

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

Half Year Report

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, announces its results for the six months ended 31 December 2018, which have been reviewed by the appointed auditors.

Operations Review

Strategy

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

Four Producing Projects in USA

Mosman has Working Interests in four onshore producing projects located in the USA. These projects and Mosman's working interests before royalties (WI) are:

Project	Location	Working Interest
Stanley Polk County	Texas	16.50%
Welch Permian Basin	Texas	100.00%
Arkoma Stacked Pay	Oklahoma	27.00%
Strawn	Texas	50.00%

Additional Prospective Projects in USA

In addition, and as part of the Company's Strategic Alliance with Baja Oil and Gas LLC (Baja) which includes the producing Stanley asset, working interests in two additional projects, Challenger and Champion have also been acquired. These are both prospective and already preliminary drilling targets have been identified. These projects and Mosman's working interests before royalties (WI) are.

Project	Location	Working Interest
Challenger	Texas	46.83%
Champion	Texas	60.00%

The Company may consider further potential investment opportunities with Baja which may progress during the coming year.

Acquisition and Development

A total of \$899,662 was expended on acquisition costs and development expenditure during the six months to 31 December 2018. Development expenditure during the period has included workovers and largely one-off repairs that were identified to increase production and develop individual assets.

The Board has been evaluating other potential acquisition opportunities during the period and continues to do so.

Sales

Net Sales Revenue attributed to Mosman for the six months ended 31 December 2018 was \$521,326 which was an increase of some 62 per cent. over the same period in 2017 (and an increase of 24% over the six months to 30 June 2018).

That revenue was generated from Net Production attributable to Mosman representing some 6,476 Barrels of Oil Equivalent (BOE).

The revenue reported in the Statement of Profit or Loss and Other Comprehensive Income is statutory revenue which includes adjustments for inventory balances at period ends, and other adjustments required by the AASB.

This is different from the Revenue for the Producing Assets note (Note 14) being the Revenue for a given specific oil and gas asset, which excludes other items.

This also differs from the Net Sales attributable to Mosman figure released to the market via the Regulatory News Service (RNS) on 6 February 2019 as this represents the Net Revenue attributable to the Company prior to adjustments for inventory balances at period ends, and other matters required by the AASB.

Several factors including breakdowns at Welch, workovers at other projects, lower commodity prices, and weather delays generally resulted in a reduction of Gross Profit, compared to the same period in 2018. These matters have largely been rectified and 2019 has started on a much stronger basis with January Net Production attributable to Mosman of 2,203 BOE and the resulting Net Sales attributable to Mosman being \$102,966.

Exploration

Mosman continues to progress the exploration portfolio in Australia and maintains its interest in the 100% owned granted permits EP 145 and one application (EPA 155).

During the six months \$66,275 was expended on advancing these assets.

The permit anniversary date on EP 145 is 21 August 2019, which is the due date for completion of 100km of 2D seismic surveys, seismic processing and interpretation and well planning. If the Company has not fulfilled the above obligations, a negotiation with the Northern Territory Department of Primary Industry and Resources may be commenced to extend the period for completion, or the permit relinquished. There can be no certainty that an extension may be granted. Mosman continues to pursue farm-in discussions on EP 145 with potential joint venture partners.

General

In the six months, identified project expenditures on the operating projects increased to resolve short term issues. Most other costs have been controlled when compared to the same period in 2017.

Corporate

Funding

In November 2018, Mosman raised £390,000 by way of a placing and subscription of 141,818,182 new ordinary shares at 0.275p per share. Further, the Directors participated in a placement of 40,000,000 new ordinary shares at 0.275 per share contributing £110,000. The proceeds of the Placing were raised to accelerate the development of the US onshore oil production assets to increase production and cash flow, in addition to the potential acquisition of additional onshore production assets, for general corporate working capital purposes and for the ongoing costs associated with the review and due diligence on other acquisition opportunities being evaluated.

The Mosman Board is encouraged by the drilling and production opportunities available to it going forward and is currently considering a range of options to fund the business and deliver growth in production and revenue.

Gem International Resources Inc

Mosman continues to hold its shareholding in the TSX-V listed GEM International Resources Inc. ("GEM") (TSX-V: GI). GEM shares remain suspended due to the previous board failing to complete the required financial reporting.

The current Board (which includes Mosman's Executive Chairman) are hopeful that a new transaction will occur shortly to revitalize GEM. At this time a draft Letter of Intent is under negotiation, but it is extremely difficult to predict the chance of completion, or the timetable.

