



5 August 2020

Dear Shareholder,

Non-Renounceable Entitlement Offer and Option Offer

On 31 July 2020, Brookside Energy Ltd (**Company**) announced a pro rata non-renounceable entitlement offer of fully paid ordinary shares on the basis of one (1) fully paid ordinary shares (**New Shares**) for every four (4) fully paid ordinary shares in the Company (**Shares**) to eligible holders of Shares (**Shareholders**) registered at 5:00pm (WST) on Thursday 6 August 2020 (**Record Date**) at an issue price of \$0.005 per New Share together with one (1) free attaching option exercisable at \$0.011 on or before 30 June 2022 (**New Options**) for every one (1) New Share issued under the Prospectus (**Entitlement Offer**), and a separate offer of up to 300,000,000 New Options at an issue price of \$0.001, subject to Shareholder approval (**Option Offer**), to raise up to approximately \$1,555,625 (before costs) based on the number of Shares on issue at the date of this letter (**Offers**).

On 31 July 2020, the Company lodged a prospectus (**Prospectus**) with ASX Limited (**ASX**) for the Offers. Under the Prospectus eligible Shareholders will also have the opportunity to apply for additional New Shares not subscribed for under the Entitlement Offer in excess of their entitlement, together with the corresponding number of free attaching New Options, under an additional New Shares offer (**Additional New Shares Offer**).

Any New Shares that are not taken up under the Entitlement Offer or the Additional New Shares Offer will be the subject of a shortfall offer (**Shortfall Offer**). The placement of New Shares under the Additional New Shares Offer and the Shortfall Offer will be at the discretion of the Directors. The Shortfall Offer is a separate offer under the Prospectus.

The Option Offer is open to the general public and is not limited to existing Shareholders and Option holders, however in the event the Option Offer is oversubscribed, priority will be given to applications by existing Shareholders and Option holders at the Record Date.

Shareholder approval is not required in relation to the offers of New Shares and free attaching New Options made under the Entitlement Offer, the Additional New Shares Offer and the Shortfall Offer. The Company does not have capacity under ASX Listing Rule 7.1 to issue all of the New Options under the Option Offer as at the date of the Prospectus. Accordingly the Option Offer remains subject to the Company obtaining Shareholder approval for the issue of the New Options under the Option Offer. In the event that the Company is unable to obtain such Shareholder approval, the Option Offer may be withdrawn.

Use of funds

The purpose of the Offers is to raise up to \$1,555,625 (before costs). The funds are intended to be first applied towards meeting the expenses of the Offers and then used to progress the Company's acquisition and development activities in the Anadarko Basin, Oklahoma (including planned acquisitions under the Orion Project Joint Venture) and for general working capital.

Indicative timetable

The indicative timetable for the Offer is as follows:

Event	Date
Lodgement of Prospectus with ASIC	Friday, 31 July 2020
Lodgement of Prospectus and Appendix 3B with ASX (includes application for Quotation of New Securities)	Friday, 31 July 2020
Notice sent to Eligible Shareholders and Option holders	Tuesday, 4 August 2020
'Ex' Date (Date from which Shares commence trading without the entitlement to participate in the Entitlement Offer)	Wednesday, 5 August 2020
Record Date (for determining Entitlements) (5:00pm WST)	Thursday, 6 August 2020
Prospectus with Entitlement and Acceptance Form and New Options Application Form sent to Eligible Shareholders, and Entitlement Offer and Option Offer open	Monday, 10 August 2020
Entitlement Offer Closing Date* (5:00pm WST)	Friday, 21 August 2020
New Shares and free attaching New Options quoted on ASX on a deferred settlement basis	Monday, 24 August 2020
ASX notified of Shortfall	Tuesday, 25 August 2020
Issue of New Shares and free attaching New Options and despatch of holding statements	Thursday, 27 August 2020
Trading in New Shares and free attaching New Options expected to commence*	Friday, 28 August 2020
Option Offer Closing Date* (5:00pm WST)	Wednesday, 23 September 2020

*The Directors may extend the Closing Date by giving at least three business days' notice to ASX prior to the Closing Date, subject to such date being no later than three months after the date of this Prospectus. As such the date the new securities issued under the Offer are expected to commence trading on ASX may vary.

Application will be made to the ASX for official quotation of the New Shares and New Options offered under the Offers subject to the requirements of the ASX Listing Rules and the *Corporations Act 2001* (Cth). In the calculation of any entitlement, fractions will be rounded up to the nearest whole number.

Capital Structure

The capital structure of the Company before and after the Offer is set out below:

	Balance at date of Prospectus	To be issued under the Offer	Balance after the Offer
Shares	1,004,500,000 ⁽¹⁾	251,125,000	1,255,625,000
Unquoted Options	Nil	Nil	Nil
Listed Options ⁽²⁾	295,140,625 ⁽²⁾	551,125,000 ⁽³⁾	846,265,625

Notes

1. Assuming no Options are exercised prior to the Record Date.
2. The number, terms and expiry dates of the Options are set out below.
3. Application for quotation of New Options will be made subject to the requirements of the Listing Rules and the Corporations Act. New Options will be exercisable at \$0.011 on or before 30 June 2022.

Ineligible Shareholders

The Company has decided that it is unreasonable to make offers under the Entitlement Offer to Shareholders with a registered address outside Australia or New Zealand (**Ineligible Shareholders**) having regard to the number of such Shareholders, their holdings and the compliance costs of offering New Shares under the Entitlement Offer to those Shareholders. If you are an Ineligible Shareholder no offer will be made to you and the Prospectus will not be sent to you, and you do not need to take any action in relation to the Entitlement Offer.

Should you have any questions regarding the Offers you may contact the Company Secretary, Mrs Loren King, on (08) 6489 1600 or consult your stockbroker or professional adviser. A copy of the Prospectus may be viewed on the Company's website at www.brookside-energy.com.au or alternatively on the ASX website at www.asx.com.au.

We look forward to your participation in the Offer.

Yours sincerely,



Michael Fry
Chairman

Brookside Energy Limited