26 March 2014

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

Half Yearly Report

Mosman Oil and Gas Limited (AIM: MSMN) the New Zealand and Australia focussed oil exploration and development company, is pleased to provide the condensed unaudited consolidated accounts for the half year ended 31 December 2013.

Chairman's Statement

I am pleased to present the condensed consolidated unaudited half yearly financial report and to update you on recent developments.

This reporting period was one of most significance as it culminated in Mosman completing an admission to the AIM market of the London Stock Exchange plc on 20 March 2014, having raised £1.5 million via a Placing of 18,750,000 shares at 8p.

Operations

Mosman was formed in 2011 by John W Barr and John Young to examine resource opportunities in overlooked and emerging resource areas. In 2013 the Board was bolstered by the addition of Andrew Carroll, an engineer with over 30 years of oil and gas industry experience.

The strategic objective is to discover economic reserves and realise value through the development, joint venture or sale of the assets.

Mosman is currently focused on two oil and gas projects, the Petroleum Creek Project in New Zealand and the Officer Basin Project in Australia.

New Zealand

Mosman's immediate focus is on the Petroleum Creek Project, NZ, a 143.6 sq km low cost onshore exploration project located near Greymouth on the South Island in the southern extension of the proven Taranaki oil system. The project has a Mean Unrisked Recoverable OIIP of 26.6 MmStb.

Recent achievements included:

1. Identification and acquisition of the Petroleum Creek Project (PEP 38526);
2. Ministerial consent to the change of conditions for the PEP which resulted in Mosman earning the initial 60% interest;
3. Ministerial approval for the ownership and operatorship of the PEP;
4. Acquisition of 100% of the PEP;
5. Geological and geophysical work completed;
6. Mosman has established a functional organisation with management contracted;
7. NZ drilling contractors identified, with contract negotiations underway; and
8. Other permits and applications identified which may result in the acquisition of other projects.

Australia

In Australia, Mosman has a 25% investment in the Officer Basin Project, a 22,527 sq km large land holding with significant exploration potential, which lies in one of the more explored parts of the Basin with road access. The project area is in the Western Australian part of the Officer Basin and offers both conventional and unconventional potential with hydrocarbon shows reported and all elements of a petroleum system are present.

Recent achievements included:

1. In January 2014 Mosman Shareholders approved the acquisition of Petroleum Portfolio Pty Ltd, the shares in a company that owns 25% of Australian Petroleum Portfolio Pty Ltd, a company that owns 25% Australian Petroleum Portfolio Pty Ltd, the preferred application in respect of petroleum exploration permit application STP-EPA-0071 located in the Officer Basin of Western Australia; and
2. Native title negotiations in respect to the application are actively continuing.

Balance Sheet and Cash Flow

Mosman and its subsidiaries recorded a loss for the six months of Aus$439,465 (2012: A$332,124). At the same time the net assets increased to Aus$1,369,530 from A$580,625.

Following the end of the period the company successfully completed an Initial Public offering of 18,750,000 ordinary shares at 8 pence, raising £1,5000,000 (approximately Aus2,700,000), and was admitted to trading on the AIM market of the London Stock Exchange plc.

The Directors are satisfied that the Group has sufficient resources to continue operations for the foreseeable future, being a period of not less than twelve months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial information.

John W Barr
Executive Chairman

26 March 2014

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MOSMAN OIL AND GAS LIMITED

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year Ended 31 December 2013

	Note	Consolidated 31 December 2013 Aus$	Company 31 December 2012 Aus$
Interest Income		**1,698**	**2,545**
Administrative costs		**(35,928)**	**(5,290)**
Corporate costs	2	**(341,349)**	**(145,032)**
Exploration expense		**(36,374)**	**-**
Exploration write off		**-**	**(177,807)**
Employee Benefits expense		**(22,659)**	**(6,540)**
Gain/ Loss on foreign exchange		**1,221**	**-**
Share based payments		**(5,000)**	**-**
Depreciation		**(1,074)**	**-**
Loss from ordinary activities before income tax expense		**(439,465)**	**(332,124)**
Income tax expense		**-**	**-**
Net Loss for the year		**(439,465)**	**(332,124)**
Other Comprehensive Income		**-**	**-**
Total comprehensive income attributable to members of the entity		**(439,465)**	**(332,124)**
Basic and diluted earnings/(loss) per share (cents per share)		***(1.31) cents***	***(2.83) cents***

The accompanying condensed notes form part of these financial statements.

