
BROOKSIDE ENERGY LIMITED

ACN 108 787 720

NOTICE OF GENERAL MEETING

TIME: 10:00am (WST)

DATE: Thursday, 1 April 2021

PLACE: Suite 9,
330 Churchill Avenue
Subiaco WA 6008

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of General Meeting please do not hesitate to contact the Company Secretary Katherine Garvey on +61 8 6489 1600.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am on 30 March 2021.

IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10:00am WST on Thursday, 1 April 2021 at Suite 9, 330 Churchill Avenue, Subiaco WA 6008.

The Company intends to hold a physical in-person meeting. Due to public health measures mandated by various regulatory authorities as means of combating the COVID-19 pandemic, for the health and safety of all Shareholders and Company officers Brookside Energy Limited encourages Shareholders to vote by proxy, rather than attending the meeting in person.

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed proxy form and return by the time and in accordance with the instructions set out on the proxy form.

In accordance with section 249L of the *Corporations Act 2001* (Cth) (**Corporations Act**), registered holders of a share (**Shareholders**) are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that the Corporations Act requires that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the chair of the meeting, who must vote the proxies as directed.

Electronic Notice of Meeting

In accordance with section 5(1)(f) of the *Corporations (Coronavirus Economic Response) Determination (No. 4) 2020* the Company will not be dispatching physical copies of the Notice. Instead the Notice is being made available to Shareholders electronically and can be viewed and downloaded online on the ASX Company Announcements Platform at <https://www2.asx.com.au/markets/trade-our-cash-market/historical-announcements> and by entering the code 'BRK'.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES TO ADVISOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That the issue of 2,778,125 Shares to Spark Plus Pte. Ltd on the terms and conditions and in the manner set out in the Explanatory Memorandum is approved under and for the purposes of ASX Listing Rule 7.4 and for all other purposes.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by Spark Plus Pte. Ltd or an associate of Spark Plus Pte. Ltd.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER TRANCHE 1 PLACEMENT (LISTING RULE 7.1)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That the issue of 168,931,280 Shares under the Tranche 1 Placement on the terms and conditions and in the manner set out in the Explanatory Memorandum is approved under and for the purposes of ASX Listing Rule 7.4 and for all other purposes.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or an associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or

- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. **RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER TRANCHE 1 PLACEMENT (LISTING RULE 7.1A)**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That the issue of 132,127,313 Shares under the Tranche 1 Placement on the terms and conditions and in the manner set out in the Explanatory Memorandum is approved under and for the purposes of ASX Listing Rule 7.4 and for all other purposes.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or an associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. **RESOLUTION 4 – APPROVAL OF ISSUE OF SHARES UNDER TRANCHE 2 PLACEMENT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That the issue of up to 798,941,407 Shares under the Tranche 2 Placement to the persons and on the terms and conditions set out in the Explanatory Memorandum is approved under and for the purposes of ASX Listing Rule 7.1 and for all other purposes.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of such person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

5. RESOLUTION 5 – APPROVAL OF ISSUE OF LISTED OPTIONS UNDER TRANCHE 1 PLACEMENT AND TRANCHE 2 PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That the issue of up to 550,000,000 Listed Options under the Tranche 1 Placement and the Tranche 2 Placement to the persons and on the terms and conditions set out in the Explanatory Memorandum is approved under and for the purposes of ASX Listing Rule 7.1 and for all other purposes.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of such person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

6. RESOLUTION 6 – APPROVAL OF ISSUE OF LISTED OPTIONS TO CPS CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That the issue of 500,000,000 Listed Options to CPS Capital and/or their nominee(s) on the terms and conditions set out in the Explanatory Memorandum is approved under and for the purposes of ASX Listing Rule 7.1 and for all other purposes.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of CPS Capital and/or their nominee(s) or an associate of CPS Capital and/or their nominee(s).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

