.

C Dumbrell	BCom MTAX CA FCA (England & Wales) CTA MAICD JP Non-Executive Director (appointed 29 September 2023)
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Mr Dumbrell is a partner in a Sydney accounting firm with 20 years' experience in taxation and assurance services in Australia and England, and with an on-going involvement in the raising of finance and the divestment of assets for listed companies.

Carl has Bachelor of Commerce and Master of Taxation Law degrees, and is a Chartered Accountant in both Australia and in England & Wales, as well as being a Chartered Tax Advisor, Registered Company Auditor, Registered Self-Managed Superannuation Fund Auditor, and Member of the Australian Institute of Company Directors.

Carl is the CEO and Executive Director of Herencia Resources Plc (AIM:HER), Director and Company Secretary of Emperor Energy Limited, Chairman of the Kennedy Foundation, and President of St Michael's Golf Club.

J W Barr	CA FAICD Executive Chairman (resigned 30 September 2023)
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Mr. John W Barr is a Chartered Accountant and Fellow of the Australian Institute of Company Directors and has acted as Director of listed and unlisted companies for over thirty years. He has extensive Australian and international experience with exposure to manufacturing, mining and mineral exploration and development in respect to several commodities.

Mr. Barr specialises in the management of private and public companies including advice on capital raisings, mergers and acquisitions, negotiating onshore and offshore acquisitions and joint ventures, negotiating commodity-based funding, and compliance with corporate and stock exchange requirements.

J A Young**B App Sc (Geol), Grad Dip Tech Management, MAUSIMM
Non-Executive Director (resigned 4 September 2023)**

Mr. Young is a geologist with 25 years' experience in resource project management and corporate management. He is a Member of the Australian Institute of Mining and Metallurgy and has worked on a wide variety of mineral and resource projects throughout Australia and overseas. In addition, Mr. Young has held senior management and operational positions and is currently Non-Executive Chairman of RAREX Limited and Green Technology Metals Limited, as well as Non-Executive Director of Bardoc Gold Limited, and Executive Director of Trek Metals Limited.

Information on Company Secretary & Chief Financial Officer**J T White****Bachelor of Business, CA & CTA**

Mr. White is a Chartered Accountant and founding Director of Traverse Accountants Pty Ltd, a Corporate Advisory and Chartered Accounting Firm. In conjunction with his Corporate Advisory roles at Traverse Mr. White has been appointed Company Secretary and Chief Financial Officer of several other listed entities that operate on the Australian Stock Exchange and has a sound knowledge of corporate governance and compliance. Jarrod has also been an advisor to a wide range of capital raisings, IPO's and reverse takeover transactions and has a focus on working with growing Companies in the exploration, technology and biotech space.

Indemnification and Insurance of Officers

The Company has previously entered into Deeds of Indemnity, Insurance and Access with officers of the Company which continued throughout this financial year.

REMUNERATION REPORT

1. Principles of Remuneration

This report details the amount and nature of remuneration of each Key Management Person ('KMP') of the Company. The KMP have authority and responsibility for planning and controlling the activities of the Company.

Board Members' Remuneration Policy

The remuneration policy is to provide a fixed directors fee component (Directors receive an annual fee of \$30,000,); and a consulting fees component based on actual days worked. The Board believes that this remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate in aligning director objectives with shareholder and business objectives.

2. Board of Director's Remuneration Arrangements

At Admission, the Board established a Remuneration Committee responsible for making recommendations to the Board on remuneration arrangements for Directors and executives of the Company.

KMP Fees and Consulting Fees Paid	Year to 30 June 2023	Year to 30 June 2022
N Harvey - Non-Executive Director	\$17,667 ¹	-
A R Carroll - Executive Director	\$150,000 ²	\$150,000
J W Barr - Executive Chairman	\$249,273 ³	\$225,000
J A Young - Non-Executive Director	\$30,000 ⁴	\$30,000
J T White - Company Secretary	\$66,000 ⁵	\$66,000
Total	\$512,940	\$471,000

- Contracted Directors fees of \$17,667 paid or are payable to Mr Nigel Harvey;
- Contracted Director fees of \$30,000 and consulting fees of \$120,000 were paid or are payable to Australasian Energy Pty Ltd;
- Contracted Directors fees of \$60,000 and consulting fees of \$189,273 were paid or are payable to Kensington Advisory Services Pty Ltd;
- Contracted Directors fees of \$30,000 were paid or are payable to J A Young; and
- CFO, Company Secretary and Consulting Fees totalling \$66,000 were paid and payable to J T White's accounting firm, Traverse Accountants Pty Ltd.

Warrants

There were no warrants issued to Directors during the financial year ending 30 June 2023.

There is no direct link between remuneration paid to any of the KMP and corporate performance such as bonus payments for achievements of key performance indicators. There were no Directors Warrant holdings as at 30 June 2023:

Service Agreements

The Technical Director, Mr. Andrew R Carroll

A R Carroll is employed under a contract for services with Australasian Energy Pty Ltd. The Agreement commenced in January 2015.

Under the terms of the present contract:

- Mr Carroll's services as an executive are contracted pursuant to an agreement between Mosman and Mr Carroll's nominee, Australasian Energy Pty Ltd (Australasian Energy);
- Mosman or Australasian Energy may terminate the agreement for any reason by providing six months written notice to the other;

- In accordance with that agreement, Mr Carroll must provide a minimum of five days per month of service to Mosman for a retainer of A\$10,000 per month. In addition, if required, additional services will be provided at a daily rate of A\$2,000 per day.

The Executive Chairman, Mr. John W Barr (resigned 30 September 2023)

J W Barr is employed under a contract for services with Kensington Advisory Services Pty Ltd. The Agreement commenced in January 2015.

Under the terms of the present contract:

- Mr Barr's services as an executive are contracted pursuant to an agreement between Mosman and Mr Barr's nominee, Kensington Advisory Services Pty Ltd (Kensington);
- Mosman or Kensington may terminate the agreement for any reason by providing six months written notice to the other;

In accordance with that agreement, Mr Barr must provide a minimum of 12 days per month of service to Mosman for a retainer of A\$15,000 per month. In addition, if required, additional services will be provided at a daily rate of A\$1,250 per day.

The Non-Executive Director, Mr. John A Young (resigned 4 September 2023)

J A Young is employed under a contract for services.

Under the terms of the present contract:

- Mr. Young provides consultancy services to Mosman pursuant to a consultancy agreement between the Company and Mr Young dated 25 May 2014;
- In accordance with that agreement, Mr Young will be paid for services as a Director by retainer of \$30,000 per annum, and where required up to eight days per month of service to the Company for a retainer of \$100 per hour to a maximum of \$1,000 per day. Throughout the 2022 year, Mr Young provided no additional services to his retainer as a Director;
- This agreement commenced in June 2014 and continues until terminated by either Mosman or Mr Young by giving not less than 3 months written notice.

The Company Secretary, Mr. Jarrod T White

J T White is employed under a contract for services with Traverse Accountants Pty Ltd.

Under the terms of the contract:

- Mr. White's provides services to Mosman are pursuant to a consultancy agreement between the Company and Mr White's nominee, Traverse Accountants Pty Ltd. In accordance with the engagement, Mr White provides Company Secretarial and CFO services for a fee of \$2,000 and \$3,500 per month respectively and any additional amounts are invoiced on a time cost basis.

Board of Directors' Dealings in Company Securities

During the year ending 30 June 2023, the Company issued no Ordinary Shares to Directors (2022: nil).

The Directors (and their related entities) owned the following shares and options of the Company as at 30 June 2023, representing 2.26% of the undiluted issued capital of Mosman at that date:

Director	Title	Directors' Interest in Ordinary Shares	Company Ownership	Directors' Interest in Unlisted Warrants
Nigel Harvey	Non-Executive Director	137,500	0.00%	-
Andrew R Carroll	Executive Director	63,657,334	0.92%	-
John W Barr	Executive Chairman	82,354,584	1.18%	-
John A Young	Non-Executive Director	11,466,667	0.16%	-
Total Director Holdings		157,616,085	2.26%	-

Mosman Locked-In Shares

At the date of this report, no shares held by directors or key management personnel are escrowed.

KMP Share Holdings

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

ORDINARY SHARES	30 June 2022 Balance	Issued in lieu of cash compensation during the Year	Other Changes during the Year	30 June 2023 Balance
Nigel Harvey	137,500 ¹	-	-	137,500
A Carroll	63,657,334	-	-	63,657,334
J W Barr	82,354,584	-	-	82,354,584
J Young	11,466,667	-	-	11,466,667
Totals	157,616,085	-	-	157,616,085

1. Number of shares on issue on date of appointment

ORDINARY SHARES	30 June 2021 Balance	Issued in lieu of cash compensation during the Year	Other Changes during the Year	30 June 2022 Balance
A Carroll	63,657,334	-	-	63,657,334
J W Barr	82,354,584	-	-	82,354,584
J Young	11,466,667	-	-	11,466,667
Totals	157,478,585	-	-	157,478,585

KMP Warrant and Option Holdings

There were no warrants or options held by any KMP of the Group during the 2023 financial year.

