BROOKSIDE
ENERGY LIMITED

ASX: BRK

30 September 2020

FINANCIAL REPORT
for the Half-Year ended 30 June 2020

Brookside Energy Limited (**ASX:BRK**) (**Brookside** or the **Company**) refers to the Company's unreviewed half year accounts dated 11 September 2020 (**Unreviewed Accounts**). As announced, the Company relied on the ASX Class Waiver dated 16 June 2020 and ASIC Corporations *(Extended Reporting and Lodgment Deadlines—Listed Entities) Instrument 2020/451* (**ASIC Relief**) to extend the lodgement date for its reviewed Financial Report for the Half-Year ended 30 June 2020 (**Reviewed Half-Year Financial Report**). The Company advises that there is a material difference between the Unreviewed Accounts and the Reviewed Half-Year Financial Report. The cumulative effect of several audit adjustments resulted in a $667,000 increase in the Company's loss for the period.

– ENDS –

Authority:

This announcement has been authorised for release by the Board of Directors of Brookside Energy Limited.

For further information, contact:

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BROOKSIDE

BROOKSIDE ENERGY LIMITED

ACN 108 787 720

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2020

CONTENTS

DIRECTORS' REPORT

The Directors of Brookside Energy Limited (**Company**) and its subsidiaries (**Group**) present their report and the financial statements for the half-year ended 30 June 2020. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

BOARD OF DIRECTORS

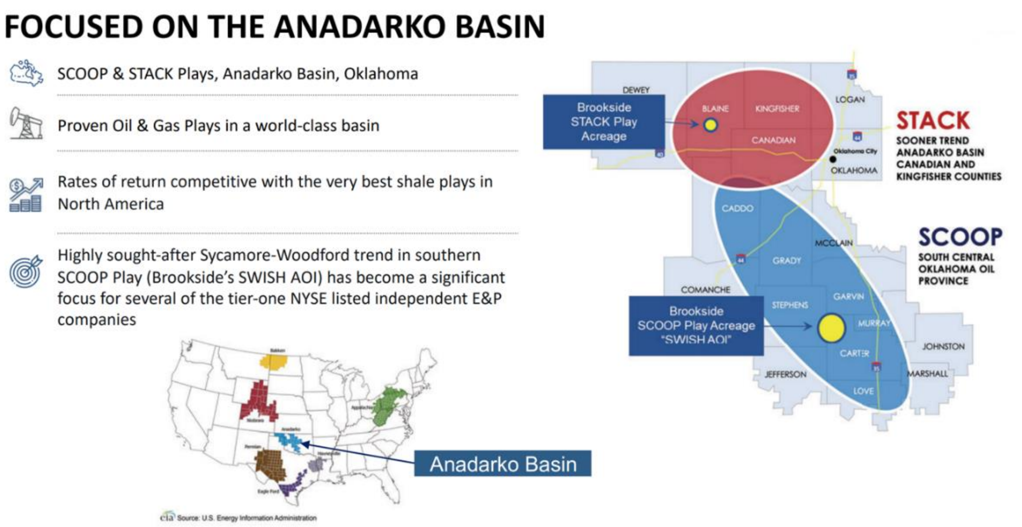
The names of directors who held office during or since the end of the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Name	Position
Michael Fry	Non-Executive Chairman
David Prentice	Executive Director
Richard Homsany(i)	Non-Executive Director
Loren King(ii)	Non-Executive Director

(i) Mr Richard Homsany was appointed as Non-Executive Director of the Company on 3 February 2020.
(ii) Mrs Loren King retired as Director on 3 February 2020 and continued in her position as Brookside's company secretary

REVIEW OF OPERATIONS

During the half-year to 30 June 2020 the company continued to advance its activities in the world-class Anadarko Basin in Oklahoma despite facing highly volatile market conditions and a worldwide pandemic. By reacting quickly to the changing conditions through cost reductions, restructuring, and pivoting to an asset protection and producing property acquisition strategy, the Company was able to not only weather the market volatility but to capitalise on it.



