Brookside Energy Ltd
ACN 108 787 720

# Annual Report

For the year ending 31 December 2024

# Boosting production. Increasing cash flow. **Fueling success.**

ASX: **BRK | OTC Pink:** RDFEF

brookside-energy.com.au

# FY2024 Investment Highlights

**Financial Year 2024 was a pivotal period for Brookside Energy, marked by record production growth, successful project execution, and disciplined financial management. The completion of the Flames Maroons Development Plan (FMDP) and the commencement of the Gapstow Full Field Development (FFD) significantly expanded Brookside's production base and reserves, positioning the Company for long-term value creation.**

### Operational Growth & Milestones

Brookside delivered group net volumes of 525,456 BOE in FY2024, a modest increase on the prior year. This included record quarterly net production of 2,459 BOEPD in Q4, driven by the successful execution of the Flames Maroons Development Plan (FMDP). The FMDP, comprising four horizontal wells, was delivered ahead of schedule and under budget. Brookside increased its average working interest in the wells to ~70%. The Company also participated in seven Gapstow wells, operated by Continental Resources, which are set to deliver additional net production and set the foundation for further growth.

### Reserves Growth

Brookside's 2P Net Reserves increased to 12.35 MMBOE, supported by low-cost additions through successful drilling and development. PDP reserves increased by 1.41 MMBOE, representing a 268% replacement of FY2024 production, and total 1P reserves grew to 4.98 MMBOE. The Company's Proved Reserves remain heavily liquids-weighted at 58%, reinforcing the cash-generating quality of its portfolio.

### Strong Financial Performance

Brookside recorded sales revenue of A$46.9 million and EBITDA of A$18.5 million in FY2024, underpinned by growing high-margin production. The Company secured a US$25 million credit facility to support future development and closed the year with cash and receivables totalling A$19.8 million, providing strong liquidity heading into FY2025.

### Strategic Focus: Inventory Growth and Targeted Drilling

In FY2025, Brookside will focus on inventory expansion and a targeted drilling campaign. The Company plans to drill three new 10,000-foot lateral wells, aiming to increase annual net production by 20% over FY2024. Planning is underway to add a fifth Drilling Spacing Unit (DSU) in the SWISH AOI, while actively assessing new high-margin opportunities across the Anadarko Basin.

| Group Net Volumes | Sales Revenue | EBITDA |
|---|---|---|
| **525,456** BOE | **$46.9** m | **$18.5** m |

| 1P Net Reserves | 2P Net Reserves | 2024 PDP Reserves Replacement |
|---|---|---|
| **4.98** MBOE | **12.35** MBOE | **268** % |

# Contents

**Brookside Energy Ltd has world-class oil and gas acreage in onshore USA's prolific Anadarko Basin. Production is currently increasing at our flagship SWISH Project in Oklahoma, which has produced over two and a half million barrels of oil equivalent since 2020.**

# Corporate Directory

**Company Directors**

Michael Fry
Non-Executive Chairman

David Prentice
Managing Director

Richard Homsany
Non-Executive Director

Chris Robertson
Non-Executive Director

**Chief Financial Officer**
Shane Gray

**Company Secretary**
Katherine Garvey

**Australian Company Number**
108 787 720

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Perth Western Australia 6000

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**Share Registry**
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Tel: (02) 9698 5414 (International)
Email: www.automic.com.au

**Auditors**
Hall Chadwick Audit (WA) Pty Ltd
283 Rokeby Road
Subiaco WA 6008, Australia

**Securities Exchange Listing**
ASX Code: BRK
Australian Securities Exchange
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

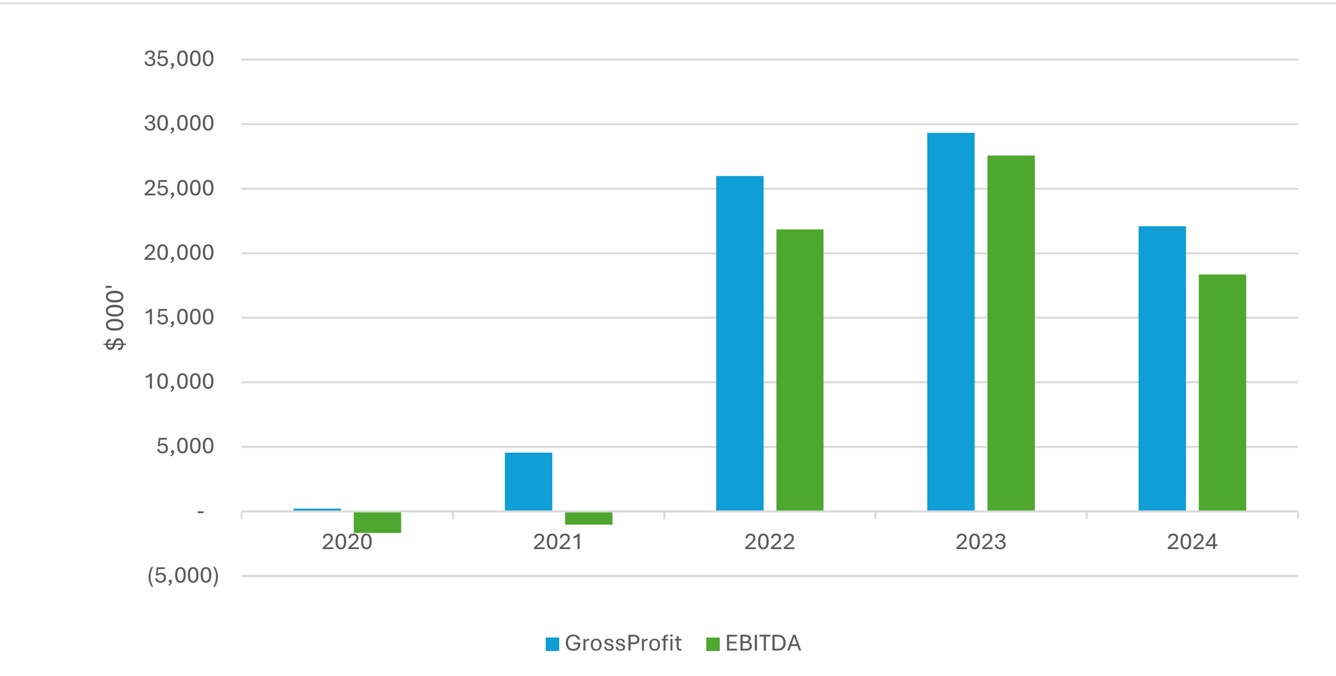
# Chairman's Letter

**FY2024 was a landmark year for Brookside Energy, with the Company achieving record production growth, delivering transformational development milestones, and maintaining financial discipline to position itself for long-term success.**

The year was defined by the successful execution of the Flames Maroons Development Plan (FMDP)—Brookside's largest operated multi-well drilling campaign to date. This project, delivered on time and under budget, significantly increased production and reserves, further strengthening the Company's financial foundation. Net production surged 129% quarter-on-quarter in Q4 2024, reaching a record 2,459 BOE per day, demonstrating the effectiveness of Brookside's strategy to grow high-margin, liquids-rich production in the SWISH AOI.

The Gapstow Full Field Development (FFD), operated by Continental Resources, is also set to deliver additional net production, marking another step in Brookside's transition from an exploration-focused company to a sustainable, cash-generating producer. Early production results from the Gapstow wells confirm the potential for significant reserve growth, which will continue to bolster the Company's long-term value.

The Company continued to strengthen its robust financial position in FY2024, driven by sales revenue of A$46.9 million and an EBITDA of A$18.5 million, supported by growing high-margin production. Additionally, we successfully secured a US$25 million credit facility with our partners at UMB Bank, enhancing liquidity to support future development. The year closed with cash and receivables totalling A$19.8 million, ensuring strong financial flexibility heading into FY2025.



Looking forward, Brookside's 2025 strategy is focused on inventory growth and targeted drilling in the Anadarko Basin. Amid oil price volatility, the Company is prioritizing high-quality drilling site acquisitions and expanding its SWISH Play inventory to support long-term growth. The 2025 drilling program includes three new horizontal wells, to be funded from cash flow and working capital. The Company remains committed to disciplined capital allocation while maintaining financial flexibility to maximize shareholder value.

As we embark on this next stage of growth, I would like to thank our employees, contractors, investors, and Board members for their dedication and support throughout this pivotal year. Brookside Energy has emerged as a high-growth independent producer, and with our proven development strategy and strong financial footing, we are well-positioned to deliver continued success.

We look forward to another year of value creation in 2025

Yours sincerely

**Michael Fry**
Non-Executive Chairman

# 2024 Reserves and Resources Statement

# 2024 Reserves and Resources Statement

**HIGHLIGHTS**

- Proved Developed Producing Net Reserves increased by 50.1% to 2.65 million barrels of oil equivalent (BOE), highlighting a material uplift in revenue generating assets.
- Total Proved (1P) Net Reserves increased by 21.8% to 4.98 million BOE, enhancing the Company's near-term production profile.
- Total Proved plus Probable (2P) Net Reserves increased by 6.8% to 12.35 million BOE, further strengthening the long-term resource base.
- A total of 1.41 million Net BOE were added to PDP reserves, replacing by more than double the FY2024 production of 525,456 BOE, effectively building production momentum into the next period.
- Reserves replacement significantly outpaced production, with 268% of 2024 production replaced on a PDP basis, 170% on a 1P basis and 150% on a 2P basis – demonstrating consistent organic growth.
- These additional PDP reserves were added at a finding and development cost of US$16.40 per BOE, reflecting a disciplined and efficient capital program.

FY2024 reserve estimates and a comparison to FY2023.

| Net Reserves | | | | |
|---|---|---|---|---|
| As of 01/01/2025 | | | | |
| **Reserve Class** | **Oil (bbl)** | **NGL (bbl)** | **Gas (Mcf)** | **BOE** |
| **Proved Developed Producing** | **736,131** | **735,389** | **7,090,355** | **2,653,246** |
| Proved Developed Non-Producing | 7,897 | - | 18,220 | 10,934 |
| Proved Undeveloped | 756,398 | 660,133 | 5,412,249 | 2,318,573 |
| **Total Proved** | **1,500,426** | **1,395,522** | **12,520,824** | **4,982,752** |
| Probable Undeveloped | 1,840,474 | 2,364,494 | 18,976,230 | 7,367,673 |
| **Grand Total** | **3,340,900** | **3,760,016** | **31,497,054** | **12,350,425** |

| **YOY Comparison** | |
|---|---|
| | **BOE** |
| Proved Developed Producing | 50.1% |
| Total Proved | 21.8% |
| Grand Total | 6.8% |

| **PDP Reconciliation** | |
|---|---|
| | **BOE** |
| **FY2023 PDP** | **1,767,917** |
| FY2024 Net Production | (525,456) |
| Additions and Adjustments | 1,410,785 |
| **FY2024 PDP** | **2,653,246** |

## Assumptions

Total net Reserves are defined as those natural gas and hydrocarbon liquid quantities to Brookside's interests after deducting all royalties, overriding royalties, and reversionary interests owned by outside parties that become effective upon payout of specified monetary balances. All hydrocarbon liquid Reserves are expressed in United States barrels ("bbl") of 42 gallons. Natural gas Reserves are expressed in thousand standard cubic feet ("Mcf") at the contractual pressure and temperature bases and include shrinkage adjustment related to field and plant losses.

The estimates contained in this report have been prepared using standard engineering practices generally accepted by the petroleum industry and conform to guidelines and definitions set forth in the Petroleum Resources Management System ("PRMS") approved by the Society of Petroleum Engineers ("SPE").

The base oil and gas prices calculated for FY2024 and used in this report were $75.48 per barrel and $2.13 per MMBTU, respectively using the methodology prescribed by the U.S. Securities and Exchange Commission. The base prices were adjusted for differentials on a field basis, which may include local basis differentials, transportation, gas shrinkage, gas heating value (BTU content) and/or crude quality and gravity corrections.

In most cases, the lease operating costs used by Haas & Cobb represent the average of recent historical monthly operating costs. In cases where historical costs were not available or deemed to be unreliable, operating costs were estimated based on knowledge of analogous wells producing under similar conditions, or professional judgement.

The lease operating expenses in this report represent summary level operating costs and include COPAS charges. Operating expense data for the period of November 1, 2023, through October 31, 2024, was generally used in this evaluation and were not escalated.

Where available, capital costs were generally estimated using recent historical information reported for analogous expenditures. Where recent historical information was not available, Authority for Expenditure ("AFE") documents or supplemental information were used to estimate capital costs. Capital costs provided by Brookside have been reviewed by Haas & Cobb for reasonableness and were not escalated in this evaluation.

Abandonment, decommissioning, and restoration ("ADR") costs have been included in this evaluation.

## Reserves Governance

Brookside has compiled this estimate of reserves. Brookside engaged Haas & Cobb, a qualified external petroleum engineering consultant, to conduct an independent assessment of the reserves on behalf of Brookside. Haas & Cobb is an independent petroleum engineering consulting firm that provides petroleum consulting services in the United States. Haas & Cobb does not have any financial interest or own any shares in the Company. The fees paid to Haas & Cobb are not contingent on the reserves outcome of the reserves report.

## Competent Persons Statement

The information in this release that relates to petroleum reserves was compiled by technical employees of independent consultants Haas & Cobb under the supervision of Mr. J. Thaddeus Toups, P.E. Mr. Toups is a registered professional engineer in the State of Texas and a member of the Society of Petroleum Engineers (SPE). He has a B.S. Chemical Engineering from the Texas A&M University from 2002. The reserves included in this release have been prepared using definitions and guidelines consistent with the 2018 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The reserves information reported in this Statement are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of Mr. J. Thaddeus Toups. Mr. J. Thaddeus Toups is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the petroleum reserves information in this announcement in the form and context in which it appears.

## Reserves Cautionary Statement

Oil and gas reserves and resource estimates are expressions of judgment based on knowledge, experience, and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. Additionally, by their very nature, reserve and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. This may result in alterations to development and production plans which may, in turn, adversely impact the Company's operations. Reserves estimates and estimates of future net revenues are, by nature, forward looking statements and subject to the same risks as other forward-looking statements.