Subsequent Events

There were no significant events subsequent to the date of statement of financial position.

Outlook

While the six months to 31 December 2018 have been impacted by factors as set out above, we look forward to the remainder of the financial year and beyond with confidence.

Production is anticipated to continue to grow in the next twelve months.

We also retain an exciting exploration portfolio with our Amadeus Basin assets where EP 145 is set to benefit from any resulting positive newsflow following Santos' expected drilling of the Dukas Prospect in the near term. Mosman continues to pursue farm-in discussions on EP 145 with potential joint venture partners.

We also look forward to further developing our US asset base in conjunction with our Strategic Partner Baja which includes further work to progress the drill targets identified at our Champion and Challenger projects and drilling further prospects identified at our producing Stanley asset.

Overall, the expectation for 2019 is for higher revenues and lower costs from the existing producing asset base coupled with further potential production upside from the recompletion at Stanley-1, and the drilling of Stanley 2 and from the potential drilling of other well targets already identified in our US portfolio.

Competent Person's Statement

The information contained in this announcement has been reviewed and approved by Andy Carroll, Technical Director for Mosman, who has over 35 years of relevant experience in the oil industry. Mr. Carroll is a member of the Society of Petroleum Engineers.

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

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

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for
The Half Year Ended 31 December 2018**
All amounts are in Australian Dollars

	Notes	Consolidated 6 months to 31 December 2018 \$	Consolidated 6 months to 31 December 2017 \$
Revenue		521,326	321,348
Cost of sales	2	(482,849)	(164,826)
Gross profit		38,477	156,522
Interest income		15,001	6,336
Other income		8,546	709
Administrative expenses		(94,095)	(67,195)
Corporate expenses	3	(417,494)	(406,119)
Directors fees		(60,000)	(60,000)
Exploration expenses incurred not capitalised		(7,987)	(52,163)
Employee benefits expense		(46,093)	(47,875)
Evaluation and due diligence		(100,020)	(154,077)
Non cash share based payments expense		(10,149)	(40,567)
Finance costs		(2,250)	-
Depreciation expense		(3,135)	(5,599)
Costs associated with abandoned acquisitions	4	(40,214)	(9,815)
Pre-acquisition costs		-	(44,775)
Share of net loss from joint operation		(11,354)	(6,428)
Loss from ordinary activities before income tax expense		(730,767)	(731,046)
Income tax expense		-	-
Net loss for the period		(730,767)	(731,046)
Other comprehensive loss			
<i>Items that may be reclassified to profit or loss</i>			
Loss on the revaluation of equity instruments at fair value through other comprehensive income, net of tax	5	-	(190,309)
Foreign currency gain/(loss)	5	60,330	(10,415)
Other comprehensive loss for the period, net of tax		60,330	(200,724)
Total comprehensive loss attributable to members of the entity		(670,437)	(931,770)
Basic and diluted loss per share		(0.14) cents	(0.36) cents

The accompanying notes form part of these financial statements.



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Condensed Consolidated Statement of Financial Position
As at 31 December 2018
All amounts are in Australian Dollars

	Notes	Consolidated Balance as at 31 December 2018	Consolidated Balance as at 30 June 2018
		\$	\$
Current Assets			
Cash and cash equivalents		340,928	1,323,084
Trade and other receivables	6	337,202	161,814
Inventory		56,195	106,633
Other assets	7	93,401	5,944
Other financial assets		-	-
Total current assets		827,726	1,597,475
Non-Current Assets			
Property, plant & equipment		16,663	19,799
Oil and gas assets	8	3,444,901	2,592,814
Loans receivable		310,869	276,999
Other receivables		50,000	50,000
Capitalised oil and gas exploration expenditure	9	1,557,294	1,491,019
Total non-current assets		5,379,727	4,430,631
Total Assets		6,207,453	6,028,106
Current Liabilities			
Trade and other payables	10	449,344	436,586
Provisions		21,308	19,000
Total current liabilities		470,652	455,586
Total Liabilities		470,652	455,586
Net Assets		5,736,801	5,572,520
Shareholders' Equity			
Contributed equity	11 a)	28,869,373	28,044,804
Reserves	11 b)	893,750	420,860
Accumulated losses		(24,014,968)	(22,921,464)
Equity attributable to shareholders		5,748,155	5,544,200
Non-controlling interest		(11,354)	28,320
Total Shareholders' Equity		5,736,801	5,572,520

The accompanying notes form part of these financial statements.