The number of warrants and options held by each KMP of the Group during the 2022 financial year is as follows:

WARRANTS AND OPTIONS	30 June 2021 Balance	Granted as Remuneration during the Year	Issued during the Year	Options lapsed during the year	30 June 2022 Balance	Vested and Exercisable
A Carroll	41,780,834	-	-	(41,780,834)	-	-
J W Barr	52,254,583	-	-	(52,254,583)	-	-
J Young	10,416,667	-	-	(10,416,667)	-	-
Totals	104,452,084	-	-	(104,452,084)	-	-

Warrants and Options

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

Grant Date	Number of Warrants on Issue	Exercise Price	Expiry Date
17 May 2022	687,500,000	0.16 Great British Pence	17 May 2024
2 November 2022	571,428,571	0.15 Great British Pence	2 November 2024
26 April 2023	30,000,000	0.055 Great British Pence	26 April 2024
20 July 2023	428,571,428	0.07 Great British Pence	20 July 2025
Total Unlisted Options	1,717,499,999		

The above options represent unissued ordinary shares of the Company under option as at the date of this report.

Since 30 June 2023 and up until the date of this report, no warrants have been exercised.

No person entitled to exercise any option has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

Amounts Outstanding from Subsidiaries

Trident Energy Pty Ltd

At 30 June 2023 the Company's 100% owned subsidiary, Trident Energy Pty Ltd, owed Mosman Oil and Gas Limited \$4,060,949 (2022: \$3,943,847).

OilCo Pty Ltd

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

Mosman Oil USA, Inc

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

Adagio Resources Limited

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

Other Related Party Transactions

Since the last financial year, no director of the Company has received or become entitled to receive a benefit included (other than a benefit in the aggregated amount of emoluments, received or due and receivable by directors shown in the accounts) by reason of a contract made by the Company with the director or with a firm of which he is a member, or with an entity in which he has a substantial financial interest.

Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

No fees were paid or payable to Elderton Audit Pty Ltd for non-audit services provided during the year ended 30 June 2023 (2022: \$NIL).

Proceedings on Behalf of the Company

The Company was not party to any legal proceedings as at the year ended 30 June 2023.

Auditor Independence Declaration

The auditor's independence declaration as required under s307c of the Corp Act 2001 is included in the financial report and forms part of the financial report for the financial year ended 30 June 2023.

Signed in accordance with a resolution of the Directors.



Nigel Harvey
Non-Executive Chairman
8 November 2023

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE

This Corporate Governance Statement ("CGS") has been prepared by the Board of the Company in accordance with the recommendations of the QCA Corporate Governance Code 2018 (the "Code"). The CGS explains how the 10 Principles of the QCA Code are applied by the Company and where it departs from the QCA Code an explanation of the reasons for doing so is provided.

The information will need to be reviewed annually and the website should include the date on which the information was last reviewed. Going forward this is likely to be done and reviewed at the same time as the Annual Report and Accounts are prepared.

Role of the Chair and application of the QCA Code

Responsibility for corporate governance lies with the Board has a collective responsibility and legal obligation to promote the long-term success of the Company.

The Board's primary role is the protection and enhancement of medium to long term shareholder value. To fulfil this role, the Board is responsible for the overall Corporate Governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board of Directors of Mosman Oil and Gas Limited (the "Company") has established high standards for the Company's employees, officers and directors. It is the duty of the Board of Directors to oversee the management of the Company's business and to ensure the Company as a whole and the Company's representatives behave in a manner that is fitting of the Company's corporate and social responsibilities. To discharge this duty, the Board of Directors follows the procedures and standards that are contained in the Corporate Governance Guidelines established through the UK Quoted Companies Alliance ("QCA") corporate governance code with exceptions noted below:

	<i>QCA Code Recommendation</i>	<i>Application by the Company</i>
1.	Principle 1 Establish a strategy and business model which promote long-term value for shareholders <ul style="list-style-type: none"> The board must be able to express a shared view of the company's purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the company intends to deliver shareholder value in the medium to long-term. It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the company from unnecessary risk and securing its long-term future. 	<p>Mosman's strategic objective remains to identify opportunities which will provide operating cash flow and have development upside, in conjunction with exploration of existing exploration permits and acquiring high potential projects.</p> <p>The current medium term focus, through wholly owned subsidiary Mosman Oil USA Inc, is on developing the existing production assets in the USA to deliver production increases and cash flow, which has included identifying key assets of production which have been inefficient and providing investment to increase the production rates at a well head level, by utilising modern techniques of exploration and development and production, this includes a range of on field techniques and desk top determinations.</p> <p>Longer term focus is on the acquisition of assets that will provide increasing production opportunities, which leads to higher value to shareholders. This is to be achieved by the acquisition of oil and gas field assets which have been under-producing of their potential, with the application of capital investment to produce.</p>
2.	Principle 2	Mosman keeps its shareholder base up to date via the Regulatory News Service (RNS) of the London Stock Exchange, as well as investor presentations and interviews, in an effort to communicate with

	<p>Seek to understand and meet shareholder needs and expectations</p> <ul style="list-style-type: none"> • Directors must develop a good understanding of the needs and expectations of all elements of the company's shareholder base. • The board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions. 	<p>shareholders more effectively. The Company attempts to maintain regular news flow and includes contact details on all its news releases to enhance the information it shares and to ensure ongoing dialogue with shareholders.</p> <p>The Company also has engaged a professional service organisation to increase awareness of the Company's activities primarily via RNS, presentations and videos.</p> <p>The Board views the Annual General Meeting as a forum for communication between the Company and all its shareholders and encourages and welcomes their participation in its agenda. The Directors attempt to attend the Annual General Meeting and are available to answer questions.</p> <p>The combination of these avenues has provided information flow to investors and increased the visibility of the vision of Mosman to shareholders. The Board takes a proactive approach to providing quarterly production data.</p> <p>The Directors seek to maintain regular contact with significant and engaged shareholders and the Company works with its Brokers in London as a point of contact for all shareholders,</p> <p>The Company website is monitored and regularly updated to be a source of useful information to stakeholders.</p>
3.	<p>Principle 3</p> <p>Take into account wider stakeholder and social responsibilities and their implications for long-term success</p> <ul style="list-style-type: none"> • Long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (suppliers, customers, regulators and others). The board needs to identify the company's stakeholders and understand their needs, interests and expectations • Where matters that relate to the company's impact on society, the communities within which it operates or the environment have the potential to affect the company's ability to deliver shareholder value over the medium to long-term, then those matters must be integrated into the company's strategy and business model. • Feedback is an essential part of all control mechanisms. Systems 	<p>The Company's business model and strategy are clearly laid out in the Annual Report.</p> <p>Other than shareholders, the Board has identified the Company's stakeholders to include staff, suppliers, customers, joint venture partners, fellow working interest partners in projects, landowners, local governments and the wider community. The Company uses its local agents to liaise and work closely with all operational stakeholders in the business including suppliers, landowners, government authorities and workers.</p> <p>Through Mosman Oil USA Inc, Mosman Operating LLC and Mosman Texas USA works with the local Texas Rail Road authorities to ensure compliance with local laws and regulations with respect to operated oil and gas production assets.</p> <p>Mosman and its subsidiaries have ensured good relations with the Northern Territory Department of Mines and Energy including compliance with annual reporting and expenditure obligations on permits owned by Trident and Oilco. The requirement to work with traditional owners in the indigenous community to coordinate rights of access and working with the indigenous community generally is</p>

	<p>need to be in place to solicit, consider and act on feedback from all stakeholder groups.</p>	<p>also acknowledged as a key responsibility of the Company.</p> <p>The entire group across all jurisdictions seeks to apply best practices for the protection of the environment and for the benefit of the local community.</p>
4.	<p>Principle 4</p> <p>Embed effective risk management, considering both opportunities and threats, throughout the organisation</p> <ul style="list-style-type: none"> • The board needs to ensure that the company's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; companies need to consider their extended business, including the company's supply chain, from key suppliers to end-customer. • Setting strategy includes determining the extent of exposure to the identified risks that the company is able to bear and willing to take (risk tolerance and risk appetite). 	<p>The Company and its directors have identified and keep under consideration the risks facing the Company and its subsidiaries. In view of the current position of the Company and its activities these are limited.</p> <p>The Board is responsible for putting in place and communicating a sound system to manage risk and implement.</p> <p>The key risks are also outlined in the analysis of risks contained in the Company's annual report.</p> <p>Management determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Company's process of risk management and internal compliance and control includes:</p> <ul style="list-style-type: none"> (a) establishing the Company's goals and objectives, and implementing and monitoring strategies and policies to achieve these goals and objectives; (b) continuously identifying and reacting to risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks; and (c) formulating risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls; and (monitoring the performance of, and continuously improving the effectiveness of, risk management systems and internal compliance and controls, including an ongoing assessment of the effectiveness of risk management and internal compliance and control. <p>Within the identified risk profile of the Company, comprehensive practices are in place that are directed towards achieving the following objectives:</p> <ul style="list-style-type: none"> (a) effectiveness and efficiency in the use of the Company's resources; (b) compliance with applicable laws and regulations; and (c) preparation of reliable published financial information.

