MOSMAN OIL AND GAS LIMITED

ACN 150 287 111

ANNUAL REPORT
30 JUNE 2015

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Company Directory

Directors

John W Barr
Andy R Carroll
John A Young

Company Secretary

Zane Lewis (resigned 27 July 2015)
Jarrod White (appointed 24 April 2015)

Head Office

C/-Traverse Accountants Pty Ltd
Suite 305 Level 3, 35 Lime Street
Sydney NSW Australia NSW 2000

Registered Office

C/-Traverse Accountants Pty Ltd
Suite 305 Level 3, 35 Lime Street
Sydney NSW Australia NSW 2000

Stock Exchange

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

Auditors

Somes Cooke - Chartered Accountants

Nominated Adviser & Broker

SP Angel Corporate Finance LLP

Registrars

In Australia:
Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace
Perth Western Australia 6000

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

Company Website

www.mosmanoilandgas.com.au

Bankers

In Australia:
National Australia Bank

In New Zealand:
Bank of New Zealand

Lawyers

As to English law
Ronaldsons LLP

As to New Zealand law
Graeme Alexander

As to Australian law
DLA Piper

Chairman's Letter

Mosman operates in politically stable countries with a strategy to build a sustainable mid-size Oil Company by means of organic and strategic growth.

Like many competitors in the oil and gas sector, the 2015 year was challenging. Mosman made good progress in building the exploration permit base of the Company whilst development did not advance as quickly as anticipated. The Board has dealt with both a decreasing Oil price, and a difficult capital market, but has vigorously pursed its objectives.

Post year end, the Company has made good progress towards first production in 2016 with the proposed strategic acquisition of the South Taranaki Exploration Project ('STEP').

Key highlights in 2015 were:

- Satisfying the work program at Petroleum Creek by drilling two wells to earn 100% of that project. Three wells were drilled with no Health Safety or Environment issues, demonstrating Operator capability. The third well drilled also satisfied the work program for 2015-2016 permit year.
- Acquired Trident Energy Limited, to secure oil and gas exploration permits in Australia;
- Acquired OilCo Pty Ltd to secure the Amadeus Basin Permits;
- Awarded three additional permits in the 2014 New Zealand Government Block Offer;
- Appointed a new NOMAD and Broker;
- Completed extensive seismic at Petroleum Creek;
- Continued exploration on all other permits and met all permit requirements;
- Established a maiden Prospective Resource at the Murchison Permit;
- Identified the acquisition opportunity at STEP and achieved preferred bidder status.
- Evaluation work and planning underway for drilling at Murchison;
- In excess of AUD $ 4.5 million of new capital was raised and some $5.5 million was spent on exploration during the year, a considerable achievement given Mosman was only admitted to AIM in early 2014, and the overall market conditions.

Of course there were also disappointments with the failed takeover of MEO Australia Limited, the lack of commercial oil flows at Petroleum Creek, and more recently the sell out by certain shareholders.

Looking back mistakes were made, but that is clearly over ridden by the overall progress in acquiring assets, developing capability, the high level of exploration activity, and the potential offered by the STEP acquisition.

Post Year End and Financial Position:

Mosman's cash position was AUD $1.12 million at 30 June 2015. As at the date of this report, Mosman has over AUD $5.4 million cash in the bank.

The Company has incurred some costs in relation to the acquisition of 70% of the STEP production project which include transition costs and costs to develop the 12 projects which have been identified to increase production. These costs are in addition to the company's settlement obligation of NZD 7 million which will be due throughout calendar year 2016.

Since the financial year end, Mosman has made good progress with regard to all requirements to conclude the acquisition and the associated funding:

- Raised AUD $6.47 million (before costs);
- Royalty agreement signed to sell a 2% royalty on the STEP production project for NZD 4 million;

- Signed a participation agreement with High Peak Royalties (ASX:HPR) for the remaining 30% interest in the STEP production project to be acquired by Joint Venture ('JV') partner;
- HPR has paid AUD 150,000 in past costs and will also fund 30% of all future costs.

As a result of the key initiatives completed since the financial year end, Mosman now has over AUD $5.4m cash, before the payment for STEP, and also before the royalty agreement funding and JV partner payments outlined above.

Looking forward to 2016, our priorities remain the anticipated completion of the STEP acquisition early in 2016, and drilling at Murchison. In the light of market conditions and given the number of advanced projects that are available from distressed sellers on attractive terms, we continue to review opportunities that can help us accelerate our strategic growth objective. In parallel, we monitor and regularly review the suitability of our existing exploration portfolio against appropriate criteria.

Our achievements in 2015 and since the financial year end were significant and have only been accomplished with the considerable determination and hard work from our employees, consultants and advisers. In particular, we would also like to thank our shareholders for their continued support. The Board would like to express its appreciation to all of the above.

The Board is conscious that both the upstream oil environment and the equity market for junior oil and gas companies' remains challenging but looks forward to 2016 with cautious optimism.

Yours Truly,

John W. Barr
Executive Chairman
8 December 2015

Directors' Report

Your Directors provide their report as to the results and state of affairs of the Group, being the Company and its controlled and associated entities, for the year ended 30 June 2015. Please note that all amounts quoted are Australian Dollars, unless otherwise stated.

Operations Overview

Summary Table of Assets – Oil & Gas Permits and Applications

Asset	Mosman Interest	Status	Licence Expiry Date	Area Square Kilometers
New Zealand, Petroleum Creek (PEP 38526)	100%	Exploration	4 September 2017	143
New Zealand, Taramakau (PEP 57067)	100%	Exploration	31 March 2025	990
New Zealand, Murchison (PEP 57068)	100%	Exploration	31 March 2025	517
New Zealand, East Coast (PEP 57058)	100%	Exploration	31 March 2025	667
Australia, Officer Basin (STP-EPA-0071)	25%	N/A	N/A	22,527
Australia, Otway (VIC P62)	30%	Exploration	11 July 2016	2,480
Australia, Amadeus Basin (EP 145)	100%	Exploration	15 August 2019	818
Australia, Amadeus Basin (EP(A)155)	100%	N/A	N/A	378
Australia, Amadeus Basin (EP 156)	100%	Exploration	6 November 2016	4,164

Murchison Permit, South Island New Zealand

Initial Prospective Resource Established

In April 2015, the Company received a report from independent technical consultants, SRK Consulting (Australasia) Pty Ltd ("SRK"), in respect of its 100% owned Murchison permit in the South Island of New Zealand. In its report, SRK has estimated additional deeper tight gas and Oil Prospective Resources that are summarised in Table 1:

Table 1: Estimated Tight Gas and Oil Prospective Resources for the mapped northern part of Murchison PEP 57068 block

Unconventional Tight Gas		**P90**	**P50**	**MEAN**	**P10**
Prospective Resources	Recoverable Gas (Bcf)	9,543	13,271	13,695	18,546
	Recoverable Oil (MMbbl)	148	159	164	196

SRK has also estimated the conventional oil prospective resources at the Te Wiriki Prospect, summary details of which are in Table 2:

Table 2: Estimated Prospective Oil Resources for the Te Wiriki Anticline

	P90	**MODE**	**P50**	**MEAN**	**P10**
Prospective Oil Resources (MMbbl Recoverable)	0.06	0.03	0.40	1.13	2.92

Prospective Resources on the Te Wiriki Prospect are for the full structure; approximately 34% of the lowest part of the fault dependent closure extends beyond the block held by Mosman.

The SRK report provides independent external confirmation of the significant prospective resources at our Murchison permit that contains the shut-in Blackwater-1 oil and gas discovery.

Lidar Survey planned for early 2016.

Land access agreements are progressing well with submissions now lodged with the local authority. Geology and Engineering work continues and the well design will be finalized when the Lidar Survey is completed. There are a series of formalities and approvals to be completed before drilling conditional on a number of matters including funding.

Petroleum Creek Permit, South Island New Zealand

In December 2014, Mosman received the signed final report from SRK which contains the revised prospects, leads inventory and the updated estimates of resources for the Petroleum Creek Project. The report updates the project based on the Cross Roads-1, Crestal-1 and Crestal-2 well drilling results, reprocessed and recently acquired seismic data, and other available information.

The drilling of Cross Roads-1 and Crestal-1 has demonstrated oil in the 8 Mile Formation and the Cobden Limestone. More importantly, Cross Roads-1, northwest of the main crest has de-risked charge in the greater Kotuku structure and indicates some surrounding prospects and leads occur on migration paths."

The report also identifies new prospects and leads which extend across the boundary from the Petroleum Creek project into the new Taramakau permit, details of which are not yet included in the resource inventory in the report. The Directors believe the report from SRK confirms the significant progress made in the months since Admission on the Petroleum Creek permit.

Prospective Resources

	Unrisked OIIP mmstb				**Unrisked Recoverable Oil mmstb**			
	P90	**P50**	**Mean**	**P10**	**P90**	**P50**	**Mean**	**P10**
New	32.0	114.5	334.2	466.7	4.7	16.1	27.3	61.5
Old	30.0	98.9	217.9	396.1	4.8	15.6	26.6	59.2

Contingent Resources

Contingent Resources for Cross Roads-1 and Crestal-1 are shown below. Contingent Resources are by definition, discovered hydrocarbons. This is a significant step forward in a short time since admission in March 2014.