MOSMAN OIL AND GAS LIMITED

Unaudited Condensed Consolidated Statement of Financial Position
as at 31 December 2013

	Notes	**Consolidated 31 December 2013 Aus$**	**Consolidated 30 June 2013 Aus$**
Current Assets			
Cash and cash equivalents		**115,989**	**427,666**
Trade and other receivables	3	**90,117**	**22,348**
Total Current Assets		**206,106**	**450,014**
Non-Current Assets			
Property, plant & equipment		**4,629**	**5,703**
Capitalised mineral exploration expenditure	4	**1,389,032**	**183,973**
Total Non-current Assets		**1,393,661**	**189,676**
Total Assets		**1,599,767**	**639,690**
Current Liabilities			
Trade and other payables	5	**230,237**	**59,065**
Total Current Liabilities		**230,237**	**59,065**
Total Liabilities		**230,237**	**59,065**
Net Assets		**1,369,530**	**580,625**
Shareholders' Equity			
Contributed equity	6	**2,813,370**	**1,585,000**
Accumulated losses		**(1,443,840)**	**(1,004,375)**
Total Shareholders' Equity		**1,369,530**	**580,625**

The accompanying condensed notes form part of these financial statements.

Unaudited Condensed Consolidated Statement of Changes in Equity
for the Half Year Ended 31 December 2013

	Accumulated Losses Aus$	Contributed Equity Aus$	Total Aus$
Balance at 1 July 2012	**(292,039)**	**550,000**	**257,961**
Comprehensive income			
Profit for the year	**(332,124)**	**-**	**(332,124)**
Other comprehensive income for the year	**-**	**-**	**-**
Total comprehensive income for the year	**(332,124)**	**-**	**(332,124)**
Transactions with owners, in their capacity as owners, and other transfers			
Shares issued to shareholders	**-**	**100,000**	**100,000**
Total transactions with owners and other transfers	**-**	**100,000**	**100,000**
Balance at 31 December 2012	**(624,163)**	**650,000**	**25,837**
Balance at 1 July 2013	**(1,004,375)**	**1,585,000**	**580,625**
Comprehensive income			
Profit for the year	**(439,465)**	**-**	**(439,465)**
Other comprehensive income for the year	**-**	**-**	**-**
Total comprehensive income for the year	**(439,465)**	**-**	**(439,465)**
Transactions with owners, in their capacity as owners, and other transfers			
Shares issued to shareholders	**-**	**1,228,370**	**1,228,370**
Total transactions with owners and other transfers	**-**	**1,228,370**	**1,228,370**
Balance at 31 December 2013	**(1,443,840)**	**2,813,370**	**1,369,530**

The accompanying condensed notes form part of these financial statements

Unaudited Condensed Consolidated Statement of Cash Flows
for the Half Year Ended 31 December 2013

	Notes	**Consolidated 31 December 2013 Aus$**	**Company 31 December 2012 Aus$**
Cash flows from operating activities			
Interest received		**1,698**	**2,545**
Payments to suppliers and employees		**(317,518)**	**(175,148)**
Net cash (outflow) from operating activities		**(315,820)**	**(172,603)**
Cash flows from investing activities			
Payments for Property, plant & equipment		**-**	**-**
Payments for exploration and evaluation assets		**(327,857)**	**(58,251)**
Net cash (outflow) from investing activities		**(327,857)**	**(58,251)**
Cash flows from financing activities			
Proceeds from shares issued		**332,000**	**100,000**
		332,000	**100,000**
Net (decrease) / increase in cash and cash equivalents		**(311,677)**	**(130,854)**
Cash and cash equivalents at the beginning of the financial period		**427,666**	**205,755**
Cash and cash equivalents at the end of the financial period		**115,989**	**74,901**

The accompanying condensed notes from part of these financial statements.

Condensed Notes to the Unaudited Financial Statements for the Half-Year ended 31 December 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The unaudited 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 unaudited half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The unaudited 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 unaudited half-year financial report are consistent with those adopted and disclosed in the Company's 2013 annual financial report for the financial year ended 30 June 2013, 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.

Adoption of new or revised accounting standards and interpretations

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year. The Group has not early adopted any accounting standards or interpretations.
The adoption of all new and revised standards and interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half-years.

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the consolidated entity's assets and the discharge of its liabilities in the normal course of business.

Going concern

As disclosed in the financial report, the consolidated entity recorded an operating loss of Aus$439,465 (31 Dec 2012: Aus$332,124), has a working capital deficiency position of Aus$24,131 (30 June 2013 working capital surplus: Aus$390,949) and a cash outflow from operating activities of (Aus$315,820) (31 Dec 2012: Aus$172,603) for the half-year ended 31 December 2013.

On March 20, 2014 the company successfully completed an Initial Public offering (IPO) of 18,750,000 ordinary shares at 8 pence, raising £1,500,000 Great British Pounds (approximately Aus$2,700,000).

