RNS Number : 8739W
Mosman Oil and Gas Limited
28 April 2021

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

Half Year Results

Mosman Oil and Gas Limited (AIM: MSMN) the oil exploration, development and production company, announces its Half Year results to 31 December 2020.

Summary

- With a clear focus on the higher margin operations, Mosman took the decision to sell the Welch project and shares in Norseman.
- Proceeds applied to drilling, completing, and installing production facilities at Falcon and workovers at Stanley and Greater Stanley.
- COVID-19 constraints and some production challenges resulted in lower production, which was also impacted by a volatile oil price further affecting revenue
- Revenue of AUD380,000 and Gross Profit AUD56,828
- Net loss of AUD0.7m impacted by production challenges and the volatile oil price in 2020
- Gross Project Production 34,569 BOE[1]
- Net Production to Mosman 9,871 BOE[1]

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

Post period events

- Sold remaining shares in Norseman Silver Inc for AUD208,000
- Completed the sales of the Welch asset for AUD546,611
- Raised £1.5m to be used for Helium, Hydrogen and Hydrocarbon exploration on EP 145 in Central Australia
- Acquired an additional 20% of the Greater Stanley (Duff lease), increasing Mosman's working interest in Duff to 40%.

John W Barr, Chairman of Mosman commented: "Whilst the first half of FY21 was extremely challenging with continued economic uncertainty, volatile oil price movements and production challenges, we remained resolute that we would weather the storm. We have started Q3 with renewed vigour having completed the disposal of the Welch project to enable us to focus on drilling activity and are look forward to the opportunity our increased working interest in Greater Stanley in the US will bring.

"We are well funded to deliver our exploration and development plan and expect to benefit from the recovery in energy prices. This coupled with the planned exploration at EP145 in Australia, where drilling results in nearby permits have demonstrated the commercial production of hydrocarbons reinforcing the potential for successful helium and hydrogen exploration, sets out an encouraging programme for the months ahead.

"Once again, we thank our shareholders for their support whilst reassuring them of our continued confidence to achieve growth in both production and value for the business."

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

Operations Review

Strategy

Mosman's objective remains to identify opportunities which will provide operating cash flow and have further development upside, in conjunction with adding value to the Company's existing exploration permits. To that end the Company is effectively operating in two divisions with onshore oil and gas production with further potential growth in the USA, and exploration for oil, gas, helium and hydrogen in Central Australia.

Whilst the strategy remains intact, short term adjustments were necessary as a result of global events, oil price movements and the COVID19 pandemic that has affected the world. The Board took action to ensure the company survived, and we are pleased that it has not only survived but is well placed for the economic recovery.

With lower oil prices, the decision was made to focus on the higher margin USA operations in East Texas and to dispose of other projects where possible. This led to the sale of the Welch project and sale of the shares in other companies. Proceeds were subsequently applied to drilling, completing, and installing production facilities at Falcon and workovers at Stanley and Greater Stanley.

In Central Australia, the original plan was to progress exploration by conducting seismic acquisition. As a result of COVID19, approvals for on ground activity were delayed. An airborne gravity survey is now planned to obtain geophysical data over the whole permit, while approval is sought for the seismic acquisition. Those activities are now fully funded with an equity placing announced in March 2021.

Results

The unaudited results for the six months to 31 December 2020 reflect the seriousness of the economic uncertainty in the second half of 2020 coupled with production issues, particularly at Stanley, where a number of workovers have been completed. Revenue fell to $383,138 and Gross Profit decreased to $56,828.

On top of the fall in production, oil prices ranged between US$39 in July 2020 to US$48 in December 2020. This has recently risen to over US$60. These prices were better than the first half of the 2020 calendar year, but did effect the gross revenue. Arkoma was again disappointing and the Company is still reviewing options for this non-core asset. Falcon Production began in December 2020, although sales and the recognition of revenue did not commence until January 2021.

Expenses increased slightly during the period due to the appointment of a second broker, increased amortisation costs and currency movements.