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**Condensed Consolidated Statement of Changes in Equity
For the Half Year Ended 31 December 2018
All amounts are in Australian Dollars**

	Accumulated Losses	Contributed Equity	Reserves	Non- Controlling Interest	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2018	(22,921,464)	28,044,804	420,860	28,320	5,572,520
Comprehensive income					
Loss for the period	(719,413)	-	-	(11,354)	(730,767)
Other comprehensive loss for the period	-	-	60,330	-	60,330
Total comprehensive loss for the period	(719,413)	-	60,330	(11,354)	(670,437)
Transactions with owners, in their capacity as owners, and other transfers:					
New shares issued	-	887,377	-	-	887,377
Cost of raising equity	-	(62,808)	-	-	(62,808)
Reallocation of ARR reserve	(402,411)	-	402,411	-	-
Options issued	-	-	10,149	-	10,149
Total transactions with owners and other transfers	-	824,569	10,149	-	834,718
Balance at 31 December 2018	(24,043,288)	28,869,373	893,750	16,966	5,736,801
Balance at 1 July 2017	(19,499,941)	25,286,313	1,058,126	62,041	6,906,539
Comprehensive income					
Loss for the period	(724,618)	-	-	(6,428)	(731,046)
Other comprehensive loss for the period	-	-	(200,724)	-	(200,724)
Total comprehensive loss for the period	(724,618)	-	(200,724)	(6,428)	(931,770)
Transactions with owners, in their capacity as owners, and other transfers:					
New shares issued	-	1,013,376	-	-	1,013,376
Cost of raising equity	-	(72,841)	-	-	(72,841)
Options issued	-	-	40,567	-	40,567
Options expired	646,987	-	(646,987)	-	-
Total transactions with owners and other transfers	646,987	940,535	(606,420)	-	981,102
Balance at 31 December 2017	(19,577,572)	26,226,848	250,982	55,613	6,955,871

These accompanying notes form part of these financial statements

Condensed Consolidated Statement of Cash Flows
For the Half Year Ended 31 December 2018
All amounts are in Australian Dollars

	Consolidated 6 months to 31 December 2018 \$	Consolidated 6 months to 31 December 2017 \$
Cash flows from operating activities		
Receipts from customers	540,201	134,839
Interest received & other income	23,546	7,040
Payments to suppliers and employees	(1,087,329)	(619,075)
Bonds refunded	66,735	3,035
Interest paid	(2,249)	-
Net cash used in operating activities	(459,096)	(474,161)
Cash flows from investing activities		
Payments for property, plant & equipment	-	(4,240)
Payments for exploration and evaluation	(174,280)	(284,043)
Deposits paid for acquisition	(136,735)	-
Costs associated with abandoned acquisitions	(40,214)	(9,815)
Payments for oil and gas acquisitions	(690,449)	(656,191)
Payments for oil and gas assets	(171,311)	(341,111)
Net cash used in investing activities	(1,212,989)	(1,295,400)
Cash flows from financing activities		
Proceeds from shares issued	887,376	1,013,375
Payments for costs of capital	(62,808)	(72,841)
Payments for loans to third parties	(33,870)	-
Transactions with non-controlling interest	(100,769)	(6,427)
Net cash provided by financial activities	689,929	934,107
Net decrease in cash and cash equivalents	(982,156)	(835,454)
Cash and cash equivalents at the beginning of the financial period	1,323,084	1,666,139
Cash and cash equivalents at the end of the financial period	340,928	830,685

The accompanying notes from part of these financial statements



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**Condensed Notes to the Financial Statements
For the Half-Year Ended 31 December 2018
All amounts are Australian Dollars**

1. Summary of Significant Accounting Policies

Statement of Compliance

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

Basis of preparation

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

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2018 annual financial report for the financial year ended 30 June 2018, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Going Concern

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

As disclosed in the half-year interim financial report, the Group incurred a net loss for the period of \$730,767 and had net cash outflows from operating activities of \$459,096 for the half year ended 31 December 2018. As at that date the Group had net current assets of \$357,075.

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- The Company has \$337,202 in current trade receivables which the directors believe will be sufficient to fund short term working capital needs;
- The inventory balance as at 31 December 2018 was \$56,196;
- The Directors are of the opinion that existing shareholders and financiers will continue to fund the company in the short term, and if required additional share capital or debt funding can be sourced to develop the projects further.