Crestal-1

	OIIP Estimate (Barrels)				**Contingent Oil Resource Estimate (Barrels)**			
	P90	**P50**	**Mean**	**P10**	**P90**	**P50**	**Mean**	**P10**
Lower 8 Mile	10,552	67,069	190,482	426,309	1,572	9,485	22,480	57,215
Cobden	6,421	32,387	72,017	163,365	1,305	6,272	12,236	30,147
Total	**16,973**	**99,456**	**262,499**	**589,674**	**2,877**	**15,757**	**34,716**	**87,362**

Cross Roads-1

	OIIP Estimate (Barrels)				**Contingent Oil Resource Estimate (Barrels)**			
	P90	**P50**	**Mean**	**P10**	**P90**	**P50**	**Mean**	**P10**
Lower 8 Mile	5,672	41,071	135,822	297,376	850	5,808	15,460	39,713
Cobden	3,068	15,362	33,910	76,914	623	2,975	5,770	14,197
Total	**8,740**	**56,433**	**169,732**	**374,290**	**1,473**	**8,783**	**21,230**	**53,910**

Taramakau Permit, South Island New Zealand

The Taramakau permit surrounds Petroleum Creek and shares similar geological characteristics, and shares similar prospective play types. The permit is larger and includes additional leads and prospects that are identified on existing seismic and wells, and will be targeted in the next round of seismic acquisition scheduled for later this year or early next year.

EP 145, EP 156 and EPA 155, Northern Territory, Australia

The Northern Territory Government is announced a gas pipeline connection from the existing NT pipelines to the gas market in Eastern Australia, which is stimulating acquisitions and gas exploration.

In this context, EP 145 is well placed, adjacent to a producing oil and gas field. An exploration team, contracted by Mosman, was active in the permit area, targeting natural fractures and other data to focus the exploration efforts and add to the commercial value of the asset. Results from recent activity in EP 156 have identified significant potential in a formation which has not previously been considered, which has the potential to increase the prospectivity and hence the value of that permit. The third permit area, EPA 155, is adjacent to an existing oil field, but is currently in native title moratorium until the end of this year, when land access negotiations will be required prior to award of that permit.

EP 478 Canning Basin, Western Australia

The Operator advised that they do not plan to drill a well and Mosman has agreed to terminate the farm-in option.

Costs incurred on this project have been expensed.

VICP62 Otway Basin, Offshore Victoria Australia

The Joint Venture has previously completed additional geoscientific work on the Torquay Sub-basin. The work commitment for the next year is further technical studies.

Mosman is currently reviewing its involvement in this permit.

STP-EPA-0071 Officer Basin, West Australia

The West Australian Department of Mines and Petroleum has referred the negotiations on land access to the National Native Title Tribunal for mediation assistance. The Company is optimistic this will facilitate the land access agreement required prior to the award of the permit. In the meantime, there is no material expenditure until the permit is awarded.

Corporate Information

Mosman is an Australian public company (hereafter referred to as Mosman or the Company).

At 30 June 2015, Mosman has five wholly owned Subsidiaries:

1. Petroleum Creek 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; and
5. Trident Energy Limited.

Details of these Controlled Entities and an Associated Entity are contained in Notes 22 and 23 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 number of meetings 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	25	24
A R Carroll	25	24
J A Young	25	24

Principal Activities

The principal activities of the Company during the financial year were exploring prospective resource projects and exploration drilling at the Petroleum Creek Permit in New Zealand. Considerable time was also devoted to all aspects of the STEP project.

Corporate Financial Position

As at 30 June 2015 the Company had cash reserves and other receivables of $1,507,617 (2014: $6,556,709).

Results of Operations

The net loss of the Company for the year ended 30 June 2015 was $3,389,301 (2014: $1,863,152). This was mainly due to increased administrative expenditure relating to the AIM listing costs, due diligence and professional fees associated with the Trident and STEP Acquisitions and share based payments of $646,987.

Future Developments, Prospects and Business Strategies

The Company proposes to continue its current focus, particularly in respect to New Zealand and Australia.

Exploration Risk

Oil and gas exploration and development are high-risk undertakings, and there is no assurance that exploration will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to permitting requirements, availability of appropriate exploration equipment, exploration costs, seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents and many other factors beyond the control of the Company. Much of the Company's Australian exploration acreage is remote and so lack of infrastructure to commercialize any discoveries is always a consideration and impacts economic viability and required capital to develop assets.

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.

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 Period

Material transactions arising since 30 June 2015 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:

STEP Acquisition

Mosman continues to make good progress on the STEP Acquisition process. The only outstanding matter is the normal process of Government approvals. Submissions have been lodged and requests for addition information from the relevant agencies have been answered.

There is no definitive timing for approvals but it is now anticipated that the decision will be reached early next year.

Mosman has engaged employees and consultants in a team which is now in place in New Plymouth working with the vendor on all the transition tasks required in order for Mosman to Operate STEP.

A permanent office facility has been identified in New Plymouth and is now planned to be fully operational in early 2016.

Recent Share Placing

$0.8 million and $2.9 million share placements were completed in the UK in July 2015 and September 2015 respectively.

A $2.8 million share placement was completed in the US in October 2015.

VIC/P62 Joint Venture

In December 2015, the Company submitted a notice to its JV partner to withdraw from the VIC/P62. The Company has decided to withdraw from the JV as part of its rationalisation of its exploration activities following review of its asset portfolio and recent permit acquisitions.

If formal acceptance for withdrawal is received the Company will reconsider the valuation of capitalised costs of VIC/P62 at that time.

Information on Directors

Director	Qualifications, experience & special responsibilities
J W Barr	**CA FAICD** **Executive Chairman** Mr. John W Barr is a Chartered Accountant and Fellow of the Australian Institute of Company Directors and has acted as Director of listed and unlisted companies for over thirty years. He has extensive Australian and international experience with exposure to manufacturing, mining and mineral exploration and development in respect to several commodities. Mr. Barr specializes in the management of private and public companies including advice on capital raisings, mergers and acquisitions, negotiating onshore and offshore acquisitions and joint ventures, negotiating commodity based funding, and compliance with corporate and stock exchange requirements.
A R Carroll	**MA, BA** **Technical Director** Mr. Carroll has over 30 years of oil industry experience, from permit applications and initial exploration operations including drilling, to development, production and marketing of oil and gas. Initially worked at BP and led the E&P division of InterOil Corporation from applying for Permits to discovery of a new petroleum system in Papua New Guinea (PNG) that is now being developed for LNG exports. International experience includes UK, Canada, Australia, NZ and PNG. Currently founder and Managing Director of Australasian Energy Pty Ltd and Director of ASX listed High Peak Royalties Ltd. Previous roles include Executive Chairman of Ausam Resources and Managing Director of ASX listed Great Artesian Oil and Gas.
J A Young	**B App Sc (Geol), Grad Dip Tech Management, MAUSIMM** **Non-Executive Director** Mr. Young is a geologist with 25 years' experience in resource project management and corporate management. He is a Member of the Australian Institute of Mining and Metallurgy and has worked on a wide variety of mineral and resource projects throughout Australia and overseas. In addition, Mr. Young has held senior management and operational positions. He is currently the Technical Director of Pilbara Minerals Limited an exploration company listed on the ASX.
J T White	**Bachelor of Business, CA & CTA** **Company Secretary & Chief Financial Officer** Mr. White is a Chartered Accountant and founding Director of Traverse Accountants Pty Ltd, a Corporate Advisory and Chartered Accounting Firm. In conjunction with his Corporate Advisory roles at Traverse Mr. White has been appointed Company Secretary and Chief Financial Officer of several other listed entities that operate on the Australian Stock Exchange and has a sound knowledge of corporate governance and compliance. Jarrod has also been an advisor to a wide range of capital raisings, IPO's and reverse takeover transactions and has a focus on working with growing Companies in the exploration, technology and biotech space.

Indemnification and Insurance of Officers

During the period, the Company participated in Deeds of Indemnity, Insurance and Access with officers of the Company.

REMUNERATION REPORT

1. Principles of Remuneration

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

Board Members' Remuneration Policy

The remuneration policy is to provide a fixed directors fee component (non-executive Directors receive an annual fee, of $30,000, and the Chairman receives an annual fee of $60,000); and a consulting fee component based on actual days worked. The Board believes that this remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate in aligning director objectives with shareholder and business objectives.

2. Board of Director's Remuneration Arrangements

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

- J W Barr – Executive Chairman – All fees have been paid to Kensington Advisory Services Pty Ltd.
- A R Carroll – Technical Director – All fees have been paid to Australasian Energy Pty Ltd.
- J A Young – Non-Executive Director – All fees have been paid to Metallon Resources Pty Ltd.