# Activities Review

# Activities Review

**Brookside Energy's operations throughout FY2024 were defined by continued production growth, disciplined capital management, and the efficient execution of its development strategy in the SWISH Area of Interest (AOI) in the Anadarko Basin, Oklahoma. The Company successfully delivered its largest operated development to date—the Flames Maroons Development Plan (FMDP)—while also participating in Continental Resources' Gapstow Full Field Development (FFD). These developments significantly expanded Brookside's production base, strengthened reserves, and enhanced the Company's financial position.**

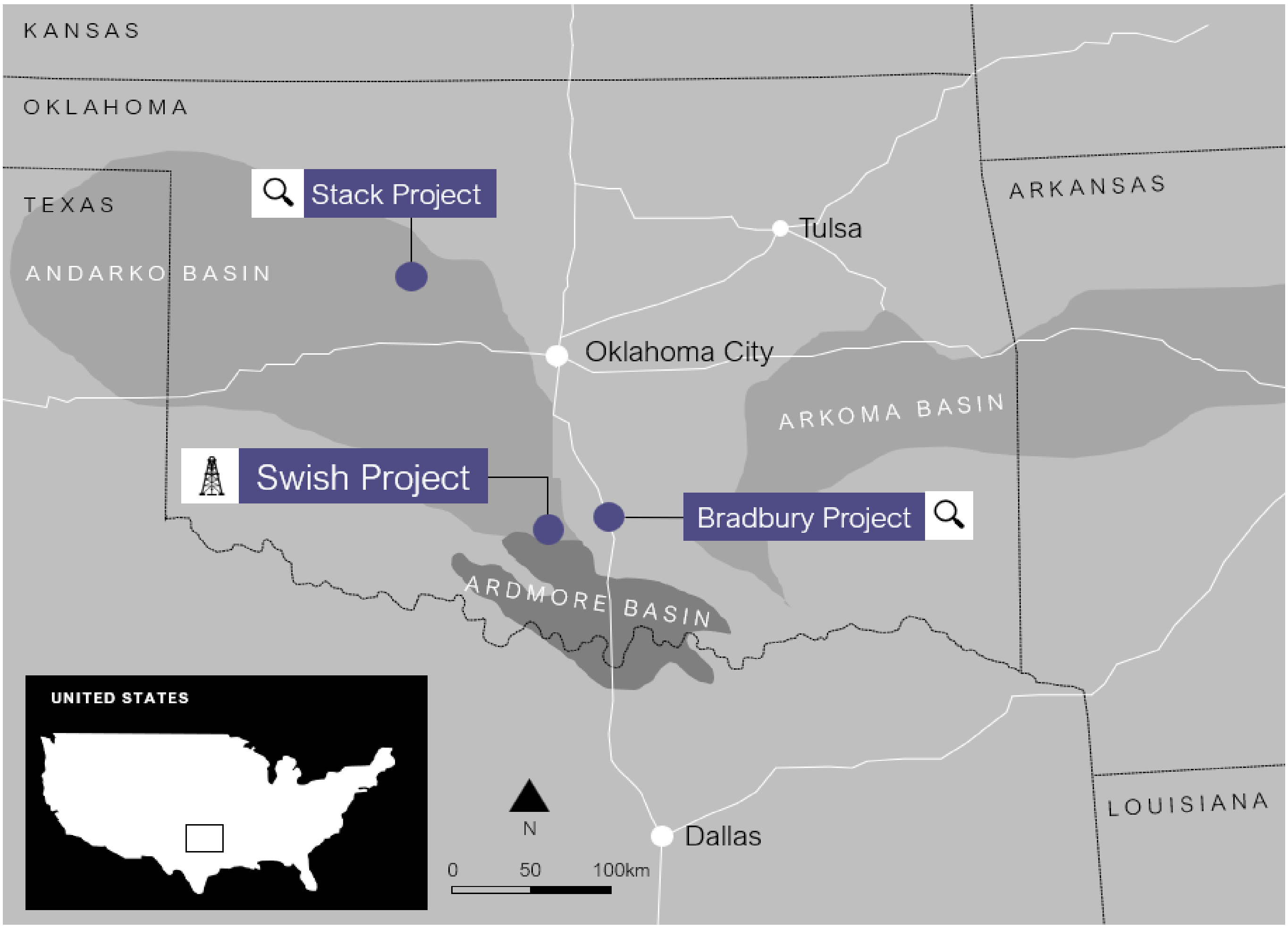



*Figure 1: Brookside Energy project locations in the Anadarko Basin*

The Flames Maroons Development Plan (FMDP) played a pivotal role in driving Brookside's production expansion. The program involved the drilling and completion of four horizontal wells—Fleury, Maroons, Iginla, and Rocket—targeting the Sycamore and Woodford formations. Drilling commenced in early 2024 and was completed within 115 days, ahead of the projected 136-day timeline, reflecting operational efficiency and cost discipline. Despite experiencing severe winter conditions and temporary shut-ins, the FMDP wells were successfully brought online in Q3/Q4 2024. Early production from the four wells delivered a combined initial production (IP30) rate of 3,761 BOE per day, comprising 80% liquids. Each well normalized at approximately 1,200 BOE per day gross over the first 30 days, aligning with pre-drill estimates and validating Brookside's development model.

The FMDP made a substantial contribution to Brookside's cash flow and reserves. By year-end, cumulative production from the four wells reached 333,065 BOE, significantly enhancing Proved Developed Producing (PDP) reserves and underpinning future cash flow growth. The project also demonstrated the scalability of Brookside's full-field development model, reinforcing confidence in further SWISH AOI drilling programs. The financial impact of FMDP was evident in Brookside's Q4 2024 cash receipts, which totalled A$21.1 million. However, this figure includes revenue contributions from pre-existing producing wells, including the Jewell, Rangers, Flames, and Wolf Pack wells, rather than being solely attributed to FMDP production.

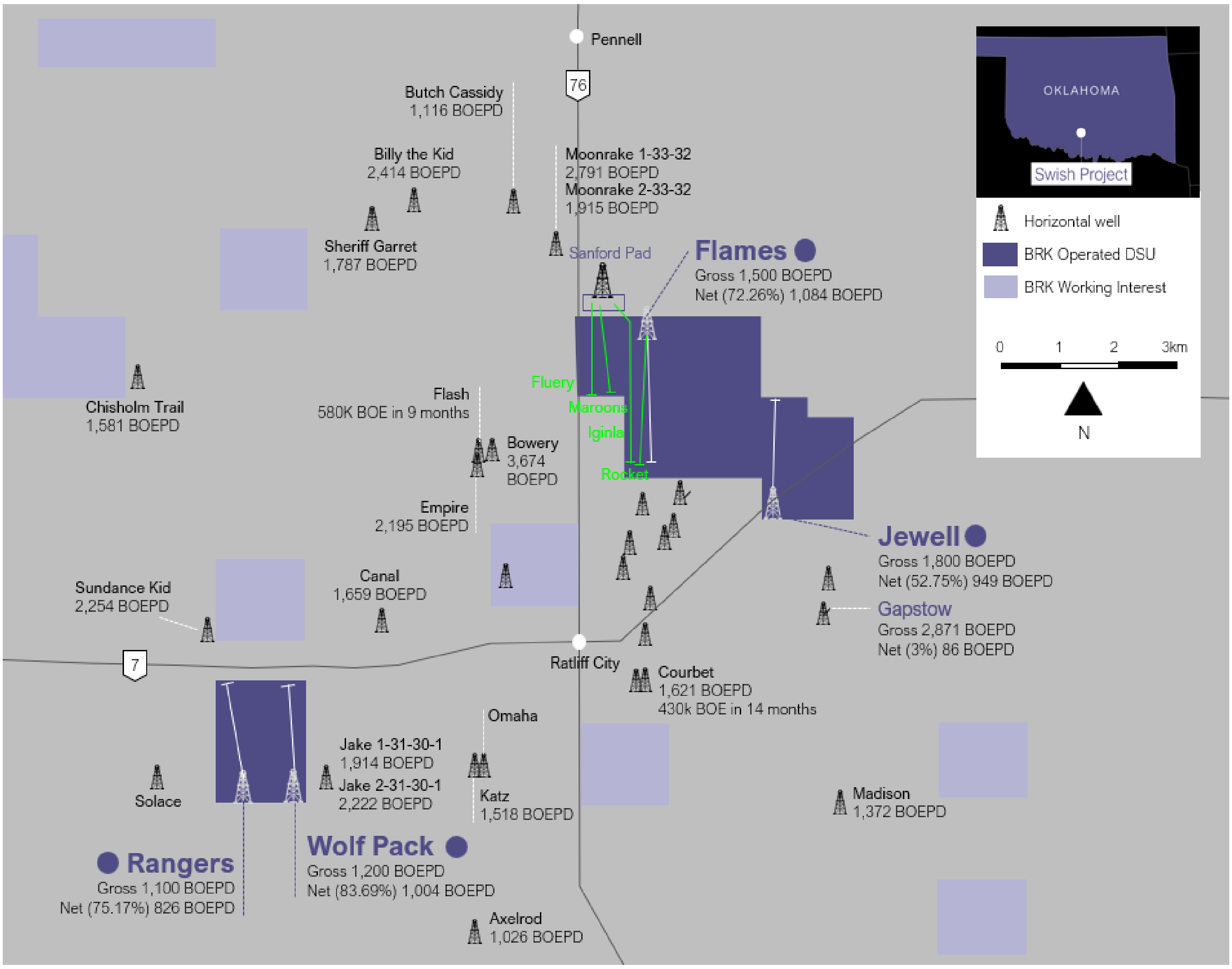



***Figure 2:*** *SWISH Project well locations.*

Operational efficiency remained a key focus throughout the year. The FMDP drilling campaign not only met but exceeded performance benchmarks, with the entire program being delivered ahead of schedule and under budget. The wells were drilled to optimal lateral lengths, ensuring maximum recovery within the target formations, and the Company reported zero health, safety, or environmental (HSE) incidents during the project. Additionally, temporary shut-ins were strategically managed to optimize production performance. The Flames Well was shut in for 90 days, and the Jewell Well was shut in for nine days, preventing potential interference during the completion of nearby wells. Following the resumption of production, both wells returned to pre-shut-in levels, and liquids production steadily increased to 65% by Q3 2024.

***Figure 3:*** *Sanford Pad tank battery at the FMDP project in Carter County, Oklahoma*


***Figure 4:*** *One of the Gapstow FFD surface locations in Carter County, Oklahoma.*

Brookside also participated in the Gapstow Full Field Development (FFD); a major multi-well project operated by Continental Resources. The development, located adjacent to Brookside's Jewell and Bruins DSUs, aligns with the Company's strategic focus on high-margin, liquids-rich production. Brookside elected to participate as a non-operator with an average working interest of ~3% per well and a net revenue interest (NRI) of ~2.24% per well. The Company's share of drilling and completion costs totalled US$2.5 million, funded through working capital and operational cash flow. Early-stage production results indicate that Gapstow FFD wells are expected to contribute approximately 150 BOE per day net (70% liquids) over an initial two-year period, materially increasing Brookside's Proved Developed Producing (PDP) reserves and reinforcing the Company's transition from an exploration-focused entity to a sustainable producer.

***Figure 5:*** *Rigging up Kenai Rig 19 on the Bruins pad in Carter County, Oklahoma.*

Building on the success of the FMDP and Gapstow FFD, Brookside has sanctioned the next phase of its growth strategy—with a targeted drilling campaign in FY2025. The Company plans to drill three new 10,000-foot lateral wells, aiming to increase annual net production by 20% over FY2024. Planning is also underway to add a fifth Drilling Spacing Unit (DSU) in the SWISH AOI, while actively assessing new high-margin opportunities across the Anadarko Basin.

Brookside's production and financial performance in FY2024 reflected the effectiveness of its development strategy. The Company delivered record production growth, with net output reaching 2,459 BOE per day in Q4, representing a 129% quarter-on-quarter increase. Gross operated production for the quarter totalled 395,704 BOE (70% liquids), bringing cumulative SWISH AOI production to 2.5 million BOE since 2020. The Wolf Pack Well continued to be a standout performer, achieving payout within 13 months of first production, despite being drilled during a period of elevated oilfield service costs. The well has produced 424,000 BOE to date, generating over US$21 million in revenue at an average realized price of US$50 per BOE.

Looking ahead to FY2025, Brookside Energy is focused on executing a capital-efficient development strategy that prioritizes value over volume. The Company's key objectives include advancing a targeted drilling program within the SWISH AOI and an expansion of its inventory of high-margin, low-cost development wells. The Company will continue to optimize production from the FMDP and Gapstow wells while maintaining strict financial discipline. Brookside also plans to progress its NYSE American listing, broadening access to institutional and retail investors. With a proven development model, strong production base, and focus on high-return drilling, Brookside remains committed to maximizing shareholder value through disciplined growth and strategic expansion.

# Corporate

# Corporate

The company strengthened its board during the year with the appointment of Chris Robertson as a Non-Executive Director.

**SUBSEQUENT EVENTS**

On 25 February 2025, the Company announced the successful spudding of the Bruins 2-11-1S-3W WXH1 well (Bruins Well). The well is located within the Company's SWISH Play acreage in the Anadarko Basin, Oklahoma.

On 12 March 2025, the Company announced the successful advancement of drilling operations at the Bruins Well, located in the SWISH Area of Interest (AOI) in the Anadarko Basin, Oklahoma. The Company has successfully completed two key milestones: the running and cementing in place of the intermediate casing string, as well as the precise landing of the well bore curve in the target bench of the Woodford Shale. This critical step transitions the well from vertical to horizontal drilling, ensuring optimal positioning within the reservoir to maximize production potential.

On 27 March 2025, the Company announced its year end 2024 (FY2024) reserve update as independently assessed by Haas & Cobb Petroleum Consultants (Haas & Cobb) with an effective date of 1 January 2025. Proved Developed Producing (PDP) Net Reserves increased by 50.1% to 2.65 million barrels of oil equivalent (BOE), highlighting a material uplift in revenue generating assets.