		The Board oversees an ongoing assessment of the effectiveness of risk management and internal compliance and control.
5.	<p>Principle 5</p> <p>Maintain the board as a well-functioning, balanced team led by the chair</p> <ul style="list-style-type: none"> The board members have a collective responsibility and legal obligation to promote the interests of the company and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the board. The board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight. The board should have an appropriate balance between executive and non-executive directors and should have at least two independent non-executive directors. Independence is a board judgement. The board should be supported by committees (e.g. audit, remuneration, nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively. Directors must commit the time necessary to fulfil their roles. 	<p>There is a majority of Independent NEDs on the Board of Mosman.</p> <p>The Board consider them to be independent given:</p> <ul style="list-style-type: none"> They do not receive additional remuneration from the company apart from a director's fee; They are not involved in the day-to-day management of the Group's operations. <p>The Company largely operates using consultants, meaning that the available internal resources outside of the Board are limited.</p> <p>The CEO, Mr Andy Carroll plays an active role in the business, taking on management and operational responsibilities.</p> <p>The Group retains an outsourced Company Secretary/CFO, Mr Jarrod White, who provides a level of independent review and added management and financial capability to assist the Board. Mr White is a Chartered Accountant and director of Traverse Accountants, a Corporate Advisory and Chartered Accounting firm in Sydney Australia. Further details of Mr White's qualifications can be found in the most recent Annual Report. This can be found on the Mosman website, as linked.</p> <p>https://mosmanoilandgas.com/financial-reports</p> <p>The Directors are of a view that the Company does not currently require a separate CFO to be appointed to the Board due to the current scale of operations and financial experience of the directors, noting that Mr Dumbrell is a Chartered Accountant.</p> <p>Remuneration for Director fees is separate to remuneration for additional consulting services performed as required meaning that Directors have the time and motivation to discharge their duties.</p> <p>The time commitments for the Company's NED's is approximately 10 hours per month;</p> <p>There were 6 meetings held in FY23 with attendance as below:</p> <ul style="list-style-type: none"> Nigel Harvey - 4 Andrew Carroll - 6 John W Barr - 6 John Young - 6 <p>Outside of board meetings, board discussions and regular ad-hoc management meetings take place</p>

		<p>regularly, with all ratifications then occurring in the formal board meetings.</p> <p>An audit committee, comprising Nigel Harvey and Carl Dumbrell has been established to determine the application of financial reporting and internal control principles, including reviewing the effectiveness of the Group's financial reporting, internal control and risk management procedures and the scope, quality and results of the external audit. The audit committee is chaired by Carl Dumbrell.</p> <p>Directorial remuneration and remuneration of any other services provided by Directors are set in accordance with contracts established in 2014 or subsequently, and which are disclosed in Annual reports. Any directors' option schemes are approved by shareholders at a General Meeting. Each of the executive directors will take no part in discussions concerning their remuneration. The remuneration of all directors will be reviewed by the Board.</p> <p>Given the size of the Company the Board has agreed that appointments to the Board should be made by the Board as a whole so Mosman has not created a nominations committee.</p>
6.	<p>Principle 6</p> <p>Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities</p> <ul style="list-style-type: none"> The board must have an appropriate balance of sector, financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. The board should understand and challenge its own diversity, including gender balance, as part of its composition. The board should not be dominated by one person or a group of people. Strong personal bonds can be important but can also divide a board. As companies evolve, the mix of skills and experience required on the board will change, and board composition will need to evolve to reflect this change. 	<p>The existing Board of Directors brings a balance of skills and experience to the Company, including legal, financial, mining, petroleum engineering and market expertise. Details of each Director are given in the biographies of each director in the annual report and within the Company's web site below:</p> <p>http://mosmanoilandgas.com/directors</p> <p>Where the Board requires additional skills and experience to effectively perform their roles as directors the Company seeks input from professional and strategic advisors.</p> <p>All directors and external adviser information can be found within the Information on Directors section of the most recent Annual Report. This can be found on the Mosman website, as per the link below:</p> <p>https://mosmanoilandgas.com/financial-reports</p> <p>All directors attend external training as required by their positions within the Board or professional membership requirements.</p> <p>The Company will continue to monitor the need to bring additional skills onto the Board as appropriate as the Company grows and evolves, including the appointment of an additional Independent Non-Executive Director.</p>

7.	<p>Principle 7</p> <p>Evaluate board performance based on clear and relevant objectives, seeking continuous improvement</p> <ul style="list-style-type: none"> • The board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual directors. • The board performance review may be carried out internally or, ideally, externally facilitated from time to time. The review should identify development or mentoring needs of individual directors or the wider senior management team. • It is healthy for membership of the board to be periodically refreshed. Succession planning is a vital task for boards. No member of the board should become indispensable. 	<p>As part of the annual review of the performance of the Board, the appropriate size, composition and terms and conditions of appointment to and retirement from the Board are considered. The level of remuneration for non-executive directors is considered with regard to practices of other public companies and the aggregate amount of fees approved by shareholders. The Board also reviews the appropriate criteria for Board membership collectively.</p> <p>The Board has established processes to review its own performance and the performance of individual directors and the committees of the Board, annually. Directors are reviewed based on their attendance and contributions to meetings of the Board and the relevance of their experience to the operations and decisions of the plan as it executes its objectives. The Board has concluded that the current team and committee structure are suitable for the businesses current stage of operations. The Board expects to continue to use the same evaluation process for the next annual review however this may evolve further as operations and the needs of the business become more complex.</p> <p>Additionally, one third of the Directors under the Company constitution are required to stand for election annually offering shareholders the ability to consider the performance of that particular Director throughout their last term as a Director.</p> <p>The Board has not undertaken any succession planning due to the limited extent of current operations and relatively small number of employees and directors. The Board will evaluate the need for succession planning as the Company's operations continue to develop.</p>
8.	<p>Principle 8</p> <p>Promote a corporate culture that is based on ethical values and behaviours</p> <ul style="list-style-type: none"> • The board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage. • The policy set by the board should be visible in the actions and decisions of the chief executive and the rest of the management team. Corporate values should guide the objectives and strategy of the company. • The culture should be visible in every aspect of the business, including recruitment, 	<p>The Board is aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The Board promote a strong governance and ethical culture which in turn used to portray and promote the Group's business and other dealings with identified stake holders across all jurisdictions that the Group operates. A large part of the Company's activities are centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders.</p> <p>The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with AIM Rule 21 the requirements of the Market Abuse Regulation which came into effect in 2016 and subsequently incorporated into UK law by the European Union (Withdrawal) Act 2018.</p>

	<p>nominations, training and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the company.</p> <ul style="list-style-type: none"> The corporate culture should be recognisable throughout the disclosures in the annual report, website and any other statements issued by the company. 	<p>In view of the current position of the Company and that there is no formal workplace, the Board has taken such steps as it considers appropriate to establish a transparent and accountable corporate culture.</p> <p>The Board has also established a number of appropriate policies such as Anti-bribery and Corruption and a social media policy.</p> <p>The Company uses the QCA guidelines as a guiding principle in promoting an ethical and open environment.</p>
9.	<p>Principle 9</p> <p>Maintain governance structures and processes that are fit for purpose and support good decision-making by the board</p> <ul style="list-style-type: none"> The company should maintain governance structures and processes in line with its corporate culture and appropriate to its: <ul style="list-style-type: none"> size and complexity; and capacity, appetite and tolerance for risk. The governance structures should evolve over time in parallel with its objectives, strategy and business model to reflect the development of the company. 	<p>The Board's corporate governance policies helps ensure that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately.</p> <p>All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. The business reports monthly on its headline performance against its agreed budget, and the Board reviews the monthly update on performance and any significant variances are reviewed at each meeting.</p> <p>The Board is supported by the audit and remuneration committees. The audit committee determines the application of financial reporting and internal control principles, including reviewing the effectiveness of the Group's financial reporting, internal control and risk management procedures and the scope, quality and results of the external audit. The remuneration committee reviews the performance of the executive directors and sets their remuneration, determines the payment of bonuses to executive directors and consider bonus and option schemes. Each of the executive directors will take no part in discussions concerning their remuneration. The remuneration of all directors will be reviewed by the Board.</p> <p>Each committee has access to such resources, information and advice as it deems necessary, at the cost of the Company, to enable the committee to discharge its duties. The terms of reference of each committee are available at the Company's website:</p> <p>https://mosmanoilandgas.com/corporate-governance</p>