KMP Fees and Consulting Fees Paid	**Year to 30 June 2015**	**Year to 30 June 2014**
J W Barr – Executive Chairman	$262,500[1]	$279,500
A R Carroll – Technical Director	$419,818[2,3]	$253,500
J A Young – Non-Executive Director	$60,529[4]	$49,821
Z R Lewis – Company Secretary	$153,792[5]	$138,107
J T White – Company Secretary	$53,800[6]	-
Totals	**$950,439**	**$720,928**

1. Directors fees of $60,000 and consulting fees of $202,500 were paid and payable to Kensington Advisory Services Pty Ltd;
2. Director fees of $30,000 and consulting fees of $389,818 were paid and payable to Australasian Energy Pty Ltd;
3. Fees paid to AR Carroll include an amount of $100,000 included in exploration expenditure for services provided during the drilling and flow testing at Petroleum Creek. Mr. Carroll services were utilised rather than external operators.
4. Directors fees of $30,000 and consulting fees of $30,529 were paid and payable to Metallon Resources Pty Ltd;
5. Consulting Fees of $153,792 were paid and payable to Z R Lewis' accounting firm, Small Cap Corporate. Mr Lewis resigned as Company Secretary on the 24th of July 2015 and was remunerated to that date;
6. CFO, Company Secretary and Consulting Fees totaling $53,800 were paid and payable to J T White's accounting firm, Traverse Accountants Pty Ltd.

Options

During the year to 30 June 2015, Mr. Carroll received 1,500,000 incentive options valued at $255,390. Mr. John W Barr and Mr. Young both received 500,000 incentive options, each valued at $85,130 for a total of $170,260. Mr. Lewis received 200,000 incentive options valued at $34,052 (See Note 24 – Share Based Payments for details of the calculation).

No other fees were paid to Directors during the financial year under review. There is no direct link between remuneration paid to any of the KMP and corporate performance such as bonus payments for achievements of key performance indicators.

Service Agreements

The Executive Chairman, Mr. John W Barr

J W Barr is employed under a contract for services with Kensington Advisory Services Pty Ltd. The Agreement commenced on 16 January 2015.

Under the terms of the present contract:

- Mr Barr's services as an executive are contracted pursuant to an agreement between Mosman and Mr Barr's nominee, Kensington Advisory Services Pty Ltd (Kensington) dated 16 January 2015;
- Mosman or Kensington may terminate the agreement for any reason by providing six months written notice to the other;
- In accordance with that agreement, Mr Barr must provide a minimum of 12 days per month of service to Mosman for a retainer of A$15,000 per month. In addition, if required, additional services will be provided at a daily rate of A$1,250 per day.

The Technical Director, Mr. Andrew R Carroll

A R Carroll is employed under a contract for services with Australasian Energy Pty Ltd. The Agreement commenced on 19 Jan 2015.

Under the terms of the present contract:

- Mr Carroll's services as an executive are contracted pursuant to an agreement between Mosman and Mr Carroll's nominee, Australasian Energy Pty Ltd (Australasian Energy) dated 19 January 2015;
- Mosman or Australasian Energy may terminate the agreement for any reason by providing six months written notice to the other;
- In accordance with that agreement, Mr Carroll must provide a minimum of five days per month of service to Mosman for a retainer of A$10,000 per month. In addition, if required, additional services will be provided at a daily rate of A$2,000 per day.

The Non-Executive Director, Mr. John A Young

J A Young is employed under a contract for services with Metallon Resources Pty Ltd.

Under the terms of the present contract:

- Mr. Young provides consultancy services to Mosman pursuant to a consultancy agreement between the Company, Mr. Young's nominee, Metallon Resources Pty Ltd (Metallon), and Mr. Young dated 25 May 2014. In accordance with that agreement, Mr. Young must provide a minimum of eight days per month of service to the Company for a retainer of $100 per hour to a maximum of $1,000 per day.
- This agreement commenced on 1 June 2014 and continues until terminated by either Mosman or Metallon by giving not less than 3 months written notice.

The Company Secretary, Mr. Jarrod T White

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

Under the terms of the contract:

- Mr. White's provides services to Mosman are pursuant to a consultancy agreement between the Company and Mr White's nominee, Traverse Accountants Pty Ltd. In accordance with the engagement, Mr. White provides Company Secretarial and CFO services for a fee of $3,750 and $750 per month respectively and any additional amounts are invoiced on a time cost basis.

Board of Directors' Dealings in Company Securities

As more fully disclosed in the Financial Statements (Note 11 – Contributed Equity), at 30 June, 2015, the Company had issued 122,578,066 Ordinary Shares (2014 – 77,927,175). The Directors (and their related entities) owned the following shares and options of the Company as at 30 June, 2015, representing 18.50 % of the undiluted issued capital of Mosman at that:

Director	Title	Directors' Interest in Ordinary Shares	Company Ownership	Directors' Interest in Unlisted Options
John W Barr	Executive Chairman	10,450,001	8.53%	2,500,000 [1]
Andrew R Carroll	Technical Director	11,076,500	9.04%	2,500,000 [2]
John A Young	Non-Executive Director	1,150,000	0.94%	1,500,000 [3]
Total Director Holdings		22,676,501	18.51%	6,500,000

1. Comprises of:
   a. 1,000,000 Mosman Options with an exercise price of $0.20 and an expiry date of 30 March 2016 issued in the 2014 financial year;
   b. 1,000,000 Mosman Options with an exercise price of $0.15 and an expiry date of 13 January 2019 issued in the 2014 financial year;
   c. 500,000 Mosman Options with an exercise price of $0.58 and an expiry date of 28 November 2017, issued during the current financial period.

2. Comprises of:
   a. 1,000,000 Mosman Options with an exercise price of $0.15 and an expiry date of 13 January 2019 issued in the 2014 financial year;
   b. 1,500,000 Mosman Options with an exercise price of $0.58 and an expiry date of 28 November 2017, issued during the current financial period.

3. Comprises of
   a. 1,000,000 Mosman Options with an exercise price of $0.20 and an expiry date of 30 March 2016 issued in the 2014 financial year;
   b. 500,000 Mosman Options having an exercise price of $0.58 and an expiry date of 28 November 2017, issued during the current financial period.

At the date of this report, the Company had issued 217,700,692 shares and so the Board's ownership of the Company has been reduced to 10.17% from 18.51% at 30 June, 2015.

Mosman Locked-In Shares

At the date of this report escrowed shares represent 0.97% of the Company's 217,700,692 ordinary issued shares.

Shareholder	Holdings Locked-in	Locked in period ends
Trident current and former directors	**2,109,684**	**1,000,000 19 December 2015** **1,109,684 30 June 2016**
Total Shares Locked-In	**2,109,684**	

KMP dealings in Ordinary Shares and Options of the Company

ORDINARY SHARES	30 June 2014 Balance	Granted as Consideration Re: Officer Permit Application during the Year	Issued on Exercise of Options during the Year	Other Changes during the Year	30 June 2015 Balance
Mr J W Barr	10,100,001	-	-	350,000	10,450,001
Mr A Carroll[1]	10,850,000	-	-	226,500	11,076,500
Mr J Young	1,150,000	-	-	-	1,150,000
Mr Z Lewis	441,875	-	-	(441,874)	1
Mr J White	-	-	-	-	-
Totals	**22,541,876**	**-**	**-**	**134,626**	**22,676,502**

ORDINARY SHARES	30 June 2013 Balance	Granted as Consideration Re: Officer Permit Application during the Year	Issued on Exercise of Options during the Year	Other Changes during the Year	30 June 2014 Balance
Mr J W Barr	7,500,001	-	-	2,600,000	10,100,001
Mr A Carroll[1]	-	9,000,000	-	1,850,000	10,850,000
Mr J Young	1,000,000	-	-	150,000	1,150,000
Mr Z Lewis	120,000	-	-	321,875	441,875
Mr J White	-	-	-	-	-
Totals	**8,620,001**	**9,000,000**	**-**	**4,921,875**	**22,541,876**

KMP Option Holdings

The number of **options** in Mosman Oil and Gas Limited held by each KMP of the Group during the financial year is as follows:

OPTIONS	30 June 2014 Balance	Granted as Remuner-ation during the Year	Exercised during the Year	Other Changes during the Year	30 June 2015 Balance	Vested and Exercisable
Mr J W Barr	2,000,000	500,000	-	-	2,500,000	2,500,000
Mr A Carroll	1,000,000	1,500,000	-	-	2,500,000	2,500,000
Mr J Young	1,000,000	500,000	-	-	1,500,000	1,500,000
Mr Z Lewis	400,000	200,000	-	(80,000)	520,000	520,000
Mr J White	-	-	-	-	-	-
Totals	**4,400,000**	**2,700,000**	**-**	**(80,000)**	**7,020,000**	**7,020,000**

OPTIONS	30 June 2013 Vested Balance	Granted as Remuneration during the Year	Exercised during the Year	Other Changes during the Year	30 June 2014 Balance	Vested and Exercisable
Mr J W Barr	1,000,000	1,000,000	-	-	2,000,000	2,000,000
Mr A Carroll	-	1,000,000	-	-	1,000,000	1,000,000
Mr J Young	1,000,000	-	-	-	1,000,000	1,000,000
Mr Z Lewis	-	400,000	-	-	400,000	400,000
Mr J White	-	-	-	-	-	-
Totals	**2,000,000**	**2,400,000**	**-**	**-**	**4,400,000**	**4,400,000**

Options

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

Grant Date	*Number of Options on Issue*	*Exercise Price*	*Expiry Date*
11 April 2011	2,000,000	20 cents each	31 March 2016
15 January 2014	3,200,000	15 cents each	13 January 2019
20 March 2014	859,372	8 Great British Pence	20 March 2019
28 November 2014	3,800,000	58 cents each	28 November 2017
Total Unlisted Options	**9,859,372**		

The above options represent unissued ordinary shares of the Company under option as at the date of this report. These unlisted options do not entitle the holder to participate in any share issue of the Company. The holders of unlisted options are not entitled to any voting rights until the options are exercised into ordinary shares.