No other matters or circumstances have arisen since the end of the full year which significantly affected or could significantly affect the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial years.

**ENVIRONMENTAL REGULATIONS**

The Group is aware of its environmental obligations with regards to these activities and ensured that it complied with all regulations. There have not been any known breaches of the

entity's obligations under these environmental regulations during the year under review and up to the date of this report.

**Group Specific Risks**

**Oil and Gas exploration and development risks**

The business of oil and gas exploration, project development and production, by its nature, is highly speculative and contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

(i) the discovery and/or acquisition of economically recoverable reserves;

(ii) access to adequate capital for project development;

(iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;

(iv) securing and maintaining title to interests;

(v) obtaining consents and approvals necessary for the conduct of oil and gas exploration, development and production; and

(vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and establishment of production facilities. Factors including costs, actual hydrocarbons and formations, flow consistency and reliability and commodity prices affect successful project development and operations.

Oil and gas exploration may involve drilling operations and exploration activities which do not generate a positive return on investment. This may arise from dry wells, but also from wells that are productive but do not produce sufficient revenues to return a profit after accounting for drilling, operating and other associated costs. The production from successful wells may also be impacted by various operating conditions, including insufficient storage or transportation capacity, or other geological and mechanical conditions. In addition, managing drilling hazards or environmental damage and pollution caused by exploration and development operations could greatly increase the associated cost and profitability of individual wells.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit of oil or gas. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

**Operational Risks**

Oil and gas exploration and development activities involve numerous operational risks, including encountering unusual or unexpected geological formations, mechanical breakdowns or failures, human errors and other unexpected events which occur in the process of drilling and operating oil and gas wells.

The occurrence of any of these risks could result in substantial financial losses to the Group due to injury or loss of life, damage to or destruction of property, natural resources or equipment, environmental damage or pollution, clean-up responsibilities and regulatory investigation, amongst other factors. Damages occurring to third parties as a result of such risks may give rise to claims against the Group which may not be covered fully by insurance or at all.

**Title risks**

The ownership of oil and gas lease rights in the USA is a combination of private and government ownership (including Indian and tribal ownership). The acquisition of privately owned oil and gas lease rights typically involves an initial review of the public records in the counties in which the relevant lands lie in order to determine the ownership of the oil and gas rights. Thereafter, oil and gas leases are negotiated with the owners of those rights. Verifying the chain of title for the USA oil and gas leases can be complex any may result in remedial steps to be taken to correct any defect in title.

**Sovereign risks**

The Group’s key project interests are situated in the USA. Accordingly, the Group is subject to the risks associated in operating in foreign countries. These risks include economic, social or political instabilities or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government relations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

The Group and its advisers will undertake all reasonable due diligence in assessing and managing the risks associated with oil and gas exploration and production in the USA. However, any future material adverse changes in government policies or legislation in foreign jurisdictions in which the Group has projects is outside the control of the Group. Such changes may affect the foreign ownership, exploration, development or activities of companies involved in oil and gas exploration and production and in turn may affect the viability and profitability of the Group.

**Additional Requirements for Capital**

The oil and natural gas industry is capital intensive. The Group has made, and expects to make, substantial capital expenditures for the acquisition, development and exploration of oil and natural gas reserves. As and when further funds are required the Group may need to raise additional capital, including from one or more of: the issue of equity securities; the incurrence of further debt finance; or the contribution of capital from one or more operational or financial partners in exchange for a portion of the Group's interests in its assets, if and as appropriate. There is no assurance that the Group will be able to access and secure additional funding on reasonable terms or at all.

The Group manages financial risk through the implementation of policies and procedures that address areas such as hedging and liquidity management. Furthermore, as operator of a substantial majority of its assets, the Group has the flexibility to manage its capital program to help mitigate liquidity risks.

**Reliance on Key Personnel**

The responsibility of overseeing the day to day operations of the Group depends on its management and its key personnel. The Group is aware of the need to have sufficient management to properly supervise the exploration and, if exploration is successful, the development of the Group's projects. As the Group's projects and prospects progress and develop the Board will continually monitor the management requirements of the Group and look to employ or engage additional personnel when and where appropriate to ensure proper management of the Group's projects. However, there is a risk that the Group may not be able to secure personnel with the relevant experience at the appropriate time which may impact on the Group's ability to complete all of its planned exploration programmes within the expected timetable. Furthermore, you should be aware that no assurance can be given that there will be no adverse effect on the Group if one or more of its existing Directors or management personnel cease their employment or engagement with the Group.

**Contractual and Joint Venture Risk**

The Directors are not able to presently assess the risk of financial failure or default by a participant in any joint venture to which the Group is, or may become, a party or the insolvency or other failure by any of the contractors engaged by the Group for any exploration or other activity. Any such failure or default could adversely affect the operations and performance of the Group and the value of the Shares.

**Reserves and resources**

Accumulations of hydrocarbons will be classified according to the system designed by the Society of Petroleum Engineers, through the Petroleum Resources Management System (**SPE-PRMS**) and in accordance with the Listing Rules.

The SPE-PRMS system classifies accumulations of hydrocarbons with respect to a matrix of uncertainty and chance of commerciality. Whilst there are a multitude of pathways through this matrix from Prospective Resources to Contingent Resources and then to reserves, the process is defined by the three stages of exploration, appraisal and development.

In general, estimates of economically recoverable oil and gas reserves and resources are based upon a number of variable factors and assumptions, such as comparisons with production from other producing areas, the assumed effects of regulation by governmental agencies, assumptions regarding future oil and gas prices and future operating costs, all of which may vary considerably from actual results. Actual production with respect to reserves may vary from such estimates and such variances could be material.

Reserve and resource estimates are estimates only and no assurance can be given that any particular level of recovery from hydrocarbon reserves will in fact be realised or that an identified hydrocarbon resource will ever qualify as commercially viable which can be legally and economically exploited.

**Hydraulic fracturing**

The Group has used and may in the future use horizontal drilling together with hydraulic fracturing stimulation technology in its exploration, production and development activities. The use of these technologies may be necessary for the production of commercial quantities of oil and gas from geological formations of the type that the Group is targeting. The enactment of any new laws, regulations or requirements by any relevant government authority in respect of hydraulic fracturing could result in operational delays, increased operational costs and potential claims from a third party or governmental authority. Investors should note that hydraulic fracturing has been the subject of increased media scrutiny, particularly in the United States and more recently Australia, due to its potential environmental impacts on land and underground water supply if not properly managed. Restrictions or prohibitions on the use of hydraulic fracturing may reduce the amount of oil and gas the Group can produce and may have a material impact on the Group's business.

**INDUSTRY RISKS**

**Operating Risks**

Oil and gas exploration, appraisal, development and production operations are subject to a number of operational risks and hazards including fire, explosions, blow outs, pipe failures, abnormally pressured formations and environmental hazards such as accidental spills or leaking of petroleum liquids, gas leaks, ruptures, or discharge of toxic gases. Oil and gas exploration, appraisal, development and production are generally considered a high- risk undertaking. The operations of the Group may also be affected by a range of factors, including:

(i) operational and technical difficulties encountered in drilling;

(ii) difficulties in commissioning and operation plant and equipment;

(iii) mechanical failure or plant breakdown;

(iv) unanticipated drilling problems which may affect production costs;

(v) adverse weather conditions;

(vi) industrial and environmental accidents;

(vii) industrial disputes; and

(viii) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

**Oil and Gas Reserves and Production Estimates**

Oil and Gas Reserves and production estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis the estimates are likely to change. This may result in alterations to development plans which may, in turn, adversely affect the Group's operations and the value of the Shares.

**Permit grant and maintenance risks**

The Group's oil and gas exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations.
The maintaining of permits, obtaining renewals, or getting permits granted, often depends on the Group being successful in obtaining the required statutory approvals for its proposed activities and that the licences, concessions, leases, permits or consents that it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection their grant.

**Commercial Risk**

The oil and gas exploration industry is competitive and there is no assurance that, even if commercial quantities of those resources is discovered by the Group on its current projects or future projects it may acquire an interest in, a profitable market will exist for sales of such resources. There can be no assurance that the quality of any such resources will be such that they can be extracted economically.

**Commodity Price Volatility and Exchange Rate Risks**

If the Group achieves success leading to oil and gas production, the revenue it will derive through the sale of resources it may discover exposes the potential income of the Group to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Group. Such factors include supply and demand fluctuations for oil and gas, technological advancements, forward selling activities and other macro-economic factors such as inflation expectations, interest rates and general global economic conditions.

Furthermore, international prices of various commodities are denominated in United States dollars whereas the income and expenditure of the Group are and will be considered in Australian currency. This exposes the Group to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

If the price of commodities declines this could have an adverse effect on the Group's exploration, development and possible production activities, and its ability to fund these activities, which may no longer be profitable.

## Insurance Risks

Exploration for and development of oil and gas involves hazards and risks that could result in the Group incurring losses or liabilities that could arise from its operations. If the Group incurs losses or liabilities which are not covered by its insurance policies, the funds available for exploration and development will be reduced and the value and/or title to the Group's assets may be at risk.

The Group insures its operations in accordance with industry practice. However, in certain circumstances the Group's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Group.

Insurance against all risks associated with oil and gas exploration and production is not always available and, where available, the costs can be prohibitive or not adequate to cover all claims.

## Environmental Risks

Oil and gas exploration, development and production generates potential environmental risks and is therefore subject to environmental regulation pursuant to a variety of laws and regulations. In particular there are regulations in place with respect to potential spills, contamination, releases and emission of substances related, or incidental to, the production of oil and gas. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards. In certain circumstances, these laws and regulations also create obligations to remediate current and former facilities and locations where operations are or were conducted.

Compliance with these regulations can require significant expenditure and a breach may result in substantial financial liability on the Group. These risks will be minimised by the Group conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage.

## Competition

Oil and gas exploration is highly competitive in the United States. The Group competes with numerous other oil and gas companies in the search for oil and gas reserves and resources. Competitors include oil and gas companies that have substantially greater financial resources, staff and facilities than those of the Group. The Group is protected from competition on permits in which it holds exclusive exploration rights, however the Group may face competition for drilling equipment and skilled labour. The Group may also face competition from competitors on permits in which it currently holds exploration rights, in the event that, as a condition of any permit held, it is required to partially relinquish certain parts of the permit. If the Group elects to re-apply for these exploration rights, there is no guarantee that the Group will be successful in its application against other competing offers.

## Lease expiry

Successful drilling is fundamental to the appraisal and development of the leases in which the Group holds an interest. In circumstances where commercial production has not been established within the specified time frame or leases have been extended, the Group's leases may expire. It is common for oil and gas leases in the USA to contain provisions such that, if commercial production is not established on the properties within a specified period, the leases will expire and the holder of the leasehold interest loses its right to continue to explore for oil and gas on the relevant land.

## Commercialisation

The Group's potential future earnings, profitability, and growth are likely to be dependent upon the Group being able to successfully implement some or all of its commercialisation plans. The Group's ability to do so is further dependent upon a number of factors, including matters which may be beyond the control of the Group. The Group may not be successful in securing identified customers or market opportunities.

The Group's ability to sell and market its production will be negatively impacted in the event it is unable to secure adequate transportation and processing. Access will depend on the proximity and capacity of pipelines and processing facilities. Furthermore, the Group may be required to develop its own pipeline infrastructure or secure access to third party pipeline infrastructure in order to deliver oil and gas to key markets or customers, or to directly deliver gas to key markets or customers. The development of its own pipeline infrastructure will be subject to the Group obtaining relevant approvals including pipeline licences.

## Seasonality and weather

Operations on a number of the Group's exploration permits are affected by seasonal weather conditions. Such operations can occur during the less optimal seasons however the risk of reduced access, significant weather downtime and substantial cost overruns is increased during these times.

# GENERAL INVESTMENT RISKS

## General Economic Conditions

General economic conditions, introduction of tax reform, new legislation, the general level of activity within the resources industry, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Group's exploration, development and possible production activities, as well as on its ability to fund those activities.

## Share Market Conditions

Share market conditions may affect the value of the Group's quoted securities regardless of the Group's operating performance. Share market conditions are affected by many factors such as:

(i) general economic outlook;

(ii) the introduction of tax reform or other new legislation (such as royalties);

(iii) interest rates and inflation rates;

(iv) currency fluctuations;

(v) changes in investor sentiment toward particular market sectors in Australia and/or overseas (such as the oil and gas exploration or production sectors within that industry);

(vi) the demand for, and supply of, capital; and

(vii) terrorism or other hostilities.

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular, which influences are beyond the Group's control and which are unrelated to the Group's performance. Neither the Group nor the Directors warrant the future performance of the Group or the Shares and subsequently any return on an investment in the Group. Shareholders who sell their Shares may not receive the entire amount of their original investment.

**Volatility in Global Credit and Investment Markets**

Global credit, commodity and investment markets may experience uncertainty and volatility. The factors which may lead to this situation are outside the control of the Group and may impact the price at which the Shares trade regardless of operating performance and affect the Group's ability to raise additional equity and/or debt to achieve its objectives, if required.

**Government and Legal Risk**

The introduction of new legislation or amendments to existing legislation by governments (including introduction of tax reform), developments in existing common law or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Group's operations or contractual obligations, could impact adversely on the assets, operations and ultimately the financial performance of the Group, or the Shares. The same adverse impact is possible by the introduction of new government policy or amendments to existing government policy, including such matters as access to lands and infrastructure, compliance with environmental regulations, taxation and royalties.

**Unforeseen Expenditure Risk**

Expenditure may need to be incurred that has not been considered in this report. Although the Group is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred this may adversely affect the expenditure proposals and activities of the Group, as the Group may be required to reduce the scope of its operations and scale back its exploration programmes. This could have a material adverse effect on the Group's activities and the value of the Shares.

**Regulatory Approvals**

The Group's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, protection of endangered and protected species and other matters. The Group requires permits from regulatory authorities to authorise the Group's operations. These permits relate to exploration, production and rehabilitation activities.