However, should the Group activities not eventuate as planned or be unable to obtain sufficient funding as advised above, there is a significant uncertainty which may cast doubt as to whether or not the Group will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

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

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.



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**Condensed Notes to the Financial Statements
For the Half-Year Ended 31 December 2018
All amounts are Australian Dollars**

New and revised accounting requirements applicable to the current half- year reporting period

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 9 Financial Instruments

The consolidated entity has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest.

A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value.

All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI').

Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch).

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available. The Group has not recognised an ECL in the current period as the group has not recognised a bad debts expense since operations began. This can be attributed to the Group's customer profile and credit policies in place.

AASB 9 was adopted using the modified retrospective approach and as such comparatives were not restated.

AASB 15 Revenue from Contracts with Customers

The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The consolidated entity's main source of income is royalties, where the adoption of AASB 15 has been determined to not have a significant impact on the consolidated entity's accounting policies or the amounts recognised in the financial statements. There is therefore no impact on opening retained profits as at 1 July 2018.

Exploration and Evaluation Costs

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

Impairment of Exploration and Evaluation Assets

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

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.

Revenue Reporting

Revenue for the Company is reported in a number of sections of the financial report. The revenue reported in the Statement of Profit or Loss and Other Comprehensive Income is statutory revenue which includes adjustments for inventory balances at period ends, intercompany management fee eliminations and other accounting adjustments required by the AASB. Revenue for the Producing Assets note (Note 14) is taken as being the Revenue for that specific oil and gas assets, which excludes, among others, the intercompany management fee adjustment. The Net Sales attributable to Mosman figure released to the market via the Regulatory News Service (RNS) on 6 February 2019 is the Net Revenue attributable to the Company prior to adjustments for inventory balances at period ends, and other adjustments required by the AASB.

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.



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Segment Reporting

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

	Consolidated 6 months to 31 December 2018 \$	Consolidated 6 months to 31 December 2017 \$
2. Cost of sales		
Cost of sales	305,427	38,168
Lease operating expenses	129,846	120,123
Oil and gas assets amortisation charge	47,576	6,535
	482,849	164,826
3. Corporate costs		
Accounting, Company Secretary and Audit fees	92,933	100,252
Consulting fees – Board	221,750	225,385
Consulting fees – Other	56,538	52,207
Legal and compliance fees	46,273	28,275
	417,494	406,119
4. Costs associated with abandoned acquisitions		
Costs Incurred	40,214	9,815
	40,214	9,815
5. Other comprehensive loss		
Loss on the revaluation of equity instruments at fair value through other comprehensive income, net of tax	-	190,309
Foreign currency (gain)/loss	(60,330)	10,415
	(60,330)	200,724
6. Trade and other receivables		
Deposits	15,072	81,808
GST receivable	47,301	32,574
Cash calls receivable	125,827	47,432
Cash calls paid in advance	136,735	-
Other receivables	12,267	-
	337,202	161,814

	Consolidated Balance as at 31 December 2018 \$	Consolidated Balance as at 30 June 2018 \$
7. Other assets		
Prepayments	93,401	5,944
	93,401	5,944
8. Oil and gas assets		
Cost brought forward	2,592,814	749,619
Acquisition of oil and gas assets	690,450	1,278,583
Capitalised equipment workovers	209,212	587,060
Amortisation	(47,575)	(22,448)
Carrying value at end of the period	3,444,901	2,589,814
9. Capitalised oil and gas expenditure		
Costs brought forward	1,491,019	4,073,115
Exploration costs incurred during the period	17,276	144,316
Exploration expenditure previously capitalised, written off in the period	-	(2,752,115)
FX movement	48,999	25,703
Carrying value at the end of the period	1,557,294	1,491,019
10. Trade and other payables		
Trade creditors	189,075	273,844
Other creditors and accruals	260,269	162,742
	449,344	436,586
11. Contributed Equity		
Ordinary Shares		
Total shares at 31 December 2018: 635,810,968 (30 June 2018: 453,992,787) ordinary shares fully paid	28,869,373	28,044,804
	Value of shares \$	No. of shares
a) Shares movements during the half-year		
Balance at 30 June 2018	28,044,805	453,992,787
Shares issued	887,376	181,818,181
Cost of issued shares	(62,808)	-
Balance at 31 December 2018	28,869,373	635,810,968