Since 30 June 2015 and up until the date of this report, nil options have been exercised.

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

Warrants

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

Grant Date	*Number of Warrants on Issue*	*Exercise Price*	*Expiry Date*
30 October 2015	18,411,233	5 Great British Pence	30 October 2020
Total Unlisted Warrants	**18,411,233**		

Amounts Outstanding from Related Parties

Petroleum Creek Limited

At 30 June 2015 the Company's 100% owned subsidiary, Petroleum Creek Limited (PCL), owed Mosman Oil and Gas Limited $6,440,398 (2014: $2,059,954). 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.

Mosman Oil and Gas (NZ) Limited

At 30 June 2015 the Company's 100% owned subsidiary, Mosman Oil and Gas (NZ) Limited, owed Mosman Oil and Gas Limited $95,803 (2014: $-).

Trident Energy Limited

At 30 June 2015 the Company's 100% owned subsidiary, Trident Energy Limited, owed Mosman Oil and Gas Limited $2,148,655 (2014: $-).

OilCo Pty Ltd

At 30 June 2015 the Company's 100% owned subsidiary, OilCo Pty Ltd (OilCo), owed Mosman Oil and Gas Limited $497,641 (2014: Nil).

Other Related Party Transactions

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

Non Audit Services

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

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

The following fees were paid or payable to Somes Cooke for non-audit services provided during the year ended 30 June 2015:

	2015	**2014**
	$	**$**
Taxation services	2,000	2,000
Professional services[1]	3,900	6,485
Total Non-Audit Fees	5,900	8,485

1- During the year Somes Cooke provided taxation services and professional services to Mosman for the Company's AIM listing and the Trident Takeover Bidders Statement.

Proceedings On Behalf Of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or any part of the proceedings.

The Company was not party to any such proceeding during the year.

Auditor Independence Declaration

The auditor's independence declaration as required under s307c of the Corp Act 2001 is included in the financial report and forms part of the financial report for the financial year ended 30 June 2015.

Signed in accordance with a resolution of the Directors.

John W. Barr
Executive Chairman
8 December 2015

Corporate Governance Statement

CORPORATE GOVERNANCE

The Company will not be subject to the UK Corporate Governance Code applicable to companies listed on the Official List of the London Stock Exchange plc. The Company does, however, in so far as is practicable, given the size and nature of the Company and the constitution of the Board, to comply with the QCA Corporate Governance Code for Small and Mid-size Quoted Companies (the ‘‘QCA Code’’) as published by the Quoted Companies Alliance (the ‘‘QCA’’).

The Company has made the necessary disclosures to comply with the QCA Code and the Company’s annual corporate governance statement has set out how it achieves good governance and the challenges it faces in so doing.

The QCA Code was devised by the QCA, in consultation with a number of significant institutional small company investors, as an alternative corporate governance code applicable to AIM companies. An alternative code was proposed because the QCA considered the UK Corporate Governance Code to be inappropriate to many AIM companies.

The QCA Code sets out a code of best practice for AIM companies. Those principles are discussed below:

Setting out the Vision and Strategy

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

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

Managing and Communication Risk and Implementing Internal Control

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

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

(a) establishing the Company’s goals and objectives, and implementing and monitoring strategies and policies to achieve these goals and objectives;

(b) continuously identifying and reacting to risks that might impact upon the achievement of the Company’s goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks;

(c) formulating risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls; and

(d) monitoring the performance of, and continuously improving the effectiveness of, risk management systems and internal compliance and controls, including an ongoing assessment of the effectiveness of risk management and internal compliance and control.

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

(a) effectiveness and efficiency in the use of the Company’s resources;

(b) compliance with applicable laws and regulations; and

(c) preparation of reliable published financial information.

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

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

The risk profile of the Company contains both financial and non-financial factors including material risks arising from pricing, competitive position, currency movements, operational efficiency, fuel prices, ground water flows, reserve recovery, investments in new projects. To mitigate these risks, the Company has in place a broad range of risk management policies and procedures including specialised sales contracts, competent management in all disciplines, a comprehensive management information system, an experienced Board, regular Board meetings, financial and internal audits, rigorous appraisal of new investments, advisers familiar with the Company and an internal audit function.

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

This policy is reviewed every two years.

Articulating Strategy through Corporate Communication and Investor Relations

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

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

Information is communicated to shareholders through:

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

(b) periodic disclosure through the annual report (or concise annual report), half year financial report and quarterly reporting of exploration, production and corporate activities (if required);

(c) notices of meetings and explanatory material;

(d) the annual general meeting;

(e) periodic newsletters or letters from the Chairman or CEO; and

(f) the Company's web-site.

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

Meeting the Needs and Objectives of Shareholders

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

The Company strives to maintain an opening line of communication with Shareholders at all times. Detailed corporate directory, directory of Directors and Management, as well and current and historical notices to shareholders are available on the Company's website.

Annual General Meeting

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

(a) notices of meetings are distributed to shareholders in accordance with the provisions of the Corporations Act;

(b) notices of meeting and other meeting material are drafted in concise and clear language;

(c) shareholders are encouraged to use their attendance at meetings to ask questions on any relevant matter, with time being specifically set aside for shareholder questions;

(d) notices of meetings encourage participation in voting on proposed resolutions by lodgement of proxies, if shareholders are unable to attend the meeting;

(e) it is general practice for a presentation on the Company's activities to be made to shareholders at each annual general meeting; and

(f) it is both the Company's policy and the policy of the Company's auditor for the lead engagement partner to be present at the annual general meeting and to answer any questions regarding the conduct of the audit and the preparation and content of the auditors' report.

This policy is reviewed annually.

Meeting Stakeholder and Social Responsibilities

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

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

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

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

(a) protects the health and safety of all Employees, contractors and community members;

(b) recognises, values and rewards the individual contribution of each employee;

(c) achieves a balance between economic development, maintenance of the environment and social responsibility;

(d) maintains good relationships with suppliers and the local community; and

(e) is honest, lawful and moral.

All Employees (including directors) are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

This policy is reviewed annually.

Using Cost Effective and Value Added Arrangements

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

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

Developing Structures and Processes

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

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

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

Being Responsible and Accountable

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

Role of the Board and Management

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

The Board has sole responsibility for the following:

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

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

Having Balance on the Board

The Board consists of two Executive Directors, being John W Barr, the Executive Chairman, and Andrew Carroll, the Technical Director, and one non-executive Director being John A Young. Major corporate decisions of the Company are subject to Board approval.

The Company’s Constitution provides that the number of Directors shall not be less than three and not more than ten. There is no requirement for any share holding qualification.
The Board considers that J A Young is an Independent Director of the Company.

Having Appropriate Skills and Capabilities on the Board

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

An audit committee, comprising John W Barr and John A. Young has been established to operate with effect from Admission. The audit committee will determine the application of financial reporting and internal control principles, including reviewing the effectiveness of the Group’s financial reporting, internal control and risk management procedures and the scope, quality and results of the external audit. The audit committee will be chaired by John W Barr.

At Admission the Board established a Remuneration Committee responsible for making recommendations to the Board on remuneration arrangements for Directors and executives of the Company. It will review the performance of the Executive Directors and will set their remuneration, determine the payment of bonuses to Executive Directors and consider bonus and option schemes. Each of the Executive Directors will take no part in discussions concerning their own remuneration. The remuneration of all Directors will be reviewed by the Board. The remuneration committee will be chaired by John A. Young.

Evaluation Board Performance and Development

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

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

Board

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

(a) comparison of the performance of the Board against the requirements of the Board charter;

(b) assessment of the performance of the Board over the previous twelve months having regard to the corporate strategies, operating plans and the annual budget;

(c) review the Board's interaction with management;

(d) identification of any particular goals and objectives of the Board for the next year;

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

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

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

Committees

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

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

Non-executive Directors

The Chairman will have primary responsibility for conducting performance appraisals of non-executive directors in conjunction with them, having particular regard to:

(a) contribution to Board discussion and function;

(b) degree of independence including relevance of any conflicts of interest;

(c) availability for and attendance at Board meetings and other relevant events;

(d) contribution to Company strategy;

(e) membership of and contribution to any Board committees; and

(f) suitability to Board structure and composition.

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

Senior Executives

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

This policy is reviewed annually.

Providing Information and Support

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

Non-executive directors are provided with access to all information they require and are authorised to engage external advisors as necessary.

Nominated Advisor

In accordance with the AIM Rules for Companies, SP Angel Corporate Finance LLP has been assigned to advise the Board of the Company on an ongoing basis. This role is referred to as the NOMAD, or Nominated Advisor, whose responsibility is to ensure the interests of AIM and the company's shareholders are protected.