Obtaining the necessary permits can be a time consuming process and there is a risk that the Group will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining the necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Group from proceeding with the development of a project. Any failure to comply with applicable laws and regulations, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in the suspension of the Group's activities or forfeiture of one or more of the Group's leases or permits.

# Directors’ Report

# Directors' Report

The Directors submit their report for the Group and its subsidiaries (**Group** or **Company**) for the financial year ended 31 December 2024. In order to comply with the provisions of the Corporations Act, the directors' report is as follows:

## DIRECTORS

The names and details of the Group's directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

| Name | Position |
|---|---|
| Michael Fry | Non-Executive Chairman |
| David Prentice | Managing Director |
| Richard Homsany | Non-Executive Director |
| Chris Robertson | Non-Executive Director (*Appointed 1 March 2024*) |

## NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The Group's principal activities during the year were the exploration, production and appraisal of oil and gas projects.

## OPERATING RESULT

The after-tax profit for the Group for the financial year ended 31 December 2024 amounted to $2,832,406 (2023: $16,647,566 after-tax profit).

## DIVIDENDS

There were no dividends paid or recommended during or subsequent to the financial year ended 31 December 2024 (2023: Nil).

# Directors' Report

**INFORMATION ON DIRECTORS**

| | |
|---|---|
| **Michael Fry** | **Non-Executive Chairman** |
| Qualifications | BCom |
| Experience | Michael Fry holds a Bachelor of Commerce degree from the University of Western Australia and is a past member of the Australian Stock Exchange. Michael has extensive corporate and commercial experience, financial and capital market knowledge and a background in corporate treasury management. |
| Other Directorships | Michael is a non-executive director of unlisted public company Atrum Coal Limited. During the period Michael served as the non-executive chairman of ASX Listed Technology Metals Australia Limited (ASX:TMT), until February 2024. |
| **David Prentice** | **Managing Director** |
| Qualifications | Grad. Dip BA, MBA |
| Experience | David is a senior resources executive with 30 years domestic and international corporate finance and executive management experience. David started his career working in commercial and business development roles within the resources sector working for some of Australia's most successful gold and nickel exploration and mining companies. During the last 16 years, David has gained international oil and gas exploration and production sector experience (with a specific focus on the Mid-Continent region of the United States) working in both executive and non-executive director roles with Australian publicly traded companies. |
| Other Directorships | David Prentice is currently Non-Executive Chairman of Noronex Limited (ASX:NRX) and Blaze Minerals Limited (ASX:BLZ). |
| **Richard Homsany** | **Non-Executive Director** |
| Qualifications | LL.B (Hons), B. Com, Grad. Dip. Fin & Inv, F Fin, MAICD, CPA |
| Experience | Richard is an experienced corporate lawyer and Certified Practising Accountant (CPA) with significant experience in the resources and energy sectors. He is the principal of Cardinals Lawyers and Consultants, a West Perth based corporate and resources law firm. Richard was previously a partner of major law firm DLA Phillips Fox (now known as global law firm DLA Piper). |
| Other Directorships | Richard Homsany is Executive Chairman of ASX listed uranium exploration and development Group Toro Energy Limited (ASX:TOE) and Executive Vice President, Australia of TSX listed uranium exploration Group Mega Uranium Ltd (TSX:MGA). He is also the Chairman of each of ASX listed lithium exploration Group Galan Lithium Limited (ASX:GLN), ASX listed copper exploration Group Redstone Resources Limited (ASX:RDS), TSX-V listed gold and iron ore explorer Central Iron Ore Limited (TSX-V:CIO) and the Health Insurance Fund of Australia Ltd. |

# Directors' Report

| | |
|---|---|
| **Chris Robertson** | **Non-Executive Director** |
| Qualifications | MM, BA |
| Experience | Chris has over 34 years of investment market experience, including 20 years in senior roles in the funds management industry. Chris has a solid understanding of the Group's strategic objectives and the opportunities to create shareholder value as well as the need to address the challenges faced around shareholder engagement. In his capacity as a Non-Executive Director, Chris will assume responsibilities across various Board sub-committees, including the Audit and Risk Committee, as well as the Remuneration and Nomination Committee. |
| Other Directorships | No other directorships |

| | |
|---|---|
| **Shane Gray** | **Chief Financial Officer** |
| Qualifications | BBA, CPA, Member of COPAS |
| Experience | Shane is a highly accomplished CFO with over 15 years' experience in the upstream oil and gas industry. Shane boasts extensive expertise in working with private equity-backed enterprises, including his most recent role with El Toro Resources, a portfolio company of Wexford Capital. In addition, he has a substantial background in managing mergers and acquisitions specific to the oil and gas sector, as well as preparing companies for initial public offerings. |

| | |
|---|---|
| **Katherine Garvey** | **Group Secretary** |
| Qualifications | LL.B, BA, MAICD |
| Experience | Katherine is a corporate lawyer who has significant experience in the resources sector. Katherine advises public and proprietary companies on a variety of corporate and commercial matters including initial public offerings and other capital raisings, finance, acquisitions and disposals, Corporations Act and ASX Listing Rule compliance, corporate governance and Group secretarial issues. She has extensive experience drafting and negotiating various corporate and commercial agreements including farm-in agreements, joint ventures, shareholders' agreements and business and share sale and purchase agreements. |

# Directors' Report

## CORPORATE INFORMATION

***Group Corporate Structure***

Brookside Energy Limited is a public Group incorporated and domiciled in Western Australia listed on the Australian Securities Exchange (**ASX:BRK**). Its wholly owned subsidiaries, BRK Oklahoma Holdings LLC, Orion Acquisitions LLC, Anadarko Leasing LLC, and Black Mesa Energy LLC are Limited Liability Companies incorporated and domiciled in Oklahoma, USA.

***Meetings of Directors***

The number of Directors' meetings (including committees) held during the year for each director who held office, and the number of meetings attended by each director are:

| Director | Directors Meetings | |
|---|---|---|
| | Meetings Attended | Number Held and Eligible to Attend |
| Michael Fry | 11 | 11 |
| David Prentice | 11 | 11 |
| Richard Homsany | 10 | 11 |
| Chris Robertson | 9 | 9 |

## INDEMNIFYING OFFICERS

In accordance with the constitution, except as may be prohibited by the *Corporations Act 2001*, every Officer, or agent of the Group shall be indemnified out of the property of the Group against any liability incurred by them in their capacity as Officer, or agent of the Group or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

The Group currently has Directors' and Officers' liability insurance in place. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group.

# Directors' Report

## PROCEEDINGS ON BEHALF OF GROUP

No person has applied to the Court for leave to bring proceedings on behalf of the Group or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

## NON-AUDIT SERVICES

No non-audit services were provided by the external auditors during the year ended 31 December 2024.

## AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, Hall Chadwick Audit (WA) Pty Ltd, to provide the Directors of the Group with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 39 and forms part of this Directors' Report for the year ended 31 December 2024.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Group that occurred during the financial year under review not otherwise disclosed in this report or in the financial statements.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Therefore, this information has not been presented in this report.

# Directors’ Report

# REMUNERATION REPORT

This Remuneration Report, which forms part of the directors’ report, sets out information about the remuneration of Brookside Energy Limited’s Directors and its Key Management Personnel for the financial year ended 31 December 2024.

## A. INTRODUCTION

The information provided in this Remuneration Report has been audited as required by Section 308(3C) of the *Corporations Act 2001*. Information regarding the remuneration of Key Management Personnel (**KMP**) is required by Corporations Regulations 2M.3.03. KMP are those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Group and the Group.

### A.1 Brookside’s KMPs

Key Management Personnel for Brookside include the following Directors who were in office during the financial year:

| Name | Category | Position | Appointed | Retired |
|---|---|---|---|---|
| Michael Fry | Non-Executive Director | Independent Chairman | 20 April 2004 | - |
| David Prentice | Executive Director | Managing Director | 20 April 2004 | - |
| Richard Homsany | Non-Executive Director | Non-Executive Director | 3 February 2020 | - |
| Chris Robertson | Non-Executive Director | Non-Executive Director | 1 March 2024 | - |

### A.2 Comments on Remuneration Report at Brookside’s most recent AGM

The Group received 82.41% of “yes” votes on its Remuneration Report for the 2023 financial year. The Group did not receive any specific feedback from shareholders at the 2024 Annual General Meeting on its remuneration practices.

### A.3 Relationship between Remuneration of Key Management Personnel and Shareholder Wealth

Brookside’s remuneration strategy is designed to align executive compensation with the company’s long-term growth and shareholder value creation. The Short-Term Incentive (STI) plan focuses on driving performance by linking executive rewards to short-term business objectives. These include financial efficiency targets such as capital expenditure (CAPEX) and lease operating expenses (LOE), ensuring executives are motivated to achieve key operational and financial milestones within a 12-month period.

The Long-Term Incentive (LTI) plan is structured to encourage sustained value creation by tying executive compensation to broader strategic goals. It integrates Total Shareholder Return (TSR) and Return on Capital Employed (ROCE) metrics to balance share price appreciation with profitability. The LTI plan rewards executives based on a tiered performance system, ensuring that incentives are granted only when meaningful shareholder value is achieved.

Both the STI and LTI plans aim to attract, retain, and motivate high-calibre executives by offering competitive, performance-based rewards. The STI ensures alignment with short-term financial efficiency, while the LTI incentivizes long-term sustainable growth. These strategies ultimately support Brookside’s broader goal of becoming a leading oil and gas exploration and production company.

### A.4 Additional information

The gain/(loss) of the group for the five years to 31 December 2024 are summarised below:

| | 2024 $'000 | 2023 $'000 | 2022 $'000 | 2021 $'000 | 2020 $'000 |
|---|---|---|---|---|---|
| Revenue | 46,902 | 51,437 | 52,997 | 12,580 | 366 |
| EBITDA | 18,507 | 27,573 | 21,838 | (1,021) | (1,664) |
| EBIT | 2,832 | 16,648 | 15,846 | (2,321) | (1,755) |
| Profit/(loss) after income tax | 2,832 | 16,648 | 15,096 | (2,611) | (2,437) |

The factors that are considered to affect total shareholders return (**TSR**) are summarised below:

| | 2024 | 2023* | 2022* | 2021* | 2020* |
|---|---|---|---|---|---|
| Share price at financial year end (AUD) | 0.435 | 0.01 | 0.011 | 0.020 | 0.007 |
| Total dividends declared (cents per share) | - | - | - | - | - |
| Basic earnings/(loss) per share (cents per share) | 0.03 | 0.17 | 0.35 | (0.10) | (0.22) |

**Pre equity consolidation*

## B. REMUNERATION POLICY DURING THE REPORTING PERIOD

The Brookside Board is committed to transparent disclosure of its remuneration strategy and this report details the Group's remuneration objectives, practices and outcomes for KMP, which includes Directors and senior executives, for the period ended 31 December 2024. Any reference to "Executives" in this report refers to Executive Directors.

### B.1 Remuneration Policy Framework

The key objective of Brookside's remuneration policy is to be a key enabler for the Group in achieving its strategic goal of continuing to build a successful oil and gas exploration and production Group. It has been designed to reward executives and employees fairly and responsibly in accordance with the regional and international market in which the Group operates, and to ensure that Brookside:

- Provides competitive rewards that attract, retain and motivate executives and employees of the highest calibre, who can successfully deliver, particularly as the Group moves through the current phase of rapidly increased development and production;
- Sets demanding levels of expected performance that have a clear linkage to an executive's remuneration;
- Benchmarks remuneration against appropriate comparator peer groups to make the Group competitive in a tight skilled human resources market, through an offering of both short- and long-term incentives and competitive base salaries;
- Provides a level of remuneration structure to reflect each executive's respective duties and responsibilities;
- Aligns executive incentive rewards with the creation of value for shareholders;
- Complies with legal requirements and appropriate standards of governance.

### B.2 Policy for Executive Remuneration for Future Reporting Periods

Executive Remuneration consists of the following key elements:

- Fixed remuneration or base salaries; and
- Variable remuneration, being the “at risk” component related to performance comprising;
    - Short Term Incentives (**STI**)
    - Long Term Incentives (**LTI**)

## C. REMUNERATION COMPONENTS

### C.1 Fixed Remuneration

Fixed remuneration was reviewed by the Remuneration and Nomination Committee in 2024. The fixed remuneration component is detailed in Key Management Personnel remuneration for the year ended 31 December 2024 table.

### C.2 Security Incentive Plan for the 2024 Reporting Period

The Group continues to utilise its Security Incentive Plan, approved by shareholders on 24 May 2024, under which securities in the Group may be issued to employees, directors and/or consultants to the Company.

### C.3 STI Plan

During the year the Remuneration and Nomination Committee developed and implemented a STI plan that is designed to align short-term business objectives and business drivers with strategic company objectives. Driving pay for performance.

The Board sets goals and targets for the respective performance year and determines the extent to which these have been achieved. By ensuring that strategic objectives are properly reflected in stretching yet achievable targets, the realization of strategic business objectives is addressed. STI targets are linked to short-term (12-month or annual) financial objectives; and are efficiency based i.e. actual versus budget on CAPEX and LOE.

STI payments are paid semi-annually in cash as bonuses provided targets are met or exceeded and are set as a percentage of annual base salary, with the maximum opportunity capped for each position. No STI pay-out is made in the case where actual exceeds budget by 10%.

### C.4 LTI Plan

During the year the Remuneration and Nomination Committee developed an LTI plan. The purpose of this plan is to ensure employee alignment with the company’s strategic goals and long-term value creation.

Performance rights under the LTI plan are assessed and issued annually based on the scorecard metrics and targets set by the Remuneration and Nomination Committee.

The LTI framework incorporates a scorecard that combines Return on Capital Employed (**ROCE**) and Total Shareholder Return (**TSR**) metrics to ensure a balanced approach to measuring performance and rewarding value creation.

- TSR ensures alignment with shareholder outcomes by directly linking rewards to share price appreciation adjusted to reflect capital returns. For the year ended 31 December 2025 the TSR target is set at 1.2x the 3-year annualised total return of the S&P ASX Small Ordinaries Index. as at Brooksides financial year end.