7. **RESOLUTION 7 – APPROVAL OF ISSUE OF LISTED OPTIONS TO DIRECTOR MR MICHAEL FRY**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That under and for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Company is authorised to issue up to 20,000,000 Listed Options to Mr Michael Fry, who is a Director, and/or his nominee(s), pursuant to the Brookside Energy Limited Securities Incentive Plan on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by Mr Michael Fry or an associate of Mr Michael Fry.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) Mr Michael Fry or his associates; or
- (b) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution and the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution and:

- (c) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

8. **RESOLUTION 8 – APPROVAL OF ISSUE OF LISTED OPTIONS TO DIRECTOR MR DAVID PRENTICE**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That under and for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Company is authorised to issue up to 70,000,000 Listed Options to Mr David Prentice, who is a Director, and/or his nominee(s), pursuant to the Brookside Energy Limited Securities Incentive Plan on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by Mr David Prentice or an associate of Mr David Prentice.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) Mr David Prentice or his associates; or
- (b) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution and the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution and:

- (c) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and

- (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

9. RESOLUTION 9 – APPROVAL OF ISSUE OF LISTED OPTIONS TO DIRECTOR MR RICHARD HOMSAANY

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That under and for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Company is authorised to issue up to 10,000,000 Listed Options to Mr Richard Homsany, who is a Director, and/or his nominee(s), pursuant to the Brookside Energy Limited Securities Incentive Plan on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by Mr Richard Homsany or an associate of Mr Richard Homsany.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) Mr Richard Homsany or his associates; or
- (b) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution and the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution and:

- (c) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

Dated: 26 February 2021

By order of the Board

A handwritten signature in black ink, appearing to be 'MF' or similar, written over a horizontal line.

**Michael Fry
Chairman**

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES TO ADVISOR

1.1 General

On 17 July 2020, the Company issued 2,778,125 Shares to Spark Plus Pte. Ltd in consideration for services provided to the Company in accordance with the terms and conditions of a services agreement entered into between the Company and Spark Plus Pte. Ltd.

The Company issued the Shares the subject of this Resolution without prior Shareholder approval out of its 15% annual placement capacity.

Resolution 1 seeks Shareholder approval and ratification pursuant to ASX Listing Rule 7.4 for the prior issue of the 2,778,125 Shares to Spark Plus Pte. Ltd (**Spark Plus Share Issue**) on 17 July 2020 (**Spark Plus Share Issue Date**).

1.2 ASX Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The Spark Plus Share Issue does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing Brookside's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Spark Plus Share Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 1 seeks Shareholder approval to the Spark Plus Share Issue under and for the purposes of Listing Rule 7.4.

If Resolution 1 is passed, the Spark Plus Share Issue will be excluded in calculating Brookside's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the Spark Plus Share Issue Date.

If Resolution 1 is not passed, the Spark Plus Share Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the

number of Equity Securities it can issue without Shareholder approval over the 12 month period following the Spark Plus Share Issue Date.

1.3 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 1:

(a) *The number and class of securities the entity issued*

2,778,125 Shares were issued. The Shares issued were all fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing Shares.

(b) *The price or other consideration the entity has received for the issue*

The Shares were issued for no consideration as they were issued consideration for services provided to the Company in accordance with the terms and conditions of a services agreement entered into between the Company and Spark Plus Pte. Ltd. The Shares were issued at a deemed issue price of \$0.008 per Share.

(c) *The date or dates on which the securities were or will be issued*

The Shares were issued on 17 July 2020.

(d) *The names of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected*

The Shares were issued to Spark Plus Pte. Ltd, which is not a related party of the Company.

(e) *The purpose of the issue, including the use or intended use of any funds raised by the issue*

The Spark Plus Share Issue was made in consideration for services provided to the Company in accordance with the terms and conditions of a services agreement entered into between the Company and Spark Plus Pte. Ltd. No funds were raised by the issue of the Shares to Spark Plus Pte. Ltd.