SOMES
COOKE
Profit from our Resources

35 Outram St
West Perth
WA 6005

PO Box 709
West Perth
WA 6872

T 08 9426 4500 F 08 9481 5645
W somescooke.com.au
E info@somescooke.com.au

Chartered Accountants (Aus)
Business Consultants
Financial Advisors

AUDITOR'S INDEPENDENCE DECLARATION

To those charged with governance of Mosman Oil and Gas Limited

As auditor for the audit of Mosman Oil and Gas Limited for the period ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

a) No contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
b) No contraventions of any applicable code of professional conduct in relation to the audit.

Somes Cooke

Somes Cooke

Nicholas Hollens

Nicholas Hollens
Perth

35 Outram St
West Perth
WA 6005
PO Box 709
West Perth
WA 6872
T 08 9426 4500 F 08 9481 5645
W somescooke.com.au
E info@somescooke.com.au
Chartered Accountants (Aus)
Business Consultants
Financial Advisors

Independent Auditor's Report
To the members of Mosman Oil and Gas Limited

Report on the Financial Report

We have audited the accompanying financial report of Mosman Oil and Gas Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the financial period.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion:

(a) the financial report of Mosman Oil and Gas Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the period ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Somes Cooke

Somes Cooke

Nicholas Hollens

Nicholas Hollens
8 December 2015
Perth

Consolidated Statement of Profit or Loss and Other Comprehensive Income
Year Ended 30 June 2015
All amounts are in Australian Dollars

	Notes	Consolidated 2015 $	Consolidated 2014 $
Interest income		2,772	2,524
Other income		4,029	-
Administrative expenses		(644,749)	(57,155)
Corporate expenses		(1,739,349)	(1,385,595)
Exploration write off		(4,450)	(3,015)
Employee benefits expense		(228,873)	(52,276)
Share based payments expense	24	(646,987)	(328,522)
Gain/(Loss) on foreign exchange		20,443	(36,983)
Depreciation expense		(18,868)	(2,130)
Finance expense		(20,541)	-
Impairment expense		(112,728)	-
Loss from ordinary activities before income tax expense	2	(3,389,301)	(1,863,152)
Income tax expense	3	-	-
Net loss for the year		**(3,389,301)**	**(1,863,152)**
Other comprehensive loss		(282,655)	-
Total comprehensive income attributable to members of the entity		**(3,671,956)**	**(1,863,152)**
Basic earnings/(loss) per share (cents per share)	17	*(3.12) cents*	*(4.55) cents*
Diluted earnings/(loss) per share (cents per share)	17	*(3.12) cents*	*(4.55) cents*

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
As at 30 June 2015
All amounts are in Australian Dollars

	Notes	Consolidated 30 June 2015	Consolidated 30 June 2014
		$	$
Current Assets			
Cash and cash equivalents	5	1,117,855	6,289,921
Trade and other receivables	6	389,762	266,788
Total Current Assets		1,507,617	6,556,709
Non-Current Assets			
Other financial assets	7	274,806	-
Property, plant & equipment	8	222,514	3,573
Capitalised oil and gas exploration expenditure	9	11,733,041	3,986,591
Total Non-Current Assets		12,230,361	3,990,164
Total Assets		13,737,978	10,546,873
Current Liabilities			
Trade and other payables	10	619,119	1,005,936
Provisions		9,307	4,692
Share application monies received in advance		-	15,000
Total Current Liabilities		628,426	1,025,628
Net Assets		**13,109,552**	**9,521,245**
Shareholders' Equity			
Contributed equity	11	18,585,595	11,972,319
Reserves	12	780,785	416,453
Accumulated losses	13	(6,256,828)	(2,867,527)
Total Shareholders' Equity		**13,109,552**	**9,521,245**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
Year Ended 30 June 2015
All amounts are in Australian Dollars

	Accumulated Losses	Contributed Equity	Reserves	Total
	$	$	$	$
Balance at 1 July 2013	**(1,004,375)**	**1,585,000**	**-**	**580,625**
Comprehensive income				
Loss for the year	(1,863,152)	-	-	(1,863,152)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	**(1,863,152)**	**-**	**-**	**(1,863,152)**
Transactions with owners, in their capacity as owners, and other transfers:				
Shares issued to shareholders	-	10,921,853	-	10,921,853
Capital raising costs	-	(534,534)	-	(534,534)
Options issued	-	-	416,453	416,453
Total transactions with owners and other transfers	-	10,387,319	416,453	10,803,772
Balance at 1 July 2014	**(2,867,527)**	**11,972,319**	**416,453**	**9,521,245**
Comprehensive income				
Loss for the year	(3,389,301)	-	-	(3,389,301)
Other comprehensive loss for the year	-	-	(282,655)	(282,655)
Total comprehensive loss for the year	**(3,389,301)**	**-**	**(282,655)**	**(3,671,956)**
Transactions with owners, in their capacity as owners, and other transfers:				
Shares issued to shareholders	-	7,168,272	-	7,168,272
Capital raising costs	-	(554,996)	-	(554,996)
Options issued	-	-	646,987	646,987
Total transactions with owners and other transfers	-	6,613,276	646,987	7,260,263
Balance at 30 June 2015	**(6,256,828)**	**18,585,595**	**780,785**	**13,109,552**

These accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows
Year Ended 30 June 2015
All amounts are in Australian Dollars

	Notes	Consolidated 2015 $	Consolidated 2014 $
Cash flows from operating activities			
Interest received & other income		6,800	2,524
Payments to suppliers and employees		(3,100,575)	(1,607,485)
Interest paid		(57,104)	-
Net cash outflow from operating activities	18	**(3,150,879)**	**(1,604,961)**
Cash flows from investing activities			
Payments for property, plant & equipment		(235,938)	-
Payments for exploration and evaluation		(5,784,628)	(1,246,664)
Acquisition of subsidiary (net of cash acquired)		35,043	-
Net cash outflow from investing activities		**(5,985,523)**	**(1,246,664)**
Cash flows from financing activities			
Proceeds from shares issued	11	4,519,332	8,949,576
Payments for costs of capital		(554,996)	(250,696)
Proceeds from share subscriptions received in advance		-	15,000
Net cash inflow from financial activities		**3,964,336**	**8,713,880**
Net (decrease)/increase in cash and cash equivalents		**(5,172,066)**	**5,862,255**
Cash and cash equivalents at the beginning of the financial year		**6,289,921**	**427,666**
Cash and cash equivalents at the end of the financial year	5	**1,117,855**	**6,289,921**

The accompanying notes from part of these financial statements

Notes to the Financial Statements
30 June 2015
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.

The financial report was authorised for issue by the Directors on 8 December 2015.

(b) Principles of Consolidation

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 20 and 21 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.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date

(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

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

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.

Share based payments

Equity-settled transactions are measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions set out within note 24.

(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 recognized for all taxable temporary differences.

Deferred income tax assets are recognized 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 utilized;

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 utilized.

Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized 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 realized 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 recognized directly in equity are recognized 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 recognized 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 recognized 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 recognized 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(o) 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.

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.

(g) 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 amortized over the life of the area according to the rate of depletion of the economically recoverable reserves.

Costs of site restoration and rehabilitation are recognized 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 recognized 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.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) Comparative Figures

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

(m) 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.

(n) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognized 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 derecognized 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 derecognized 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 recognized in profit or loss.

Classification and Subsequent Measurement

i. 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. Realized and unrealized gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

ii. 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 amortized cost using the effective interest rate method.

iii. 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 amortized cost using the effective interest rate method.

iv. 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.

v. Financial Liabilities

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

vi. 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 recognized in the income statement.

(o) 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.

(p) 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 recognized 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 recognized 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 recognized 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 results 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

Interest revenue is recognized 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 2015 $	Consolidated 2014 $
2 Expenses include:		
Contributions to employees superannuation plans	-	5,550
Pre-AIM admission costs	-	684,890
Listing and share register maintenance costs	272,801	-
MEO bid costs	226,125	-
Trident acquisition related costs	82,994	-

3 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 (2014 - Nil).

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

	Consolidated 2015 $	Consolidated 2014 $
Loss before tax	(3,389,301)	(1,863,152)
Income tax calculated at 30% (2014: 30%)	(1,016,790)	(558,946)
Tax effect of amounts which are deductible/non-deductible		
In calculating taxable income:		
Share based payments	194,096	98,557
Capital raising costs	160,285	162,778
Impairment expense	13,028	**-**
Upfront exploration expenditure claimed	(1,393,689)	**-**
Other	62,468	3,508
Effects of unused tax losses and tax offsets not recognized as deferred tax assets	1,980,602	294,103
Income tax expense attributable to operating profit	**NIL**	**NIL**

(b) Tax Losses

As at 30 June 2015 the company had Australian tax losses of $4,516,907 (2014: $2,126,102). The benefit of deferred tax assets not brought to account will only be realized if:

- Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realized; 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 realizing the benefit.