DIRECTORS' REPORT

ORION PROJECT

The Company announced on 10 June 2020 that it had entered into a 50/50 Joint Venture (**Orion Project**) with Stonehorse Energy Limited (**ASX:SHE**) (**Stonehorse**). The Orion Project was formed to enable Brookside and Stonehorse to exploit opportunities to acquire producing oil and gas properties in the Anadarko Basin.

The Joint Venture successfully acquired and completed a workover of the Newberry 12-1 well (and associated "held by production" acreage) located within Brookside's Jewell Unit in the SWISH AOI on 20 July 2020. The workover resulted in an approximate 7-fold increase in production with the well cashflow positive at current strip pricing.

Black Mesa Energy, LLC (**Black Mesa**), Brookside's controlled subsidiary and manager of US operations, continues to identify viable candidates and build a prospective well inventory for the Orion Project.

SWISH AOI OPPORTUNITY – DEVELOPMENT CONTINUES

Notwithstanding the very challenging pricing environment seen during the half-year, the area around and within the SWISH AOI continued to be developed aggressively. Of particular note are several new horizontal wells located immediately south of the Jewell drilling spacing unit (**DSU**) targeting both the Sycamore and Woodford plays (see Figure 1).

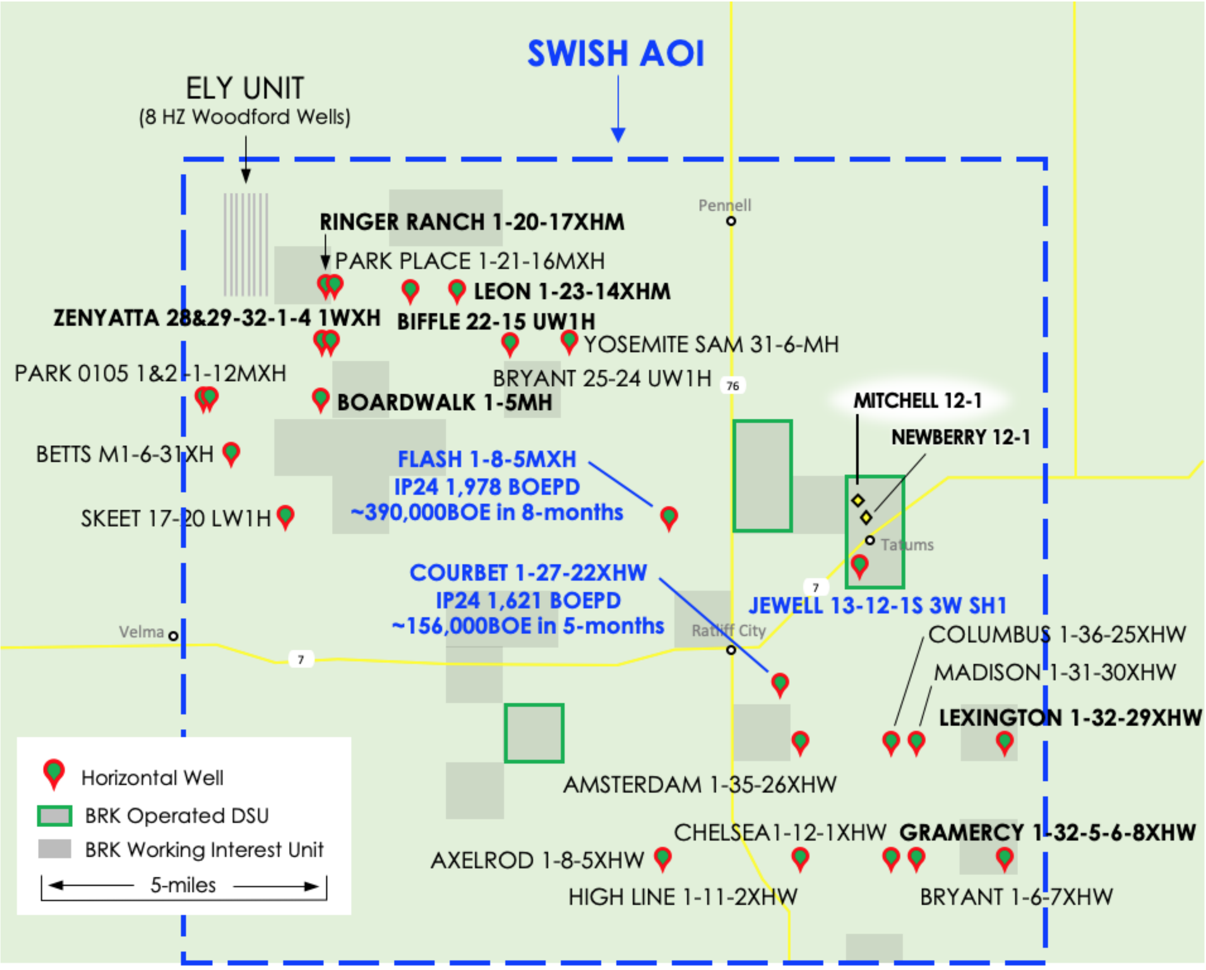


Figure 1. Activity Map, SWISH AOI, SCOOP Play, Anadarko Basin, Oklahoma

The production results that are coming from this part of the SCOOP Play (Sycamore-Woodford trend) continue to be very supportive of our acreage re-valuation and real estate development approach. The oil and gas reserves that will be defined in these "stacked formations" will underpin much higher per-acre valuations as prices recover and as the area is further developed and operators look to consolidate their positions in what is already some of the most sought after acreage in Oklahoma.

ACREAGE HIGH GRADING, TRADING AND DIVESTMENT

The Company's successful leasing, trading and high-grading activities have now delivered three DSUs (Jewell, Rangers and Flames) in the core of the SWISH AOI in southern SCOOP. The Rangers, Flames and Jewell DSUs (the SWISH DSUs) are all located in the core of the Sycamore-Woodford sub-play in southern SCOOP in very close proximity to some of the best wells drilled and completed in this area since its emergence as a focus for several of the tier-one independents (see Figure 2).