1.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 1 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

2. RESOLUTIONS 2 AND 3 – RATIFICATION OF PRIOR ISSUES OF SHARES UNDER TRANCHE 1 PLACEMENT (LISTING RULE 7.1 AND LISTING RULE 7.1A)

2.1 General

On 19 February 2021, the Company issued 301,058,593 Shares under Tranche 1 of a placement to sophisticated and/or professional investors (**Tranche 1**

Placement). CPS Capital acted as lead manager and broker to the Tranche 1 Placement. A further issue of Shares pursuant to the Tranche 2 Placement is subject to Shareholder approval, which is being sought pursuant to Resolution 4. Under the terms of the Tranche 1 Placement and the Tranche 2 Placement, the Company agreed that one (1) free attaching Listed Option would be issued for every two (2) Shares applied for and issued under the relevant placement. The issue of free attaching Listed Options in respect of the Shares issued under the Tranche 1 Placement (Resolution 2) and proposed to be issued under the Tranche 2 Placement (Resolution 3) is subject to Shareholder approval which is being sought pursuant to Resolution 4.

The Company issued 168,931,280 Shares the subject of Resolution 2 without prior Shareholder approval out of its 15% annual placement capacity under Listing Rule 7.1 and 132,127,313 Shares the subject of Resolution 3 without prior Shareholder approval out of its 10% annual placement capacity under Listing Rule 7.1A on 19 February 2021 (**Tranche 1 Placement Share Issue Date**).

Resolution 2 and Resolution 3 together seek Shareholder approval and ratification pursuant to ASX Listing Rule 7.4 for the prior issue of the 301,058,593 Shares pursuant to the Tranche 1 Placement.

2.2 ASX Listing Rule 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15 % of the fully paid ordinary securities it had on issue at the start of that period. Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company sought and obtained such approval at its previous annual general meeting on 30 July 2020.

The Tranche 1 Placement does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, effectively uses up the Company's 15% limit in Listing Rule 7.1 and its 10% limit in Listing Rule 7.1A, reducing Brookside's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 and Listing Rule 7.1A for the 12 month period following the Tranche 1 Placement Share Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 2 and 3 together seek Shareholder approval to the Tranche 1 Placement under and for the purposes of Listing Rule 7.4.

If Resolution 2 is passed, the issue of 168,931,280 Shares pursuant to the Tranche 1 Placement will be excluded in calculating Brookside's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without

Shareholder approval over the 12 month period following the Tranche 1 Placement Share Issue Date.

If Resolution 2 is not passed, the issue of 168,931,280 Shares pursuant to the Tranche 1 Placement will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the Tranche 1 Placement Share Issue Date.

If Resolution 3 is passed, the issue of 132,127,313 Shares pursuant to the Tranche 1 Placement will be excluded in calculating Brookside's 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the Tranche 1 Placement Share Issue Date.

If Resolution 3 is not passed, the issue of 132,127,313 Shares pursuant to the Tranche 1 Placement will be included in calculating the Company's 10% limit in Listing Rule 7.1A, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the Tranche 1 Placement Share Issue Date.

2.3 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 2 and 3:

(a) The number and class of securities the entity issued

A total of 301,058,593 Shares were issued as follows:

- (i) 168,931,280 Shares were issued using the Company's 15% limit under Listing Rule 7.1 and are the subject of Resolution 2; and
- (ii) 132,127,313 Shares were issued using the Company's 10% limit under Listing Rule 7.1A and are the subject of Resolution 3.

The Shares issued were all fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing Shares.

(b) The price or other consideration the entity has received for the issue

The Shares were issued at an issue price of \$0.0075 per Share.

(c) The date or dates on which the securities were or will be issued

The Shares were issued on 19 February 2021.

(d) The names of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected

The Shares were issued sophisticated and professional investors who are not related parties of the Company or their associates. The investors were identified by CPS Capital, which acted as Lead Manager and Broker to the Tranche 1 Placement.

- (e) *The purpose of the issue, including the use or intended use of any funds raised by the issue*

Funds raised by the issue were or will be used to drill and complete the Jewell Well in the Company's SWISH AOI and for general working capital.

2.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolutions 2 and 3 as they provide the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

3. RESOLUTION 4 – APPROVAL OF ISSUE OF SHARES UNDER TRANCHE 2 PLACEMENT

3.1 Background

Resolution 4 seeks Shareholder approval for the issue and allotment of up to 798,941,407 Shares to sophisticated and professional investors under Tranche 2 of the placement described in Section 3.1 (**Tranche 2 Placement**). CPS Capital acted as lead manager and broker to the Tranche 1 Placement.