(b) Unbooked Deferred Tax Assets and Liabilities

Unbooked deferred tax assets comprise:		
Capital Raising Costs	474,435	167,160
Provisions/Accruals/Other	33,971	5,008
Tax losses available for offset against future taxable income	2,561,607	581,005
	3,070,013	**753,173**

		Consolidated 2015 $	Consolidated 2014 $
4	**Auditors Remuneration**		
	Audit – Somes Cooke		
	Audit of the financial statements	28,500	16,000
5	**Cash and Cash Equivalents**		
	Cash at Bank (i)	**1,117,855**	**6,289,921**

(i) Includes restricted cash of $710,273 relating to the placing and subscription of 16 million ordinary shares on 24 June 2015 (Note 11). As at 30 June 2015, the funds were held in trust, payable to the Group. The funds were released to the Group 1 July 2015.

6	**Trade and Other Receivables**		
	Deposits	195,834	-
	GST receivable	126,637	243,598
	Prepayments	43,082	23,190
	Other receivable	24,209	-
		389,762	**266,788**
7	**Other financial assets**		
	Available for sale financial asset – shares in listed entity	**274,806**	**-**

8 Property, Plant and Equipment

	Land and Buildings $	Office Equipment and Furniture $	Vehicles $	Total $
Cost				
Balance at 1 July 2014	-	6,456	-	6,456
Acquisition of subsidiary	-	99,914	-	99,914
Additions	171,904	48,798	24,239	244,941
Disposals	-	-	-	-
Effective movement in exchange rates	(8,090)	-	(1,141)	(9,231)
Balance at 30 June 2015	**163,814**	**155,168**	**23,098**	**342,080**
Depreciation				
Balance at 1 July 2014	-	2,883	-	2,883
Acquisition of subsidiary	-	98,042	-	98,042
Depreciation for the year	425	14,034	4,409	18,868
Disposals	-	-	-	-
Effective movement in exchange rates	(20)	-	(207)	(227)
Balance at 30 June 2015	**405**	**114,959**	**4,202**	**119,566**
Carrying amounts				
Balance at 30 June 2014	-	3,573	-	3,573
Balance at 30 June 2015	**163,409**	**40,209**	**18,896**	**222,514**

9 Capitalised Oil and Gas Exploration Expenditure	Consolidated 2015 $	Consolidated 2014 $
Cost brought forward	3,986,591	183,973
Acquisition of PEP 38526	-	836,370
Acquisition of Petroleum Portfolio Pty Ltd	-	900,000
Acquisition of Trident Group Limited (Note 22)	3,227,550	-
Exploration costs incurred during the year	4,912,160	2,069,263
Exploration expenditure written off	(69,302)	(3,015)
FX movement	(323,958)	-
Carrying value at end of year (i)	**11,733,041**	**3,986,591**

(i) 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.

(ii) Included in the carrying value of capitalized oil and gas exploration expenditure as at 30 June 2015 is $900,000 relating to the application for petroleum exploration permit L12-4 in Western Australia. The issue of the license is pending satisfactory conclusion of ongoing land access negotiations. The Directors have no reason to believe that the license will not be issued. However, if the license is not issued by 2017, the Company has a legal remedy to recover the consideration paid.

10 Trade and Other Payables

Trade creditors	549,073	977,939
Other creditors and accruals	70,046	27,997
	619,119	**1,005,936**

Included within trade and other creditors and accruals is an amount of $159,950 (2014- $825,561) relating to exploration expenditure.

11 Contributed Equity

Ordinary Shares :		
Value of Ordinary Shares fully paid	**18,585,595**	**11,972,319**
Movement in Contributed Equity	**Number of shares**	**Contributed Equity $**
Balance as at 1 July 2013:	21,350,001	1,585,000
Shares issued 27/11/13 at $0.10	3,920,000	392,000
Shares issued 20/12/13 at $0.10	8,363,700	836,370
Shares issued 15/1/14 at $0.10	9,000,000	900,000
Shares issued 20/3/14 at $0.146	18,750,000	2,739,014
Shares issued 27/5/14 at $0.181	3,500,000	632,599
Shares issued 20/6/14 at $0.416	13,043,474	5,421,870
Capital raising costs	-	(534,534)
Balance as at 1 July 2014:	**77,927,175**	**11,972,319**
Exercise of options 14/07/14 at $0.20 (i)	1,000,000	200,000
Exercise of options 14/07/14 at $0.15 (ii)	100,000	15,000
Exercise of options 16/07/14 at $0.05 (iii)	2,000,000	100,000
Shares issued 15/09/14 at $0.377 (iv)	6,250,000	2,356,250
Shares issued 14/10/14 at $0.401 (v)	2,796,440	1,120,108
Exercise of options 06/11/14 at $0.1473 (vi)	368,302	54,249
Shares issued 10/11/14 at $0.236 (vii)	96,533	22,829

11 Contributed Equity (Continued)

	Number of Shares	Contributed Equity $
Shares issued 10/11/14 at $0.50 (viii)	265,858	132,929
Shares issued 17/12/14 at $0.50 (ix)	1,000,000	500,000
Shares issued 02/04/15 at $0.0975 (x)	10,000,000	975,000
Shares issued 05/06/15 at $0.0901 (xi)	3,057,155	275,482
Shares issued 15/06/15 at $0.0704 (xii)	606,919	42,750
Shares issued 24/06/05 at $0.0512 (xiii)	16,000,000	818,833
Shares issued 30/06/15 at $0.50 (xiv)	1,109,684	554,842
Capital raisings costs	-	(554,996)
Balance at end of year	**122,578,066**	**18,585,595**

(i) Exercise of options by former Non-Executive Director M Bowen
(ii) Exercise of options by employee of the Group
(iii) Exercise of options by consultant, Santina Limited
(iv) Capital raising
(v) Shares issued represent consideration shares for Trident acquisition after 96.99% of the Trident shareholders accepted the offer (Note 22)
(vi) Exercise of options by consultants from the UK AIM IPO
(vii) Shares issued represent the remaining Trident shares of 3.34% relating to the acquisition (Note 22)
(viii) Shares issued to settle Trade payables of Trident in lieu of amounts owed to creditors
(ix) Shares issued to directors of Trident in lieu of director and consulting fees owed to them prior to the acquisition
(x) Capital raising
(xi) Shares issued to MEO shareholders who accepted Mosman’s takeover offer of MEO
(xii) Shares issued to MEO shareholders who accepted Mosman’s takeover offer of MEO
(xiii) Capital raising
(xiv) Shares issued to directors of Trident in lieu of director and consulting fees owed to them prior to the acquisition.

12 Reserves

	Consolidated 2015 $	Consolidated 2014 $
Options reserve	1,063,440	416,453
Foreign currency translation reserve	(282,655)	-
	780,785	**416,453**

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.

12 Reserves (Continued)

Movement in Options Reserve

	Consolidated 2015 $	Consolidated 2014 $
Balance at 1 July 2014	416,453	-
UK AIM IPO Consultants Options	-	107,601
Consideration paid for the issue of 3,300,000 Options @ $0.0001 per option	-	330
Option related Share Based Payments	-	308,522
Incentive options issued to KMP's (i)	459,702	-
Options related to other holders (i)	187,285	-
Balance at 30 June 2015	**1,063,440**	**416,453**

(i) See Note 24 for details of the Black & Scholes valuation of these options.

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

Balance at 1 July 2014	-	-
Current year movement	(282,655)	-
Balance at 30 June 2015	**(282,655)**	**-**

13 Accumulated Losses

Accumulated losses at the beginning of the year	2,867,527	1,004,375
Net loss attributable to members	3,389,301	1,863,152
Accumulated losses at the end of the year	**6,256,828**	**2,867,527**

14 Related Party Transactions

Key Management Personnel Remuneration

Short term employee benefits (i)	950,839	720,928
Share-based payments (ii)	459,702	106,742
Total	**1,410,141**	**827,670**

i. During the year to 30 June 2015:

- Directors fees of $60,000 and consulting fees of $202,500 were paid and payable to Kensington Advisory Services Pty Ltd (J W Barr);
- Director fees of $30,000 and consulting fees of $389,818 were paid and payable to Australasian Energy Pty Ltd (A R Carroll);
- Directors fees of $30,000 and consulting fees of $30,529 were paid and payable to Metallon Resources Pty Ltd (J A Young)
- Consulting Fees of $153,792 were paid and payable to Z R Lewis' accounting firm, Small Cap Corporate; and
- CFO, Company Secretary and Consulting Fees totaling $53,800 were paid and payable to J T White's accounting firm, Traverse Accountants Pty Ltd.

14 Related Party Transactions (Continued)

ii. During the year to 30 June 2015, Mr. Carroll received 1,500,000 incentive options valued at $255,390. Mr. John W Barr and Mr. Young both received 500,000 incentive options, each valued at $85,130 for a total of $170,260. Mr. Lewis received 200,000 incentive options valued at $34,052 (Note 24 - Share Based Payments).

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:

Petroleum Creek Limited

At 30 June 2015 the Company's 100% owned subsidiary, Petroleum Creek Limited (PCL), owed Mosman Oil and Gas Limited $6,440,398 (2014: $2,059,954). 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.

Mosman Oil and Gas (NZ) Limited

At 30 June 2015 the Company's 100% owned subsidiary, Mosman Oil and Gas (NZ) Limited, owed Mosman Oil and Gas Limited $95,803 (2014: $-).

Trident Energy Limited

At 30 June 2015 the Company's 100% owned subsidiary, Trident Energy Limited, owed Mosman Oil and Gas Limited $2,148,655 (2014: $-).