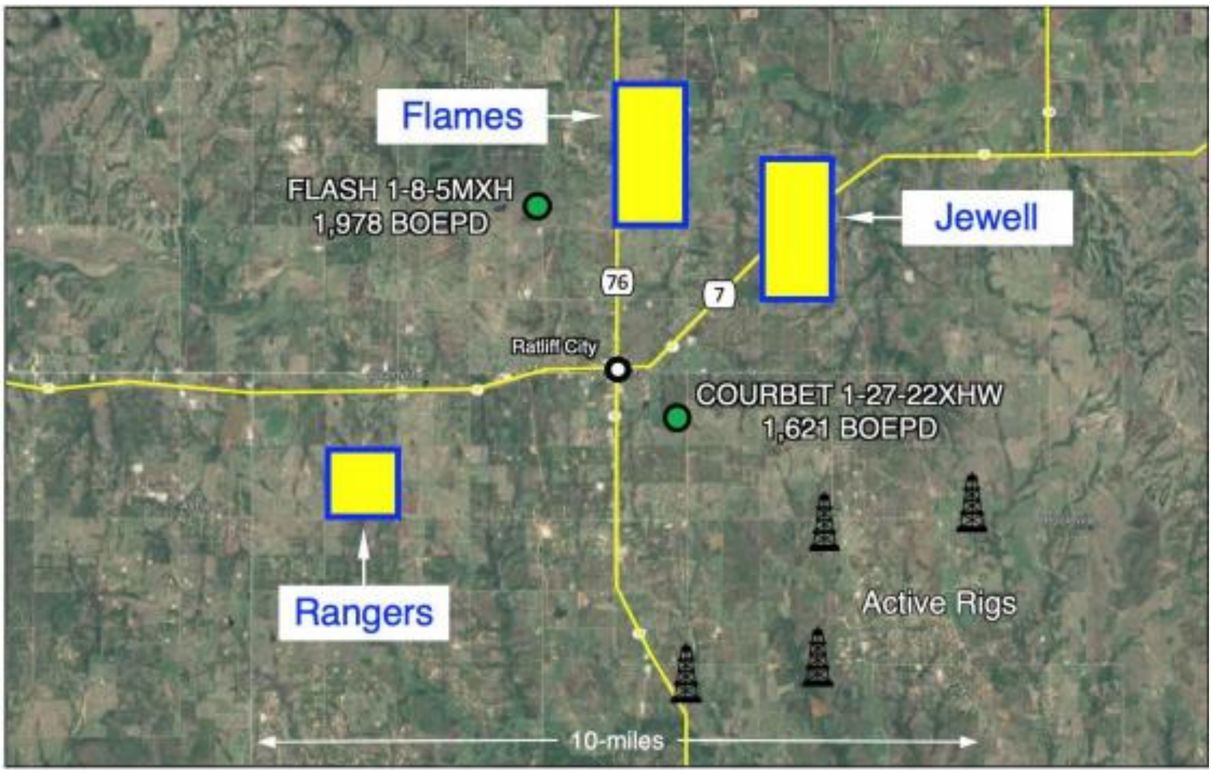


Figure 2. BRK Operated DSUs in the SWISH AOI, SCOOP Play, Anadarko Basin, Oklahoma

During the half-year, the Company implemented a lease renewal and extension program for the SWISH AOI acreage, including the SWISH DSUs. The program is designed to enable Brookside to maintain the dominant position in these key DSUs and extend leases as required so that we are set to commence operations quickly when markets stabilise.

Since the end of the second quarter we have seen some early signs of stability in the oil price and given the very strong economics of the SWISH AOI acreage the Company is closely monitoring this and is ready to respond quickly with our development plans for the SWISH AOI.

At the end of the half year the Company had ~2755 acres Working Interest leasehold acres within the SCOOP and STACK.

DRILLING AND COMPLETION ACTIVITIES

At the end of the half year the Company has an interest in forty-five wells, targeting the productive formations of the Anadarko Basin in both the SCOOP and STACK Plays (see Table 1. below).

The Company's non-operated Working Interest wells continued to deliver excellent sustained production rates during the half year, providing further support for the quality of the acreage that Brookside has been able to secure within the Anadarko Basin in Oklahoma.