- The Remuneration and Nomination Committee chose TSR as one of the two performance measures as it reinforces shareholder alignment by imposing two conditions. Firstly, the Remuneration and Nomination Committee sets shareholder outcomes as a threshold for the executive or employee to meet. Secondly, the plan is structured so that performance rights under the TSR component will not be issued if Brookside's TSR is negative.

- ROCE is included to recognize the multiple mechanisms of shareholder value creation, particularly profitability. It also accounts for periods when share price performance may be influenced by external factors beyond management's control but shareholder value has been created through operational success. For the year ended 31 December 2025 the ROCE target was set by the Remuneration and Nomination Committee at 20%.

The LTI scorecard integrates a minimum, average, and stretch target structure:

- **Minimum:** If 50% of the ROCE or TSR targets are met, participants will receive 50% of their base salary as LTI. Less than 50% across both performance targets will result in no performance rights under the LTI plan being awarded for the year.

- **Target:** If the ROCE and TSR targets are met, participants will receive 100% of their base salary in performance rights.

- **Stretch:** If both ROCE and TSR targets are exceeded, participants can earn up to 150% of their base salary as an LTI award. The stretch target rewards exceptional performance that surpasses shareholder expectations. The maximum that can be earned during any one year is 150% of the base salary.

The LTI plan uses a linear scaling approach to reward incremental improvements in performance between minimum and stretch targets.

Equal weight is given to TSR and ROCE in determining the overall LTI award. There will be periods where only one target component (ROCE or TSR) is above the 50% minimum, and the calculation will reflect that the performance rights awarded for the underperforming component will be zero.

Any performance rights issued under the LTI will vest over a 3-year period with the first vesting period being the year they are issued.

Any unallocated performance rights will expire and are not carried over to the subsequent year. There will be no retesting.

**C.5 Policy for and Components of Executive and Non-Executive Remuneration during the Reporting Period**

*Remuneration Policy*

*Non-Executive Director Fees*

The overall level of annual Non-Executive Director fees was approved by shareholders in accordance with the requirements of the Group's Constitution and the Corporations Act. The maximum aggregate Directors' fees payable to all of the Group's Non-Executive Directors is $500,000 per annum. This aggregate amount was approved by shareholders at the 2012 Annual General Meeting.

*Equity Compensation*

During the year ended 31 December 2024, the Company issued 15,000,000 Share Rights (on a pre-consolidation basis) to Director Mr David Prentice, pursuant to shareholder approval obtained at the annual general meeting of the Company in consideration for services provided to the Company. Refer to Note 20 for further disclosure.

*Remuneration Structure*

Non-Executive Directors receive a fixed remuneration of base fees plus statutory superannuation. In addition, and in recognition of the higher workloads and extra responsibilities of participating on a Board committee, if applicable, they also received a committee fee and chairing a committee also warrants a higher fee. In addition to these fees, Non-Executive Directors are entitled to reimbursement of reasonable travel, accommodation and other expenses incurred in attending meetings of the Board, committee or shareholder meetings whilst engaged by Brookside. Non-Executive Directors do not earn retirement benefits other than superannuation and are not entitled to any compensation on termination of their directorships.

## D. DETAILS OF REMUNERATION

Remuneration of Key Management Personnel is set out below:

| | Primary | | | Post- employment | | | |
|---|---|---|---|---|---|---|---|
| **31 December 2024** | **Base Salary and Fees $** | **Bonus STI $** | **Share-based Benefits $** | **Superannuation Contributions $** | **Termination Payments $** | **TOTAL $** | **Percentage Equity Related %** |
| ***Executive Directors*** | | | | | | | |
| David Prentice | 338,000 | 170,000 | 195,000 | - | - | 703,000 | 28% |
| ***Non-Executive Directors*** | | | | | | | |
| Michael Fry | 80,000 | - | - | - | - | 80,000 | 0% |
| Richard Homsany | 40,000 | - | - | - | - | 40,000 | 0% |
| Chris Robertson | 33,030 | - | - | - | - | 33,030 | 0% |
| **Total 31 Dec 2024** | **491,030** | **170,000** | **195,000** | **-** | **-** | **856,030** | **-** |

As at 31 December 2024, the Group had accrued $50,000 in outstanding director fees (31 December 2023: $10,000).

| | Primary | | | Post- employment | | | |
|---|---|---|---|---|---|---|---|
| **31 December 2023** | **Base Salary and Fees $** | **Bonus STI $** | **Share-based Benefits $** | **Super-annuation Contributions $** | **Termination Payments $** | **TOTAL $** | **Percentage Equity Related %** |
| ***Executive Directors*** | | | | | | | |
| David Prentice | 276,000 | - | - | - | - | 276,000 | 0% |
| ***Non-Executive Directors*** | | | | | | | |
| Michael Fry | 80,000 | - | - | - | - | 80,000 | 0% |
| Richard Homsany | 40,000 | - | - | - | - | 40,000 | 0% |
| **Total 31 Dec 2023** | **396,000** | **-** | **-** | **-** | **-** | **396,000** | **-** |

## E. ADDITIONAL DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

### E.1 Shares held by Key Management Personnel

The number of shares in the Group held during year by each Director of Brookside Energy Limited and other Key Management Personnel, including their personally related parties, are set out below.

There were no shares granted during the year as compensation.

| Director | Balance at 1 Jan 2024 | Acquired | Consolidation | Other | Balance at 31 Dec 2024 |
|---|---|---|---|---|---|
| David Prentice | 111,000,000 | 1,681,818 | (110,428,180) | - | 2,253,638 |
| Michael Fry | 28,000,000 | - | (27,440,000) | - | 560,000 |
| Richard Homsany | 4,800,000 | - | (4,704,000) | - | 96,000 |
| Chris Robertson | - | 2,000,000 | (80,661,002) | 80,307,144[(i)] | 1,646,142 |
| **Total** | **143,800,000** | **3,681,818** | **(223,233,182)** | **80,307,144** | **4,555,780** |

*(i) Held on appointment*

| Director | Balance at 1 Jan 2023 | Issued on exercise of options | Acquired | Disposed | Balance at 31 Dec 2023 |
|---|---|---|---|---|---|
| David Prentice | 111,000,000 | - | - | - | 111,000,000 |
| Michael Fry | 28,000,000 | - | - | - | 28,000,000 |
| Richard Homsany | 4,800,000 | - | - | - | 4,800,000 |
| **Total** | **143,800,000** | **-** | **-** | **-** | **143,800,000** |

### E.2 Share Rights held by Key Management Personnel

Share Rights held by Key Management Personnel during the reporting period are as follows:

| Director | Balance at 1 Jan 2024 | Granted as Remuneration | Exercised | Consolidation | Other | Balance at 31 Dec 2024 |
|---|---|---|---|---|---|---|
| David Prentice | 2,318,182 | 15,000,000(i) | - | (16,971,818) | - | 346,364 |
| Michael Fry | - | - | - | - | - | - |
| Richard Homsany | - | - | - | - | - | - |
| Chris Robertson | - | - | - | - | - | - |
| **Total** | **2,318,182** | **15,000,000** | **-** | **(16,971,818)** | **-** | **346,364** |

| Director | Balance at 1 Jan 2023 | Granted as Remuneration | Exercised | Consolidation | Other | Balance at 31 Dec 2023 |
|---|---|---|---|---|---|---|
| David Prentice | - | 2,318,182(i) | - | - | - | 2,318,182 |
| Michael Fry | - | - | - | - | - | - |
| Richard Homsany | - | - | - | - | - | - |
| **Total** | **-** | **2,318,182** | **-** | **-** | **-** | **2,318,182** |

*(i) Refer to Note 20 for details of the fair value of the Share Rights.*

### E.3 Options Held by Key Management Personnel

No options have been paid to key management personnel during the financial year.

### E.4 Loans to Key Management Personnel

No loans were made to key management personnel of the Group during the financial year or the prior corresponding period.

### E.5 Other Transactions and Balances with Key Management Personnel

Other than as stated above, there have been no other transactions with key management personnel during the year.

### E.7 Performance bonuses

$170,000 STI based bonuses have been paid to key management personnel during the financial year.

## F. SERVICE AGREEMENTS

| Director | Base Salary | Terms of the Agreement | Notice Period |
|---|---|---|---|
| David Prentice<br>*Managing Director* | $33,333 per month | Until termination | 6 Months |
| Michael Fry<br>*Non-Executive Chairman* | $80,000 per annum | Until termination in accordance with the Group's Constitution | Reasonable notice |
| Richard Homsany<br>*Non-Executive Director* | $40,000 per annum | Until termination in accordance with the Group's Constitution | Reasonable notice |
| Chris Robertson<br>*Non-Executive Director* | $40,000 per annum | Until termination in accordance with the Group's Constitution | Reasonable notice |

## - - END OF REMUNERATION REPORT - -

This report is made in accordance with a resolution of the Directors.

**David Prentice**
**Managing Director**

31 March 2025

To the Board of Directors

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

As lead audit Partner for the audit of the financial statements of Brookside Energy Limited for year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully

Hall Chadwick

**HALL CHADWICK AUDIT (WA) PTY LTD**

**NIKKI SHEN** CA
**Director**

Dated this 31st day of March 2025
Perth, Western Australia

# CORPORATE GOVERNANCE STATEMENT

Brookside Energy Limited (**Group**) and the Board of Directors are committed to achieving the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders. The Group and its controlled entities together are referred to as the Group in this statement.

A description of the Group's main corporate governance practices is set out on the Group's website http://brookside-energy.com.au/corporate-governance**.**

All these practices, unless otherwise stated, were in place for the entire period and comply with the ASX Corporate Governance Principles and Recommendations and are contained in the accompanying Appendix 4G for the period ended 31 December 2024.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

| | Notes | For the year ended 31 Dec 2024 $ | For the year ended 31 Dec 2023 $ |
|---|---|---|---|
| Revenue | 2 | 46,902,292 | 51,436,980 |
| Royalties expense | 2 | (22,400,604) | (20,150,949) |
| Production expense | | (2,397,148) | (1,955,464) |
| Gross profit | | 22,104,540 | 29,330,567 |
| | | | |
| Interest revenue | | 997,294 | 704,623 |
| Other income | 2 | 1,511,707 | 1,332,883 |
| | | | |
| Director and employee related expenses | | (1,999,791) | (1,191,771) |
| Compliance and registry expenses | | (203,218) | (169,709) |
| Accounting and audit fees | | (609,902) | (666,109) |
| Promotion and communication cost | | (357,118) | (180,057) |
| Finance costs | | (99,895) | (14,767) |
| Amortisation expense | 7 | (14,971,528) | (10,923,983) |
| Depreciation expense | | (111,720) | (1,811) |
| Share based payments expense | 20 | (433,333) | - |
| Interest on financing | | (591,403) | (97) |
| Other expenses | 2.B | (2,350,727) | (1,572,203) |
| Fair value loss on equity investment | | (52,500) | - |
| **Profit before income tax expense** | | **2,832,406** | **16,647,566** |
| | | | |
| Income tax expense | 3 | **-** | **-** |
| **Net profit for the period** | | **2,832,406** | **16,647,566** |
| | | | |
| **Other comprehensive income** | | | |
| *Items that may be reclassified subsequently to profit and loss:* | | | |
| Exchange differences on the translation of foreign operations | | 8,709,682 | (1,781,505) |
| **Other comprehensive income for the year net of taxes** | | **11,542,088** | **14,866,061** |
| **Total comprehensive income for the year** | | **11,542,088** | **14,866,061** |
| | | | |
| **Earnings Per Share** | | | |
| Basic and diluted earnings per share (cents) | 16 | 0.03 | 0.17 |

*The accompanying notes form part of these consolidated financial statements.*

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

| | Notes | As at 31 Dec 2024 $ | As at 31 Dec 2023 $ |
|---|---|---|---|
| **Assets** | | | |
| **Current Assets** | | | |
| Cash and cash equivalents | 4 | 11,391,127 | 26,233,914 |
| Trade and other receivables | 5 | 8,327,305 | 3,679,095 |
| Financial assets fair value through profit or loss | | 52,500 | 105,000 |
| Other | | 44,232 | 143,630 |
| **Total Current Assets** | | **19,815,164** | **30,161,639** |
| | | | |
| **Non-Current Assets** | | | |
| Property, plant, and equipment | | 17,843 | 1,097 |
| Right- of-use assets | 8 | 941,755 | - |
| Producing assets | 7 | 73,919,212 | 32,593,556 |
| Exploration and evaluation assets | 6 | 32,992,833 | 32,360,881 |
| **Total Non-Current Assets** | | **107,871,643** | **64,955,534** |
| **Total Assets** | | **127,686,807** | **95,117,173** |
| | | | |
| **Liabilities** | | | |
| **Current Liabilities** | | | |
| Trade and other payables | 9 | 24,215,527 | 11,385,758 |
| Finance lease liabilities | | 106,091 | - |
| Provisions | | 126,178 | - |
| Other liabilities | 10 | 4,695,753 | - |
| **Total Current Liabilities** | | **29,143,549** | **11,385,758** |
| | | | |
| **Non Current Liabilities** | | | |
| Finance lease liabilities | | 976,884 | - |
| Provisions | | 466,617 | 298,055 |
| Other liabilities | 10 | 1,690,976 | - |
| **Total Non Current Liabilities** | | **3,134,477** | **298,055** |
| **Total Liabilities** | | **32,278,026** | **11,683,813** |
| **Net Assets** | | **95,408,781** | **83,433,360** |
| | | | |
| **Equity** | | | |
| Share capital | 11 | 265,064,748 | 264,956,415 |
| Reserves | 12 | 13,143,191 | 4,108,509 |
| Accumulated losses | | (182,799,158) | (185,631,564) |
| **Total Equity** | | **95,408,781** | **83,433,360** |