		<p>These processes are regularly implemented at the Meetings of Directors as set out in the Directors' Report and are updated as necessary based on:</p> <ul style="list-style-type: none"> • Corporate culture; • Size; • The capacity and appetite for risk and the tolerances of the Company; and • Business complexity. <p>The Company's annual report includes published reports from the Company's audit and remuneration committees setting out particular matters of relevance that have arisen during the reporting period.</p>
10.	<p>Principle 10</p> <p>Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders</p> <ul style="list-style-type: none"> • A healthy dialogue should exist between the board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the company. • In particular, appropriate communication and reporting structures should exist between the board and all constituent parts of its shareholder base. This will assist: <ul style="list-style-type: none"> ◦ the communication of shareholders' views to the board; and ◦ the shareholders' understanding of the unique circumstances and constraints faced by the company. • It should be clear where these communication practices are described (annual report or website). 	<p>The Company communicates with shareholders through the Annual Report and Accounts, full-year and half-year announcements, the Annual General Meeting (AGM) and one-to-one meetings with large existing or potential new shareholders.</p> <p>A range of corporate information (including all Company announcements and presentations) is also available to shareholders, investors and the public on the Company's corporate website:</p> <p>http://mosmanoilandgas.com</p> <p>The Annual Report details the work of the Board, Management and various committees that are utilised throughout the year.</p> <p>The outcome of each vote in the AGM is always reported to shareholders and released as an RNS on the market announcements platform. It can also be obtained on the Company's website.</p>
Other	Consider relationship agreement where there is a dominant shareholder	N/A

Setting out the Vision and Strategy

The Board should express a shared view of the Company's vision and strategy.

For details on the Company's objectives, please refer to the Company's website (<http://mosmanoilandgas.com/company-overview>.)

Managing and Communication Risk and Implementing Internal Control

The Board is responsible for putting in place and communicating a sound system to manage risk and implement.

Management determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Company's process of risk management and internal compliance and control includes:

- (a) establishing the Company's goals and objectives, and implementing and monitoring strategies and policies to achieve these goals and objectives;
- (b) continuously identifying and reacting to risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks;
- (c) formulating risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls; and
- (d) monitoring the performance of, and continuously improving the effectiveness of, risk management systems and internal compliance and controls, including an ongoing assessment of the effectiveness of risk management and internal compliance and control.

Within the identified risk profile of the Company, comprehensive practices are in place that are directed towards achieving the following objectives:

- (a) effectiveness and efficiency in the use of the Company's resources;
- (b) compliance with applicable laws and regulations; and
- (c) preparation of reliable published financial information.

The Board oversees an ongoing assessment of the effectiveness of risk management and internal compliance and control.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required by the Board to report back on the efficiency and effectiveness of risk management, inter alia, by benchmarking the Company's performance against industry standards.

The risk profile of the Company contains both financial and non-financial factors including material risks arising from pricing, competitive position, currency movements, operational efficiency, fuel prices, ground water flows, reserve recovery, investments in new projects.

To mitigate these risks, the Company has in place a broad range of risk management policies and procedures including specialised sales contracts, competent management in all disciplines, a comprehensive management information system, an experienced Board, regular Board meetings, financial and internal audits, rigorous appraisal of new investments, advisers familiar with the Company and an internal audit function.

Management is responsible for the ongoing management of risk with standing instructions to appraise the Board of changing circumstances within the Company and within the international business environment.

This policy is reviewed every two years.

Articulating Strategy through Corporate Communication and Investor Relations

A healthy dialogue should exist between the Board and shareholders to enable shareholders to come to informed disclosures decisions about the Company.

The Company recognises the value of providing current and relevant information to its shareholders. The Executive Chairman and Company Secretary have the primary responsibility for communication with shareholders.

Information is communicated to shareholders through:

- (a) continuous disclosure to relevant stock markets of all material information;

- (b) periodic disclosure through the annual report (or concise annual report), half year financial report and periodic reporting of exploration, production and corporate activities (if required);
- (c) notices of meetings and explanatory material;
- (d) the annual general meeting;
- (e) periodic newsletters or letters from the Chairman or CEO; and
- (f) the Company's website.

The Company is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market.

Meeting the Needs and Objectives of Shareholders

Directors should develop a good understanding of the needs and expectations of the Company's shareholders, as well as the motivations behind shareholder voting decisions.

The Company always strives to maintain an open line of communication with Shareholders. A detailed corporate directory, directory of Directors and Management, as well as current and historical notices to shareholders are available on the Company's website.

Annual General Meeting

The Company recognises the rights of shareholders and encourages the effective exercise of those rights through the following means:

- (a) notices of meetings are distributed to shareholders in accordance with the provisions of the Corporations Act;
- (b) notices of meetings and other meeting material are drafted in concise and clear language;
- (c) shareholders are encouraged to use their attendance at meetings to ask questions on any relevant matter, with time being specifically set aside for shareholder questions;
- (d) notices of meetings encourage participation in voting on proposed resolutions by lodgement of proxies, if shareholders are unable to attend the meeting;
- (e) it is general practice for a presentation on the Company's activities to be made to shareholders at each annual general meeting; and
- (f) it is both the Company's policy and the policy of the Company's auditor for the lead engagement partner to be present at the annual general meeting and to answer any questions regarding the conduct of the audit and the preparation and content of the auditor's report.

This policy is reviewed annually.

Meeting Stakeholder and Social Responsibilities

Good governance includes the Board considering the Company's impact on society, the community and the environment.

The Board recognises that the primary stakeholders in the Company are its shareholders. Other legitimate stakeholders in the Company include employees, potential customers and the general community.

The Company's primary objective is to create shareholder wealth through capital growth and dividends by the continued development and commercialisation of its assets.

The Company is committed to conducting all its operations in a manner which:

- (a) protects the health and safety of all Employees, contractors and community members;
- (b) recognises, values and rewards the individual contribution of each employee;
- (c) achieves a balance between economic development, maintenance of the environment and social responsibility;
- (d) maintains good relationships with suppliers and the local community; and
- (e) is honest, lawful and moral.

All employees (including directors) are expected to act with the utmost integrity and objectivity, striving always to enhance the reputation and performance of the Company.

This policy is reviewed annually.

Using Cost Effective and Value-Added Arrangements

The Board periodically reviews its corporate governance policies to ensure its governance arrangements allows for clear and efficient decision-making processes.

The risk management processes outlined above highlight the key risks faced by the Company and facilitates a clear understanding of how value is enhanced, and abuses prevented, through the governance policies and processes.

Developing Structures and Processes

The Board's corporate governance policies helps ensure that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately.

These processes are regularly implemented at the Meetings of Directors as set out in the Directors' Report and are updated as necessary based on:

- Corporate Culture;
- Size;
- The capacity and appetite for risk and the tolerances of the Company; and
- Business complexity.

Being Responsible and Accountable

Responsibility for corporate governance lies with the Chairman and the Board has a collective responsibility and legal obligation to promote the long-term success of the Company.

Role of the Board and Management

The Board's primary role is the protection and enhancement of medium to long term shareholder value. To fulfil this role, the Board is responsible for the overall Corporate Governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board has sole responsibility for the following:

- Appointing and removing executive directors and approving their remuneration;
- Appointing and removing the Company Secretary and approving their remuneration;
- Determining the strategic direction of the Company and measuring performance of management against approved strategies;
- Reviewing the adequacy of resources for management to properly carry out approved strategies and business plans;
- Adopting operating and capital expenditure budgets at the commencement of each financial period and monitoring the progress by both financial and non-financial key performance indicators;
- Monitoring the Company's medium term capital and cash flow requirements;
- Approving and monitoring financial and other reporting to regulatory bodies, shareholders and other organisations;
- Determining that satisfactory arrangements are in place for auditing the Company's financial affairs;
- Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and compliance with legislative requirements; and
- Ensuring that policies and compliance systems consistent with the Company's objectives and best practice are in place and that the Company and its officers act legally, ethically and responsibly on all matters.

The Board's role and the Company's corporate governance practices are being continually reviewed and improved as the Company's business develops.