In addition, on March 20 the Company admitted to trading on the AIM market of the London Stock Exchange plc.

The Directors believe after consideration of the above matters, there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable; and it is a going concern.

Accordingly, the Directors believe that subject to the facility to assist the Group before Admission and then the funding received upon a successful admission to trading on AIM, the Company will obtain sufficient funding to enable the consolidated entity to continue as going concerns and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

Should the Company be unable to obtain sufficient funding as outlined above, there is material uncertainty which may cast significant doubt over the consolidated entity's ability to continue as a going concern.

Should the company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and an amount different to those stated in the financial statements. The financial statements do not include any adjustments related to the recoverability and classification of asset carrying amounts or the amount of liabilities that might resolve should the company be unable to continue as a going concern and meet its debts as and when they fall due.

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 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 and Investments in and Loans to Subsidiaries

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 on a regular basis 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.

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 of the operating segments, has been identified as the Board of Directors of the Company.

	Consolidated 31 December 2013 Aus$	Company 31 December 2012 Aus$
2. Corporate Costs		
Accounting, Company Secretary and Audit fees	48,858	8,500
Directors fees	60,000	60,000
Consulting fees	97,254	20,000
Travel fees	21,829	37,365
Legal fees	113,408	19,167
	341,349	145,032

	Consolidated 31 December 2013 Aus$	Consolidated 30 June 2013 Aus$
3. Trade and other receivables		
GST receivable	40,117	22,348
Prepayments	50,000	-
	90,117	22,348

4. Capitalised mineral exploration expenditure

Non-Current

In the exploration phase

Cost brought forward	183,973	74,706
Expenditure incurred during the year (at cost)	368,689	414,519
Acquisition costs settled via equity	836,370	-
Exploration expenditure written off	-	(305,252)
	1,389,032	183,973

The recoupment of costs carried forward is dependent on the successful development and/or commercial exploitation or alternatively sale of the respective areas of interest.

5. Trade and other payables

Current (unsecured)

Trade creditors	**230,237**	**43,956**
Other creditors and accruals	**-**	**15,109**
	230,237	**59,065**

Included within trade and other creditors and accruals is an amount of Aus$92,667 (30 June 2013- Aus$22,961) relating to exploration expenditure

6. Contributed equity

	Consolidated 31 December 2013 Aus$	Consolidated 30 June 2013 Aus$
Ordinary Shares		
33,633,701 (30 June 2013: 21,350,001) ordinary shares fully paid	**2,813,370**	**1,585,000**

Share movements during the year	**Number**	**Number**
Balance at the beginning of period	**21,350,001**	**11,000,001**
Shares issued 15/8/12 at Aus$0.10	**-**	**1,000,000**
Shares issued 6/2/13 at Aus$0.10	**-**	**6,150,000**
Shares issued 30/5/13 at Aus$0.10	**-**	**3,200,000**
Shares issued 27/11/13 at Aus$0.10	**3,920,000**	**-**
Shares issued 20/12/13 at Aus$0.10	**8,363,700**	**-**
Balance at the end of the year	**33,633,701**	**21,350,001**

Options

During the period no options were granted. There are 3 million options on issue, which are all held by related parties as follows:

J W Barr	1,000,000
J Young	1,000,000
M Bowen	1,000,000

Share based payments

600,000 shares with a value of Aus$60,000 were issued in November 2013 in lieu of payment of consulting fees.

8,363,700 shares with a value of Aus$836,370 were issued in December 2013 to finalise the acquisition of the New Zealand permit.

7. Segment Information

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

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

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

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

(i) Segment performance

	New Zealand Aus$	Australia Aus$	Total Aus$
Half-Year ended 31 December 2013			
Revenue			
Interest revenue	**-**	**1,698**	**1,698**
Foreign exchange gain	**-**	**1,221**	**1,221**
Total segment revenue	**-**	**2,919**	**2,919**
Segment net profit/(loss) before tax	**-**	**2,919**	**2,919**
Reconciliation of segment result to net loss before tax			
Amounts not included in segment result but reviewed by the Board			
-Exploration expenditure written off	**-**	**(36,374)**	**(36,374)**
Unallocated items			
-Corporate Costs			**(341,349)**
-Employee Benefits Expense			**(22,659)**
-Administrative Costs			**(35,928)**
-Share based payments			**(5,000)**
-Depreciation			**(1,074)**
Net loss before tax from continuing operations			**(439,465)**