	Consolidated Balance as at 31 December 2018	Consolidated Balance as at 30 June 2018
12. Reserves		
Options reserve	481,968	471,818
Asset revaluation reserve	-	(402,411)
Foreign currency translation reserve	411,782	351,453
	893,750	420,860
a) Options Reserve		
Options Reserve at the beginning of the period	471,818	1,063,440
Options issued	10,150	55,365
Options expired	-	(646,987)
Options Reserve at the end of the period	481,968	471,818
b) Asset Revaluation Reserve		
Asset Revaluation Reserve at the beginning of the period	(402,411)	(215,793)
Revaluation of AFS shares	-	(186,618)
Reallocation of Asset Revaluation Reserve to Retained Earnings due to AASB 9 introduction	402,411	-
Asset Revaluation Reserve at the end of the period	-	(402,411)
c) Foreign Currency Translation Reserve		
Foreign Currency Translation Reserve at the beginning of the period	351,453	210,479
Current movement in the period	60,329	140,974
Foreign Currency Translation Reserve at the end of the period	411,782	351,453

13 Segment Information

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

Operating segments are identified by the board based on the Oil and Gas projects in Australia the United States and New Zealand. 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 three reportable segments based on the geographical areas of the mineral resource and exploration activities in Australia, the United States and New Zealand. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

(i) Segment performance

	New Zealand \$	United States \$	Australia \$	Total \$
Period ended 31 December 2018				
Revenue				
Revenue	-	500,503	20,823	521,326
Interest income	-	14,525	477	15,001
Foreign exchange gain	-	-	7,622	7,622
Gain on sale of non-current assets	924	-	-	924
Segment revenue	924	515,027	28,922	544,873
Segment Result				
Loss				
Allocated				
- Corporate costs	-	(11,177)	(406,316)	(417,493)
- Administrative costs	(469)	(43,620)	(50,005)	(94,094)
- Lease operating expenses	-	(353,003)	-	(353,003)
- Cost of sales	-	(129,846)	-	(129,846)
- Share of net loss of joint operation	-	(11,354)	-	(11,354)
Segment net loss before tax	455	(33,972)	(427,399)	(460,916)
<i>Reconciliation of segment result to net loss before tax</i>				
Amounts not included in segment result but reviewed by the Board				
- Exploration expenditure incurred not capitalised	(7,987)	-	-	(7,987)
- Evaluation and due diligence	-	-	(100,020)	(100,020)
- Projects abandoned	(1,930)	-	(38,284)	(40,214)
Unallocated items				
- Employee benefits expense				(106,093)
- Share based payments				(10,149)
- Finance costs				(2,251)
- Depreciation				(3,135)
Net Loss before tax from continuing operations				(730,764)



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(i) Segment performance (continued)

	New Zealand \$	United States \$	Australia \$	Total \$
Period ended 31 December 2017				
Revenue				
Revenue	-	302,113	19,235	321,348
Interest income	-	-	709	709
Share of net profit of joint operation	-	-	1,529	1,529
Other income	4,775	32	-	4,807
Segment revenue	4,775	302,145	21,473	328,393
Segment Result				
Loss				
Allocated				
- Corporate costs	-	(1,187)	(404,932)	(406,119)
- Administrative costs	(4,905)	-	(62,290)	(67,195)
- Cost of sales	-	(38,169)	-	(38,169)
- Lease operating expenses	-	(126,657)	-	(126,657)
- Share of net joint operating loss	-	(6,428)	-	(6,428)
Segment net (loss)/profit before tax	(130)	129,704	(445,749)	(316,175)
<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 capitalized	(52,163)	-	-	(52,163)
- Evaluation and due diligence	-	(9,819)	(144,258)	(154,077)
- Projects abandoned	(9,815)	-	-	(9,815)
- Pre-acquisition costs	-	-	(44,775)	(44,775)
Unallocated items				
- Employee Benefits Expense				(107,875)
- Share-based payments				(40,567)
- Depreciation				(5,599)
Net Loss before tax from continuing operations				(731,046)

13 Segment Information (continued)

(ii) Segment assets

	New Zealand \$	United States \$	Australia \$	Total \$
As at 31 December 2018				
Segment assets as at 1 July 2018	197,020	2,831,215	2,999,781	6,028,106
Segment asset increases/(decreases) for the year		(2,831,215)		
- Exploration and evaluation	(246,019))	3,605,321	528,087
- Foreign exchange impact	48,999	-	-	48,999
- Exploration expenditure previously capitalised, written off in financial year	-	-	(5,047,898)	(5,047,898)
	-	-	1,557,294	1,557,294