Having Balance on the Board

Prior to Oct 2023 the Board consisted of two Executive Directors, being Mr John W Barr, the Executive Chairman, and Mr Andrew Carroll, the Technical Director, and two Non-Executive Director being Mr John A Young and Mr Nigel Harvey. Major corporate decisions of the Company are subject to Board approval.

Subsequently however with the resignation of both Messrs Barr and Young and the appointment of Mr Carl Dumbrell as a non executive Director, Mr Harvey was appointed Chair in a non-executive capacity and Mr Carroll, Chief Executive Officer as well as continuing as a Director.

The Company's Constitution provides that the number of Directors shall not be less than three and not more than ten. There is no requirement for any shareholding qualification.

The Board considers that Messrs Young, Harvey and Dumbrell are or were Independent Directors of the Company.

The Company notes that the role of the Chair when previously being discharged by an Executive Director was not in line with QCA guidance. That was considered appropriate given Mosman's relative early stage of development but has subsequently changed with the appointment of a non executive Chair from October 23. The Board does keep its roles and compliance with QCA guidelines under close review with appointments of Directors.

Having Appropriate Skills and Capabilities on the Board

Details of the Directors, including their qualifications, experience and date of appointment are set out in the Directors' Report.

An audit committee has been established to operate with effect from Admission. The audit committee will determine the application of financial reporting and internal control principles, including reviewing the effectiveness of the Group's financial reporting, internal control and risk management procedures and the scope, quality and results of the external audit. Until October 23 the audit committee was being chaired by Mr Barr and included Mr Young. However, since both have resigned it was chaired by Mr Nigel Harvey and from the date of this annual report will now be chaired by Mr Dumbrell and include Mr Harvey, both non executives.

At Admission, the Board established a Remuneration Committee responsible for making recommendations to the Board on remuneration arrangements for Directors and executives of the Company. It reviews the performance of the Executive Directors and sets their remuneration, determines the payment of bonuses to Executive Directors and consider bonus and option schemes. Executive Directors take no part in discussions concerning their own remuneration. The remuneration of all Directors will be reviewed by the Board. The remuneration committee was previously chaired by Mr Young and is now being chaired by Mr Harvey and includes Mr Dumbrell.

Evaluation Board Performance and Development

As part of the annual review of the performance of the Board, the appropriate size, composition and terms and conditions of appointment to and retirement from the Board are considered. The level of remuneration for non-executive directors is considered with regards to practices of other public companies and the aggregate amount of fees approved by shareholders. The Board also reviews the appropriate criteria for Board membership collectively.

The Board has established formal processes to review its own performance and the performance of individual directors and the committees of the Board, annually.

Board

A process has been established to annually review and evaluate the performance of the Board. The annual review includes consideration of the following measures:

- (a) comparison of the performance of the Board against the requirements of the Board charter;
- (b) assessment of the performance of the Board over the previous twelve months having regard to the corporate strategies, operating plans and the annual budget;
- (c) review the Board's interaction with management;
- (d) identification of goals and objectives of the Board for the next year;

(e) review the type and timing of information provided to the directors; and

(f) identification of any necessary or desirable improvements to Board or committee charters.

The method and scope of the performance evaluation will be set by the Board and which may include a Board self-assessment checklist to be completed by each director. The Board may also use an independent adviser to assist in the review.

Committees

Similar procedures to those for the Board review are applied to evaluate the performance of each of the Board committees.

An assessment will be made of the performance of each committee against each charter and areas identified where improvements can be made.

Non-Executive Directors

The Chairman will have primary responsibility for conducting performance appraisals of Non-Executive Directors in conjunction with them, having regard to:

- (a) contribution to Board discussion and function;
- (b) degree of independence including relevance of any conflicts of interest;
- (c) availability for and attendance at Board meetings and other relevant events;
- (d) contribution to Company strategy;
- (e) membership of and contribution to any Board committees; and
- (f) suitability to Board structure and composition.

Where the Chairman, following a performance appraisal, considers that action must be taken in relation to a Director's performance, the Chairman must consult with the remainder of the Board regarding whether a Director should be counselled to resign, not seek re-election, or in exceptional circumstances, whether a resolution for the removal of a Director be put to shareholders.

Senior

Executives

The Chairman is responsible for assessing the performance of the key executives within the Company. This is to be performed through a formal process involving a formal meeting with each senior executive. The basis of evaluation of senior executives will be on agreed performance measures.

This policy is reviewed annually.

Providing Information and Support

Each director has the right to seek independent professional advice on matters relating to their position as a Director of the Company at the Company's expense, subject to the prior approval of the Chairman, which shall not be unreasonably withheld.

Non-Executive Directors are provided with access to all information they require and are authorised to engage external advisors as necessary. There was no such requirement for external advisors in FY19.

Nominated Advisor

In accordance with the AIM Rules for Companies, SP Angel Corporate Finance LLP has been appointed to advise the Board as its Nominated Advisor. A Nominated Advisor's responsibility is to the Exchange for assessing the appropriateness of an applicant for AIM, or an existing AIM company when appointed its Nominated Adviser, and for advising and guiding an AIM company on its responsibilities under the AIM Rules for Companies.

Audit Committee Report

An important part of the role of the Audit Committee is its responsibility for reviewing the effectiveness of the Group's financial reporting, internal control policies, and procedures for the identification,

assessment and reporting of risk. The latter two areas are integral to the Group's core management processes and the Committee devotes significant time to their review.

One of the key governance requirements of the Group's financial statements is for the report and accounts to be fair, balanced and understandable. The co-ordination and review of the Group-wide input into the Annual Report and Accounts is a sizeable exercise performed within an exacting time frame. It runs alongside the formal audit process undertaken by external Auditors and is designed to arrive at a

position where initially the Audit Committee, and then the Board, is satisfied with the overall fairness, balance and clarity of the document is underpinned by the following:

- detailed guidance issued to contributors at operational levels;
- a verification process dealing with the factual content of the reports;
- thorough review undertaken at different levels that aim to ensure consistency and overall balance; and
- comprehensive review by the senior management team.

The Audit Committee has also sought to remove any duplication and has sequenced information in as logical a manner as possible without compromising compliance with UK regulatory and accounting requirements.

An essential part of the integrity of the financial statements are the key assumptions and estimates or judgments that must be made. The Committee reviews key judgments prior to publication of the financial statements at the full and half year, as well as considering significant issues throughout the year. This includes reviewing any materially subjective assumptions within the Group's activities to enable an appropriate determination of asset valuation and provisioning. The Committee reviewed and was satisfied that the judgments exercised by management on material items contained within the Annual Report were reasonable.

Additionally, the Committee also considered management's assessment of going concern with respect to the Group's cash position and its commitments for the next 12 months. In this respect, the Committee refers to the Going concern section in the Directors' Report.

The Audit Committee has considered the Group's internal control and risk management policies and systems, their effectiveness and the requirements for an internal audit function in the context of the Group's overall risk management system. The Committee is satisfied that the Group does not currently require an internal audit function.

Nigel Harvey
Chairman of the Audit Committee
8 November 2023

Audit Committee Members

This committee comprises:

- Carl Dumbrell (Chairman from 8 Nov)
- Nigel Harvey (Chairman until 8 Nov)

Summary of responsibilities of the Audit Committee

- Reviewing the effectiveness of the Group's financial reporting, internal control policies and procedures for the identification, assessment and reporting of risk;
- monitoring the integrity of the Group's financial statements;
- monitoring the effectiveness of the internal control environment;
- making recommendations to the Board on the appointment of the Auditors;
- agreeing the scope of the Auditors' annual audit programme and reviewing the output;
- keeping the relationship with the Auditors under review;
- assessing the effectiveness of the audit process; and
- developing and implementing policy on the engagement of the Auditors to supply non-audit services.

The external Auditors have unrestricted access to the Chairman of the Audit Committee. Audit Committee meetings are also attended by the external Auditor where appropriate and, by invitation, the Chairman and any other Directors and senior management.

Remuneration Committee Report

The Remuneration Committee ("Committee") convened once during the year and has been engaged on all matters of corporate remuneration. Over the past year, the Committee has considered the following matters:

- Director remuneration; and
- Consultancy status and terms for individuals serving the group on a non-exclusive basis.

Directors, employees and certain consultants are only eligible to participate in the Group bonus or equity incentive schemes at the absolute discretion of the Board, with recommendations from the Remuneration Committee. There is no formal bonus scheme in place and it is the policy of the Remuneration Committee that any material bonus be put to shareholders for formal ratification and approval.

The Committee, when reviewing base remuneration, consider matters of retention, motivation, the economic climate, and the challenges facing the business and the wider sector; they also consider appropriate industry benchmarks. The annual remuneration levels for the executive Director is noted in the Directors' report.