Half-Year ended 31 December 2012

Revenue			
Interest revenue	**-**	**2,545**	**2,545**
Foreign exchange gain	**-**	**-**	**-**
Total segment revenue	**-**	**2,545**	**2,545**
Segment net profit/(loss) before tax	**-**	**2,545**	**2,545**
Reconciliation of segment result to net loss before tax			
Amounts not included in segment result but reviewed by the Board			
-Exploration expenditure written off	**-**	**(177,807)**	**(177,807)**
Unallocated items			
-Corporate Costs			**(145,032)**
-Employee Benefits Expense			**(6,540)**
-Administrative Costs			**(5,290)**
-Share based payments			**-**
Net loss before tax from continuing operations			**(332,124)**

(ii) Segment assets

	New Zealand Aus$	Australia Aus$	Total Aus$
As at 31 December 2013			
Segment assets as at 1 July 2013	**183,973**	**-**	**183,973**
Segment asset increases/(decreases) for the year			
-Exploration and evaluation	**1,205,059**	**-**	**1,205,059**
	1,389,032	**-**	**1,389,032**
Reconciliation of segment assets to total assets:			
Other assets			**210,735**
Total assets from continuing operations			**1,599,767**
As at 30 June 2013			
Segment assets as at 1 July 2012	**-**	**-**	**74,706**
Segment asset increases/(decreases) for the year			
-Exploration and evaluation	**183,973**	**-**	**109,267**
	183,973	**-**	**183,973**
Reconciliation of segment assets to total assets:			
Other assets			**455,717**
Total assets from continuing operations			**639,690**

7. **Segment Information (Continued)**

	New Zealand Aus$	Australia Aus$	Total Aus$
(iii) Segment liabilities			
As at 31 December 2013			
Segment liabilities as at 1 July 2013	**9,676**	**49,389**	**59,065**
Segment liability increases/(decreases) for the year	**(9,676)**	**180,848**	**171,172**
	-	**230,237**	**230,237**
Reconciliation of segment liabilities to total liabilities:			
Other liabilities			**-**
Total liabilities from continuing operations			**230,237**
As at 30 June 2013			
Segment liabilities as at 1 July 2012	**-**	**22,500**	**22,500**
Segment liability increases/(decreases) for the year	**9,676**	**26,889**	**36,565**
	9,676	**49,389**	**59,065**
Reconciliation of segment liabilities to total liabilities:			
Other liabilities			**-**
Total liabilities from continuing operations			**59,065**

8. **Commitments**

There has been no change in commitments since the 30 June 2013 annual report.

9. **Contingent Liabilities**

There has been no change in contingent liabilities since the 30 June 2013 annual report.

10. **Significant Changes in the state of affairs**

The significant changes were as follows:

In July 2013, the company entered into a Farmin Agreement. Under the terms of which Mosman acquired a 60% interest in the New Zealand Petroleum Exploration Permit 38526.

In December 2013 Mosman exercised its Call Option to acquire the remaining 40% of the Permit. Under the terms of the Option, the Company issued 8,363,700 ordinary shares to Aorere Resources Limited.

In November the company issued 3,920,000 at 10 cents per share to raising Aus$392,000.

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

11. Subsequent events

There are no material matters or circumstances arising since 31 December 2013 which will significantly affect the operations of the Company, the results of those of those operations, or the state affairs of the Company in subsequent financial periods apart from:

On January 15, Shareholders approved the acquisition by the Company of Petroleum Portfolio Pty Ltd from director Mr Andrew Carroll for the consideration of 9,000,000 ordinary shares in the Company.

On January 15, Shareholders approved the issue of 1,000,000 Options each to Directors Mr J W Barr and Mr Andrew Carroll, exercisable at 15 cents prior to 13 January 2019.

On January 15, the directors issued 1,300,000 options to employees and consultants of the Company exercisable at 15 cents prior to 13 January 2019.

On February 7, 2014 the Company issued 2,000,000 options to Santina Ltd, exercisable at 5 cents prior to 15 February 2017 in settlement of a legal dispute with Santina Ltd.

On March 20, 2014 the company successfully completed an Initial Public offering (IPO) of 18,750,000 ordinary shares at 8 pence, raising £1,500,000 (approximately Aus$2,700,000).

On March 20 the Company admitted to trading on the AIM market of the London Stock Exchange plc.

12. Dividends

No dividends have been paid or proposed during the half year.

MOSMAN OIL AND GAS
LIMITED

Directors Declaration

The Directors of the company declare that:

1) The financial statements and notes, as set out on pages 5-16
   a. Comply with Accounting Standard AASB 134: Interim Financial Reporting, Corporations Act 2001 and the Corporations Regulations 2001; and
   b. Give a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half year ended on that date.

2) In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with resolution of the board.

John W Barr
Director

Perth
26 March 2014

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