OilCo Pty Ltd

At 30 June 2015 the Company's 100% owned subsidiary, OilCo Pty Ltd (OilCo), owed Mosman Oil and Gas Limited $497,641 (2014: Nil).

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 30 June 2015, total exploration expenditure commitments for the next 12 months are as follows:

Entity	Tenement	2015 $	2014 $
Petroleum Creek Limited	PEP385326	265,628	1,080,000
Trident Energy Limited	EP145	343,013	-
Oilco Pty Ltd	EPA155	-	-
Oilco Pty Ltd	EP 156	-	-
Mosman Oil and Gas (NZ) Ltd	PEP 57067	544,398	44,582
Mosman Oil and Gas (NZ) Ltd	PEP 57068	226,832	44,582
Mosman Oil and Gas (NZ) Ltd	PEP 57058	90,733	44,582
		1,470,604	**1,213,746**

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, or in the case of the Officer Basin Permit, once issued, accept a dilution in its 25% shareholding in Australian Petroleum properties Limited

15 Expenditure Commitments (Continued)

(b) Capital Commitments

The Company had no capital commitments at 30 June 2015 (2014 - $Nil).

16 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, New Zealand and in the prior year, Papua New Guinea. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

16 Segment Information (Continued)

(i) Segment performance

	New Zealand $	Australia $	Total $
Year ended 30 June 2015			
Revenue			
Interest revenue	137	2,635	2,772
Other income	-	4,029	4,029
Segment revenue	**137**	**6,664**	**6,801**
Segment Result			
Loss			
Allocated			
- Corporate Costs	(85,165)	(1,654,186)	(1,739,351)
- Administrative Costs	(42,546)	(606,651)	(649,197)
- Depreciation	(4,835)	(14,033)	(18,868)
- Foreign Exchange Loss gain/ (loss)	38	20,305	20,443
Segment net loss before tax	**(132,271)**	**(2,247,901)**	**(2,380,172)**
Reconciliation of segment result to net loss before tax			
Amounts not included in segment result but reviewed by the Board			
- Exploration expenditure written off	-	(69,302)	(69,302)
Unallocated items			
- Employee Benefits Expense	-	-	(228,873)
- Share based payments	-	-	(646,987)
- Impairment	-	-	(43,426)
- Finance	-	-	(20,541)
Net Loss before tax from continuing operations			**(3,389,301)**
Year ended 30 June 2014			
Revenue			
Interest revenue	14	2,510	2,524
Total segment revenue	14	2,510	2,524
Segment net profit/(loss) before tax	**14**	**2,510**	**2,524**
Reconciliation of segment result to net loss before tax			
Amounts not included in segment result but reviewed by the Board			
- Exploration expenditure written off	-	(3,015)	(3,015)
Unallocated items			
- Corporate Costs	-	-	(1,385,595)
- Employee Benefits Expense	-	-	(52,276)
- Administrative Costs	-	-	(57,155)
- Share based payments	-	-	(328,522)
Depreciation			(2,130)
Foreign Exchange Loss			(36,983)
Net loss before tax from continuing operations			**(1,863,152)**

16 Segment Information (Continued)

(ii) Segment assets

	New Zealand $	Australia $	Total $
As at 30 June 2015			
Segment assets as at 1 July 2014	3,017,931	968,660	3,986,591
Segment asset increases for the year			
- Exploration and evaluation	3,673,966	4,072,484	7,746,450
	6,691,897	**5,041,144**	**11,733,041**
Reconciliation of segment assets to total assets:			
Other assets	359,892	1,645,045	2,004,937
Total assets from continuing operations	**7,051,789**	**6,686,189**	**13,737,978**
As at 30 June 2014			
Segment assets as at 1 July 2013	183,972	-	183,972
Segment asset increases for the year			
- Exploration and evaluation	2,833,959	968,660	3,802,619
	3,017,931	**968,660**	**3,986,591**
Reconciliation of segment assets to total assets:			
Other assets	-	6,560,282	6,560,282
Total assets from continuing operations	**3,017,931**	**7,528,942**	**10,546,873**

(iii) Segment liabilities

	New Zealand $	Australia $	Total $
As at 30 June 2015			
Segment liabilities as at 1 July 2014	798,334	227,294	1,025,628
Segment liability increases/(decreases) for the year	(689,439)	292,237	(397,202)
	108,895	**519,531**	**628,426**
Reconciliation of segment liabilities to total liabilities:			
Other liabilities	-	-	-
Total liabilities from continuing operations	**108,895**	**519,531**	**628,426**
As at 30 June 2014			
Segment liabilities as at 1 July 2013	9,676	49,389	59,065
Segment liability increases/(decreases) for the year	788,658	177,905	966,563
	798,334	**227,294**	**1,025,628**
Reconciliation of segment liabilities to total liabilities:			
Other liabilities	-	-	-
Total liabilities from continuing operations	**798,334**	**227,294**	**1,025,628**

17 Earnings/ (Loss) per shares

	Consolidated 2015 $	Consolidated 2014 $
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	**(3,389,301)**	**(1,863,152)**

	Number of shares 2015	Number of shares 2014
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share:	108,580,362	40,935,782
Basic loss per share (cents per share)	3.12	4.55

18 Notes to the statement of cash flows

Reconciliation of loss from ordinary activities after income tax to net cash outflow from operating activities:	Consolidated 2015 $	Consolidated 2014 $
(Loss) from ordinary activities after related income tax	(3,389,301)	(1,863,152)
Exploration expenses written off	4,450	3,015
Depreciation	18,868	2,130
Impairment	112,728	-
Share based payments	646,987	328,522
Decrease / (Increase) in trade and other receivables	(110,869)	(244,440)
(Decrease) / Increase in trade and other payables relating to operating activities	(433,742)	168,964
Net cash outflow from operating activities	**(3,150,879)**	**(1,604,961)**

Non-cash investing and financing activities:

Non-cash investing and financing activities are outlined at Notes 9 and 11.

19 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:

Consolidated 2015	**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	5	**0.3%**	1,117,855	-	-	1,117,855
Other Receivables	6		-	-	389,762	389,762
Total Financial Assets			**1,117,855**	**-**	**389,762**	**1,507,617**
Financial Liabilities						
Payables	10		-	-	(628,427)	(628,427)
Total Financial Liabilities			**-**	**-**	**(628,427)**	**(628,427)**
Net Financial Assets			**1,117,855**		**(238,665)**	**879,190**

Consolidated 2014	**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	5	**2.4%**	6,289,921	-	-	6,289,921
Other Receivables	6		-	-	266,788	266,788
Total Financial Assets			**6,289,921**	**-**	**266,788**	**6,556,709**
Financial Liabilities						
Payables	10		**-**	**-**	(1,025,628)	(1,025,628)
Total Financial Liabilities			**-**	**-**	**(1,025,628)**	**(1,025,628)**
Net Financial Assets			**6,289,921**		**(758,840)**	**5,531,081**

(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.

19 Financial Instruments (Continued)

(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.

20 Contingent Liabilities

There were no material contingent liabilities not provided for in the financial statements of the Company as at 30 June 2015.

21 Mosman Oil and Gas Limited - Parent Entity Disclosures

	2015 $	**2014** $
Financial position		
Assets		
Current Assets	1,240,479	5,854,806
Non-Current Assets	10,578,083	3,908,481
Total Assets	**11,818,562**	**9,763,287**
Liabilities		
Current Liabilities	447,228	227,293
Total Liabilities	**447,228**	**227,293**
Net Assets	**11,371,334**	**9,535,994**
Equity		
Contributed equity	18,585,595	11,972,319
Reserves	1,063,440	416,453
Accumulated losses	(8,277,701)	(2,852,778)
Total Equity	**11,371,334**	**9,535,994**
Financial Performance		
Loss for the year	(5,424,923)	(1,839,258)
Other comprehensive income	-	-
Total comprehensive income	**(5,424,923)**	**(1,839,258)**

22 Controlled Entities

Investments in group entities comprise:

Name	Principal activities	Incorporation	Beneficial percentage held by economic entity 2015 %	2014 %
Mosman Oil and Gas Limited	Parent entity	Australia		
Wholly owned and controlled entities:				
Petroleum Creek 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	**100**	**100**
OilCo Pty Limited	Oil & Gas exploration	Australia	**100**	**-**
Trident Energy Ltd.	Oil & Gas exploration	Australia	**100**	**-**

Mosman Oil and Gas Limited is the Parent Company of the Group, which includes all of the controlled entities. See also Note 25 Subsequent Events for additional corporate activity in progress subsequent to the 30 June 2015 year end.

Trident Energy Limited
During the year ended 30 June 2015, the Group obtained control of Trident Energy Limited, an oil and gas exploration entity, by acquiring 100% of Trident's shares from existing shareholders.

The acquisition of Trident Energy Limited was assessed by the Board in the current period and it was determined that the acquisition was an asset acquisition, rather than a business combination as the substance and intent of the acquisition was for the Group to acquire the exploration and evaluation assets of Trident Energy Limited for the purpose of expanding the Groups overall resource base.