The pandemic has restricted travel by the Board since early 2020 and thus the Company has become increasingly dependent on consultants at operational levels. The Company is effectively operating in two Countries, and clear divisions of duties have been implemented.

Operationally a number of activities occurred with the drilling of Falcon-1, the drilling of Stanley-4, the sale of Welch, and various workovers. From a corporate perspective there was strong activity with a number of presentations, a capital raising, and the sale of shares in Canada.

The ability to raise funds on the capital markets was important with over $1.6 million spent on exploration, development, and acquisitions during the six months. The Company raised GBP0.9m gross before expenses in an equity placing during the period in October 2020 and, in a post balance sheet date event, it raised a further GBP1.5 million gross before expenses in March 2021.

Today, the Company is well funded with a cash balance of AUD3.5 million as at the end of March 2021 and has an aggressive exploration and development plan on its existing projects for the remainder of 2021 that are expected to benefit from the recovery in energy prices and the economy while continuing to evaluate new acquisition opportunities that fit its investment criteria.

Projects

Mosman has Working Interests in onshore producing projects located in the USA. These projects and Mosman's working interests before royalties as at 31 December 2020 are:

Producing Projects in USA

PRODUCING

Project	Location	Approx Working Interest (before royalties)
Falcon	Texas	50%
Stanley	Texas	18.5% to 14.85%
Greater Stanley	Texas	40%
Arkoma Stacked Pay	Oklahoma	27% (Held for sale)

UNDEVELOPED

Project	Location	Approx Working Interest (before royalties)
Galaxie	Texas	60%
Cinnabar	Texas	85% (after JV farmout)

Mosman also has interests in two projects in Central Australia:

Project	**Location**	**Approx Working Interest (before royalties)**
Amadeus Basin	Northern Territory, Australia	100% (EP145) 30% (EPA 155 - 70% was farmed out in 2020

Production Summary for the six months ending 31 December 2020

Net Production attributable to Mosman for the six months was 9,871 boe.

Production Details

Further details are outlined below:

	6 Months to 31 December 2020		**6 Months to 31 December 2019**	
	Total Project	Net Attributable	Total Project	Net Attributable
	Gross boe	Net boe	Gross boe	Net boe
Falcon*	2,191	1,096	-	-
Stanley	24,982	3,984	42,268	6,877
Greater Stanley	936	187	-	-
Arkoma	615	123	5,868	1,124
Welch**	5,845	4,481	6,851	5,252
Total boe	**34,569**	**9,871**	**54,987**	**13,253**

Net production means net to Mosman's working interest before royalties
**Falcon production commenced on 11 December 2020*
***Welch project has now been sold*

Subsequent Events

- In January 2021, the Company announced the sale of the remaining shares it owned in Norseman Silver Inc for AUD208,000;
- The sales of the Welch asset was completed in January 2021 and the amount of AUD546,611 shown as a receivable in the balance sheet of 31 December 2020 was received;
- In February 2021, warrants totalling AUD128,000 were exercised;
- In March 2021, the Company raised GBP1,500,000 to be used for Helium, Hydrogen and Hydrocarbon exploration on EP 145 in Central Australia;
- In April 2021, the Company announced it had acquired an additional 20% of the Greater Stanley (Duff lease). This increased Mosman's working interest in Duff to 40%.

Other than the above, there were no significant events subsequent to the date of statement of financial position.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For The Half Year Ended 31 December 2020
All amounts are in Australian Dollars