Nigel Harvey

Chairman of the Remuneration Committee

8 November 2023

Remuneration Committee Members

This committee comprises:

- Carl Dumbrell (Chairman)
- Nigel Harvey

Summary of responsibilities of the Remuneration Committee

- Agreeing a policy for the remuneration of the Chairman, Executive Directors, Non-Executive Directors and other senior executives;
- Within the agreed policy, determining individual remuneration packages for the Chairman, Executive Directors, Non-Executive Directors and other senior executives;
- Agreeing the policy on terms and conditions to be included in service agreements for the Chairman, Executive Directors, Non-Executive Directors and other senior executives, including termination payments and compensation commitments, where applicable; and
- Approving any employee incentive schemes and the performance conditions to be used for such schemes including share performance targets.

Auditor's Independence Declaration

To Mosman Oil and Gas Limited

As auditor for the audit of Mosman Oil and Gas Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

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

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

Elderton Audit Pty Ltd.

Elderton Audit Pty Ltd



Sajjad Cheema

Audit Director

Perth

8 November 2023

Independent Audit Report to the members of Mosman Oil and Gas Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Mosman Oil and Gas Limited ('the Company') and its subsidiaries (collectively referred to as 'the Group'), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Group incurred a net loss of \$2,127,198 during the year ended 30 June 2023 and, as of that date, the group had a cash balance of \$520,613. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the company and the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.

Capitalised Exploration Expenditure

Refer to Note 12 Capitalised Oil and Gas expenditure, and accounting policy Notes 1(c) and 1(h).

Key Audit Matter	How our audit addressed the matter
<p>As at 30 June 2023, the Group has significant exploration and evaluation expenditure which has been capitalised. As the carrying value of exploration and evaluation expenditures represents a significant asset of the Group, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of this asset may exceed its recoverable amount. Management of the Group considered whether there were any indicators of impairment.</p> <p>The Group capitalises exploration and evaluation expenditure in line with AASB 6 Exploration for and Evaluation of Mineral Resources. The assessment of each asset's future perspective requires significant judgement. There is a risk that the amounts are capitalised which no longer meet the recognition criteria of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>.</p>	<p>Our audit work included, but was not restricted to, the following:</p> <ul style="list-style-type: none"> • Obtaining evidence as to whether the Group has valid rights to explore the areas represented by the previously capitalised exploration costs; • We enquired with management and reviewed budgets to ensure that substantive expenditure on further exploration for and evaluation of the mineral resources in the Group's area of interest were planned; • We tested the expenses capitalized during the year to ensure the AASB 6 capitalisation criteria was fulfilled; • We enquired with management, reviewed announcements made and reviewed minutes of directors' meetings to ensure that the company had not decided to discontinue activities in any of its areas of interest; • We enquired with management to ensure that the Group had not decided to proceed with development of a specific area of interest, yet the carrying amount of the exploration and evaluation asset was unlikely to be recovered in full, from successful development or sale.

Oil and Gas Assets

Refer to Note 11, Oil and gas assets and accounting policy Notes 1(p) and 1(q).

Key Audit Matter	How our audit addressed the matter
<p>Included in the consolidated statement of financial position as at 30 June 2023 is the capitalised oil and gas assets of \$5,780,587. This represented 65% of the total Group assets at that date.</p> <p>The carrying value of the Oil and gas assets must be assessed for impairment when facts and circumstances indicate that the carrying value exceeds its recoverable amount.</p> <p>This was a key audit matter because the oil and gas assets are the largest non-financial asset on the consolidated statement of financial position and judgement is required in determining whether impairment indicators exist.</p>	<p>Our audit work included, but was not restricted to, the following:</p> <ul style="list-style-type: none"> • We have understood management's process for identifying indicators of impairment and for performing their impairment assessment. • We evaluated and challenged the key assumptions and inputs into the impairment models, which included performing sensitivity analysis, to evaluate the impact of selecting alternative assumptions. • Obtaining evidence as to whether the Group has valid rights to capitalised Oil and Gas assets; • Assess and challenge the reasonableness of the key assumptions such as forecast oil and gas prices and discount rates used including agreeing them to external market data and; • Enquiring with management for any known indicator of the impairment at or after the period end. • Inspect the Group's AIM announcements, and minutes of Board meetings for any indicators of impairment.

Revenue

Refer to Note 21 and accounting policy Notes 1(t).

Key Audit Matter	How our audit addressed the matter
<p>The Group has reported revenue of \$2.2 million from sales of oil and gas.</p> <p>The application of revenue recognition accounting standards is complex and involves a number of key judgements and estimates.</p> <p>There is also a risk around the timing of revenue recognition, particularly focused on the contractual terms of delivery and location of the customers.</p> <p>Based on these factors, we have identified revenue recognition as a key risk for our audit</p>	<p>Our audit work included, but was not restricted to, the following:</p> <ul style="list-style-type: none">• Assessing the appropriateness of the revenue recognition accounting policies by considering the requirements of relevant accounting standards;• understanding the significant revenue processes including performance of an end to end walkthrough of the revenue assurance process and identifying the relevant controls.• performing cut off procedures• verifying a sample of transactions with supporting documents• ensuring adequate disclosure in the financial statements

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in Directors' Report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, however it is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and

perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 15 to 17 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Mosman Oil and Gas Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Elderton Audit Pty Ltd.

Elderton Audit Pty Ltd



Sajjad Cheema
Audit Director

Perth
8 November 2023

Consolidated Statement of Financial Performance
Year Ended 30 June 2023
All amounts are in Australian Dollars

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

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
As at 30 June 2023
All amounts are in Australian Dollars

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

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
Year Ended 30 June 2023
All amounts are in Australian Dollars

	Accumulated Losses	Contributed Equity	Reserves	Total
	\$	\$	\$	\$
Balance at 1 July 2022	(32,168,097)	38,743,432	706,297	7,281,632
<i>Comprehensive income</i>				
Loss for the period	(2,127,198)	-	-	(2,127,198)
Other comprehensive income for the period	-	-	-	-
	-	-	184,479	184,479
Total comprehensive loss for the period	(2,127,198)	-	184,479	(1,942,719)
<i>Transactions with owners, in their capacity as owners, and other transfers:</i>				
New shares issued	-	2,016,286	-	2,016,286
Cost of raising equity	-	(84,378)	-	(84,378)
Options issued	-	-	17,318	17,318
Total transactions with owners and other transfers	-	1,931,908	17,318	1,949,226
Balance at 30 June 2023	(34,295,295)	40,675,340	908,094	7,288,139
Balance at 1 July 2021	(29,812,181)	36,700,381	436,247	7,324,447
<i>Comprehensive income</i>				
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)
<i>Transactions with owners, in their capacity as owners, and other transfers:</i>				
New shares issued	-	2,159,819	-	2,159,819
Cost of raising equity	-	(116,768)	-	(116,768)
Options expired	90,358	-	(90,358)	-
Total transactions with owners and other transfers	90,358	2,043,051	(90,358)	2,043,051
Balance at 30 June 2022	(32,168,097)	38,743,432	706,297	7,281,632

These accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows
Year Ended 30 June 2023
All amounts are in Australian Dollars

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

The accompanying notes from part of these financial statements

Notes to the Financial Statements
Year Ended 30 June 2023
All amounts are Australian Dollars

1 Statement of Accounting Policies

The principal accounting policies adopted in preparing the financial report of Mosman Oil and Gas Limited (or "the Company") and Controlled Entities ("Consolidated entity" or "Group"), are stated to assist in a general understanding of the financial report. These policies have been consistently applied to all the years presented, unless otherwise indicated.

Mosman Oil and Gas Limited is a Company limited by shares incorporated and domiciled in Australia.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. Compliance with Australian Accounting Standards ensures that the financial statements also comply with International Financial Reporting Standards.

The financial report has been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

Going Concern

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

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

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

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

- The ability of the Group to obtain funding through various sources, including equity raised which are currently being investigated by management;
- The Group has the capacity, if necessary, to reduce its operating cost structure in order to minimize its working capital requirements; and
- The Directors have reasonable expectations that they will be able to raise additional funding needed for the Group to continue to execute against its milestones in the medium term.

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

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

(b) Principles of Consolidation and Equity Accounting

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

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. Details of Controlled and Associated entities are contained in Note 27 to the financial statements.

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

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

Joint ventures

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

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

Equity method

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

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

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

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

(c) Use of Estimates and Judgements

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

Critical Accounting Estimates and Judgements

Impairment of Exploration and Evaluation Assets

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

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

The key areas of judgement and estimation include:

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

Taxation

Balances disclosed in the financial statements and the notes related to taxation, are based on the best estimates of directors and take into account the financial performance and position of the Group as they pertain to current income tax legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current tax position represents the best estimate, pending assessment by the tax authorities.