Well Name	Operator	WI	Status
Zenyatta 28-33-1-4-1WXH	Roan Resources, LLC.	0.02%	Producing
Ringer Ranch #1-20-17XHM	Continental Resources, Inc.	0.02%	Producing
Boardwalk 1-5MH	Casillas Operating, LLC.	2.42%	Producing
Strack #1-2-11XH	Marathon Oil, Co.	1.02%	Producing
Davis #1-8-1611MH	Triumph Energy Partners, LLC	1.17%	Producing
Landreth BIA #1-14H	Marathon Oil, Co.	2.55%	Producing
Herring #1-33 1513MH	Triumph Energy, LLC	18.18%	Producing
Sphinx 26-16N-11W #1H	Devon Energy Corp.	3.13%	Producing
Nelson Com #1H-0607X	Marathon Oil, Co.	0.38%	Producing
Roser #1611-3-34	Marathon Oil, Co.	3.89%	Producing
Kevin FIU #1-20-17XH	Continental Resources, Inc.	2.11%	Producing
Dr. No. #1-17-20XH	Triumph Energy Partners, LLC	3.70%	Producing
Mote #1-26-23H	Rimrock Resource Operating, LLC	3.20%	Producing
Ladybug 27_22-15N-13W #1HX	Devon Energy Corp.	2.20%	Producing
Bullard #1-18/7H	Rimrock Resource Operating, LLC	5.21%	Producing
Big Earl #6-15N-10W	Devon Energy Corp.	0.03%	Producing
Centaur 7_6-15N-10W #2HX	Devon Energy Corp.	0.32%	Producing
Centaur 7_6-15N-10W #3HX	Devon Energy Corp.	0.32%	Producing
Centaur 7_6-15N-10W #4HX	Devon Energy Corp.	0.32%	Producing
Centaur 7_6-15N-10W #5HX	Devon Energy Corp.	0.32%	Producing
Henry Federal #1-8-5XH	Continental Resources, Inc.	4.43%	Producing
Leon 1-23-14XHM	Continental Resources, Inc.	0.12%	Producing
Biffle 22-15UW1H	Cheyenne Petroleum, Co.	0.16%	Producing
Newberry 12-1 well	Black Mesa Production, LLC	21.72%	Producing
Gramercy #1-32-5-6-8XHW	Continental Resources, Inc.	TBD	WOC
Lexington #1-32-29XHW	Continental Resources, Inc.	TBD	WOC
Jewell #1-13-12SXH	Black Mesa Production, LLC	90.00%	Permitted
McKinley #13&24 15-13	Continental Resources, Inc.	1.02%	Permitting
Watonga #1-19H	Highmark Resources, LLC	0.26%	Permitting
STACK 27-17-11	Cimarex Energy, Co.	1.01%	Permitting
Venice #1-20/17UWH	Rimrock Resource Operating, LLC	0.03%	Permitting
SWISH 33&28 1N-4W	Citizen Energy II, LLC	0.02%	Permitting
SWISH 33&4 1S-4W	Citizen Energy II, LLC	0.02%	Permitting
SWISH 14&23 1N-4W	Cheyenne Petroleum, Co.	0.23%	Permitting
Rangers #1-36-WH1	Black Mesa Production, LLC	41.25%	Permitting
Maple Leafs 15-SH1	Black Mesa Production, LLC	22.50%	Permitting
Flames 10-3-WH1	Black Mesa Production, LLC	58.59%	Permitting
Sneffels 1-9HW	Citation Oil & Gas Corporation	1.88%	Permitting
Doc Holliday 26-35-1WH	89 Energy Holdings, LLC	4.89%	Permitting
Stardust #1-16-21XH	Echo Exploration & Production, LLC.	0.08%	Permitting
Stardust #3-16-21XH	Echo Exploration & Production, LLC.	0.08%	Permitting
War Machine #16-21-1WXH	Roan Resources, LLC.	0.08%	Permitting
TBD 16-211XH	89 Energy Holdings, LLC	0.08%	Permitting
Lola #1-13-24XH	Echo Exploration & Production, LLC.	0.14%	Permitting
Deep Impact #13-24 1WXH	Roan Resources, LLC.	0.14%	Permitting

Table 1. BRK interest in wells in SCOOP and STACK.

Note: Working Interest percentages may change subject to the issue of final pooling orders.

SUBSEQUENT EVENTS

On 17 July 2020, the Company issued 2,778,125 Shares to an Advisor (who is not a related party) pursuant to the terms of a services agreement.

On 25 August 2020, the Company advised that it has received applications under its non-renounceable entitlement offer of one (1) New Share for every four (4) Shares held at an issue price of $0.005 per share (**New Share**) (**ASX:BRK**) together with one (1) free attaching New Option exercisable at $0.011 on or before 30 June 2022 (**New Option**) (**ASX:BRKOB**) for every one (1) New Share subscribed for and issued (**Entitlement Offer**). A total of 151,724,371 New Shares were issued under the Entitlement Offer (including entitlements and applications for additional New Shares) to raise a total of $758,622 (before costs).