*Reconciliation of segment assets to
total assets:*

Other assets	142,200	3,935,956	572,004	4,650,160
Total assets from continuing operations	142,200	3,935,956	2,129,298	6,207,453

	New Zealand \$	United States \$	Australia \$	Total \$
As at 30 June 2018				
Segment assets as at 1 July 2017	392,510	953,669	6,072,294	7,418,472
Segment asset increases/(decreases) for the year				
- Exploration and evaluation	(418,211)	(953,669)	466,623	(905,257)
- Foreign exchange impact	25,701	-	-	25,701
- Exploration expenditure previously capitalised, written off in financial year	-	-	(5,047,898)	(5,047,898)
	-	-	1,491,019	1,491,019

*Reconciliation of segment assets to
total assets:*

Other assets	197,020	2,831,215	1,508,852	4,537,087
Total assets from continuing operations	197,020	2,831,215	2,999,871	6,028,106



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13 Segment Information (continued)

(iii) Segment liabilities

	New Zealand	United States	Australia	Total
	\$	\$	\$	\$
As at 31 December 2018				
Segment liabilities as at 1 July 2018	146,071	136,374	173,141	455,586
Segment liability (decreases) for the year	(146,071)	78,902	82,234	15,066
	-	215,276	255,375	470,652
<i>Reconciliation of segment liabilities to total liabilities:</i>				
Other liabilities	-	-	-	-
Total liabilities from continuing operations	-	215,276	255,375	470,652
As at 30 June 2018				
Segment liabilities as at 1 July 2017	162,478	69,679	279,777	511,934
Segment liability (decreases) for the year	(16,407)	66,695	(106,636)	(56,348)
	146,071	136,374	173,141	455,586
<i>Reconciliation of segment liabilities to total liabilities:</i>				
Other liabilities	-	-	-	-
Total liabilities from continuing operations	146,071	136,374	173,141	455,586



14 Producing assets

The Group currently has 4 producing assets, which the Board monitors as separate items to the geographical and operating segments. The Arkoma, Stanley, Strawn and Welch are Oil and Gas producing assets in the United States. It should be noted that the Strawn Project is a 50% joint operation with Blackstone Oil and Gas and as a result the amounts below are only the apportionment of the Mosman ownership right. Project performance, assets and liabilities and acquisition costs are all monitored by the line items below.

(i) Project performance

	Arkoma \$	Stanley \$	Strawn \$	Welch \$	Total \$
Half-Year Ended 31 December 2018					
<i>Revenue</i>					
Oil and gas project related revenue	41,621	8,223	34,843	415,815	500,503
Other income	-	-	43,620	-	43,620
Producing assets revenue	41,621	8,223	78,463	415,815	544,122
<i>Project-related expenses</i>					
- Cost of sales	-	-	13,606	115,108	128,714
- Lease operating expenses	39,336	4,490	65,943	212,674	322,441
Project cost of sales	39,336	4,490	79,548	327,781	451,155
<i>Project gross profit</i>					
Gross profit	2,285	3,734	(1,085)	88,034	92,967
<i>Overhead costs</i>					
- Administrative costs	778	-	-	4,038	4,816
- Employee benefits	-	-	10,936	-	10,936
Project net profit/(loss) before tax	1,507	3,734	(12,021)	83,996	77,216

14 Producing assets (continued)

(i) Project performance

	Arkoma \$	Stanley \$	Strawn \$	Welch \$	Total \$
Half-Year Ended 31 December 2017					
<i>Revenue</i>					
Oil and gas project related revenue	2,965	-	75,003	224,145	302,113
Other income	32	-	-	-	32
Producing assets revenue	2,997	-	75,003	224,145	302,145
<i>Project-related expenses</i>					
- Cost of sales	-	-	11,596	26,573	38,169
- Lease operating expenses	-	-	57,667	81,710	139,377
Project cost of sales	-	-	69,263	108,283	177,546
<i>Project gross profit</i>					
Gross profit	2,997	-	5,740	115,862	124,599
<i>Overhead costs</i>					
- Employee benefits	-	-	12,836	-	12,836
Project net profit/(loss) before tax	2,997	-	(7,096)	115,862	111,763