	Notes	Consolidated 6 months to 31 December 2020 $	Consolidated 6 months to 31 December 2019 $
Revenue		383,138	998,369
Cost of sales	2	(326,310)	(426,432)
Gross profit		**56,828**	**571,937**
Interest income		37	23,228
Gain on sale of oil and gas assets		122,000	-
Other income		51,512	39,893
Administrative expenses		(158,325)	(95,766)
Corporate expenses	3	(440,477)	(433,166)
Directors fees		(60,000)	(60,000)
Exploration expenses incurred not capitalised		(10,090)	-
Employee benefits expense		(29,337)	(34,004)
Evaluation and due diligence		-	(140,430)
Finance costs		(6,362)	(5,177)
Amortisation expense		(63,297)	(43,089)
Depreciation expense		(1,559)	(2,208)
Impairment expense		-	(4,142,016)
Loss on foreign exchange		(19,846)	-
Loss on sale of OCI financial assets	5	(149,906)	-
Loss from ordinary activities before income tax expense		**(708,822)**	**(4,320,798)**
Income tax expense		-	-
Net loss for the period		**(708,822)**	**(4,320,798)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Gain on financial assets at fair value through other comprehensive income (FVOCI)	4	525,118	60,626
Foreign currency (loss)/gain	4	(354,035)	(12,023)
Other comprehensive income for the period, net of tax		**171,083**	**48,603**
Total comprehensive loss attributable to members of the entity		**(537,739)**	**(4,272,195)**
Basic and diluted loss per share		*(0.04) cents*	*(0.73) cents*

The accompanying notes form part of these consolidated financial statements.

Condensed Consolidated Statement of Financial Position
As at 31 December 2020
All amounts are in Australian Dollars

	Notes	Consolidated Balance as at 31 December 2020 $	Consolidated Balance as at 30 June 2020 $
Current Assets			
Cash and cash equivalents		776,549	372,479
Trade and other receivables	6	741,476	78,719

Inventory		-	44,508
Other financial assets		207,782	93,748
Other assets	7	81,448	16,959
Total current assets		1,807,255	606,413
Non-Current Assets			
Property, plant & equipment		8,436	9,995
Oil and gas assets	8	3,083,891	2,061,131
Other receivables		-	54,820
Capitalised oil and gas exploration expenditure	9	383,601	301,242
Total non-current assets		3,475,928	2,427,188
Total Assets		**5,283,183**	**3,033,601**
Current Liabilities			
Trade and other payables	10	380,848	358,091
Equity settled liabilities		-	191,000
Provisions		22,206	20,269
Total current liabilities		403,054	569,360
Total Liabilities		**403,054**	**569,360**
Net Assets		**4,880,129**	**2,464,241**
Shareholders' Equity			
Contributed equity	11 a)	33,645,124	30,691,497
Reserves	12	883,217	712,134
Accumulated losses		(29,648,212)	(28,939,390)
Equity attributable to shareholders		**4,880,129**	**2,464,241**
Total Shareholders' Equity		**4,880,129**	**2,464,241**

The accompanying notes form part of these consolidated financial statements.

Condensed Consolidated Statement of Changes in Equity
For the Half Year Ended 31 December 2020
All amounts are in Australian Dollars

	Accumulated Losses	Contributed Equity	Reserves	Non-Controlling Interest	Total
	$	$	$	$	$
Balance at 1 July 2020	**(28,939,390)**	**30,691,497**	**712,134**	**-**	**2,464,241**
Comprehensive income					
Loss for the period	(708,822)	-	-	-	(708,822)
Other comprehensive loss for the period	-	-	171,083	-	171,083
Total comprehensive loss for the period	**(708,822)**	**-**	**171,083**	**-**	**(537,739)**
Transactions with owners, in their capacity as owners, and other transfers:					
New shares issued	**-**	3,095,575	-	-	3,095,575
Cost of raising equity	**-**	(141,948)	-	-	(141,948)
Total transactions with owners and other transfers	**-**	2,953,627	-	-	2,953,627
Balance at 31 December 2020	**(29,648,212)**	**33,645,124**	**883,217**	**-**	**4,880,129**
Balance at 1 July 2019	**(24,101,980)**	**30,164,872**	**530,837**	**-**	**6,593,729**
Comprehensive income					
Loss for the period	(4,320,798)	-	-	-	(4,320,798)