*The accompanying notes form part of these consolidated financial statements.*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

| | Share Capital<br>$ | Accumulated Losses<br>$ | Share Based Payment Reserve<br>$ | Foreign Currency Translation Reserve<br>$ | Total<br>$ |
|---|---|---|---|---|---|
| **Balance at 1 January 2023** | 268,081,261 | (207,339,390) | 6,330,794 | 4,619,480 | 71,692,145 |
| Profit for the period | - | 16,647,566 | - | - | 16,647,566 |
| Other comprehensive income | - | - | - | (1,781,505) | (1,781,505) |
| **Total comprehensive loss for the period** | **-** | **16,647,566** | **-** | **(1,781,505)** | **14,866,061** |
| Share buyback | (3,124,846) | - | - | - | (3,124,846) |
| SBP and Options Reserve Expiry | - | 5,060,260 | (5,060,260) | - | - |
| **Balance at 31 December 2023** | **264,956,415** | **(185,631,564)** | **1,270,534** | **2,837,975** | **83,433,360** |
| **Balance at 1 January 2024** | 264,956,415 | (185,631,564) | 1,270,534 | 2,837,975 | 83,433,360 |
| Profit for the period | - | 2,832,406 | - | - | 2,832,406 |
| Other comprehensive income | - | - | - | 8,709,682 | 8,709,682 |
| **Total comprehensive loss for the period** | **-** | **2,832,406** | **-** | **8,709,682** | **11,542,088** |
| Share issued | 108,333 | - | - | - | 108,333 |
| Share rights issued | - | - | 433,333 | - | 433,333 |
| Share rights exercised | - | - | (108,333) | - | (108,333) |
| **Balance at 31 December 2024** | **265,064,748** | **(182,799,158)** | **1,595,534** | **11,547,657** | **95,408,781** |

*The accompanying notes form part of these consolidated financial statements.*

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

| | Notes | For the year ended 31 Dec 2024 $ | For the year ended 31 Dec 2023 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts from customers | | 45,608,387 | 51,562,000 |
| Payments to suppliers and employees | | (25,555,347) | (33,275,046) |
| Interest received | | 997,294 | 667,000 |
| **Net cash provided by operating activities** | 13.A | **21,050,334** | **18,953,954** |
| | | | |
| **Cash flows from investing activities** | | | |
| Payments for exploration activities | | (36,815,106) | (22,259,707) |
| Payments for producing assets | | - | (1,003,000) |
| Payments for property, plant and equipment | | (21,059) | - |
| **Net cash used in investing activities** | | **(36,836,166)** | **(23,262,707)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Payments for share buy-back | | (99,000) | (3,124,838) |
| Payments of borrowing costs | | (22,117) | - |
| Proceeds from borrowings | 13.B | 3,060,198 | - |
| Repayment of borrowings | 13.B | (3,060,198) | - |
| Payments of lease liabilities | | (29,189) | - |
| **Net cash used in financing activities** | | **(150,306)** | **(3,124,838)** |
| | | | |
| **Net decrease in cash and cash equivalents** | | **(15,936,137)** | **(7,433,591)** |
| Cash at beginning of the period | | 26,233,914 | 33,901,798 |
| Effect of exchange rates on cash | | 1,093,350 | (234,293) |
| **Cash at end of period** | | **11,391,127** | **26,233,914** |

*The accompanying notes form part of these consolidated financial statements.*

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 1.A. BASIS OF PREPARATION

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements for the Group. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the Group consisting of Brookside Energy Limited and its subsidiaries.

The financial statements have been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The Group is an ASX listed public Group, incorporated in Australia and operating in Australia and the USA. The Group's principal activities during the year were the exploration and appraisal of oil and gas projects.

The financial report is presented in Australian dollars.

#### 1.A.1. Functional and Presentation Currency

The consolidated financial statements are presented in Australian dollars (AU$), which is the Group's presentation currency unless otherwise stated. The functional currency is outlined in Note 1.G.

#### 1.A.2. Accounting Policies

The same accounting policies and methods of computation have been followed in this consolidated financial report as were applied in the 31 December 2023 financial statements except for the impact (if any) of the new and revised standards and interpretations as outlined in Note 1.B.

#### 1.A.3. Going Concern

The financial report has been prepared on the going concern basis which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

During the year ended 31 December 2024 the Group incurred a net profit of $2,832,406 (2023: $16,647,566), a net cash inflow from operating activities amounting to $21,050,334 (2023: $18,953,954) and had net current liabilities of $9,328,385 (2024: net current assets $18,775,881).

The Directors have reviewed the business outlook, cash flow forecasts and immediate capital requirements and are of the opinion that the use of the going concern basis of accounting is appropriate as the Directors believe the Group will be able to pay its debts as and when they fall due.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 1.B. ADOPTION OF NEW AND REVISED STANDARDS

#### 1.B.1. Changes in accounting policies on initial application of Accounting Standards

*Standards and Interpretations applicable to 31 December 2024*

In the year ended 31 December 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the year reporting periods beginning on or after 1 January 2024.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and therefore no material change is necessary to Group accounting policies.

*Standards and Interpretations in issue not yet adopted applicable to 31 December 2024.*

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted that are relevant to the Group and effective for the year reporting periods beginning on or after 1 January 2025.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Group and therefore no material change is necessary to Group accounting policies.

### 1.C. STATEMENT OF COMPLIANCE

The general purpose consolidated financial statements for the period ended 31 December 2024 were approved and authorised for issue on 31 March 2025.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (**AIFRS**). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (**IFRS**).

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 1.D. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Brookside Energy Limited and its subsidiaries as at 31 December each year (the **Group**). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent Group, using consistent accounting policies. Investments in subsidiaries are accounted for at cost in the parent entity's financial statements.

In preparing the consolidated financial statements, all inter Group balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired, and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

### 1.E. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

<u>Exploration and evaluation expenditure</u>

The Directors have conducted a review of the Group's capitalised exploration expenditure to determine the existence of any indicators of impairment. Based upon this review, the Directors have determined that no impairment exists.

<u>Share-based payment transactions</u>

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the closing market price at grant date.

<u>Amortisation and estimation of reserves</u>

Amortisation is provided on a unit of production basis which results in a write off of the cost proportional to the depletion of the proven and probable oil and gas reserves.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 1.F. REVENUE

The Group currently generates revenue from its revenue interests in production projects. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of oil and gas (operator)
Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled.

Non-operated oil and gas revenues
The Group's proportionate share of production is received as a net payment from the operator representing its share of sale proceeds, which is the net of costs incurred by the operator, if any. Such non-operator revenues are recognised at the net amount of proceeds to be received by the Group.

Interest income
Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

### 1.G. FOREIGN CURRENCY TRANSLATION

Both the functional and presentation currency of Brookside Energy Limited is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial statements are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

The functional currency of the foreign operations, BRK Oklahoma Holdings LLC, Orion Acquisitions LLC, Black Mesa Energy LLC and Anadarko Leasing LLC is US dollars, "USD".

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 1.H. PRODUCING ASSETS

Producing assets represent the accumulation of all exploration, evaluation and development expenditure incurred in respect of areas of interest in which drilling has commenced or in the process of commencing. When further development expenditure is incurred in respect of operating wells after the commencement of production, such expenditure is carried forward as part of the producing asset only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production.

Amortisation is provided on a unit of production basis which results in a write off of the cost proportional to the depletion of the proven and probable oil and gas reserves.

The net carrying value of each area of interest is reviewed regularly and to the extent to which this value exceeds its recoverable amount, the excess is either fully provided against or written off in the financial year in which this is determined.

### 1.I. LEASES

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2. REVENUES AND EXPENSES

### REVENUE

| | year ended 31-Dec-24 $ | year ended 31-Dec-23 $ |
|---|---|---|
| Oil and gas sales - operator (Point in time) | 46,223,364 | 49,790,812 |
| Oil and gas sales - non-operator (Point in time) | 678,928 | 1,646,168 |
| Oil and gas revenue | 46,902,292 | 51,436,980 |
| Royalties expenses[1] | (22,400,604) | (20,150,949) |
| | **24,501,688** | **31,286,031** |
| **Other revenue** | | |
| Overhead income from program participants | 308,915 | 1,042,291 |
| Other | 1,202,792 | 995,215 |
| | **1,511,707** | **2,037,506** |

[1] *Royalty expenses represent amounts paid or payable to third party mineral owners.*

### EXPENSES

| | year ended 31-Dec-24 $ | year ended 31-Dec-23 $ |
|---|---|---|
| **Other expenses** | | |
| Administration expenses | 1,413,440 | 1,226,272 |
| Insurance expenses | 306,472 | 55,885 |
| Travel expenses | 429,987 | 199,227 |
| Consultant fees | 200,828 | 90,819 |
| | **2,350,727** | **1,572,203** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3. INCOME TAX EXPENSE

| | Year ended 31-Dec-24 $ | Year ended 31-Dec-23 $ |
|---|---|---|
| *The components of tax expense comprise:* | | |
| Current tax | - | - |
| Deferred tax | - | - |
| Income tax expense reported in statement of profit or loss and other comprehensive income | **-** | **-** |
| | | |
| Prima facie tax benefit on profit from ordinary activities before income tax at 30% (2023: 30%) | 849,722 | 4,994,270 |
| Add tax effect of: | | |
| Deductible expenses | (10,568,587) | - |
| Losses not recognised | 9,885,855 | (3,291,550) |
| Impact of different tax rate (USA) | (166,990) | (1,702,720) |
| | **-** | **-** |
| | | |
| Less tax effect of: | | |
| Losses recouped deferred tax balances not recognised | - | - |
| Income tax benefit reported in the consolidated statement of profit or loss and other comprehensive income | **-** | **-** |

## 3.A. UNRECOGNISED DEFERRED TAX LIABILITIES AND ASSETS

| | Year ended 31-Dec-24 $ | Year ended 31-Dec-23 $ |
|---|---|---|
| Unrecognised deferred tax liabilities at 30% (31 December 2023: 30%): | | |
| Other deferred tax liabilities | 3,794 | 2,787,774 |
| Less: Deferred tax assets recognised (tax losses) | (3,794) | (11,880) |
| | **-** | **2,775,894** |

| | Year ended 31-Dec-24 $ | Year ended 31-Dec-23 $ |
|---|---|---|
| Unrecognised deferred tax assets at 30% (31 December 2023: 30%): | | |
| Carry forward revenue losses | 15,359,894 | 6,881,966 |
| Provisions and accruals | 43,050 | 27,000 |
| Capital raising | 240,816 | 454,566 |
| Less: Deferred tax liabilities | (3,794) | (11,880) |
| | **15,639,967** | **7,351,652** |

## 3. INCOME TAX EXPENSE (continued)

The unrecognised deferred tax liabilities and deferred tax asset primarily relate to future taxable income to be derived and related deductible capitalised expenditure to be claimed respectively. Net deferred tax asset of have not been formally tested for their availability in accordance with income tax legislation, therefore as at balance date it is uncertain whether these losses could be applied against future taxable income. The Group will undergo detailed testing of those tax losses at a time when the use of those losses is relevant to offsetting taxable income.

The tax benefits of the above deferred tax assets will only be obtained if:

(a) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
(b) the Group continues to comply with the conditions for deductibility imposed by law; and
(c) no changes in income tax legislation adversely affect the Group in utilising the benefits.

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 amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

## 3. INCOME TAX EXPENSE (continued)

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

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.

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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

## 4. CASH AND CASH EQUIVALENTS

| | As at 31-Dec-24 $ | As at 31-Dec-23 $ |
|---|---|---|
| Cash at bank | 11,391,127 | 26,233,914 |
| | **11,391,127** | **26,233,914** |

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Cash at bank earns interest at floating rates based on daily bank deposit rates.

## 5. TRADE & OTHER RECEIVABLES

Accrued revenue are generally due for settlement within periods ranging from 30 days to 60 days. There are no receivables that are past due date, and no expected credit loss is required to be recognised at balance date.

| | As at 31-Dec-24 $ | As at 31-Dec-23 $ |
|---|---|---|
| **Current** | | |
| Accrued revenue | 8,273,820 | 3,648,450 |
| Other receivables | 53,485 | 30,645 |
| | **8,327,305** | **3,679,095** |

## 5. TRADE & OTHER RECEIVABLES (continued)

The Group applies the AASB 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past 48 months before 31 December 2024 and 31 December 2023 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding.

The group has identified gross domestic product (**GDP**) of the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

## 6. EXPLORATION AND EVALUATION

| | As at 31-Dec-24 $ | As at 31-Dec-23 $ |
|---|---|---|
| *Costs carried forward in respect of areas of interest in:* | | |
| Exploration and evaluation phases – at cost | **32,992,833** | **32,360,881** |
| Opening Balance | **32,360,881** | **29,054,948** |
| Capitalised expenses | 49,489,361 | 13,088,450 |
| Transfer to Producing assets (refer to Note 7) | (52,062,685) | (8,342,685) |
| Foreign currency transaction on movement | 3,205,276 | (1,439,832) |
| | **32,992,833** | **32,360,881** |

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas.

## 6. EXPLORATION AND EVALUATION (continued)

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
  - o the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
  - o exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to producing assets.

## 7. PRODUCING ASSETS

| | As at 31-Dec-24 $ | As at 31-Dec-23 $ |
|---|---|---|
| Balance at beginning of period | 32,593,556 | 26,450,725 |
| Transferred from exploration and evaluation assets | 52,062,685[(i)] | 8,342,685 |
| Add: capitalisation of production expense | 1,898,365 | 8,750,530 |
| Less: amortisation | (14,971,528) | (10,923,983) |
| Foreign currency translation on movement | 2,336,134 | (26,401) |
| | **73,919,212** | **32,593,556** |

*(i)* *On 26 September 2024, the Company announced that commercial production and sales were established from the multi-well Flames-Maroons Development Plan (FMDP) within the SWISH Play, Anadarko Basin. A total cost of $39,001,626 in relation to the FMDP wells drilling program, has been transferred from exploration and evaluation assets to producing assets.*

## 7. PRODUCING ASSETS (continued)

*Estimates and judgements*
*Assumptions used to carry forward the producing assets.*

During the year ended 31 December 2024, no producing assets were assessed as impaired.

