28 November 2018

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

Final Results for the Year ended 30 June 2018

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, announces its final results for the year ended 30 June 2018.

Overview of the 2018 financial year

During 2018, Mosman's strategic objective remained to identify opportunities which will provide operating cash flow and have development upside, in conjunction with progressing exploration of existing exploration permits.

This approach has been fundamental in the transition from the Company's previous higher-risk exploration portfolio to the current position; with four producing projects and up to five potential new wells planned to be drilled in 2018/19. At the same time Mosman has maintained its core exploration permits in the Amadeus Basin in central Australia.

Accordingly, the financials reflect a strong increase in gross sales and for the first year a gross profit. The gross profit of $234,430 reflects Mosman's working interest share of production income after production costs and after royalty payments.

Overall, in the year ending 30 June 2018, the Company made a loss of $4,102,231. (2017: $9,186,307). This loss includes expensing $2,752,115 (2017: $7,428,444) in previous costs that were capitalised.

Overhead costs have been tightly controlled with reductions in many areas including Board remuneration. 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 express my profound gratitude for everyone's efforts in 2018. In particular, the efforts of the Technical Director, and the US based Operations manager, should each be singled out.

Significantly, some $607,794 was expended on acquisitions and a further $545,013 on developing assets in the portfolio.

United States

In the previous year, time was spent establishing Mosman's credentials and partnering through strategic alliances, gaining operator status as well as establishing other local commercial partners. The Company also successfully established a local US network capable of sourcing and transacting on services and properties.

The activity in the USA led to the steady increase in the number of projects; production and revenue. The Stanley-1 well which forms part of the Baja Strategic Alliance was drilled after the year end and was immediately placed on production. This increased the number of producing projects to four.

Stanley-1 is averaging the equivalent of 90 boepd[2] (gross, Mosman holds a 16.5% Working Interest). Stanley-2 will be drilled shortly and Mosman has already planned to participate in Stanley-3 and 4.

Production in the Financial year was as below.

	Gross Production BOE[1]	Net Production[3] BOE[1]
Strawn	2,515	1,006
Welch	11,202	8,586
Arkoma	12,206	775
Total Production	**25,923**	**10,367**

[1]BOE – barrels of oil equivalents
[2]boepd – barrels of oil equivalents per day
[3]Net Production – Net to Mosman's Working interest after royalties

Australia

Throughout the year the Company completed technical work on its Central Australian exploration projects specifically undertaking reviews of previous seismic surveys and completing the reinterpretation of those surveys. The results are technically significant and reviewed the scope of further work programs in 2018 whilst conserving cash commitments.

A recent major milestone for the region has been reached on the Northern Gas Pipeline (NGP) with leading energy infrastructure company Jemena announcing that construction of the 622km pipeline is complete.

New Zealand

The Company completed its responsibilities to plug and abandon the wells.

Other Matters

Included in the loss for 2018 was the expensing of the investment in GEM International Inc. of $76,443. This investment decision was made based on representations by the then Directors and the business plans provided. Neither the representations nor the business plan was followed and Mosman moved in early 2018 to remove the Board and seek a new direction for that Company. Although the investment has been expensed, it is planned that a revitalisation will occur in 2019. Mosman is unable to estimate the likelihood of success at present as there remain several key conditions that require to be satisfied, however, Mosman's objective remains to recover its investment and loan.

Outlook

The outlook for junior oil and gas companies is still very challenging, especially in the light of recent oil price movements; but Mosman looks forward to 2019 and 2020 with greater optimism now that a firm production base has been established and plans for increasing production are in place. The potential of projects within the Baja Strategic Alliance are significant and immediate focus will be on those assets.

Report and accounts posting

The Company's Annual Report has been dispatched to shareholders today and will shortly be available from the Company's website www.mosmanoilandgas.com.

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.

MOSMAN OIL AND GAS
LIMITED

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

Directors' Report

Your Directors provide their 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 2018. Please note that all amounts quoted are in Australian Dollars, unless otherwise stated.

Operations Overview

Summary of Oil & Gas Permits at year end:

Asset	Status	Permit Number	Licence Expiry Date	Area
Australia, Amadeus Basin	Exploration	EP 145	15 August 2019	818 km^2
Australia, Amadeus Basin	Application	EPA 155	N/A	378 km^2
Australia, Amadeus Basin[1]	Exploration	EP 156	N/A	4,164 km^2
USA, Arkoma	Producing	N/A	N/A	400 acres
USA, Strawn	Producing	N/A	N/A	1,300 acres
USA, Welch	Producing	N/A	N/A	653 acres

On 17 July 2018, Mosman entered into a Strategic Alliance with Baja. Baja has interests in several leases in Texas. And Mosman will own an interest as a result of that agreement and direct purchases, such as Stanley, Challenger and Champion leases.

EP 145, EP 156 and EPA 155 (Application), Northern Territory, Australia (100%)

A milestone for the region has been reached on the Northern Gas Pipeline with the announcement that construction of the 622km pipeline is complete.

The pipeline is a connection from the existing NT pipelines to the gas market in Eastern Australia, which is stimulating acquisitions and gas exploration in the wider region.

In this context, EP 145 is well placed, adjacent to the Mereenie producing oil and gas field.

On 6 November 2018, the Company decided to relinquish EP 156.

The third permit area, EPA 155, is adjacent to an existing oil field, but is currently in native title moratorium. Discussions were continuing with Central Land Council (CLC) and subsequent to the Company's financial year end a two-year extension on consideration of the application was granted to allow further meetings to discuss land access and evaluation of the application.

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 on 20 March 2014.

At 30 June 2018, Mosman has eight wholly owned Subsidiaries:

1. Mosman Oil & Gas Limited (a New Zealand incorporated company);
2. Petroleum Portfolio Pty Limited (an Australian incorporated company) (PPPL);
3. Mosman Oil and Gas (NZ) Limited (a New Zealand incorporated company);
4. OilCo Pty Ltd;
5. Trident Energy Pty Ltd;
6. Mosman Oil USA, Inc; (a USA incorporated company);
7. Mosman Texas, LLC; (a USA incorporated company); and
8. Mosman Operating, LLC; (a USA incorporated company.[1]

[1] Mosman Operating, LLC is a 100% owned subsidiary of Mosman Oil & Gas Limited. It is noted that this subsidiary is the operating entity for a joint operation with Blackstone Oil and Gas, Inc. which Mosman shares the production revenues and operating costs of 50:50.