The deemed fair value of net assets acquired at the date of acquisition were as follows:	**$**
Cash and cash equivalents	35,043
Trade and other receivables	12,105
Property, plant and equipment	1,872
Exploration and evaluation assets	3,227,550
Trade and other payables	(798,152)
Borrowings	(1,015,481)
Net assets acquired	**1,462,937**
Acquisition consideration:	
Shares issued (2,796,440 shares at $0.256), at fair value	1,120,108
Shares issued (96,533 shares at $0.238), at fair value	22,829
Acquisition costs	320,000
Total purchase consideration	**1,462,937**

22 Controlled Entities (Continued)

OilCo Pty Ltd

On 27 August 2014, the Group obtained control of OilCo Pty Ltd, an oil and gas exploration entity by acquiring 100% of OilCo Pty Ltd's shares from existing shareholders.

The acquisition of OilCo Pty Ltd was assessed by the Board in the current period and it was determined that the acquisition was an asset acquisition, rather than a business combination.

The deemed fair value of net assets acquired at the date of acquisition were as follows:	**$**
Fair value of net assets acquired	Nil
Acquisition consideration:	
Overriding 2% royalty on production	Nil

The Board reviewed the royalty payable to OilCo Pty Ltd's previous shareholders and at this point in time a reliable and quantitative value cannot be established

23 Associated Entity

Name	**Principal activities**	**Incorporation**	**Beneficial percentage held by Group**	
			2015	**2014**
			%	**%**
Australasian Petroleum Portfolio Pty. Ltd.	Holds interest in Officer Basin Licence Application - Oil & Gas exploration	Australia	25	25

Australasian Petroleum Portfolio Pty Ltd ('APPPL') holds a 100% interest in the Officer Basin License Application and is 25% owned by Petroleum Portfolio Pty. Ltd., itself a 100% owned subsidiary of the Group as detailed in Note 22. The carrying value of assets and liabilities accounted for in APPPL is not material to the Group. There are currently nil commitments associated with the Officer Basin License.

24 Share Based Payments Expense

Basic loss per share (cents per share)	3.12	4.55
	Consolidated 2015 $	**Consolidated 2014 $**
Black & Scholes Option Valuation (See second table below)	646,987	308,522
Services Provide in Lieu of Cash	-	20,000
Share Based Payments Expense	**646,987**	**328,522**

The following share based payment arrangements existed at 30 June 2015:

Each of the four 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 11 April 2011, 3,000,000 Options were issued to Directors to take up ordinary shares of the Company at an exercise price of $0.20 each. The options are exercisable on or before 31 March, 2016. During the year ended 30 June 2015, 1,000,000 options were exercised. 2,000,000 options still remain outstanding.

(2) On 15 January 2014, 800,000 Options were issued to consultants, an employee and others to take up ordinary shares of the Company at an exercise price of $0.15 each. The options are exercisable on or before 13 January, 2019. During the year ended 30 June 2015, 100,000 options were exercised. 700,000 options still remain outstanding.

(3) On 15 January 2014, 2,500,000 Options were issued to KMP to take up ordinary shares of the Company at an exercise price of $0.15 each. The options are exercisable on or before 13 January, 2019.

(4) 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. During the year ended 30 June 2015, 368,302 options were exercised. 859,372 options still remain outstanding.

(5) On 28 November 2014, 3,800,000 Options were issued to Directors, employee & consultants to take up ordinary shares of the Company at an exercise price of $0.58 each. The options are exercisable on or before 28 November 2017.

A summary of the movements of all company option issues to 30 June, 2015 is as follows:

Company Options	**2015 Number of Options**	**2014 Number of Options**	**2015 Weighted Average Exercise Price**	**2014 Weighted Average Exercise Price**
Outstanding at the beginning of the year	9,527,674	3,000,000	$0.14	$0.20
Granted (see Table below)	3,800,000	6,527,674	$0.58	$0.12
Forfeited	-	-	-	-
Exercised (Note 11)	(3,468,302)	-	-	-
Expired	-	-	-	-
Outstanding at the end of the year	9,859,372	9,527,674	$0.11	$0.14
Exercisable at the end of the year	9,859,372	9,527,674	$0.33	$0.14

24 Share Based Payments Expense (Continued)

The weighted average remaining contractual life of the 9,859,372 options exercisable at 30 June 2015 was 2 years and 7 months (2014 - 5 years 10 months). The exercise price of the options ranged from $0.15 to $0.58.

The Company uses the Black and Scholes (B&S) method of valuing the cost of options issued during the current financial year, which is expensed as Share Based Payments, or debited against Contributed Equity, if they relate to capital raising costs, and credited to Shareholders Equity. Inputs and assumptions included in B&S valuation model are listed in the last five columns of the following table. In addition, the expected dividend yield used in the B&S calculation was nil. The weighted average B&S value of Options issued during the year was $0.06 and the Weighted Average Exercise price was $0.58.

Options Granted during the year ended 30 June 2015 and expensed to Share Based Payments:

Options Granted During the Current Year	Number Issued	Black & Scholes Valuation	Stock Price	Exercise Price	Risk-free rate	Option Life	Expected Volatility
A R Carroll	1,500,000	$255,390	$0.36	$0.58	2.72%	3 years	90%
J W Barr	500,000	$85,130	$0.36	$0.58	2.72%	3 years	90%
J A Young	500,000	$85,130	$0.36	$0.58	2.72%	3 years	90%
Z R Lewis	200,000	$34,052	$0.36	$0.58	2.72%	3 years	90%
Other Holders	1,100,000	$187,285	$0.36	$0.58	2.72%	3 years	90%
Sub-Total Black & Scholes Option Valuation	3,800,000	$646,987					
Total Options Granted during the year	3,800,000	$646,987	Weighted Average Exercise Price $0.58				

25 Subsequent Events

Material transactions arising since 30 June 2015 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:

1. Share Placement

   On 28 July 2015 the Company completed a placement of 22,857,143 fully paid ordinary shares raising $0.8 million (£400,000) in the UK. The placement was undertaken in order to advance potential acquisition of producing assets.

2. Signed Sale and Purchase Agreement (SPA)

   On 3 September 2015 the Company announced to market a conditional SPA agreement to acquire onshore NZ producing oil and gas assets for $NZ10 million had been executed.

3. STEP NZ$4 million Royalty Funding

   On 15 September 2015 the Company announced they had signed an agreement in respect of Mosman's proposed acquisition of 70% interest in the South Taranaki Energy Project ("STEP") assets in New Zealand by selling a 2% royalty to Canadian based Ridge Royalty Corp for NZ$4 million.

25 Subsequent Events (Continued)

4. Share Placement

   On 22 September the Company completed a placement of 33,333,333 fully paid ordinary shares raising $2.9 million (£1.5 million) in the UK. The placement was undertaken to enable Mosman to progress the acquisition of the proposed 70% interest in "STEP".

5. Share Placement

   On 30 October the Company completed a placement of 36,822,466 fully paid ordinary shares raising $2.8 million (£1.47 million) in the US. In addition to issuance of shares, the institutional investors were granted one warrant, with the option of being converted on or before the 5th year anniversary from the date of allotment. The placement was undertaken to enable Mosman to progress of the "STEP" acquisition.

6. VIC/P62 Joint Venture

   In December 2015, the Company submitted a notice to its JV partner to withdraw from the VIC/P62. The Company has decided to withdraw from the JV as part of its rationalisation of its exploration activities following review of its asset portfolio and recent permit acquisitions.

   If formal acceptance for withdrawal is received the Company will reconsider the valuation of capitalised costs of VIC/P62 at that time.

7. On 20 November 2015 the Company announced the following:

   Murchison Permit

   The LIDAR survey to assist in identifying the location of structural "faults" should be completed within 60 days.

   Amadeus Basin Permits

   Mosman has recently completed field studies which were encouraging and the results are currently being incorporated in to the geological models as the next stage of exploration is being planned.

   Mosman is pleased to note that the Northern Territory Government is progressing on the development of a gas pipeline and has selected Jemena Northern Gas Pipeline Pty Ltd to construct and operate the

   North East Gas Interconnector (NEGI) Pipeline to connect NT gas to the eastern gas markets (see https://onshoregas.nt.gov.au/new-gas-pipeline; this website includes information on the Amadeus Basin and the relevant map includes the location of three wells in Mosman permits, namely Mount Winter-1, West Walker-1 and Tent Hill-1). This infrastructure development will provide access from NT to Eastern Australian gas markets including three LNG export terminals, and has already spurred petroleum industry activity including the recent development of Dingo Gas Field by Central Petroleum CTP:ASX and large farmin deals by a US company ref Armour Energy ref AJQ:ASX and EEG:ASX.

   Petroleum Creek and Taramakau Permits

   The West Coast Operations Supervisor has been planning Seismic Acquisition (scheduled for 2016, and subject to funding) at both the Petroleum Creek and Taramakau permits. The purpose is to better define drilling targets in those permits.

   Canning and Otway Basin Permits

   The Operator advised that they do not plan to drill a well and Mosman has agreed to terminate the farm-in option. Costs incurred on this project have been expensed.

   The Board advises that it is considering its investment position in respect to the Otway Basin permit in light of the STEP Acquisition and other exploration priorities.

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 28-54, are in accordance with the Australian Corporations Act 2001:

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

   (b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Group.

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

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

John W Barr
Executive Chairman

Dated this 8 December 2015