Other comprehensive loss for the period	-	-	48,603	-	48,603
Total comprehensive loss for the period	**(4,320,798)**	**-**	**48,603**	**-**	**(4,272,195)**
Transactions with owners, in their capacity as owners, and other transfers:					
New shares issued	**-**	-	-	-	-
Cost of raising equity	**-**	-	-	-	-
Total transactions with owners and other transfers	**-**	-	-	-	-
Balance at 31 December 2019	**(28,422,778)**	**30,164,872**	**579,440**	**-**	**2,321,534**

These accompanying notes form part of these consolidated financial statements

Condensed Consolidated Statement of Cash Flows
For the Half Year Ended 31 December 2020
All amounts are in Australian Dollars

	Consolidated 6 months to 31 December 2020 $	Consolidated 6 months to 31 December 2019 $
Cash flows from operating activities		
Receipts from customers	387,356	1,010,125
Interest received & other income	51,511	-
Payments to suppliers and employees	(1,423,368)	(1,257,973)
Bonds refunded	-	10,000
Interest paid	(6,361)	(5,177)
Net cash used in operating activities	**(990,862)**	**(243,025)**
Cash flows from investing activities		
Payments for exploration and evaluation	(82,359)	(15,340)
Deposits paid for acquisition	(135,223)	-
Costs associated with abandoned acquisitions	-	-
Payments for oil and gas acquisitions	-	(162,009)
Payments for oil and gas assets	(1,602,290)	(332,411)
Proceeds from sale of assets	261,177	-
Net cash used in investing activities	**(1,558,695)**	**(509,760)**
Cash flows from financing activities		
Proceeds from shares issued	3,095,575	-
Payments for costs of capital	(141,948)	-
Payments for loans to third parties	-	52,850
Transactions with non-controlling interest	-	-
Net cash provided by financial activities	**2,953,627**	**52,850**
Net decrease in cash and cash equivalents	**404,070**	**(699,935)**
Cash and cash equivalents at the beginning of the financial period	**372,479**	**823,959**
Cash and cash equivalents at the end of the financial period	**776,549**	**124,024**

The accompanying notes from part of these consolidated financial statements

Condensed Notes to the Financial Statements
For the Half-Year Ended 31 December 2020
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 2020 annual financial report for the financial year ended 30 June 2020, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards (IFRS).

Going Concern

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

The directors have considered the funding and operational status of the business in arriving at their assessment of going concern and believe that the going concern basis of preparation is appropriate, based upon the following:

- Current cash and cash equivalents on hand and a further capital raise of GBP 1,500,000 in March 2021;
- The ability to further vary cash flow depending upon the achievement of certain milestones within the business plan and;
- The ability of the Company to obtain funding through various sources, including debt and equity.

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.

1. Summary of Significant Accounting Policies (Continued)

The key areas of judgement and estimation include:

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

Revenue Reporting

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

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

Revenue from joint operations is recognised based on the Group's share of the sale by the joint operation.

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

Oil and Gas assets

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

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

Segment Reporting

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

New standards and interpretations

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

	Consolidated 6 months to 31 December 2020	Consolidated 6 months to 31 December 2019
	$	$
2. Cost of sales		

Cost of sales	70,571	165,843
Lease operating expenses	255,739	260,589
	326,310	**426,432**

3. Corporate costs

Accounting, Company Secretary and Audit fees	97,174	96,537
Consulting fees - Board	166,000	161,000
Consulting fees - Other	83,176	82,963
Legal and compliance fees	94,127	92,666
	440,477	**433,166**

4. Other comprehensive income

Gain on financial assets at fair value through other comprehensive income (FVOCI)	525,118	60,626
Foreign currency (loss)/gain	(354,035)	(12,023)
	171,083	**48,603**

5. Loss on sale of OCI financial assets

Loss on sale of OCI financial assets	149,906	-
	149,906	**-**

The Group sold their remaining shares in Norseman Silver Inc in January 2021. Due to a significant increase in the share price, the $149,906 loss booked on the sale of the OCI financial assets subsequently resulted in a year to date profit of $11,314. The result is that the recorded figures in the 2021 annual report will more than offset the recorded loss in the interim results.