Details of these Controlled Entities and an Associated Entity are contained in Notes 28 and 29 to the Financial Statements.

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:

John W Barr Executive Chairman (since Incorporation)
Andy R Carroll Technical Director (appointed 2013)
John A Young Non-Executive Director (since Incorporation)

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
J W Barr	7	7
A R Carroll	7	6
J A Young	7	7

Principal Activities

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

Corporate Financial Position

As at 30 June 2018 the Company had current assets of $1,597,475 (2017: $2,384,722).

Results of Operations

The net loss of the Company for the year ended 30 June 2018 was $4,102,231 (2017: $9,186,307).

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. In 2018/19 several development wells are, subject to funding, expected to be drilled at projects where the Company holds a working interest.

Significant Changes

In the opinion of the Directors there were no other 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

Material transactions arising since 30 June 2018 which will significantly affect the operations of the Company, the results of those operations, or the state affairs of the Company in subsequent financial periods are:

Baja Strategic Alliance

On 18 July 2018, the Company entered into a Strategic Alliance with Baja Oil and Gas, LLC for the exploitation and development of oil and gas reserves located onshore Texas, USA. Baja owns an existing inventory of oil and gas development projects and is continuing to add projects to the inventory. Under

the umbrella of the Strategic Alliance, Mosman will participate in the evaluation of future projects and will have the ability to invest in the development of existing projects. The first project agreed upon was to drill the Stanley well located in the Livingston Oilfield, Polk County, Texas.

The Stanley Development Project is supported by Baja's interpretation of 3D seismic data, integrated with substantial sub-surface well control, and legacy production information.

Mosman has acquired a 16.5% Working Interest by agreeing to pay 22% of the cost of the well, and some prior costs.

Mosman has also acquired a direct interest in the Challenger and Champion projects.

Issue of Equity to Fund Expansion

On 9 November 2018, the Company raised £390,000 (before expenses) by way of a placing of 141,818,182 new ordinary shares of no par value in the capital of the Company ("Fundraising or Placing Shares") at 0.275p per share plus a 1 for 2 warrant exercisable at 0.4p per share (the "Warrants"). The Warrants being exercisable within 24 months of issue.

In addition to the Fundraising, two Directors indicated their intent, to subscribe for up to £110,000 (approximately AUD 198,000) (the "Proposed Subscription") on the same terms and conditions as the Placees to demonstrate their ongoing commitment to the Company. The Directors were unable to participate in the Fundraising as the Company was in a closed period by virtue of the imminent publication of the 2018 Annual Report.

The Proposed Subscription, and the final terms of the Proposed Subscription, which would be subject to AIM Rule 13 Related Party Transactions, will be conditional upon completion of all necessary regulatory approvals. Assuming those approvals are received this would lead to the issuance of a further 40,000,000 shares plus a 1 for 2 warrant exercisable on the same terms.

Assuming the Proposed Subscription proceeds, that would result in the total funds raised of £500,000 (approximately AUD 900,000) before costs.

A further announcement in respect of the Directors' participation is expected to be notified shortly.

Arkoma Option Extension

On 25 July 2018, the Company obtained an extension to the date of the option of acquiring an additional interest in the project.

On 28 September 2018, the Company announced that it would not proceed to exercise the additional working interest option.

EP 156 Impairment

On 6 November 2018, the Company made the decision to relinquish EP 156. As a result of the relinquishment, the asset was fully impaired as at 30 June 2018.

There have been no significant events subsequent to reporting date other than stated above.

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.

MOSMAN OIL AND GAS LIMITED

Consolidated Statement of Financial Performance
Year Ended 30 June 2018
All amounts are in Australian Dollars

	Notes	Consolidated 2018 $	Consolidated 2017 $
Revenue		740,853	16,037
Cost of sales	2	(506,423)	-
Gross profit		**234,430**	**16,037**
Interest income		8,112	2,550
Other income		25,628	31,854
Administrative expenses		(166,518)	(253,313)
Corporate expenses	3	(793,546)	(1,032,665)
Directors fees		(120,000)	(120,000)
Employee benefits expense		(93,189)	(79,250)
Evaluation and due diligence		(239,522)	-
Loss on foreign exchange		-	(50,832)
Loss on sale of AFS assets		(76,443)	-
Depreciation expense		(10,005)	(13,203)
Cost of abandoned projects	4	-	(280,762)
Pre-acquisition costs		(44,775)	(40,320)
Capitalised costs written off	14	(2,752,115)	(7,428,444)
Share of net (loss)/profit from joint operation		(33,721)	62,041
Share based payments		(40,567)	-
Loss from ordinary activities before income tax expense		(4,102,231)	(9,186,307)
Income tax expense	6	-	-
Net loss for the year		**(4,102,231)**	**(9,186,307)**
Other comprehensive loss			
Items that may be reclassified to profit or loss:			
- Fair value loss on available-for-sale financial assets	5	(186,618)	(215,793)
- Foreign currency gain/(loss)	5	140,974	(30,690)
Total comprehensive income attributable to members of the entity		**(4,147,875)**	**(9,432,790)**
Basic loss per share (cents per share)	24	*(1.33) cents*	*(4.46) cents*
Diluted loss per share (cents per share)	24	*(1.33) cents*	*(4.46) cents*

The accompanying notes form part of these financial statements.