The effect of Resolution 4 will be to allow the Directors to issue up to 798,941,407 Shares under the Tranche 2 Placement during the period of three months after the Meeting (or a longer period, if approved by ASX), without using the Company's 15% placement capacity (**Tranche 2 Placement Share Issue**).

3.2 ASX Listing Rule 7.1

Broadly speaking, and subject to a number of exemptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The Tranche 2 Placement Share Issue does not fit within any of these exceptions and the Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the Tranche 2 Placement Share Issue under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

To this end, Resolution 4 seeks Shareholder approval to the Tranche 2 Placement Share Issue under and for the purposes of Listing Rule 7.1.

If Resolution 4 is passed, the Tranche 2 Placement Share Issue can proceed without using up any of the Company's 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not have sufficient capacity to complete all of the Tranche 2 Placement Share Issue and will only be able to complete that portion of the Tranche 2 Placement Share Issue for which the Company has capacity under Listing Rule 7.1 and/or Listing Rule 7.1A which will reduce the Company's capacity to issue equity securities without Shareholder

approval under Listing Rule 7.1 and Listing Rule 7.1A for 12 months following the date that the Shares are issued.

3.3 ASX Listing Rule Disclosure Requirements

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4 to allow Shareholders to assess the proposed Tranche 2 Placement Share Issue:

- (a) *The names of the persons to whom the entity will issue the securities (if known) or the basis upon which those persons will be identified or selected*

The Shares will be issued to sophisticated and professional investors identified by CPS Capital, the Lead Manager and Broker to the Tranche 2 Placement. The investors will not be related parties of the Company or their associates.

- (b) *The number and class of securities the entity will issue*

Up to 798,941,407 fully paid ordinary shares.

- (c) *The date or dates by which the entity will issue the securities.*

The Shares will be issued no later than three (3) months after the date of the Meeting (or such later date as may be approved by ASX).

- (d) *The price or other consideration the entity will receive for the securities*

The Shares will be issued at a price of \$0.0075 per Share.

- (e) *The purpose of the issue, including the intended use of the funds raised by the issue*

Funds raised by the issue will be used to drill and complete the Jewell Well in the Company's SWISH AOI and for general working capital.

3.4 Directors' Recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 4. The Board recommends Shareholders vote in favour of Resolution 4 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval and will enable the Company to fund its ongoing commitments.

4. RESOLUTION 5 – APPROVAL OF ISSUE OF LISTED OPTIONS UNDER TRANCHE 1 PLACEMENT AND TRANCHE 2 PLACEMENT

4.1 Background

Under the terms of the Tranche 1 Placement and the Tranche 2 Placement the Company agreed to issue one (1) free attaching Listed Option for every two (2) Shares subscribed for and issued. Resolution 5 seeks Shareholder approval for the issue and allotment of up to 550,000,000 Listed Options to sophisticated and professional investors as free attaching options to the Shares issue under the Tranche 1 Placement and the Tranche 2 Placement (the subject of Resolutions 2

& 3, and Resolution 4 respectively) (see Section 3.1 for further information in respect of the Placement).

The effect of Resolution 5 will be to allow the Directors to issue up to 550,000,000 Listed Options under the Tranche 1 Placement and the Tranche 2 Placement during the period of three months after the Meeting (or a longer period, if approved by ASX), without using the Company's 15% placement capacity (**Placement Listed Option Issue**).

4.2 ASX Listing Rule 7.1

Broadly speaking, and subject to a number of exemptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The Placement Listed Option Issue does not fit within any of these exceptions and the Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the Placement Listed Option Issue under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

To this end, Resolution 5 seeks Shareholder approval to the Placement Listed Option Issue under and for the purposes of Listing Rule 7.1.

If Resolution 5 is passed, the Placement Listed Option Issue can proceed without using up any of the Company's 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to proceed with the Placement Listed Option Issue.