On 9 September 2020 the Company announced that it had closed its Entitlement Offer with the successful placement of the remaining 99,400,629 New Shares at $0.005 per New Share (together with 99,400,629 New Options) under the shortfall placement (**Shortfall Placement**). The Shortfall Placement raised $497,003 (before costs).

In addition, the Company advised that it had successfully placed a further 26,375,000 oversubscription of New Shares at $0.005 per New Share (together with 25,375,000 New Options) (**Oversubscription Placement**) (**Securities**). The Oversubscription Placement raised an additional $131,875 (before costs). The Oversubscription Placement Securities were issued using the Company's existing placement capacity with 26,375,000 New Shares and 26,375,000 New Options being issued pursuant to ASX Listing Rule 7.1.

The Entitlement Offer together with the Shortfall Placement and Oversubscription Placement (**Offers**) raised at total of $1,387,500 (before costs).

Proceeds from the Offers are being 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.

On 30 September 2020 the Company announced that its wholly owned subsidiary Anadarko Leasing, LLC (**Anadarko**), which is a party to a loan deed dated 31 October 2019 with Oklahoma Energy Consultants Inc. (**OEC**) under which OEC agreed to make a loan facility (**Loan Facility**) available to Anadarko (**Loan Deed**), had arranged with OEC to extend the Loan Deed maturity date for the Loan Facility from 31 December 2020 to 31 July 2021.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group other than as referred to elsewhere in this consolidated half-year report and in the accounts and notes attached thereto.

DIRECTORS' REPORT

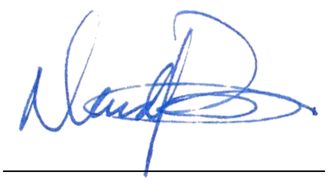
SCHEDULE OF OIL AND GAS INTERESTS

COUNTY	INTEREST ACQUIRED/(DISPOSED) OF DURING THE HALF YEAR	TOTAL ACRES	INTEREST
Blaine County, Oklahoma	Nil	~430 acres	Working Interest
Garvin County, Oklahoma	Nil	~305 acres	Working Interest
Stephens & Carter Counties, Oklahoma	(~144 acres)	~2,000 acres	Working Interest

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd (WA), to provide the directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on the following page and forms part of this directors' report for the half-year ended 30 June 2020.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



David Prentice
Managing Director

Dated this 30th day of September 2020

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Brookside Energy Limited for the half-year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
30 September 2020

N G Neill
Partner

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 JUNE 2020

	Notes	6 months to 30 June 2020 $	6 months to 30 June 2019 $
Royalty revenue	2	208,691	1,021,718
Production expense		(97,554)	(98,617)
Gross profit		**111,137**	**923,101**
Interest revenue	2	249	96
Gain on sale of asset	2	-	145,890
Other income	2	29,745	-
Other expenses		(166,016)	(39,213)
Director and employee related expenses		(132,664)	(130,000)
Consultants fees		(4,859)	(14,078)
Compliance and registry expenses		(93,942)	(118,139)
Travel expenses		(21,672)	(85,550)
Share based payments expense		(20,000)	(52,800)
Interest on financing		(347,404)	(280,293)
Write down of receivables		(477,592)	-
Amortisation expense		(49,867)	(178,538)
Fair value loss on equity investment		(15,000)	-
Gain/(loss) on foreign exchange movement		39,390	(14,755)
Loss on disposal of assets		(337,269)	-
		(1,626,895)	**(913,365)**
(Loss)/profit before income tax expense		**(1,485,764)**	**155,722**
Income tax expense		**-**	**-**
Net (loss)/profit for the year		**(1,485,764)**	**155,722**
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on the translation of foreign operations		167,044	71,835
Other comprehensive profit/(loss) for the year net of taxes		**(1,318,720)**	**227,557**
Total comprehensive profit/(loss) for the year		**(1,318,720)**	**227,557**
Earnings/(loss) Per Share			
Basic and diluted earnings/(loss) per share (cents)	11	(0.115)	0.016