MOSMAN OIL AND GAS LIMITED

Consolidated Statement of Financial Position
As at 30 June 2018
All amounts are in Australian Dollars

	Notes	Consolidated 30 June 2018	Consolidated 30 June 2017
		$	$
Current Assets			
Cash and cash equivalents	8	1,323,084	1,666,139
Trade and other receivables	9	161,814	394,605
Inventory		106,633	-
Other assets	10	5,944	35,690
Other financial assets	11	-	288,288
Total Current Assets		1,597,475	2,384,722
Non-Current Assets			
Property, plant & equipment	12	19,799	211,016
Oil and gas assets	13	2,592,814	749,620
Loans receivable		276,999	-
Other receivables		50,000	-
Capitalised oil and gas exploration	14	1,491,019	4,073,115
Total Non-Current Assets		4,430,631	5,033,751
Total Assets		6,028,106	7,418,473
Current Liabilities			
Trade and other payables	15	436,586	353,769
Provisions	16	19,000	158,165
Total Current Liabilities		455,586	511,934
Total Liabilities		455,586	511,934
Net Assets		**5,572,520**	**6,906,539**
Shareholders' Equity			
Contributed equity	17	28,044,804	25,286,313
Reserves	18	420,860	1,058,126
Accumulated losses	19	(22,921,464)	(19,499,941)
Equity attributable to shareholders		**5,606,241**	**6,844,498**
Non-Controlling interest		28,320	62,041
Total Shareholders' Equity		**5,572,520**	**6,906,539**

The accompanying notes form part of these financial statements.

MOSMAN OIL AND GAS LIMITED

Consolidated Statement of Changes in Equity
Year Ended 30 June 2018
All amounts are in Australian Dollars

	Accumulated Losses	Contributed Equity	Reserves	Non-Controlling Interest	Total
	$	$	$	$	$
Balance at 1 July 2016	**(11,151,593)**	**25,235,869**	**1,304,610**	**-**	**15,388,886**
Comprehensive income					
Loss for the year	(9,248,348)	-	-	62,041	(9,186,307)
Other comprehensive income for the period	-	-	(246,484)	-	(246,484)
Total comprehensive loss for the period	**(9,248,348)**	**-**	**(246,484)**	**62,041**	**(9,432,791)**
Transactions with owners, in their capacity as owners, and other transfers:					
New shares issued	-	1,006,536	-	-	1,006,536
Cost of raising equity	-	(56,759)	-	-	(56,759)
Non-controlling interests on acquisition	-	667	-	-	667
Cancellation of shares on selective share buyback	900,000	(900,000)	-	-	-
Total transactions with owners and other transfers	900,000	50,444	-	-	950,444
Balance at 30 June 2017	**(19,499,941)**	**25,286,313**	**1,058,126**	**62,041**	**6,906,539**
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	(4,068,510)	-	-	(33,721)	(4,102,231)
Other comprehensive loss for the period	-	-	(45,644)	-	(45,644)
Total comprehensive loss for the period	**(4,068,510)**	**-**	**(45,644)**	**(33,721)**	**(4,147,875)**
Transactions with owners, in their capacity as owners, and other transfers:					
New shares issued	-	2,967,331	-	-	2,967,331
Cost of raising equity	-	(208,840)	-	-	(208,840)
Options issued	-	-	55,365	-	55,365
Options expired	646,987	-	(646,987)	-	-
Total transactions with owners and other transfers	646,987	2,758,491	(591,622)	-	2,813,856
Balance at 30 June 2018	**(22,921,464)**	**28,044,804**	**420,860**	**28,320**	**5,572,520**

These accompanying notes form part of these financial statements

MOSMAN OIL AND GAS
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Consolidated Statement of Cash Flows
Year Ended 30 June 2018
All amounts are in Australian Dollars

	Notes	Consolidated 2018 $	Consolidated 2017 $
Cash flows from operating activities			
Receipts from customers		793,579	4,333
Interest received & other income		33,739	34,565
Payments to suppliers and employees		(1,413,543)	(1,536,854)
Bonds refunded		67,043	-
Net cash outflow from operating activities	25	**(519,182)**	**(1,497,956)**
Cash flows from investing activities			
Sale of property, plant & equipment		180,849	-
Payments for oil and gas assets		(607,794)	-
Payments for exploration and evaluation		(545,013)	(546,356)
Payment for Shares in GEM International Limited		-	(504,081)
Acquisition of oil and gas production projects		(1,323,357)	(789,937)
Payments for abandoned projects		-	(137,904)
Net cash outflow from investing activities		**(2,295,315)**	**(1,978,278)**
Cash flows from financing activities			
Proceeds from shares issued		2,982,130	1,426,852
Transactions with non-controlling interests		(33,721)	62,041
Repayment of borrowings		-	(48,317)
Loans to third parties		(264,571)	-
Payments for costs of capital		(208,840)	(56,759)
Net cash inflow from financial activities		**2,474,998**	**1,383,817**
Net decrease in cash and cash equivalents		**(339,499)**	**(2,092,417)**
Effects of exchange rate changes on cash and cash equivalents		(3,556)	-
Cash and cash equivalents at the beginning of the financial year		1,666,139	3,758,556
Cash and cash equivalents at the end of the financial year	8	**1,323,084**	**1,666,139**

The accompanying notes from part of these financial statements

MOSMAN OIL AND GAS LIMITED

Notes to the Financial Statements
Year Ended 30 June 2018
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 Group recognises that its ability to continue as a going concern to meet its debts when they fall due is dependent on the Group raising funds as required to pay its debts as and when they fall due. The directors have reviewed the business outlook and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will achieve this.

However, the conditions outlined above create uncertainty that may cast significant doubt as to whether the Group will continue as a going concern and, therefore whether the Group will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in these financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

The financial report was authorised for issue by the Directors on 27 November 2018.

(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 Notes 29 and 30 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 joint venture.

Joint ventures

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(p).

(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(p) 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 are 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 and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as a fair value through profit or loss. Transaction costs related to instruments classified as a fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

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.

Classification and Subsequent Measurement

(a) Financial assets at fair value through profit or loss
Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(b) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(c) Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(d) Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(e) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

(f) Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(p) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

(q) 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.

(q) 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 result and that outlay can be reliably measured.

(r) 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.

(s) 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 via the Equity Method as described in Note 1 (b).

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

(t) 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.

(u) New standards and interpretations

Account Standard and Interpretation

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. These changes do not materially impact on this financial report.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been adopted early. Adoption would not materially impact on this financial report.