	Consolidated Balance as at 31 December 2020	**Consolidated Balance as at 30 June 2020**
	$	**$**
6. Trade and other receivables		
Deposits	54,856	-
GST receivable	42,887	20,112
Accrued revenue	94,526	54,235
Settlement funds receivable on sale of asset	546,611	-
Other receivables	2,596	4,372
	741,476	**78,719**

The sale of Welch was completed in December 2020 and the balance reflects the amount receivable from the purchaser. The funds were settled in January 2021.

	Consolidated Balance as at 31 December 2020	**Consolidated Balance as at 30 June 2020**
	$	**$**
7. Other assets		
Prepayments	81,448	16,959
	81,448	**16,959**

8. Oil and gas assets

Cost brought forward	**2,061,131**	**3,905,106**
Acquisition of oil and gas assets during the period	135,223	236,783
Disposal of oil and gas assets on sale during the period[1]	(445,606)	-
Capitalised equipment workovers[2]	1,602,290	402,901
Amortisation for the year	(63,297)	(103,616)
Impairment of oil and gas assets	-	(2,380,043)
Impact of foreign exchange	(205,850)	-
Carrying value at end of the period	**3,083,891**	**2,061,131**

1. Disposal relates to the sale of the Welch project during the period, of which a gain was recorded of $122,000.
2. Capitalised project drilling and workovers primarily for the Falcon project.

9. Capitalised oil and gas expenditure

Costs brought forward	**301,242**	**1,615,956**
Exploration costs incurred during the period	82,359	66,582
Impairment of oil and gas expenditure(i)	-	(1,381,296)
Carrying value at the end of the period	**383,601**	**301,242**

(i) Relates to impairment of exploration expenditure in the Amadeus Basin.

10. Trade and other payables

Trade creditors	304,508	331,972
Other creditors and accruals	76,340	26,119
	380,848	**358,091**

11. Contributed Equity

Ordinary Shares
Total shares at 31 December 2020: 2,599,013,052 (30 June 2020: 1,085,810,968) ordinary shares fully paid.

a) Shares movements during the half-year	**Contributed Equity $**	**No. of shares**
Balance at 30 June 2020	30,691,497	1,085,810,968
Shares issued	3,095,575	1,513,202,084
Cost of issued shares	(141,948)	-
Balance at 31 December 2020	**33,645,124**	**2,599,013,052**

12. Reserves	**Consolidated Balance as at 31 December 2020**	**Consolidated Balance as at 30 June 2020**
Options reserve	471,818	471,818
Asset revaluation reserve	161,593	(363,525)
Foreign currency translation reserve	249,806	603,841
	883,217	**712,134**

a) Options Reserve

Options Reserve at the beginning of the period	471,818	471,818
Options Reserve at the end of the period	**471,818**	**471,818**

b) Asset Revaluation Reserve

Asset Revaluation Reserve at the beginning of the period	(363,525)	(402,412)
Revaluation of FVOCI shares	525,118	38,887
Asset Revaluation Reserve at the end of the period	**161,593**	**(363,525)**

c) Foreign Currency Translation Reserve

Foreign Currency Translation Reserve at the beginning of the period	603,841	461,431
Current movement in the period	(354,035)	142,410
Foreign Currency Translation Reserve at the end of the period	**249,806**	**603,841**

13. Segment Information

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

Gas projects in Australia the United States. Discrete financial information about each project is reported to the board on a regular basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the economic characteristics, the nature of the activities and the regulatory environment in which those segments operate. The Group has two reportable segments based on the geographical areas of the mineral resource and exploration activities in Australia, the United States. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