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	30 June 2020 $	31 December 2019 $
Assets			
Current Assets			
Cash and cash equivalents		624,538	1,056,179
Trade and other receivables	3	30,038	466,684
Total Current Assets		**654,576**	**1,522,863**
Non-Current Assets			
Property, plant, and equipment		6,186	-
Other assets	4	-	1,336,964
Exploration and evaluation assets	5	12,000,098	10,832,623
Production assets		675,653	575,962
Financial assets at fair value through profit or loss		37,500	52,500
Total Non-Current Assets		**12,719,437**	**12,798,048**
Total Assets		**13,374,013**	**14,320,911**
Liabilities			
Current Liabilities			
Trade and other payables	6	46,758	47,616
Borrowings	7	5,715,465	5,362,785
Total Current Liabilities		**5,762,223**	**5,410,401**
Total Liabilities		**5,762,223**	**5,410,401**
Net Assets		**7,611,790**	**8,910,510**
Equity			
Issued capital	8	225,427,357	225,407,357
Reserves	9	3,970,629	3,803,585
Accumulated losses	10	(221,786,196)	(220,300,432)
Total Equity		**7,611,790**	**8,910,510**

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2020

	Issued Capital $	Accumulated Losses $	Share Based Payment Reserve $	Foreign Currency Translation Reserve $	Total $
Balance at 1 January 2019	**225,354,557**	**(221,217,935)**	**2,902,864**	**826,052**	**7,865,538**
Profit for the period	-	155,722	-	-	**155,722**
Other comprehensive income	-	-	-	71,835	**71,835**
Total comprehensive loss for the period	**-**	**155,722**	**-**	**-**	**227,557**
Options issued during the period	-	-	9,981	-	**9,981**
Shares issued in lieu of services	52,800	-	-	-	**52,800**
Balance at 30 June 2019	**225,407,357**	**(221,062,213)**	**2,912,845**	**897,887**	**8,155,876**
Balance at 1 January 2020	**225,407,357**	**(220,300,432)**	**2,912,845**	**890,740**	**8,910,510**
Loss for the period	-	(1,485,764)	-	-	**(1,485,764)**
Other comprehensive income	-	-	-	167,044	**167,044**
Total comprehensive loss for the period	**-**	**(1,485,764)**	**-**	**167,044**	**(1,318,720)**
Shares issued in lieu of services	20,000	-	-	-	**20,000**
Balance at 30 June 2020	**225,427,357**	**(221,786,196)**	**2,912,845**	**1,057,784**	**7,611,790**

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2020

	6 months to 30 June 2020 $	6 months to 30 June 2019 $
Cash Flows Used in Operating Activities		
Receipts from customers	208,691	995,733
Payments to suppliers and employees	(372,467)	(380,189)
Interest received	-	96
Net Cash Provided By/(Used In) Operating Activities	**(163,776)**	**615,640**
Cash Flows from Investing Activities		
Proceeds from disposal of assets	343,286	302,624
Payments for exploration activities	(239,447)	(355,030)
Payments for leasehold acquisitions	(567,390)	(1,004,848)
Payments for production assets	(144,033)	(302,076)
Net Cash (Used In) Investing Activities	**(607,584)**	**(1,359,330)**
Cash Flows from Financing Activities		
Proceeds from issue of options	-	9,981
Cash from obtaining control of subsidiaries	330,591	-
Proceeds from borrowings	-	200,000
Net Cash Provided by Financing Activities	**330,591**	**209,981**
Net Increase/(Decrease) in Cash and Cash Equivalents	**(440,769)**	**(533,709)**
Cash at beginning of the period	1,056,179	1,193,306
Effect of exchange rates on cash	9,128	44,820
Cash at End of Period	**624,538**	**704,417**

The accompanying notes form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.A. STATEMENT OF COMPLIANCE

The half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

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

The half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position, and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 December 2019 and any public announcements made by Brookside Energy Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

1.B. BASIS OF PREPARATION

The half-year report has been prepared on a historical cost basis except for the revaluation of certain financial assets at fair value through profit or loss. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted. For the purpose of preparing the half-year report, the half-year has been treated as a discrete reporting period.