	Consolidated 2018 $	Consolidated 2017 $
2 Cost of sales		
Cost of sales	153,225	-
Oil and gas assets amortisation charge	22,448	-
Lease operating expenses	330,750	-
	506,423	**-**
3 Corporate Costs		
Accounting, Company Secretary and Audit fees	189,475	198,034
Consulting fees	528,329	707,809
Legal and compliance fees	75,742	126,822
	793,546	**1,032,665**
4 Costs associated with abandoned projects		
Costs incurred	-	417,687
Reimbursements	-	(136,925)
	-	**280,762**
5 Other comprehensive loss		
Fair value loss on AFS shares	186,618	215,793
Foreign currency (loss)/gain	(140,974)	30,690
	45,644	**246,483**

MOSMAN OIL AND GAS LIMITED

6 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 (2017 - $NIL).

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

	Consolidated 2018 $	Consolidated 2017 $
Loss before tax	(4,068,512)	(9,186,307)
Income tax calculated at 27.5% (2017: 27.5%)	(1,118,841)	(2,526,234)
Tax effect of amounts which are deductible/non-deductible		
In calculating taxable income:		
JV share of profit	(9,457)	16,878
Legal and consulting expenses	4,080	15,885
Impairment expense	-	2,079,964
Upfront exploration expenditure claimed	(50,859)	(152,894)
Other	(183,003)	(207,087)
Effects of unused tax losses and tax offsets not recognised as deferred tax assets	1,358,080	773,488
Income tax expense attributable to operating profit	**NIL**	**NIL**

(b) Tax Losses

As at 30 June 2018 the Company had Australian tax losses of $9,271,146 (2017: $6,804,870). The benefit of deferred tax assets not brought to account will only be realised if:

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

(c) Unbooked Deferred Tax Assets and Liabilities

	Consolidated 2018 $	Consolidated 2017 $
Unbooked deferred tax assets comprise:		
Capital Raising Costs	254,595	256,270
Provisions/Accruals/Other	26,821	20,561
Tax losses available for offset against future taxable income	2,549,565	1,935,955
	2,830,981	**2,212,786**

7 Auditors Remuneration

Audit – Greenwich & Co Audit Pty Ltd		
Audit of the financial statements	27,000	27,000
	27,000	**27,000**

8 Cash and Cash Equivalents

Cash at Bank	**1,323,084**	**1,666,139**

9 Trade and Other Receivables

Deposits	81,808	198,851
GST receivable	32,574	44,197
Cash calls receivable	47,432	-
Other receivables	-	151,558
	161,814	**394,605**

10 Other assets

Prepayments	5,944	23,985
Accrued income	-	11,705
	5,944	**35,690**

11 Other financial assets

Shares in a listed entity	**-**	**288,288**

12 Property, Plant and Equipment

	Land and Buildings	Office Equipment and Furniture	Vehicles	Total
	$	$	$	$
Cost				
Balance at 1 July 2017	176,201	161,472	24,847	362,520
Additions	-	4,241	-	4,241
Disposals	(176,201)	-	(24,847)	(201,048)
Effective movement in exchange rates	-	-	-	-
Balance at 30 June 2018	**-**	**165,713**	**-**	**165,713**
Depreciation				
Balance at 1 July 2017	1,362	138,110	12,032	151,504
Depreciation for the year	191	7,811	533	8,535
Disposals	(1,487)	-	(12,035)	(13,522)
Effective movement in exchange rates	(66)	(7)	(530)	(603)
Balance at 30 June 2018	**-**	**145,914**	**-**	**145,914**
Carrying amounts				
Balance at 30 June 2017	174,839	23,362	12,815	211,016
Balance at 30 June 2018	**-**	**19,799**	**-**	**19,799**

MOSMAN OIL AND GAS LIMITED

13 Oil and Gas Assets

	Consolidated 2018 $	Consolidated 2017 $
Cost brought forward	749,619	-
Acquisition of oil and gas assets	1,278,583	749,619
Capitalised equipment workovers	587,060	-
Amortisation	(22,448)	-
Carrying value at end of year	**2,589,814**	**749,619**

14 Capitalised Oil and Gas Expenditure

	Consolidated 2018 $	Consolidated 2017 $
Cost brought forward	**4,073,115**	10,955,203
Exploration costs incurred during the year	144,316	552,549
Exploration expenditure previously capitalised, written off in financial year	(2,752,115)	(7,428,444)
FX movement	25,703	(6,194)
Carrying value at end of year	**1,491,019**	**4,073,115**

15 Trade and Other Payables

	Consolidated 2018 $	Consolidated 2017 $
Trade creditors	273,844	279,582
Unearned revenue	-	11,867
Other creditors and accruals	162,742	62,320
	436,586	**353,769**

16 Provisions

	Consolidated 2018 $	Consolidated 2017 $
Employee provisions	19,000	15,308
Provision for abandonment	-	142,857
	19,000	**158,165**

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17 Contributed Equity

Ordinary Shares:

Value of Ordinary Shares fully paid

Movement in Contributed Equity			**Number of shares**	**Contributed Equity $**
Balance as at 1 July 2016:			215,591,008	25,235,869
Date	*Nature of Transaction*	*Issue Price*		
02/08/2016	Share buy-back (ii)	$0.1000	(9,000,000)	(900,000)
21/06/2017	Shares issued (i)	$0.0234	42,857,143	1,006,536
04/05/2017	Acquisition of joint operations (iii)	$1.0000	667	667
Capital raising costs			-	(156,759)
Balance as at 1 July 2017:			**249,448,818**	**25,186,313**
05/10/2017	Shares issued	$0.0205	49,999,333	1,026,486
22/02/2018	Shares issued (i)	$0.0196	45,454,545	890,790
29/05/2018	Shares issued (i)	$0.0097	109,090,091	1,050,055
Capital raisings costs			-	(208,840)
Balance at end of year			**453,992,787**	**28,044,804**

(i) Placements via capital raising as announced
(ii) Selective share buy-back as announced
(iii) Acquisition of joint operations equity as announced. Refer to Note 29.