(i) Segment performance

	United States $	**Australia $**	**Total $**
Period ended 31 December 2020			
Revenue			
Revenue	383,138	-	383,138
Interest income	-	37	37
Gain on sale of oil and gas assets	122,000	-	122,000
Other income	41,512	10,000	51,512
Segment revenue	**546,650**	**10,037**	**556,687**
Segment Result			
Loss			
Allocated			
- Corporate costs	(65,123)	(375,354)	(440,477)
- Administrative costs	(93,693)	(64,632)	(158,325)
- Lease operating expenses	(255,739)	-	(255,739)
- Cost of sales	(70,571)	-	(70,571)
- Loss on sale of OCI financial assets	(149,906)	-	(149,906)
Segment net profit/(loss) before tax	**(88,382)**	**(429,949)**	**(518,331)**
Reconciliation of segment result to net loss before tax			
Amounts not included in segment result but reviewed by the Board			
- Evaluation expenses incurred not capitalised	-	(10,090)	(10,090)
- Amortisation	(63,297)	-	(63,297)
- Impairment	-	-	-
Unallocated items			
- Employee benefits expense			(89,337)
- Finance costs			(6,362)
- Foreign exchange			(19,846)
- Depreciation			(1,559)
Net Loss before tax from continuing operations			**(708,822)**

13. Segment Information (continued)

(i) Segment performance (continued)

	United States $	**Australia $**	**Total $**
Period ended 31 December 2019			
Revenue			
Revenue	998,369	-	998,369
Interest income	20,179	3,049	23,228
Other income	29,811	10,082	39,893
Segment revenue	**1,048,359**	**13,131**	**1,061,490**
Segment Result			
Loss			
Allocated			
- Corporate costs	(99,313)	(333,853)	(433,166)

- Administrative costs	(23,020)	(72,746)	(95,766)
- Lease operating expenses	(260,589)	-	(260,589)
- Cost of sales	(165,843)	-	(165,843)
Segment net profit/(loss) before tax	**499,594**	**(393,468)**	**106,126**
Reconciliation of segment result to net loss before tax			
Amounts not included in segment result but reviewed by the Board			
- Evaluation and due diligence	(47,542)	(92,888)	(140,430)
- Amortisation	(43,089)	-	(43,089)
- Impairment	(2,760,720)	(1,381,296)	(4,142,016)
Unallocated items			
- Employee benefits expense			(94,004)
- Finance costs			(5,177)
- Depreciation			(2,208)
Net Loss before tax from continuing operations			**(4,320,798)**

Period ended 31 December 2019

13. Segment Information (continued)

(ii) Segment assets

	United States $	Australia $	Total $
As at 31 December 2020			
Segment assets as at 1 July 2020	2,350,564	683,037	3,033,601
Segment asset balances at end of period			
- Exploration and evaluation	-	7,564,519	7,564,519
- Capitalised Oil and Gas	4,497,478	-	4,497,478
- Less: Amortisation	(71,518)	-	(71,518)
- Less: Impairment	(1,342,070)	(7,180,918)	(8,522,988)
	3,083,890	**383,601**	**3,467,491**
Reconciliation of segment assets to total assets:			
Other assets	648,781	1,166,911	1,815,692
Total assets from continuing operations	**3,732,671**	**1,550,512**	**5,283,183**

	United States $	Australia $	Total $
As at 30 June 2020			
Segment assets as at 1 July 2019	4,618,616	2,571,517	7,190,133
Segment asset balances at end of year			
- Exploration and evaluation	-	7,482,160	7,482,160
- Capitalised oil and gas assets	4,632,884	-	4,632,884
- Less: Amortisation	(191,710)	-	(191,710)
- Less: Expenditure previously capitalized, written off in the year	(2,380,043)	(7,180,918)	(9,560,961)
	2,061,131	**301,242**	**2,362,373**
Reconciliation of segment assets to total assets:			
Other assets	289,433	381,795	671,228
Total assets from continuing operations	**2,350,564**	**683,037**	**3,033,601**