Exploration and Evaluation Assets

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

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

(d) Income Tax

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

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

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

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

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

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

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

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

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

(e) Goods and Services Tax

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

- (i) Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset, or as part of the expense item as applicable;
- (ii) Receivables and payables are stated with the amount of GST included;
- (iii) The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position;
- (iv) Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows; and
- (v) Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(f) Property, Plant and Equipment

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

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

(g) Depreciation

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

(h) Exploration and Evaluation Assets

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

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

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

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

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

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

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

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

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

(i) Accounts Payable

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

(j) Contributed Equity

Issued Capital

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

(k) Earnings Per Share

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

(l) Share-Based Payment Transactions

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

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

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

(m) Comparative Figures

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

(n) Financial Risk Management

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

(o) Financial Instruments

Recognition, initial measurement and derecognition

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

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

Classification and subsequent measurement of financial assets

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

Hybrid contracts

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

Subsequent measurement of financial assets

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

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

Classifications are determined by both:

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

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

Financial assets at amortised cost

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

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

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

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

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

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

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

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

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

Impairment of Financial assets

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

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

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

(p) Oil and gas assets

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

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

(q) Impairment of Assets

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

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

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

(r) Employee Entitlements

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

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

(r) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be the result and that outlay can be reliably measured.

(s) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(t) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from Joint Operations is recognised based on its share of the sale by joint operation.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

(u) Business combinations

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

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

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

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

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

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

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

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

(v) Acquisition of Subsidiary Not Deemed a Business Combination

When an acquisition of assets does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial exemption for deferred tax under AASB 12 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

(w) Foreign Currency Translation

Functional currency

Items included in the financial statements of the Group's operations are measured using the currency of the primary economic environment in which it operates ('the functional currency').

The functional currency of the Company and controlled entities registered in Australia is Australian dollars (AU\$).

The functional currency of the controlled entities registered in the US is United States dollars (US\$).

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss, except when they are deferred in other comprehensive income as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

Presentation currency

The financial statements are presented in Australian dollars, which is the Group's presentation currency. Functional currency balances are translated into the presentation currency using the exchange rates at the balance sheet date. Value differences arising from movements in the exchange rate is recognised in the statement of comprehensive income.

(x) Joint operations

A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

Interests in joint operations are accounted for by recognising the Group's assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

(y) New standards and interpretations

Account Standard and Interpretation

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

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

5 Income Tax

No income tax is payable by the Group as it has incurred losses for income tax purposes for the year, therefore current tax, deferred tax and tax expense is \$NIL (2022 - \$NIL).

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

	Consolidated 2023 \$	Consolidated 2022 \$
Loss before tax	(2,127,198)	(2,446,274)
Income tax calculated at 25% (2022: 25%)	(531,800)	(611,569)
Tax effect of amounts which are deductible/non-deductible		
In calculating taxable income:		
Impairment expense	71,188	241,022
Upfront exploration expenditure claimed	(44,998)	(130,613)
Other	(13,565)	(22,738)
Effects of unused tax losses and tax offsets not recognised as deferred tax assets	519,175	523,898
Income tax expense attributable to operating profit	NIL	NIL

(b) Tax Losses

As at 30 June 2023 the Company had Australian tax losses of \$15,994,372 (2022: \$14,107,506). The benefit of deferred tax assets not brought to account will only be realised if:

- Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised; and
- The conditions for deductibility imposed by tax legislation continue to be complied with and no changes in tax legislation adversely affect the Company in realising the benefit.

5 Income Tax (continued)

(c) Unbooked Deferred Tax Assets and Liabilities

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

6 Auditors Remuneration

Audit – Elderton Audit Pty Ltd

Audit of the financial statements

32,300	32,000
32,300	32,000

7 Cash and Cash Equivalents

Cash at Bank

520,613	2,354,689
520,613	2,354,689

8 Trade and Other Receivables

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

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

9 Other Assets

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

10 Property, Plant and Equipment

	Office Equipment and Furniture \$	Total \$
Cost		
Balance at 1 July 2022	175,665	175,665
Additions	3,156	3,156
Disposals	-	-
Effective movement in exchange rates	-	-
Balance at 30 June 2023	178,821	178,821
Accumulated Depreciation		
Balance at 1 July 2022	(170,537)	(170,537)
Depreciation for the year	(2,064)	(2,064)
Disposals	-	-
Effective movement in exchange rates	-	-
Balance at 30 June 2023	(172,601)	(172,601)
Carrying amounts		
Balance at 30 June 2022	5,128	5,128
Balance at 30 June 2023	6,220	6,220

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

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

12 Capitalised Oil and Gas Expenditure

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

13 Trade and Other Payables

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

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

14 Provisions

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

15 Contributed Equity

Ordinary Shares:

Value of Ordinary Shares fully paid

Movement in Contributed Equity

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

- (i) Placements via capital raising as announced
(ii) Shares issued upon conversion of warrants
(iii) Shares issued to suppliers

16 Reserves

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

16 Reserves (continued)

Options Reserve

Nature and purpose of the Option reserve

The options reserve represents the fair value of equity instruments issued to employees as compensation and issued to external parties for the receipt of goods and services. This reserve will be reversed against issued capital when the underlying shares are converted and reversed against retained earnings when they are allowed to lapse.

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

Foreign Currency Translation Reserve

Nature and purpose of the Foreign Currency Translation Reserve

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

Movement in Foreign Currency Translation Reserve

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

17 Accumulated Losses

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

18 Related Party Transactions

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

i. During the year to 30 June 2023:

- a. Directors fees of \$17,667 were paid or are payable to Mr Nigel Harvey;
- b. Director fees of \$30,000 and consulting fees of \$120,000 were paid or are payable to Australasian Energy Pty Ltd;
- c. Directors fees of \$60,000 and consulting fees of \$189,273 were paid or are payable to Kensington Advisory Services Pty Ltd;
- d. Directors fees of \$30,000 were paid or are payable to J A Young;
- e. CFO, Company Secretary and Consulting Fees totalling \$66,000 were paid or are payable to J T White's accounting firm, Traverse Accountants Pty Ltd.

Movement in Shares and Options

The aggregate numbers of shares and options of the Company held directly, indirectly or beneficially by Key Management Personnel of the Company or their personally-related entities are fully detailed in the Directors' Report.

Amounts owing to the Company from subsidiaries:

Trident Energy Pty Ltd

At 30 June 2023 the Company's 100% owned subsidiary, Trident Energy Pty Ltd, owed Mosman Oil and Gas Limited \$4,060,949 (2022: \$3,943,847).

OilCo Pty Ltd

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

Mosman Oil USA, Inc

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

Adagio Resources Limited

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

19 Expenditure Commitments

(a) Exploration

The Company has certain obligations to perform minimum exploration work on Oil and Gas tenements held. These obligations may vary over time, depending on the Company's exploration programs and priorities. At 30 June 2023, total exploration expenditure commitments for the next 12 months are as follows:

Entity	Tenement	2023 \$	2022 \$
Trident Energy Pty Ltd	EP145 ¹	-	-
Oilco Pty Ltd	EPA155	-	-
		-	-

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

19 Expenditure Commitments (continued)

(b) Capital Commitments

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

20 Segment Information

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

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

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

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

(i) Segment performance

	United States \$	Australia \$	Total \$
Year ended 30 June 2023			
Revenue			
Revenue	2,252,029	-	2,252,029
Interest income		483	483
Segment revenue	2,252,029	483	2,252,512
Segment Result			
Allocated			
- Corporate costs	(67,343)	(896,671)	(964,014)
- Administrative costs	(293,071)	(294,013)	(587,084)
- Lease operating expenses	(1,467,991)	-	(1,467,991)
- Cost of sales	(109,373)	-	(109,373)
Segment net profit (loss) before tax	314,251	(1,190,201)	(875,950)
<i>Reconciliation of segment result to net loss before tax</i>			
Amounts not included in segment result but reviewed by the Board			
- Exploration expenses incurred not capitalised			(9,300)
- Amortisation			(436,028)
- Impairment			(474,586)
- Bad debts expense			(121,847)
Unallocated items			
- Employee benefits expense			(194,732)
- Loss on foreign exchange			(7,055)
- Depreciation			(2,064)
- Finance costs			(5,636)
Net Loss before tax from continuing operations			(2,127,198)

20 Segment Information (continued)

(i) Segment performance

	United States \$	Australia \$	Total \$
Year ended 30 June 2022			
Revenue			
Revenue	1,812,119	-	1,812,119
Interest income			
Gain on sale of oil and gas assets			
Other income			
Segment revenue	1,812,119	-	1,812,119
Segment Result			
Allocated			
- Corporate costs	(41,949)	(699,131)	(741,080)
- Administrative costs	(160,880)	(165,218)	(326,098)
- Lease operating expenses	(1,017,665)	-	(1,017,665)
- Cost of sales	(99,358)	-	(99,358)
Segment net profit (loss) before tax	492,267	(864,349)	(372,082)
<i>Reconciliation of segment result to net loss before tax</i>			
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)