14 Producing assets (continued)

(ii) Project assets

	Arkoma \$	Stanley \$	Strawn \$	Welch \$	Total \$
As at 31 December 2018					
Project assets as at 1 July 2018	19,424	-	127,256	370,051	516,731
Project assets for the year					
- Cash	17,488	-	5,836	27,145	50,470
- Cash calls receivable	-	-	142,829	-	142,829
- Loans receivable	54,146	33,359	-	403,091	490,777
- Inventory	-	-	9,647	46,548	56,196
- Bonds receivable	-	-	319	-	319
	<u>71,634</u>	<u>33,539</u>	<u>158,632</u>	<u>476,785</u>	<u>740,591</u>
<i>Unallocated assets</i>					
- Other assets					1,417
Total project assets					<u>742,007</u>
As at 30 June 2018					
Project assets as at 1 July 2017	-	-	204,119	-	204,119
Project assets for the year					
- Cash	283	-	2,384	140,249	142,916
- Cash calls receivable	-	-	83,963	-	83,963
- Loans receivable	19,141	-	8,909	154,865	182,915
- Inventory	-	-	31,696	74,937	106,633
- Bonds receivable	-	-	304	-	304
	<u>19,424</u>	<u>-</u>	<u>127,256</u>	<u>370,051</u>	<u>516,731</u>
<i>Unallocated assets</i>					
- Other assets					1,353
Total project assets					<u>518,084</u>

14 Producing assets (continued)

(iii) Project liabilities

	Arkoma \$	Stanley \$	Strawn \$	Welch \$	Total \$
As at 31 December 2018					
Project liabilities as at 1 July 2018	2,584	-	101,105	156,608	260,297
Project liabilities for the year					
- Accounts payable	-	19,552	84,285	143,052	246,889
- Accrued expenses	38,451	-	-	-	38,451
- Loans payable	14,002	10,154	59,305	23,974	107,435
	52,452	29,706	143,590	167,026	392,774

Unallocated liabilities

- Other liabilities

Total project liabilities

392,774

(iii) Project liabilities

As at 30 June 2018

Project liabilities as at 1 July 2017	-	-	83,217	-	83,217
Project liabilities for the year					
- Accounts payable	-	-	80,057	115,897	195,954
- Loans payable	2,584	-	21,048	40,711	64,343
	2,584	-	101,105	156,608	260,297

Unallocated liabilities

- Other liabilities

Total project liabilities

260,297

15 Expenditure Commitments

(a) Exploration

The Company has certain obligations to perform minimum exploration work on Oil and Gas tenements held. These obligations may vary over time, depending on the Company's exploration programs and priorities. At 31 December 2018, the Company has estimated the monetary value of the total exploration commitments for the next 12 months are as follows:

Entity	Tenement	\$
Trident Energy Limited ¹	EP 145	1,500,000
Oilco Pty Ltd ²	EPA 155	-
Oilco Pty Ltd ³	EP 156	-
Mosman Texas, LLC ⁴	Various	-
		<u>1,500,000</u>

¹ The permit anniversary date is 21 August 2019, which is the due date for completion of 100km of 2D seismic surveys, seismic processing and interpretation and well planning. If the Company has not fulfilled the above obligations, a negotiation with the Northern Territory Department of Primary Industry and Resources may be commenced to extend the period for completion, or the permit relinquished. There can be no certainty that an extension may be granted.

² This application has not currently been granted and as such no obligation exists.

³ This tenement has been surrendered resulting in no further obligations.

⁴ The permits held by Mosman Texas, LLC are all held by production with no minimum expenditure obligations.

(b) Capital Commitments

The Company had no capital commitments at 31 December 2018 (2017 - \$Nil).

16 Subsequent Events

There were no significant events subsequent to balance date.

17 Dividends

No dividends have been paid or proposed during the half year ended 31 December 2018.

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6-24, 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 31 December 2018 and of the performance for the year ended on that date of the Group.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



John W Barr
Executive Chairman

Dated this **28 March 2019**



MOSMAN OIL AND GAS
LIMITED

Company Directory

Directors

John W Barr
Andy R Carroll
John A Young

Company Secretary

Jarrod White

Head and Registered Office

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Sydney NSW Australia NSW 2000

Stock Exchange

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

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Nominated Adviser & Broker

SP Angel Corporate Finance LLP

Registrars

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Bankers

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Joint Broker

SVS Securities Plc

Lawyers

As to English law
Druces LLP

As to Australian law
DLA Piper