The estimation of reserves requires significant management judgement and interpretation of complex geological and geophysical models in order to make an assessment of the size, share, depth and quality of reservoirs and their anticipated recoveries. Estimates have been used to determine the fair value of the oil and gas properties for the purpose of the assessment of depletion and amortisation charges.

## 8. RIGHT-OF-USE ASSETS

| | As at 31-Dec-24 $ | As at 31-Dec-23 $ |
|---|---|---|
| Balance at beginning of period | - | - |
| Additions | 1,117,693 | - |
| Depreciation expensed | (110,770) | - |
| Interest expensed | (54,878) | - |
| Effect of exchange rates | (10,290) | - |
| | **941,755** | **-** |

In May 2024, BRK Oklahoma Holdings, LLC, a subsidiary of the Company entered into an office lease agreement for their office space in Tulsa, Oklahoma. The term of the lease is for 75 months and 9 days.

## 9. TRADE AND OTHER PAYABLES

| | As at 31-Dec-24 $ | As at 31-Dec-23 $ |
|---|---|---|
| **Current** | | |
| Trade creditors | 7,596,234 | 1,257,329 |
| Other current liabilities(i) | 16,573,293 | 9,764,209 |
| Accrued and other payables | 46,000 | 364,220 |
| | **24,215,527** | **11,385,758** |

*(i) Other current liabilities – relates to revenues and royalties payable to third party mineral owners.*

**Terms and conditions**

(a) Trade creditors are non-interest bearing and are normally settled on 30-day terms.

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 10. OTHER LIABILITIES

| | As at 31-Dec-24 $ | As at 31-Dec-23 $ |
|---|---|---|
| Current | 4,695,753 | - |
| Non-current | 1,690,976 | - |
| | **6,386,729** | **-** |

On 1 January 2024, the Company executed an agreement with the holders of incentive units in Black Mesa Energy LLC, a subsidiary of the Company. The Company purchased all remaining incentive units via a combination of a 1.3% royalty on future production from the SWISH AOI acreage and payments from cash flow that commence after the FMDP wells are in full production. The payments total AUD$6,540,974 payable over 7 quarterly instalments beginning on 31 March 2025 through 30 September 2026. This is shown on the balance sheet as both current and non-current liabilities as a present balance with an imputed interest rate of 9%.

## 11. SHARE CAPITAL

| | As at 31-Dec-24 $ | As at 31-Dec-23 $ |
|---|---|---|
| **Issued and paid up capital** | | |
| 95,458,550 Ordinary shares | 265,064,748 | 264,956,415 |
| *(31 December 2023: 4,764,545,628)* | | |

### 11.A. MOVEMENTS IN SHARE CAPITAL

| | Year ended 31-Dec-24 $ | Year ended 31-Dec-23 $ |
|---|---|---|
| At the beginning of the period | 264,956,415 | 268,081,261 |
| Shares issued during the period: | | |
| - Exercise of share rights | 108,333 | - |
| Share buy back | - | (3,124,846) |
| **At end of the period** | **265,064,748** | **264,956,415** |

### 11.B. MOVEMENTS IN NUMBER OF SHARES ON ISSUE

| | Year ended 31-Dec-24 Number | Year ended 31-Dec-23 Number |
|---|---|---|
| At the beginning of the period | **4,764,545,628** | **5,012,272,899** |
| Shares issued during the period: | | |
| - Share based payment to employee | - | 2,272,728 |
| - Exercise of share rights | 8,333,333 | - |
| Share buy back | - | (249,999,999) |
| Share consolidation | (4,677,420,411) | - |
| At end of the period | **95,458,550** | **4,764,545,628** |

## 11. SHARE CAPITAL (continued)

### 11.C. TERMS AND CONDITIONS OF CONTRIBUTED EQUITY

11.C.1 Ordinary shares

Ordinary shares have the right to receive dividends as declared and in the event of the winding up of the Group, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Group.

### 11.D. SHARE RIGHTS

At the end of the reporting period, 546,364 share rights over unissued shares were on issue.

### 11.E. MOVEMENTS IN NUMBER OF SHARE RIGHTS ON ISSUE

| | **As at 31-Dec-24 Number** | **As at 31-Dec-23 Number** |
|---|---|---|
| At the beginning of the period | **2,318,182** | **2,318,182** |
| - Share rights issued to director and employees | 33,333,333 | - |
| - Share rights exercised | (8,333,333) | - |
| - Consolidation | (26,771,818) | - |
| At end of the period | **546,364** | **2,318,182** |

## 12. RESERVES

*Nature and purpose of reserves*

**Share-based Payments Reserve**
This reserve is used to record the value of equity benefits provided to employees, consultants and Directors as part of their remuneration. Refer to Note 20 for further details of these plans.

**Foreign Currency Translation Reserve**
The foreign currency translation reserve records exchange differences arising on translation of foreign subsidiary accounts.

| | As at 31-Dec-24 $ | As at 31-Dec-23 $ |
|---|---|---|
| Share based payment reserve | 1,595,534 | 1,270,534 |
| Foreign currency translation reserve | 11,547,657 | 2,837,975 |
| | **13,143,191** | **4,108,509** |

**SHARE BASED PAYMENT RESERVE**

| | As at 31-Dec-24 $ | As at 31-Dec-23 $ |
|---|---|---|
| Balance at the beginning of the period | **1,270,534** | **6,330,794** |
| *Options expired during the period:* | | |
| - Options expired | - | (5,060,260) |
| *Share Rights issued during the period:* | | |
| - Share Rights issued to director (Note 18) | 195,000 | - |
| - Share Rights issued to employees (Note 18) | 238,333 | - |
| *Share Rights exercised during the period:* | | |
| - Share Rights exercised | (108,333) | - |
| Balance at end of period | **1,595,534** | **1,270,534** |

### 12.B FOREIGN CURRENCY RESERVE

| | As at 31-Dec-24 $ | As at 31-Dec-23 $ |
|---|---|---|
| At the beginning of the period | **2,837,975** | **4,619,480** |
| Movement during the period | 8,709,682 | (1,781,505) |
| Balance at end of period | **11,547,657** | **2,837,975** |

## 13. CASH FLOW INFORMATION

### 13.A. RECONCILIATION OF NET PROFIT AFTER TAX TO THE NET CASH FLOWS FROM OPERATIONS

| | Year ended 31-Dec-24 $ | Year ended 31-Dec-23 $ |
|---|---|---|
| **Net profit** | **2,832,406** | **16,647,566** |
| | | |
| **Non-cash items** | | |
| Share based payment expense | (433,333) | - |
| Fair value gain on financial assets | 52,500 | - |
| Depreciation expense | 111,720 | 1,811 |
| Amortisation expense | 14,971,528 | 10,923,983 |
| | | |
| **Changes in assets and liabilities** | | |
| Decrease/(Increase) in receivables and other assets | (4,496,312) | 425,023 |
| Increase/(decrease) in payables and accruals | 8,011,825 | (9,044,429) |
| **Net cash flows (used in)/from operating activities** | **21,050,334** | **18,953,954** |
| | | - |
| **Reconciliation of cash:** | | |
| *Cash balances comprises* | | |
| AUD accounts | 52,513 | 1,579,082 |
| USD accounts | 11,338,614 | 24,654,833 |
| | **11,391,127** | **26,233,914** |

### 13.B. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

| | Loans $ | Convertible notes $ | Lease liability $ | Total $ |
|---|---|---|---|---|
| **Balance as at as at 1 January 2023** | **-** | **-** | **-** | **-** |
| Net cash from financing activities | - | - | - | - |
| Interest accrued on borrowings | - | - | - | - |
| Repayments in cash | - | - | - | - |
| **Balance as at 31 December 2023** | **-** | **-** | **-** | **-** |
| | | | | |
| **Balance as at as at 1 January 2024** | **-** | **-** | **-** | **-** |
| Net cash from financing activities | 3,060,198 | - | - | 3,060,198 |
| Interest accrued on borrowings | - | - | - | - |
| Repayments in cash | (3,060,198) | - | - | (3,060,198) |
| **Balance as at 31 December 2024** | **-** | **-** | **-** | **-** |

## 14. KEY MANAGEMENT PERSONNEL DISCLOSURES

### 14.A. REMUNERATION OF DIRECTORS AND EXECUTIVES

Details of remuneration paid to Key Management Personnel have been disclosed in the Directors' Report.

Aggregate of remuneration paid to Key Management Personnel during the period as follows:

| | As at 31-Dec-24 $ | As at 31-Dec-23 $ |
|---|---|---|
| Short term employee benefits | 661,030 | 396,000 |
| Post-employment benefits | - | - |
| Share-based payments | 195,000 | - |
| | **856,030** | **396,000** |

## 15. SEGMENT INFORMATION

Brookside Energy Limited operates predominantly in one industry being the oil and gas industry in the USA.

*Identification of reportable segments*
The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of its oil and gas interests in the USA and its corporate activities in Australia. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

Types of reportable segments

(i) Oil and gas exploration and exploitation: Segment assets, including acquisition cost of exploration licenses and all expenses related to the projects in the USA are reported on in this segment.

(ii) Corporate, including treasury, corporate and regulatory expenses arising from operating an ASX listed entity. Segment assets, including cash and cash equivalents, and investments in financial assets are reported in this segment.

Basis of accounting for purposes of reporting by operating segments.

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

## 15. SEGMENT INFORMATION (continued)

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities

Liabilities are allocated to segments where there is direct link between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables.

| | Corporate $ | Oil & Gas and other USA entities $ | Total $ |
|---|---|---|---|
| **31-Dec-24** | | | |
| ***Segment performance*** | | | |
| Segment revenue | 8,738 | 49,402,555 | 49,411,293 |
| Segment results | (2,733,911) | 5,566,317 | 2,832,406 |
| *Included within segment result:* | | | |
| - Interest on financing | - | 591,403 | 591,403 |
| - Finance costs | 4,042 | 95,853 | 99,895 |
| - Amortisation expenses | - | (14,971,528) | (14,971,528) |
| - Share based payment expense | 433,333 | - | 433,333 |
| Segment assets | 546,292 | 127,140,515 | 127,686,807 |
| Segment liabilities | (246,679) | (32,031,347) | (32,278,026) |
| | | | |
| **31-Dec-23** | | | |
| ***Segment performance*** | | | |
| Segment revenue | 40,250 | 52,729,613 | 52,769,863 |
| Segment results | (1,554,653) | 18,202,219 | 16,647,566 |
| *Included within segment result:* | | | |
| - Interest on financing | - | - | - |
| - Finance costs | (97) | - | (97) |
| - Amortisation expenses | - | (10,923,983) | (10,923,983) |
| - Share based payment expense | - | - | - |
| Segment assets | 2,220,643 | 92,896,530 | 95,117,173 |
| Segment liabilities | (254,091) | (11,429,722) | (11,683,813) |
| Addition to non-current assets | 40,250 | 52,729,613 | 52,769,863 |

During 2024, $46,902,2952 or 95% of the Group's revenues depended on five customers in the segment.

## 16. EARNINGS/(LOSS) PER SHARE

*The following reflects the income and share data used in the calculation of basic and diluted earnings/(loss) per share:*

| | As at 31-Dec-24 $ | As at 31-Dec-23 $ |
|---|---|---|
| Profit used in calculation of basic and diluted EPS | 2,832,406 | 16,647,566 |
| Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS | 95,373,336 | 97,981,504 |

Basic earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net gain or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

## 17. AUDITOR'S REMUNERATION

| | Year ended 31 Dec 2024 $ | Year ended 31 Dec 2023 $ |
|---|---|---|
| *The auditor of Brookside Energy Limited is Hall Chadwick.* | | |
| *Amounts received or due and receivable to the auditor for:* | | |
| Audit or reviewing the financial report. | 60,000 | 65,000 |
| | **60,000** | **65,000** |

## 18. FINANCIAL INSTRUMENTS

The main risks arising from the Group's financial instruments are market risk, currency risk and interest rate risk.

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The Group's principal financial instruments comprise cash and short-term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Group. The Group also has other financial instruments such as trade debtors, creditors and borrowings which arise directly from its operations.

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

The Group is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Group does not have short- or long-term debt, and therefore this risk is minimal.

Currency Risk

Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not he functional currency of the Group. The Group deposits are denominated in both US and Australian dollars. At the year end the majority of deposits were held in US dollars. Currently, there are no foreign exchange programs in place. The Group treasury function manages the purchase of foreign currency to meet operational and budgetary requirements.

The Group's sensitivity to foreign exchange rates has increased during the year mainly to the exposure of deposits held in US dollars (Note 13A) and US dollars payables (Note 9) at year end in the Group. If the US dollars exchange rate strengthened (weakened) against all other currencies as at 31 December 2024 by 10% then profit or loss and equity would increase by $1,154,208 (decrease by $1,154,208).

Interest Rate Risk

The Group'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 classes of financial assets and financial liabilities. The Group does not have short- or long-term debt, and therefore this risk is minimal. The weighted average interest rate on cash balances at the end of the year was 4.50% (2023: 4.35%).

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

## 18. FINANCIAL INSTRUMENTS (continued)

The Group operates in the energy exploration and production sector; it therefore is not materially exposed to credit risk in relation to trade receivables. The Group does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics.

The Group's maximum exposure to credit risk at each balance date in relation to each class of recognised financial assets is the carrying amount, net of any allowance for doubtful debts, of those assets as indicated in the statement of financial position. The maximum credit risk exposure of the Group at 31 December 2024 is Nil (2023: Nil).

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by monitoring forecast cash flows on a rolling monthly basis. The Group does not have any significant liquidity risk as the Group does not have any collateral debts. Financial assets and liabilities are of a short term nature at balance date and therefore a maturity analysis table is not material to disclose.

Capital Management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so it may continue to provide returns for shareholders and benefits for other stakeholders.

Accordingly, the objective of the Group's capital risk management is to balance the current working capital position against the requirements to meet exploration programmes and corporate overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The directors consider that the carrying value of the financial assets and financial liabilities recognised in the consolidated financial statement approximate their fair value.

## 18.A. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of the following fair value measurement hierarchy in accordance with AASB 7 Financial Instruments:

Disclosures

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: unobservable inputs for the asset or liability.