18 Reserves

	Consolidated 2018 $	**Consolidated 2017 $**
Options reserve	471,818	1,063,440
Asset revaluation reserve	(402,411)	(215,793)
Foreign currency translation reserve	351,453	210,479
	420,860	**1,058,126**

Options Reserve

Nature and purpose of the Option reserve

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

Movement in Options Reserve	**Consolidated 2018 $**	**Consolidated 2017 $**
Options Reserve at the beginning of the year	1,063,440	1,063,440
Options issued	55,365	-
Options expired	(646,987)	-
Options Reserve at the end of the year	**471,818**	**1,063,440**

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	**Consolidated 2018 $**	**Consolidated 2017 $**
Foreign Currency Translation Reserve at the beginning of the year	210,479	241,170
Current year movement	140,974	(30,691)
Foreign Currency Translation Reserve at the end of the year	**351,453**	**210,479**

Asset Revaluation Reserve

Changes in the fair value of investments classified as available-for-sale financial assets are taken to the available-for-sale investments revaluation reserve. Amounts are recognised in profit and loss when the associated assets are sold or impaired.

Movement in Asset Revaluation Reserve	**Consolidated 2018 $**	**Consolidated 2017 $**
Asset Revaluation Reserve at the beginning of the year	(215,793)	-
Revaluation of AFS shares	(186,618)	(215,793)
Asset Revaluation Reserve at the end of the year	**(402,411)**	**(215,793)**

19 Accumulated Losses

Accumulated losses at the beginning of the year	**19,437,900**	11,151,593
Net loss attributable to members	4,068,510	9,186,307
Cancellation of shares on selective buy-back	-	(900,000)
Options expired during the year	(646,987)	-
Accumulated losses at the end of the year	**22,859,423**	**19,499,941**

20 Related Party Transactions

	Consolidated 2018 $	Consolidated 2017 $
Key Management Personnel Remuneration		
Cash Payments to Directors and Management (i)	633,089	708,538
Total	**633,089**	**708,538**

I. During the year to 30 June 2018:

a. Directors fees of $60,000 and consulting fees of $186,625 were paid and payable to Kensington Advisory Services Pty Ltd;
b. Director fees of $30,000 and consulting fees of $240,000 were paid and payable to Australasian Energy Pty Ltd;
c. Directors fees of $30,000 were paid to Metallon Resources Pty Ltd;
d. CFO, Company Secretary and Consulting Fees totaling $86,464 were paid and 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:

Mosman Oil & Gas Limited (nee Petroleum Creek Limited)

At 30 June 2018 the Company's 100% owned subsidiary, Mosman Oil & Gas Limited (nee Petroleum Creek Limited (PCL)), owed parent entity Mosman Oil and Gas Limited $7,903,402 (2017: $7,949,054). The Company has executed a Loan Agreement with PCL covering amounts up to $2,000,000 bearing interest at 7% pa and secured by a Fixed and Floating charge over the assets of PCL, as registered with the NZ Ministry of Economic Development Companies Office on 17 April 2014.

These amounts have been expensed in the consolidated financial statements as the company's impairment and relinquishment of these tenements the recovery of these amounts by the parent entity is unlikely.

Mosman Oil and Gas (NZ) Limited

At 30 June 2018 the Company's 100% owned subsidiary, Mosman Oil and Gas (NZ) Limited, owed Mosman Oil and Gas Limited $198,847 (2017: $197,847).

These amounts have been expensed in the consolidated financial statements as the company's impairment and relinquishment of these tenements the recovery of these amounts by the parent entity is unlikely.

Trident Energy Pty Ltd

At 30 June 2018 the Company's 100% owned subsidiary, Trident Energy Pty Ltd, owed Mosman Oil and Gas Limited $2,808,467 (2017: $2,675,440).

OilCo Pty Ltd

At 30 June 2018 the Company's 100% owned subsidiary, OilCo Pty Ltd (OilCo), owed Mosman Oil and Gas Limited $778,717 (2017: $688,851).

Mosman Oil USA, Inc

At 30 June 2018 the Company's 100% owned subsidiary, Mosman Oil USA, Inc, owed Mosman Oil and Gas Limited $2,643,885 (2017: $863,968).

Mosman Texas, LLC

At 30 June 2018 the Company's 100% owned subsidiary, Mosman Texas, LLC, owed Mosman Oil and Gas Limited $NIL (2017: $NIL).

21 Expenditure Commitments

(a) Exploration

The Company has certain obligations to perform minimum exploration work on Oil and Gas tenements held. These obligations may vary over time, depending on the Company's exploration programs and priorities. At 30 June 2018, total exploration expenditure commitments for the next 12 months are as follows:

		2018	**2017**
Entity	**Tenement**	**$**	**$**
Mosman Oil & Gas Limited	PEP385326	-	572,028
Trident Energy Pty Ltd	EP145	121,500	121,500
Oilco Pty Ltd	EPA155	-	10,000
Oilco Pty Ltd	EP 156	-	155,000
Mosman Oil and Gas (NZ) Ltd	PEP 57067	-	-
Mosman Oil and Gas (NZ) Ltd	PEP 57068	-	-
Mosman Oil and Gas (NZ) Ltd	PEP 57058	-	-
		121,500	**858,528**

In 2017, the Company resolved to relinquish the New Zealand projects.

These obligations are subject to variations by farm-out arrangements, sale of the relevant tenements or seeking expenditure exemption for previous year's expenditure. The Company has the option to elect to not carry out the minimum work program commitments pertaining to a specific permit, in which case the Company will relinquish its interest in the relevant permit.

(b) Capital Commitments

The Company had no capital commitments at 30 June 2018 (2017 - $NIL).