4.3 ASX Listing Rule Disclosure Requirements

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5 to allow Shareholders to assess the proposed Placement Listed Option Issue:

- (a) *The names of the persons to whom the entity will issue the securities (if known) or the basis upon which those persons will be identified or selected*

The Listed Options will be issued to sophisticated and professional investors who have subscribed for Shares under the Tranche 1 Placement or who subscribe for Shares under the Tranche 2 Placement. The investors will not be related parties of the Company or their associates.

- (b) *The number and class of securities the entity will issue*

Up to 550,000,000 Listed Options.

- (c) *The date or dates by which the entity will issue the securities.*

The Listed Options will be issued no later than three (3) months after the date of the Meeting (or such later date as may be approved by ASX).

- (d) *The price or other consideration the entity will receive for the securities*

The Company will not receive any consideration for the issue of the Listed Options as they are being issued as free attaching options to the Shares issued, or proposed to be issued, under Resolutions 2, 3 and 4.

- (e) *The purpose of the issue, including the intended use of the funds raised by the issue*

Funds raised by the issue will be used to drill and complete the Jewell Well in the Company's SWISH AOI and for general working capital.

4.4 Directors' Recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 5. The Board recommends Shareholders vote in favour of Resolution 5 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval and will enable the Company to fund its ongoing commitments.

5. RESOLUTION 6 – APPROVAL OF ISSUE OF LISTED OPTIONS TO CPS CAPITAL

5.1 Background

The Company has entered into a mandate agreement (**Mandate**) with CPS Capital in respect of the Tranche 1 Placement and the Tranche 2 Placement (together the **Placements**). Under the terms of the Mandate the Company agreed that CPS Capital would act as broker and lead manager to the Placements, in consideration for which CPS Capital is entitled to receive:

- a management fee equal to 2% of the total gross proceeds of the Placements plus GST, for managing the Placements; and
- a placing fee equal to 4% of the total gross proceeds of the Placements plus GST, for funds raised under the Placements.

CPS Capital has agreed that it will pay a fee of 4% (or such lesser amount agreed between the parties) from the placing fee for funds introduced to the Placements by other Australian Financial Services Licence holders.

As part of the consideration for services rendered to the Company under the Mandate, the parties have agreed that the Company will issue CPS Capital and/or its nominee(s) a total of 500,000,000 Listed Options at a cost of \$0.00001 per Listed Option. Those Listed Options are the subject of Resolution 6.

Under the terms of the Mandate CPS Capital is also entitled to receive a monthly corporate advisory cash fee of \$10,000 plus GST, for a period of at least twelve (12) months from the date of the Mandate, for continuing capital markets support by CPS Capital. If the Company terminates the Mandate prior to the expiry of that 12 month period, it will be required to pay CPS Capital the balance of that fee not yet invoiced and paid.

The Listed Options are proposed to be issued to CPS Capital and/or its nominee as part of the consideration for services provided to the Company under the Mandate in connection with the Placements and for Corporate Advisory Services over the term of the Mandate (12-months). The number of Listed Options to be issued to CPS Capital has been assessed in that context. The 30-day VWAP of the Listed Options up to 10 February 2021 was \$0.0036 at which price the Listed

Options are valued at \$1,800,000 or approximately 21% of the total funds raised under the Placements (excluding the proceeds upon the exercise of the Listed Options). The Company also considered the amount to be received if all Listed Options in connection with the Placements and the Mandate are exercised. If all Listed Options to be issued to CPS Capital are exercised the Company will receive proceeds of \$5,500,000, and if all Listed Options issued or to be issued to investors under the Placements are exercised the Company will receive additional proceeds of \$20,350,000.000.

The effect of Resolution 6 will be to allow the Directors to issue up to 500,000,000 Listed Options to CPS Capital and/or its nominee(s) during the period of three months after the Meeting (or a longer period, if approved by ASX), without using the Company's 15% placement capacity (**CPS Option Issue**).

5.2 ASX Listing Rule 7.1

Broadly speaking, and subject to a number of exemptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The CPS Option Issue does not fit within any of these exceptions and the Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the CPS Option Issue under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

To this end, Resolution 6 seeks Shareholder approval to the CPS Option Issue under and for the purposes of Listing Rule 7.1.