13. Segment Information (continued)

(iii) Segment liabilities

	United States $	Australia $	Total $
As at 31 December 2020			
Segment liabilities as at 1 July 2020	87,486	481,874	596,360
Segment liability (decreases) for the year	(3,069)	(163,237)	(166,306)
	84,417	**318,637**	**403,054**
Reconciliation of segment liabilities to total liabilities:			
Other liabilities	**-**	**-**	**-**
Total liabilities from continuing operations	**84,417**	**318,637**	**403,054**
As at 30 June 2020			
Segment liabilities as at 1 July 2019	316,192	280,212	596,404
Segment liability (decreases) for the year	(228,706)	201,662	(27,044)
	87,486	**481,874**	**569,360**
Reconciliation of segment liabilities to total liabilities:			
Other liabilities	**-**	**-**	**-**
Total liabilities from continuing operations	**87,486**	**481,874**	**569,360**

14. Producing assets

The Group currently has 3 producing assets, which the Board monitors as separate items to the geographical and operating
segments. The Stanley and Welch are Oil and Gas producing assets in the United States along with some other projects.

Project performance is monitored by the line items below.

(i) Project performance

	Arkoma $	Stanley $	Welch $	Other Projects $	Total $
Half-Year Ended 31 December 2020					
Revenue					
Oil and gas project related revenue	-	174,245	203,650	5,243	383,138
Producing assets revenue	**-**	**174,245**	**203,650**	**5,243**	**383,138**
Project-related expenses					
- Cost of sales	-	10,618	59,953	-	70,571
- Lease operating expenses	-	26,588	227,974	1,177	255,739
Project cost of sales	**-**	**37,206**	**287,927**	**1,177**	**326,310**
Project gross profit					
Gross profit	-	137,039	(84,277)	4,066	56,828

Condensed Notes to the Financial Statements
For the Half-Year Ended 31 December 2020
All amounts are Australian Dollars

14. Producing assets (continued)

(i) Project performance

	Arkoma $	Stanley $	Welch $	Other Projects $	Total $
Half-Year Ended 31 December 2019					
Revenue					
Oil and gas project related revenue	9,564	365,396	623,409	-	998,369
Producing assets revenue	**9,564**	**365,396**	**623,409**	**-**	**998,369**

Project-related expenses					
- Cost of sales	880	20,474	144,489	-	165,843
- Lease operating expenses	10,560	15,401	214,301	20,327	260,589
Project cost of sales	**11,440**	**35,875**	**358,790**	**20,327**	**426,432**
Project gross profit					
Gross profit	(1,876)	329,521	264,619	(20,327)	571,937

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 2020, 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	-
Oilco Pty Ltd	EPA155	-
		-

[1] An extension to the work program condition has been granted until 21 August 2021, when there will be a commitment 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.

(b) Capital Commitments

The Company had no capital commitments at 31 December 2020 (2019 - $Nil).

16. Subsequent Events

- In January 2021, the Company announced the sale of the remaining shares it owned in Norseman Silver Inc for AUD208,000;
- The sales of the Welch asset was completed in January 2021 and the amount of AUD546,611 previously shown as a receivable was received;
- In February 2021 warrants totalling AUD128,000 were exercised by warrant holders;
- In March 2021 the Company raised GBP1,500,000 to be used for Helium, Hydrogen and Hydrocarbon exploration on EP 145 in Central Australia;
- In April 2021 the Company announced it had acquired an additional 20% of the Greater Stanley (Duff lease). This increases Mosman's working interest in Duff to 40%.

Other than the above, there were no significant events subsequent to the date of statement of financial position.

17. Dividends

No dividends have been paid or proposed during the half year ended 31 December 2020.

Directors' Declaration

The Directors of the Consolidated Group declare that:

1. The financial statements and notes, as set out on pages 5-20, are in accordance with the Australian Corporations Act 2001:

   (a) comply with Accounting Standards, which, as stated in Note 1 - Statement of Accounting Policies to the consolidated financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

   (b) give a true and fair view of the consolidated financial position as at 31 December 2020 and of the performance for the year ended on that date of the Group.

2. In the Directors' opinion there are reasonable grounds to believe that the Group w ill 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 sign ed by authority for and on behalf of the Directors by:

John W Barr
Executive Chairman

Dated this **27 April 2021**

Half Year Results
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