20 Segment Information (continued)

	United States \$	Australia \$	Total \$
Total assets as at 1 July 2022	5,618,867	2,983,533	8,602,400
Segment asset balances at end of year			
- Exploration and evaluation		8,601,449	8,601,449
- Capitalised Oil and Gas Assets	10,490,641		10,490,641
- Less: Amortisation	(909,850)		(909,850)
- Less: Impairment	(3,800,204)	(7,180,918)	(10,981,122)
	5,780,587	1,420,531	7,201,118
<i>Reconciliation of segment assets to total assets:</i>			
Other assets	1,236,820	231,738	1,468,558
Total assets from continuing operations			
As at 30 June 2023	7,017,407	1,652,269	8,669,676
Total assets as at 1 July 2021	4,925,917	2,798,680	7,724,597
Segment asset balances at end of year			
- Exploration and evaluation	-	8,421,459	8,421,459
- Capitalised Oil and Gas Assets	7,788,307	-	7,788,307
- Less: Amortisation	(449,411)	-	(449,411)
- Less: Impairment	(3,193,408)	(7,180,918)	(10,374,326)
	4,145,488	1,240,541	5,386,029
<i>Reconciliation of segment assets to total assets:</i>			
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

20 Segment Information (continued)

(iii) Segment liabilities

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

21 Producing assets

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

Project performance is monitored by the line items below.

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

21 Producing assets (continued)

	Stanley \$	Falcon \$	Winters \$	Livingston \$	Arkoma \$	Other Projects \$	Total \$
Year Ended 30 June 2022							
<i>Revenue</i>							
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
<i>Project-related expenses</i>							
- 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)
<i>Project gross profit</i>							
Gross profit	370,337	286,528	81,216	(6,958)	30,526	(66,553)	695,096

22 Earnings/ (Loss) per shares

	Consolidated 2023 \$	Consolidated 2022 \$
The following reflects the loss and share data used in the calculations of basic and diluted earnings/ (loss) per share:		
Earnings/ (loss) used in calculating basic and diluted earnings/ (loss) per share	(2,127,198)	(2,446,274)
	Number of shares 2023	Number of shares 2022
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share:	6,079,575,874	4,009,195,586
Basic loss per share (cents per share)	0.03	0.06
Diluted loss per share (cents per share)	0.03	0.06

23 Notes to the statement of cash flows

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

24 Financial Instruments

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

(i) Interest Rate Risk

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

24 Financial Instruments (continued)

Consolidated 2023	Note	Weighted Average Effective Interest %	Funds Available at a Floating Interest Rate \$	Fixed Interest Rate \$	Assets/ (Liabilities) Non Interest Bearing \$	Total \$
Financial Assets						
Cash and Cash Equivalents	7	3.80%	520,613	-	-	520,613
Trade and other Receivables	8		-	-	863,639	863,639
Other assets	9		-	-	78,086	78,086
Total Financial Assets			520,613	-	941,725	1,462,338
Financial Liabilities			-	-		
Trade and other Payables	13				1,185,450	1,185,450
Provisions	14				196,087	196,087
Total Financial Liabilities					1,381,537	1,381,537
Net Financial Assets/(Liabilities)			520,613		(439,812)	80,801
Consolidated 2022	Note	Weighted Average Effective Interest %	Funds Available at a Floating Interest Rate \$	Fixed Interest Rate \$	Assets/ (Liabilities) Non Interest Bearing \$	Total \$
Financial Assets						
Cash and Cash Equivalents	7	3.80%	2,354,689	-	-	2,354,689
Trade and other Receivables	8		-	-	787,040	787,040
Other assets	9		-	-	69,514	69,514
Total Financial Assets			2,354,689	-	856,554	3,211,243
Financial Liabilities						
Trade and other Payables	13		-	-	1,256,497	1,256,497
Provisions	14		-	-	64,271	64,271
Total Financial Liabilities			-	-	1,320,768	1,320,768
Net Financial Assets			2,354,689	-	(464,214)	1,890,475

24 Financial Instruments (continued)

(ii) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and in the notes to the financial statements. The Company does not have any material credit risk exposure to any single debtor or group of debtors, under financial instruments entered into by it.

(iii) Commodity Price Risk and Liquidity Risk

At the present state of the Company's operations it has minimal commodity price risk and limited liquidity risk due to the level of payables and cash reserves held. The Company's objective is to maintain a balance between continuity of exploration funding and flexibility through the use of available cash reserves.

(iv) Net Fair Values

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The Company has no financial assets where the carrying amount exceeds net fair values at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

25 Contingent Liabilities

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

26 Mosman Oil and Gas Limited - Parent Entity Disclosures

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

27 Controlled Entities

Investments in group entities comprise:

Name	Principal activities	Incorporation	Beneficial percentage held by economic entity	
			2023 %	2022 %
Mosman Oil and Gas Limited	Parent entity	Australia		
Wholly owned and controlled entities:				
OilCo Pty Limited	Oil & Gas exploration	Australia	100	100
Trident Energy Pty Ltd	Oil & Gas exploration	Australia	100	100
Adagio Resources Limited	Oil & Gas exploration	Australia	100	-
Mosman Oil USA, INC.	Oil & Gas operations	U.S.A.	100	100
Mosman Texas, LLC	Oil & Gas operations	U.S.A.	100	100
Mosman Operating, LLC	Oil & Gas operations	U.S.A.	100	100
NADSOILCO, LLC	Oil & Gas operations	U.S.A.	100	100

Mosman Oil and Gas Limited is the Parent Company of the Group, which includes all of the controlled entities. See also Note 29 Subsequent Events for additional corporate activity in progress subsequent to the 30 June 2022 year end.

28 Share Based Payments

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

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

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

29 Events Subsequent to the End of the Financial Year

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

- On 13 July 2023, the Company announced it had raised £300,000, by way of a placing of 857,142,857 new ordinary shares of no-par value in the capital of the Company, at a placing price of 0.035p per share, with one warrant for every two Placing Shares exercisable at a price of 0.07p with a term of 24 months.
- On 31 August 2023, the Company announced that a frac was completed at the G-2 production well in the Cinnabar project.
- On 4 September 2023, the Company announced that Executive Chairman, John W Barr had given his notice of resignation as Director, effective 30 September 2023.
- On 4 September 2023, it was also announced the Mr John Young had resigned as Non-Executive Director, effective immediately.
- On 6 September 2023, the Company announced that the year three report on EP 145 had been lodged with the Northern Territory Government.
- On 7 September 2023, it was announced that the Company had reached an agreement to transfer the Falcon lease to 84 Energy Corp in exchange for equipment on the lease, noting the Company is not liable for potential future abandonment costs.
- In addition, the Galaxie exploration lease was not renewed and expired with no liabilities.
- On 29 September 2023, the Company announced the appointment of Mr Carl Dumbrell as an independent Non-Executive Director, with immediate effect. Subsequent to Mr John Barr's resignation, Mr Nigel Harvey would replace Mr John Barr as Chairman, and Mr Andrew Carroll would lead the business as CEO, both effective 1 October 2023.
- On 16 October 2023, the Company announced that it had entered into a farmin agreement with Greenvale Gold Pty Ltd, a wholly owned subsidiary of Greenvale Energy Ltd (ASX:GRV) to fund seismic and drilling on its EP 145 project in the Northern Territory of Australia. Upon Completion, Mosman would retain a 25% working interest in EP 145 and Greenvale would earn a 75% working interest in EP 145 by:
 - Committing to pay AUD160,000 in cash within 5 days of Completion, which is subject to government approval of the transfer of interest and Operatorship;
 - Paying for the EP 145 Permit Year 3 Work Program, including seismic, effective from Completion Date;
 - Funding the Permit Year 4 Work Program, including drilling one well with a well cost cap of AUD5.5 million;
 - The Year 3 Work Program is to be completed by August 2024 and the cost of the seismic acquisition is estimated to be circa AUD2 million;
 - The Year 4 Work Program is to be completed by August 2025. The cost of drilling a well depends on many factors including the depth of a well and cost of drilling rigs at the time of drilling.
- On 26 October 2023, the Company announced the Central Land Council ("CLC") had agreed to extend the negotiating period in respect of the Company's EPA 155 permit application until October 2024.

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

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 42-71, are in accordance with the Australian Corporations Act 2001:
 - (a) comply with Accounting Standards, which, as stated in Note 1 - Statement of Accounting Policies to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Group.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed by authority for and on behalf of the Directors by:



Nigel Harvey
Non Executive Chairman
8 November 2023