If Resolution 6 is passed, the CPS Option Issue can proceed without using up any of the Company's 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 6 is not passed, the Company will not be able to proceed with the CPS Option Issue.

5.3 ASX Listing Rule Disclosure Requirements

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 6 to allow Shareholders to assess the proposed CPS Option Issue:

- (a) *The names of the persons to whom the entity will issue the securities (if known) or the basis upon which those persons will be identified or selected*

The Listed Options will be issued to CPS Capital and/or its nominee(s) who will be sophisticated and professional investors and who will not be related parties of the Company or their associates.

- (b) *The number and class of securities the entity will issue*

500,000,000 Listed Options.

- (c) *The date or dates by which the entity will issue the securities.*

The Listed Options will be issued no later than three (3) months after the date of the Meeting (or such later date as may be approved by ASX).

- (d) *The price or other consideration the entity will receive for the securities*
- \$0.00001 per Listed Option.
- (e) *The purpose of the issue, including the intended use of the funds raised by the issue*

The Listed Options are proposed to be issued to CPS Capital and/or its nominee as part of the consideration for services provided to the Company under the Mandate, as detailed in Section 5.1 above. Funds raised by the issue will be used to drill and complete the Jewell Well in the Company's SWISH AOI and for general working capital.

5.4 Directors' Recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 6. The Board recommends Shareholders vote in favour of Resolution 6 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval and will enable the Company to fund its ongoing commitments.

6. RESOLUTIONS 7, 8 AND 9 – APPROVAL FOR ISSUE OF LISTED OPTIONS TO DIRECTORS

6.1 Background to Resolutions 7, 8 and 9

The Company is proposing to issue 100,000,000 Listed Options in aggregate to Directors Michael Fry, David Prentice and Richard Homsany under the Brookside Energy Limited Securities Incentive Plan (as approved by Shareholders at the Company's general meeting of 8 December 2020) pursuant to Resolutions 7 to 9 (inclusive) respectively.

Listing Rule 10.14 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not allow any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) a director of the company;
- (b) an associate of a director of the company; or
- (c) a person whose relationship with the company or a person referred to in paragraph (a) or (b) is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issues the subject of Resolutions 7, 8 and 9 fall within paragraph (a) above (being Listing Rule 10.14.1) and therefore require the approval of Shareholders under Listing Rule 10.14.

Resolutions 7, 8 and 9 seek the required Shareholder approval to the issue of Listed Options to Directors Messrs Fry, Prentice and Homsany respectively under and for the purposes of Listing Rule 10.14.

If Resolutions 7, 8 and 9 are each passed, the Company will be able to proceed to issue the respective Listed Options to Messrs Fry, Prentice and Homsany.

If Resolutions 7, 8 and 9 are not passed, the Company will not be able to proceed to issue the respective Listed Options to Messrs Fry, Prentice and Homsany.

The terms and conditions of the Listed Options are set out in Annexure "A" to this Notice and a summary of the terms and conditions of the Incentive Plan is set out in Annexure "B" of the Company's notice of general meeting dated 5 November 2020.

6.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit (which includes the issue of Options) to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions of Chapter 2E of the Corporations Act; or
- (b) prior Shareholder approval is obtained for the giving of the financial benefit.

For the purposes of Chapter 2E, each Director is considered to be a related party of the Company. The proposed issue of Listed Options to Directors and/or their nominee(s) involves the provision of a financial benefit to a related party of the Company. Section 211 of the Corporations Act provides an exception to the provisions of Chapter 2E where the financial benefit is remuneration that would be reasonable given the circumstances of the Company and the related party's circumstances. The Board has determined that proposed grant of Listed Options to Messrs Fry, Prentice and Homsany falls within the exemption contained in section 211 of the Corporations Act as reasonable remuneration.