22 Segment Information

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

Operating segments are identified by the board based on the Oil and Gas projects in Australia, New Zealand and the USA. 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, New Zealand and the USA. 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 $
Year ended 30 June 2018				
Revenue				
Revenue	-	701,944	38,909	740,853
Interest income	-	7,196	916	8,112
Foreign exchange gain	-	-	17,124	17,124
Gain on sale of non-current assets	3,697	-	-	3,697
Other income	19,732	-	-	19,732
Segment revenue	**23,429**	**709,140**	**56,949**	**789,518**
Segment Result				
Loss				
Allocated				
- Corporate costs	-	(1,194)	(792,352)	(793,546)
- Administrative costs	(6,624)	(29,385)	(130,509)	(166,518)
- Lease operating expenses	-	(353,198)	-	(353,198)
- Cost of sales	-	(153,225)	-	(153,225)
- Share of net loss of joint operation	-	(33,721)	-	(33,721)
Segment net loss before tax	**16,805**	**138,417**	**(865,912)**	**(710,690)**
Reconciliation of segment result to net loss before tax				
Amounts not included in segment result but reviewed by the Board				
- Exploration expenditure previously capitalised, written off in financial year	-	-	(2,767,040)	(2,767,040)
- Evaluation and due diligence	-	(9,867)	(229,655)	(239,522)
- Pre acquisition costs	-	-	(44,775)	(44,775)
- Loss on sale of available-for-sale assets	-	-	(76,443)	(76,443)
Unallocated items				
- Employee benefits expense				(213,189)
- Share based payments				(40,567)
- Depreciation				(10,005)
Net Loss before tax from continuing operations				**(4,102,231)**

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22 Segment Information (continued)

(i) Segment performance (continued)

	New Zealand $	United States $	Australia $	Total $
Year ended 30 June 2017				
Revenue				
Revenue	-	2,825	13,212	16,037
Interest income	-	-	2,550	2,550
Share of net profit of joint operation	-	62,043	-	62,043
Other income	2,095	20,018	9,741	31,854
Segment revenue	**2,095**	**84,886**	**25,503**	**112,484**
Segment Result				
Loss				
Allocated				
- Corporate costs	(70,343)	(10,816)	(1,071,506)	(1,152,665)
- Administrative costs	(48,655)	(41,117)	(163,541)	(253,313)
- Foreign exchange loss	-	-	(50,834)	(50,834)
Segment net (loss)/profit before tax	**(116,903)**	**32,953**	**(1,260,378)**	**(1,344,328)**
Reconciliation of segment result to net loss before tax				
Amounts not included in segment result but reviewed by the Board				
- Exploration expenditure previously capitalised, written off in financial year	(7,428,444)	-	-	(7,428,444)
- Costs of abandoned projects	(149,293)	-	(131,470)	(280,763)
- Pre acquisition costs	-	-	(40,320)	(40,320)
Unallocated items				
- Employee Benefits Expense				(79,250)
- Depreciation				(13,202)
Net Loss before tax from continuing operations				**(9,186,307)**

22 Segment Information (continued)

(ii) Segment assets

	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**

	New Zealand $	United States $	Australia $	Total $
As at 30 June 2017				
Segment assets as at 1 July 2016	7,332,986	-	3,622,217	10,955,203
Segment asset increases/(decreases) for the year				
- Exploration and evaluation	101,650	-	450,898	552,548
- Foreign exchange impact	(6,193)	-	-	(6,193)
- Exploration expenditure previously capitalised, written off in financial year	(7,428,443)	-	-	(7,428,443)
	-	**-**	**4,073,115**	**4,073,115**
Reconciliation of segment assets to total assets:				
Other assets	392,510	953,669	1,999,178	3,345,357
Total assets from continuing operations	**392,510**	**953,669**	**6,072,293**	**7,418,472**

22 Segment Information (continued)

(iii) Segment liabilities

	New Zealand $	United States $	Australia $	Total $
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**
Reconciliation of segment liabilities to total liabilities:				
Other liabilities	**-**	**-**	**-**	**-**
Total liabilities from continuing operations	**146,071**	**136,374**	**173,141**	**455,586**
As at 30 June 2017				
Segment liabilities as at 1 July 2016	9,154	-	180,384	189,538
Segment liability (decreases) for the year	153,324	69,679	99,393	322,396
	162,478	**69,679**	**279,777**	**511,934**
Reconciliation of segment liabilities to total liabilities:				
Other liabilities	**-**	**-**	**-**	**-**
Total liabilities from continuing operations	**162,478**	**69,679**	**279,777**	**511,934**

MOSMAN OIL AND GAS LIMITED

23 Producing assets

At year end the Group had 3 producing assets, which the Board monitors as a separate item to the geographical and operating segments. The Arkoma, Strawn and Welch are Oil and Gas producing assets in the United States. It should be noted that 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 $	Strawn $	Welch $	Total $
Year Ended 30 June 2018				
Revenue				
Oil and gas project related revenue	33,098	147,934	520,912	701,944
Cash call revenue	-	29,385	-	29,385
Segment revenue	**33,098**	**177,319**	**520,912**	**731,329**
Project-related expenses				
- Cost of sales	-	27,951	125,273	153,225
- Lease operating expenses	17,045	159,418	192,174	368,637
Project cost of sales	**17,045**	**187,369**	**317,447**	**521,862**
Project gross profit				
Gross profit	**16,053**	**(10,051)**	**203,465**	**209,467**
Overhead costs				
- Administrative costs	-	806	-	806
- Employee benefits	-	23,531	-	23,531
Project net profit/(loss) before tax	**16,053**	**(34,388)**	**203,465**	**185,130**
Year Ended 30 June 2017				
Revenue				
Oil and gas project related revenue	-	5,651	-	5,651
Cash call revenue	-	232,697	-	232,697
Segment revenue	**-**	**238,348**	**-**	**238,348**
Project-related expenses				
- Cost of sales	-	7,032	-	7,032
- Lease operating expenses	-	87,546	-	87,546
Project cost of sales	**-**	**94,578**	**-**	**94,578**
Project gross profit				
Gross profit	**-**	**143,771**	**-**	**143,771**
Overhead costs				
- Administrative costs	-	1,001	-	1,001
- Employee benefits	-	20,018	-	20,18
Project net profit before tax	**-**	**122,752**	**-**	**122,752**

23 Producing assets (continued)

(ii) Project assets	Arkoma $	Strawn $	Welch $	Total $
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
	19,424	**127,256**	**370,051**	**516,731**
Unallocated assets				
- Other assets				1,353
Total project assets				**518,084**
As at 30 June 2017				
Project assets as at 1 July 2016	-	-	-	-
Project assets for the year				
- Cash	-	125,527	-	125,527
- Cash calls receivable	-	13,005	-	13,005
- Bonds receivable	-	65,588	-	65,588
	-	**204,120**	**-**	**204,120**
Unallocated assets				
- Other assets				1,870
Total project assets				**205,990**