Financial assets of $52,500 (2023: $105,000) represents level 1 financial instruments being shares in a listed Company.

## 18. FINANCIAL INSTRUMENTS (continued)

Net fair value of financial assets and liabilities

The carrying amount of financial assets and financial liabilities approximates fair value because of their short-term maturity.

## 19. CONTINGENT ASSETS AND LIABILITIES

There are no contingent liabilities or contingent assets.

## 20. SHARE BASED PAYMENTS

Share-based payments made during the full year ended 31 Dec 2024 are summarised below.

| | As at 31 Dec 2024 $ | As at 31 Dec 2023 $ |
|---|---|---|
| Share Rights issued to director[(i)] | 195,000 | - |
| Share Rights issued to employee | 238,333 | - |
| | **433,333** | **-** |

*(i) 15,000,000 share rights issued to director David Prentice.*

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the share rights issued is determined by using the closing market price. The share rights had no vesting conditions and vested immediately on issue.

## 21. SUBSIDIARIES

The consolidated financial statements include the assets, liabilities and results of the following subsidiaries:

| Subsidiary | Incorporation | 2024 Ownership | 2023 Ownership |
|---|---|---|---|
| BRK Oklahoma Holdings, LLC | USA | 100% | 100% |
| Orion Acquisitions, LLC | USA | 100% | 100% |
| Anadarko Leasing, LLC | USA | 100% | 100% |
| Black Mesa Energy, LLC | USA | 100% | 100% |

## 22. PARENT ENTITY DISCLOSURES

| | Year Ended 31-Dec-24 $ | Year Ended 31-Dec-23 $ |
|---|---|---|
| ***Financial Position*** | | |
| **Assets** | | |
| Current assets | 171,144 | 1,754,327 |
| Non-current assets | 36,800,124 | 37,614,339 |
| **Total assets** | **36,971,268** | **39,368,666** |
| | | |
| **Liabilities** | | |
| Current liabilities | 3,721,311 | 254,090 |
| **Total liabilities** | **3,721,311** | **254,090** |
| | | |
| **Equity** | | |
| Issued capital | 265,064,748 | 264,956,401 |
| Accumulated losses | (233,410,325) | (232,090,619) |
| Reserves | 1,595,534 | (1,596,726) |
| **Total equity** | **33,249,957** | **31,269,056** |
| | | |
| ***Financial performance*** | | |
| Loss for the period | (2,733,911) | (1,554,653) |
| Other comprehensive income | - | - |
| **Total comprehensive income** | **(2,733,911)** | **(1,554,653)** |

Contingent liabilities

As at 31 December 2023 and 2024, the Group had no contingent liabilities.

Contractual Commitments

As at 31 December 2023 and 2024, the Group had no contractual commitments.

Guarantees entered into by parent entity

As at 31 December 2023 and 2024, the Group had not entered into any guarantees.

## 23. COMMITMENTS AND CONTINGENCIES

The Group has no material commitments or contingencies.

## 24. SUBSEQUENT EVENTS

On 10 February 2025, the Company announced that it has issued 200,000 fully paid ordinary shares in the capital of the Company (Shares) following the exercise of employee share rights held by Chief Financial Officer Mr Shane Gray, and 120,000 Shares in consideration for corporate advisory services provided to the Company by Cumulus Wealth.

On 25 February 2025, the Company announced the successful spudding of the Bruins 2-11-1S-3W WXH1 well (Bruins Well). The well is located within the Company's SWISH Play acreage in the Anadarko Basin, Oklahoma.

On 12 March 2025, the Company announced the successful advancement of drilling operations at the Bruins Well, located in the SWISH Area of Interest (AOI) in the Anadarko Basin, Oklahoma. The Company has successfully completed two key milestones: the running and cementing in place of the intermediate casing string, as well as the precise landing of the well bore curve in the target bench of the Woodford Shale. This critical step transitions the well from vertical to horizontal drilling, ensuring optimal positioning within the reservoir to maximize production potential.

On 27 March 2025, the Company announced its year end 2024 (FY2024) reserve update as independently assessed by Haas & Cobb Petroleum Consultants (Haas & Cobb) with an effective date of 1 January 2025. Proved Developed Producing (PDP) Net Reserves increased by 50.1% to 2.65 million barrels of oil equivalent (BOE), highlighting a material uplift in revenue generating assets.

No other matters or circumstances have arisen since the end of the full year which significantly affected or could significantly affect the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial years.

# CONSOLIDATED ENTITY DISCLOSURE STATEMENT

**Basis of preparation**

This Consolidated entity disclosure statement (CEDS) has been prepared in accordance with the s295(3A)(a) of the Corporations Act 2001 and includes the required information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

**Tax residency**

Section 295 (3A)(vi) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of the tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Group has applied the following interpretations:

*Australian tax residency*
Current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance.

*Foreign tax residency*
Where necessary, independent tax advisers have been engaged to assist in the determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3a)(vii) of the Corporations Act 2001).

**Trusts and partnerships**

None of the entities noted below were trustees of trusts within the Group, partners in a partnership within the Group or participants in a joint venture within the Group.

| Subsidiary | Country of Incorporation | Equity interest % | Tax Residency | Foreign Jurisdiction |
|---|---|---|---|---|
| BRK Oklahoma Holdings, LLC | USA | 100% | Foreign | USA |
| Orion Acquisitions, LLC | USA | 100% | Foreign | USA |
| Anadarko Leasing, LLC | USA | 100% | Foreign | USA |
| Black Mesa Energy, LLC | USA | 100% | Foreign | USA |

# Directors' Declaration

1) In the opinion of the directors of Brookside Energy Limited (the 'Group'):

   a) the financial statements, notes and the additional disclosures are in accordance with the *Corporations Act 2001* including:

      i) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the year then ended; and

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

   b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

   c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

   d) The information disclosed in the attached consolidated entity disclosure statement is true and correct.

2) This declaration has been made after reviewing the declarations required to be made to the directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 31 December 2024.

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

**David Prentice**
**Managing Director**

31 March 2025

# INDEPENDENT AUDITOR'S REPORT

# TO THE DIRECTORS OF BROOKSIDE ENERGY LIMITED AND ITS CONTROLLED ENTITIES

## Report on the Financial Report

### Opinion

We have audited the financial report of Brookside Energy Limited ("the Company") and its controlled entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the director's declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity 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 31 December 2024 and of its financial performance for the year then ended; and

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

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| **1) Revenue and related risk of fraud – Note 2**<br><br>The Group's revenue are primarily from the sale of oil and gas and sales revenue recognised for the year amounts to $46,902,292 for the year (2023: $51,436,980).<br><br>Revenue recognition was a key audit matter due to the associated fraud risk (overstatement and/or misappropriation), importance and materiality of the matter to users' understanding of the financial report. | Our work included, but was not limited to, the following procedures:<br>• Ensuring that accounting policies comply with Australian Accounting standards;<br>• Performing testing over a sample of revenue to supporting evidence;<br>• Ensuring the adequacy of disclosures made within the financial report;<br>• Comparing sales recorded to external information, including production volumes and commodity prices to determine the reasonableness of revenue recognised. |
| **2) Producing assets – Note 7**<br><br>Australian Accounting Standards require the Group to assess whether there are any indicators that oil and gas properties may be impaired. If an indicator exists, the Group must estimate the recoverable amount of the asset. At year end, the Group concluded that there were no impairment charges or reversals of previous impairment charges required for any of its Cash Generating Units (CGUs).<br><br>In determining whether there was an indicator of impairment or impairment reversal, the Group considered whether there was a significant change in the external or internal factors as set out in Note 7 to the financial statements. The key assumptions, judgements and estimates used in the Group's assessment of impairment are also disclosed in Note 7.<br><br>The assessment of impairment indicators is complex and highly judgmental and includes assessing a range of external and internal factors and modelling a range of assumptions that could impact the recoverable amount of a CGU. Accordingly, this matter was considered to be a key audit matter. | We evaluated whether there had been significant changes in the external or internal factors considered by the Group in assessing whether indicators of impairment or reversal of impairment existed.<br><br>This included assessing the foreign exchange rates and commodity prices with reference to market prices (where available), market research, market practice, market indices, oil production data and historical performance. In addition, future estimated net revenue and profit stream of each CGUs were reviewed.<br><br>We also considered the adequacy of the financial report disclosures regarding the assumptions, key estimates and judgements applied by management for the Group's assessment of indicators of impairment of non-current assets. These have been disclosed in Note7. |

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| **3. Exploration and Evaluation – Note 6**<br><br>In accordance with AASB 6 Exploration and Evaluation of Mineral Resources, the Group capitalises all exploration and evaluation expenditure, including acquisition costs, and subsequently applies the cost model after recognition.<br><br>Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group.<br><br>We have planned our work to address the audit risk that the capitalised expenditure might not meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may be impaired under AASB 6.<br><br>As at 31 December 2024 the carrying value of exploration and evaluation assets was $32,992,833 (2023: $32,360,881), as disclosed in Note 6. | Our work included, but was not limited to, the following procedures:<br>• Conducting a detailed review of management's assessment of impairment trigger events prepared in accordance with AASB 6 including:<br>o Assessing whether the rights to tenure of the areas of interest remained current at report date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future;<br>o Holding discussions with the Directors as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and<br>• Considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;<br>• Testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the Group's accounting policy; and<br>Assessing the appropriateness of the relates disclosures in Note 6. |

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 31 December 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the remuneration report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error, and the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Remuneration Report

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2024.

In our opinion, the Remuneration Report of Company, for the year ended 31 December 2024, complies with section 300A of the *Corporations Act 2001*.

### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Hall Chadwick

**HALL CHADWICK AUDIT (WA) PTY LTD**
**ABN 42 163 529 682**

**NIKKI SHEN** CA
**Director**

Dated this 31st day of March 2025
Perth, Western Australia

# ADDITIONAL SHAREHOLDERS' INFORMATION

## A. CORPORATE GOVERNANCE

A statement disclosing the extent to which the Group has followed the best practice recommendations set by the ASX Corporate Governance Council during the reporting period is detailed in the Group's Appendix 4D and Corporate Governance Statement, which will be lodged with the ASX at the same time as this report.

## B. SHAREHOLDING

**Substantial Shareholders**

### B.1. Quoted Securities

The Group's only class of quoted securities on issue during the year was fully paid ordinary shares. No listed options were on issue during the year and no options were exercised during the year.

### B.2. Unquoted Securities

At the date of this report, the Company has no unquoted fully paid ordinary shares on issue.

At the date of this report there are 346,364 unquoted share rights. The balance is comprised of the following :

| Number of Share Rights | Expiry Date |
|---:|---:|
| 300,000 | 27/06/2029 |
| 46,364 | 16/06/2037 |

### B.3. Number of holders in each class of equity securities and the voting rights attached

There are 4,192 holders of ordinary shares. Each shareholder is entitled to one vote per share held.

On a show of hands every shareholder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

### B.4. Distribution schedule of the number of holders in each class of equity security

| By Class | Holders of Ordinary Shares | Number of Ordinary Shares | % |
|---:|---:|---:|---:|
| 1-1,000 | 707 | 496,728 | 0.52% |
| 1,001 - 5,000 | 1,723 | 4,392,189 | 4.59% |
| 5,001 – 10,000 | 644 | 4,893,225 | 5.11% |
| 10,001 - 100,000 | 977 | 31,673,895 | 33.07% |
| 100,001 and over | 141 | 54,322,513 | 56.72% |
| **TOTALS** | **4,192** | **95,778,550** | **100.00%** |

# ADDITIONAL SHAREHOLDERS' INFORMATION

### B.5. Restricted Securities

The Group has no restricted securities at the current date.

### B.6. Twenty largest holders of each class of quoted equity security

Fully paid ordinary shares

The names of the twenty largest holders of fully paid ordinary shares, the number of securities and percentage of share capital held is as follows:

| Name | No. of Shares | % |
|---|---|---|
| BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT> | 6,256,475 | 6.53% |
| HEDTEK PTY LTD | 4,002,364 | 4.18% |
| David Prentice | 2,253,638 | 2.35% |
| CITICORP NOMINEES PTY LIMITED | 1,586,708 | 1.66% |
| ENSEL SUPERANNUATION FUND PTY LTD <ENSEL SUPER FUND A/C> | 1,547,878 | 1.62% |
| BEARAY PTY LIMITED <BRIAN CLAYTON S/F A/C> | 1,482,223 | 1.55% |
| TUTAM PROPERTIES AU PTY LTD | 1,408,360 | 1.47% |
| WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C> | 1,363,360 | 1.42% |
| MR IVAN MURRAY HANDASYDE | 1,363,170 | 1.42% |
| SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C> | 996,472 | 1.04% |
| RUDIE PTY LTD <MATTANI SUPER FUND A/C> | 946,070 | 0.99% |
| STONEHORSE ENERGY LIMITED | 900,000 | 0.94% |
| GREYHOUND INVESTMENTS PTY LTD <GREYHOUND INVESTMENTS A/C> | 880,000 | 0.92% |
| MR DOUGLAS PAUL TALBOT | 849,309 | 0.89% |
| Gracjan Lambert | 842,122 | 0.88% |
| DR DANIEL GEORGE PECHAR & MRS KATRINA JANE PECHAR <PECHAR SUPER FUND A/C> | 630,000 | 0.66% |
| MR OWEN BRADLEY MULCAHY | 620,000 | 0.65% |
| MR WILLIAM ANTHONY MURRAY <SUPERANNUATION FUND A/C> | 600,000 | 0.63% |
| HOLDSWORTH BROS PTY LTD <HOLDSWORTH BROS S/F A/C> | 600,000 | 0.63% |
| Michael Fry | 560,000 | 0.58% |
| MR PAUL SIMON DONGRAY <THE DONGRAY FAMILY NO 2 A/C> | 540,000 | 0.56% |
| **Total** | **30,228,149** | **31.56%** |
| **Total Issued Capital** | **95,778,550** | **100%** |

Brookside

Brookside Energy Ltd
ACN 108 787 720

ASX: **BRK | OTC Pink:** RDFEF

brookside-energy.com.au