6.3 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 10.14 the following information is provided in relation to Resolutions 7 to 9 (inclusive):

- (a) Directors Messrs Fry, Prentice and Homsany (or their nominees) are the persons to whom equity securities (being Listed Options) will be issued if Resolutions 7 to 9 (inclusive) are passed by Shareholders.
- (b) 20,000,000 Listed Options are proposed to be issued to Mr Fry pursuant to Resolution 7, 70,000,000 Listed Options are proposed to be issued to Mr Prentice pursuant to Resolution 8 and 10,000,000 Listed Options are proposed to be issued to Mr Homsany under Resolution 9.
- (c) The current remuneration packages of Messrs Fry, Prentice and Homsany are set out below:

Resolution	Director	Position	Annual remuneration including superannuation and non cash benefits	Estimated value of Listed Options
7	Michael Fry	Chairman	60,000	\$78,000

8	David Prentice	Managing Director	180,000	\$273,000
9	Richard Homsany	Non-Executive Director	40,000	\$39,000

- (d) The expiry date of the Listed Options is 30 June 2022.
- (e) The nature of the financial benefit proposed to be given is the issue of Listed Options for no consideration. The purpose of the issue is to provide cost effective consideration to Directors for their contribution to the Company in their respective roles.
- (f) The Listed Options will be issued within 36 months of the date of the Meeting or such later date as the ASX Listing Rules permit (including such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- (g) A total of 45,000,000 Listed Options have previously been issued under the Incentive Plan to persons referred to in ASX Listing Rule 10.14 since it was adopted by Shareholders at the Company's general meeting of 8 December 2020. No other Equity Securities have been issued to persons referred to in ASX Listing Rule 10.14 under the Incentive Plan in that time.
- (h) All Directors are entitled to participate in the Incentive Plan including Messrs Fry, Prentice and Homsany.
- (i) The Listed Options are to be granted for nil consideration and therefore no funds will be raised from their issue.
- (j) As at the date of this Notice, the Directors hold the following relevant interests in the securities in the Company:

Director	Shares	Current Options held	Listed Options proposed to be issued	Shareholding on a fully diluted basis*
Michael Fry	6,875,000	11,375,000	20,000,000	0.73%
David Prentice	12,999,999	27,499,999	70,000,000	2.27%
Richard Homsany	3,937,500	787,500	10,000,000	0.25%

*Assuming Shareholders approve the issue of the Listed Options to Directors that are subject to Resolutions 7 to 9 inclusive and all Listed Options and current options are exercised.

- (k) The Directors consider that the incentive represented by the issue of Listed Options is a cost effective and efficient incentive when compared to other forms of incentive such as cash, bonuses or increased remuneration.

- (l) The Listed Options proposed to be issued to Directors pursuant to Resolutions 7 to 9 have been valued on the basis of the 30 day volume weighted average price for Listed Options traded on the ASX, being \$0.0039.
- (m) The Board recognises that the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations states that non-executive directors should not receive options as part of their remuneration. Notwithstanding this, the Board considers the issue of Listed Options to the Directors is appropriate in the circumstances for the reasons set out in this section.
- (n) The Board has concluded that the totality of the Directors' remuneration packages, including the equity component of such number of Listed Options proposed to be issued to each Director under Resolutions 7 to 9 inclusive is fair and reasonable in the circumstances of the Company given its size and stage of development, market practice of other companies in the oil and gas exploration and production industry and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves, and in light of the Directors' management experience and knowledge of the oil and gas exploration and production industry.
- (o) The Board does not consider that there are any material taxation consequences or benefits foregone by the Company as a result of issuing the Listed Options on the terms proposed.
- (p) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision as to whether it is in the best interests of the Company to pass the Resolutions other than as set out in this section.
- (q) If all the Listed Options the subject of Resolutions 7 to 9 inclusive are granted and exercised, then the Company's fully paid share capital (assuming Shareholders approve all of the Resolutions contained in this Notice and assuming no other Company securities are exercised or converted) will be diluted by 3.92%.
- (r) The Directors consider that the incentive represented by the grant of Listed Options is a cost effective and efficient incentive when compared to other forms of incentive such as cash, bonuses or increased remuneration.
- (s) The primary purpose of the grant of Listed Options to the Directors is to provide an incentive to Messrs Fry, Prentice and Homsany. Given this purpose, the Directors do not consider that there is any opportunity cost or benefit foregone to the Company in granting the Listed Options that are the subject of Resolutions 7 to 9 inclusive (other than as set out in this section).
- (t) The Board has examined the individual remuneration packages of Directors to determine the fairness and reasonableness of the remuneration package. As part of the examination, the Board has reviewed the remuneration packages of industry executives and non-executives in similar roles. The Board considers the grants to Messrs Fry, Prentice and Homsany are appropriate in the circumstances for the reasons set out in this section.