(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**
As at 30 June 2017				
Project liabilities as at 1 July 2016	-	-	-	-
Project liabilities for the year				
- Accounts payable	-	51,634	-	51,634
- Accrued expenses	-	18,054	-	18,054
- Loans payable	-	13,558	-	13,558
	-	**83,246**	**-**	**83,246**
Unallocated liabilities				
- Other liabilities				-
Total project liabilities				**83,246**

24 Earnings/ (Loss) per shares

	Consolidated 2018 $	Consolidated 2017 $
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	**(4,147,875)**	**(9,432,790)**
	Number of shares 2018	**Number of shares 2017**
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share:	311,116,999	208,461,458
Basic loss per share (cents per share)	1.33	4.46

25 Notes to the statement of cash flows

Reconciliation of loss from ordinary activities after income tax to net cash outflow from operating activities:	Consolidated 2018 $	Consolidated 2017 $
Loss from ordinary activities after related income tax	(4,102,231)	(9,186,307)
Share based payments	40,567	-
Depreciation	40,442	13,203
Previously capitalised expenses, written off	2,767,040	7,428,444
Fixed assets disposed of during the year	181,529	-
Share of loss of joint operations	33,721	-
Fair value loss on available-for-sale assets	76,442	-
Decrease in other assets	318,034	157,814
Decrease/(increase) in trade and other receivables	182,792	(236,180)
Increase in inventory	(106,633)	-
Change in value of NCI	95,762	-
Increase in trade and other payables	(46,647)	325,070
Net cash outflow from operating activities	**(519,182)**	**(1,497,956)**

26 Financial Instruments

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

(i) Interest Rate Risk

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

26 Financial Instruments (continued)

Consolidated 2018	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	8	**0.5%**	1,323,084	-	-	1,323,084
Trade and other Receivables	9		-	-	161,814	161,814
Other assets	10		-	-	5,944	5,944
Total Financial Assets			**1,323,084**	**-**	**167,758**	**1,490,842**
Financial Liabilities						
Trade and other Payables	15		-	-	436,586	436,586
Provisions	16		-	-	19,000	19,000
Total Financial Liabilities			**-**	**-**	**455,586**	**455,586**
Net Financial Assets			**1,323,084**	**-**	**(287,828)**	**1,035,255**

Consolidated 2017	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	8	**0.1%**	1,666,139	-	-	1,666,139
Trade and other Receivables	9		-	-	394,605	394,605
Other assets	10		-	-	35,690	35,690
Other financial assets	11		-	-	288,288	288,288
Total Financial Assets			**1,666,139**	**-**	**718,583**	**2,384,722**
Financial Liabilities						
Trade and other Payables	15		-	-	353,769	353,769
Provisions	16		-	-	158,165	158,165
Total Financial Liabilities			**-**	**-**	**511,934**	**511,934**
Net Financial Assets			**1,666,139**	**-**	**206,649**	**1,872,788**

26 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.

27 Contingent Liabilities

There were no material contingent liabilities not provided for in the financial statements of the Company as at 30 June 2018.

28 Mosman Oil and Gas Limited - Parent Entity Disclosures

	2018 $	2017 $
Financial position		
Assets		
Current assets	1,224,198	1,723,088
Non-current assets	13,853,962	12,073,612
Total assets	**15,078,160**	**13,796,700**
Liabilities		
Current liabilities	310,716	242,332
Total liabilities	**310,716**	**242,332**
Net assets	**14,767,444**	**13,554,368**
Equity		
Contributed equity	28,044,137	25,285,646
Reserves	69,408	847,647
Accumulated losses	(13,346,101)	(12,578,925)
Total Equity	**14,767,444**	**13,554,368**
Financial Performance		
Loss for the year	(1,414,170)	(1,508,985)
Other comprehensive income	-	-
Total comprehensive income	**(1,414,170)**	**(1,508,985)**

29 Controlled Entities

Investments in group entities comprise:

Name	Principal activities	Incorporation	Beneficial percentage held by economic entity	
			2018 %	**2017 %**
Mosman Oil and Gas Limited	Parent entity	Australia		
Wholly owned and controlled entities:				
Mosman Oil & Gas Limited	Oil & Gas exploration	New Zealand	**100**	**100**
Mosman Oil and Gas (NZ) Limited	Oil & Gas exploration	New Zealand	**100**	**100**
Petroleum Portfolio Pty. Ltd	Oil & Gas exploration	Australia	**-**	**-**
OilCo Pty Limited	Oil & Gas exploration	Australia	**100**	**100**
Trident Energy Pty Ltd	Oil & Gas exploration	Australia	**100**	**100**
Mosman Oil USA, INC.	Oil & Gas operations	U.S.A.	**100**	**100**
Mosman Texas, LLC	Oil & Gas operations	U.S.A.	**100**	**100**
Mosman Operating, LLC	Oil & Gas operations	U.S.A.	**100**	**100**

Mosman Oil and Gas Limited is the Parent Company of the Group, which includes all of the controlled entities. See also Note 32 Subsequent Events for additional corporate activity in progress subsequent to the 30 June 2018 year end.

29 Controlled Entities (continued)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed are for Mosman Operating, LLC and are before inter-company eliminations.