- (u) No loans by the Company exist in relation to the proposed grant of the Listed Options.
- (v) Based on its examination, the Board has concluded that the totality of Messrs Fry, Prentice and Homsany's remuneration packages, including the equity component of up to 100,000,000 Listed Options now to be considered for approval by Shareholders, is fair and reasonable in the circumstances of the Company given its size and stage of development, market practice of other companies in the oil and gas exploration and production industry and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves, and in light of Messrs Fry, Prentice and Homsany's significant management experience and knowledge of the industry in which the Company operates.
- (w) Accounting standards require that granted Listed Options be valued and expensed. The Directors do not consider that there are any other opportunity costs to the Company or benefits forgone by the Company in respect of the proposed issue of Listed Options pursuant to Resolutions 7 to 9 inclusive.

The last available price of Shares quoted on ASX prior to the date of this Notice of Meeting on 26 February 2021 was \$0.011. The highest price for Shares trading on ASX over the last 12 months was \$0.012 on 10, 18 and 19 February 2021.

6.4 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that prior approval of shareholders is required for an issue of equity securities if the equity securities will, when aggregated with the equity securities issued by a company during the previous 12 months, exceed 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Approval pursuant to ASX Listing Rule 7.1 is not required (under Exception 14 to ASX Listing Rule 7.1) in order to issue the Listed Options to Messrs Fry, Prentice and Homsany and/or their nominee(s) as approval is being obtained under ASX Listing Rule 10.14.

Shareholders should note that the issue of securities to Messrs Fry, Prentice and Homsany and/or their nominee(s) will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

The Company is seeking approval to assist the Company in meeting its existing obligations to Directors and to provide the Company with the flexibility to continue to remunerate Directors fairly and responsibly.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Brookside Energy Limited (ACN 108 787 720).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

CPS Capital means CPS Capital Group Pty Ltd.

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice.

General Meeting or **Meeting** means the general meeting convened by the Notice.

Incentive Plan means the Brookside Energy Limited Securities Incentive Plan, details of which are set out in Annexure "B" of the Company's notice of general meeting dated 5 November 2020.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listed Option means a listed BRKOB Option issued on the terms and conditions set out in Annexure "A" to this Notice.

Notice or **Notice of General Meeting** means this notice of general meeting including the Explanatory Memorandum and the Proxy Form.

Option means an option to acquire a Share.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2019.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Securities means a Share or an Option.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Tranche 1 Placement is defined in Section 3.1.

Tranche 2 Placement is defined in Section 4.1.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A – TERMS AND CONDITIONS OF THE LISTED OPTIONS

Each Listed Option entitles the holder to subscribe for Shares on the following terms and conditions:

(a) Entitlement

Each Listed Option entitles the holder to subscribe for one Share upon exercise of the Listed Option.

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Listed Option will be \$0.011 (**Exercise Price**).

(c) Expiry Date

Each Listed Option will expire at 5:00pm (WST) on 30 June 2022 (**Expiry Date**). A Listed Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Listed Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Listed Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Listed Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Listed Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Listed Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Listed Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Listed Options.

If a notice delivered under paragraph (ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Listed Options rank equally with the then issued shares of the Company.

(i) Quotation

An application for Quotation of the Listed Options will be made subject to compliance with the requirement of the ASX Listing Rules.

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for Quotation of the Shares issued upon the exercise of the Listed Options.

(j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of a Listed Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) Participation in new issues

There are no participation rights or entitlements inherent in the Listed Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Listed Options without exercising the Listed Options.

(l) Change in exercise price

A Listed Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Listed Option can be exercised.

(m) Transferability

The Listed Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.00am (WST) on Tuesday 30 March 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