Summarised Statement of Financial Position	**2018 $**	**2017 $**
Current Assets		
Cash and cash equivalents	4,769	125,527
Trade and other receivables	168,535	78,593
Inventory	63,392	-
Total Current Assets	**236,696**	**204,120**
Total Assets	**236,696**	**204,120**
Current Liabilities		
Trade and other payables	160,114	69,679
Total Current Liabilities	**160,114**	**69,679**
Non-Current Liabilities		
Loan to Joint Operator – Mosman Oil USA Inc.	24,279	**-**
Total Non-Current Liabilities	**24,279**	**13,558**
Total Liabilities	**184,393**	**83,237**
Net Assets	**52,303**	**120,883**
Equity		
Contributed equity	1,335	1,335
Reserves	(3,007)	(3,204)
Retained earnings	53,975	122,752
Total Equity	**52,303**	**120,883**
Accumulated Non-controlling interest	**26,151**	**60,442**

MOSMAN OIL AND GAS LIMITED

29 Controlled Entities (continued)

Summarised Statement of Comprehensive Income	**2018 $**	**2017 $**
Revenue	295,867	198,313
Cost of sales	(55,902)	-
Gross profit	**239,965**	**198,313**
Other income	58,770	40,035
Administrative expenses	-	(82,233)
Corporate expenses	-	(13,345)
Lease operating expenses	(320,449)	-
Employee benefits expense	(47,063)	(20,018)
(Loss)/profit from ordinary activities before income tax expense	(68,777)	122,752
Income tax expense	-	-
Net (loss)/profit for the year	**(68,777)**	**122,752**
Total comprehensive profit for the year is attributable to:		
Shareholders	-	-
Non-controlling interest	-	-
Total comprehensive profit attributable to member of the entity	**(68,777)**	**122,752**
(Loss)/profit allocated to non-controlling interest	**(34,388)**	**61,376**

Summarised Statement of Cash Flows	**2018 $**	**2017 $**
Cash flows from operating activities	(131,480)	92,303
Cash flows from investing activities	10,721	33,224
Cash flows from financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	**(120,759)**	**125,527**

30 Associated Entity

Name	Principal activities	Incorporation	Beneficial percentage held by Group 2018	2017
Australasian Petroleum Portfolio Pty. Ltd.	Holds interest in Officer Basin Licence Application - Oil & Gas exploration	Australia	-	-

31 Share Based Payments

	Consolidated 2018 $	Consolidated 2017 $
Basic loss per share (cents per share)	1.33	4.46

The following share based payment arrangements existed at 30 June 2018:

Each of the three classes of unlisted options detailed below entitle the holder to acquire one Ordinary share of the Company on the terms disclosed, but do not entitle the holder to participate in any share issue or dividends of the Company and are not transferable. All options vested on the grant date and were therefore not dependent on performance. Options do not lapse on a Director leaving the Company.

(1) On 20 March 2014, 1,227,674 Options were issued to UK consultants involved in the AIM IPO to take up ordinary shares of the Company at an exercise price of $0.146 (8 GB pence) each. The options are exercisable on or before 20 March 2019. At 30 June 2018 859,372 options are still outstanding.

(2) On 18 December 2017, 10,000,000 Options were issued to KMP to take up ordinary shares of the Company at an exercise price of 2 GB pence each. The options are exercisable on or before 15 December 2020.

(3) On 15 February 2018, 750,000 Options were issued to UK consultants involved in the AIM IPO to take up ordinary shares of the Company at an exercise price of 2 GB pence each. The options are exercisable on or before 15 February 2021.

A summary of the movements of all company option issues to 30 June 2018 is as follows:

Company Options	2018 Number of Options	2017 Number of Options	2018 Weighted Average Exercise Price	2017 Weighted Average Exercise Price
Outstanding at the beginning of the year	7,859,372	7,859,372	$0.1500	$0.2400
Expired	(3,800,000)	-		
Granted	10,750,000	-	$0.0022	-
Outstanding at the end of the year	14,809,372	7,859,372	$0.1595	$0.2400
Exercisable at the end of the year	14,809,372	7,859,372	$0.1595	$0.2400

MOSMAN OIL AND GAS LIMITED

32 Events Subsequent to the End of the Financial Year

Material transactions arising since 30 June 2018 which will significantly affect the operations of the Company, the results of those operations, or the state affairs of the Company in subsequent financial periods are:

Baja Strategic Alliance

On 18 July 2018, the Company entered into a Strategic Alliance with Baja Oil and Gas, LLC for the exploitation and development of oil and gas reserves located onshore Texas, USA. Baja owns an existing inventory of oil and gas development projects and is continuing to add projects to the inventory. Under the umbrella of the Strategic Alliance, Mosman will participate in the evaluation of future projects and will have the ability to invest in the development of existing projects. The first project agreed upon was to drill the Stanley well located in the Livingston Oilfield, Polk County, Texas.

The Stanley Development Project is supported by Baja's interpretation of 3D seismic data, integrated with substantial sub-surface well control, and legacy production information.

Mosman has acquired a 16.5% Working Interest by agreeing to pay 22% of the cost of the well, and some prior costs.

Mosman has also acquired a direct interest in the Challenger and Champion projects.

Issue of Equity to Fund Expansion

On 9 November 2018, the Company raised £390,000 (before expenses) by way of a placing of 141,818,182 new ordinary shares of no par value in the capital of the Company ("Fundraising or Placing Shares") at 0.275p per share plus a 1 for 2 warrant exercisable at 0.4p per share (the "Warrants"). The Warrants being exercisable within 24 months of issue.

In addition to the Fundraising, two Directors indicated their intent, to subscribe for up to £110,000 (approximately AUD 198,000) (the "Proposed Subscription") on the same terms and conditions as the Placees to demonstrate their ongoing commitment to the Company. The Directors were unable to participate in the Fundraising as the Company was in a closed period by virtue of the imminent publication of the 2018 Annual Report.

The Proposed Subscription, and the final terms of the Proposed Subscription, which would be subject to AIM Rule 13 Related Party Transactions, will be conditional upon completion of all necessary regulatory approvals. Assuming those approvals are received this would lead to the issuance of a further 40,000,000 shares plus a 1 for 2 warrant exercisable on the same terms.

Assuming the Proposed Subscription proceeds, that would result in the total funds raised of £500,000 (approximately AUD 900,000) before costs.

A further announcement in respect of the Directors' participation is expected to be notified shortly.

Arkoma Option Extension

On 25 July 2018, the Company obtained an extension to the date of the option of acquiring an additional interest in the project.

On 28 September 2018, the Company announced that it would not proceed to exercise the additional working interest option.

EP 156 Impairment

On 6 November 2018, the Company made the decision to relinquish EP 156. As a result of the relinquishment, the asset was fully impaired as at 30 June 2018.

There have been no significant events subsequent to reporting date other than stated above.