1.C. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY ESTIMATES

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 31 December 2019.

1.D. GOING CONCERN

The Group made a loss of $1,318,720 for the half year ended 30 June 2020. In addition, the Group has working capital deficiency of $5,107,647 primarily due to borrowings of $5,715,465 being due at 31 December 2020. Cash and cash equivalents at the period-end amounted to $624,538.

Subsequent to the end of the period the Company undertook an Entitlement Offer, Shortfall Placement and Oversubscription Placement (**Offers**) that raised at total of $1,387,500 (before costs); specifics of which are detailed in Note 17.

On 30 September 2020 the Company announced that its wholly owned subsidiary Anadarko Leasing, LLC (**Anadarko**), which is a party to a loan deed dated 31 October 2019 with Oklahoma Energy Consultants Inc. (**OEC**) under which OEC agreed to make a loan facility (**Loan Facility**) available to Anadarko (**Loan Deed**), had agreed with OEC to extend the Loan Deed maturity date for the Loan Facility from 31 December 2020 to 31 July 2021.

The Board recognises that additional funding is required to ensure the Group can continue to fund its operations and further develop its mineral exploration and evaluation assets for a period of at least twelve months from the date of signing this financial report.

These factors indicate a material uncertainty exists, that may cast significant doubt as to whether the Company and consolidated entity will continue as going concerns and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

1.E. ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current half-year.

1.F. ADOPTION OF NEW AND REVISED STANDARDS

1.F.1. Standards and Interpretations applicable to 30 June 2020

In the half-year ended 30 June 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 January 2019.

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 Company and therefore no material change is necessary to Group accounting policies.

1.F.2. AASB 16 Leases

AASB 16 replaces AASB 117 Leases. AASB 16 removes the classification of leases as either operating leases of finance leases-for the lessee – effectively treating all leases as finance leases.

AASB 16 is applicable to annual reporting periods beginning on or after 1 January 2019.

1.F.3. Impact on operating leases

AASB 16 changes how the Group accounts for leases previously classified as operating leases under AASB 117, which were off-balance sheet.

Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under AASB 117 they resulted in the recognition of a lease liability incentive, amortised as a reduction of rental expenses on a straight-line basis.

Under AASB 16, right-of-use assets are tested for impairment in accordance with AASB 136 Impairment of Assets. This will replace the previous requirement to recognise a provision for onerous lease contracts.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Group will opt to apply practical expedients and recognise a lease expense on a straight-line basis as permitted by AASB 16.

The Group has conducted an assessment of the impact of the new standard and determined that there is no material impact due to the group not entering into any lease agreements that are covered by the standard.

1.F.4. Standards and Interpretations in issue not yet adopted applicable to 30 June 2020

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 January 2019.

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 Company and therefore no material change is necessary to Group accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2020

2. INCOME AND EXPENSES

	6 months to 30 June 2020 $	6 months to 30 June 2019 $
Royalty revenue (point in time)	208,691	1,021,718
Interest received	249	96
Gain on sale of investment	-	145,890
Other	29,745	-
	238,685	1,167,704

3. TRADE AND OTHER RECEIVABLES

	As at 30 June 2020 $	As at 31 Dec 2019 $
Current		
Other receivables	-	444,294
Prepayments	30,038	22,390
Closing balance	30,038	466,684

3.A. TERMS AND CONDITIONS RELATING TO THE ABOVE FINANCIAL INSTRUMENTS:

3.A.1. Other receivables are non-interest bearing and generally on 30-day terms

Ageing of past due but not impaired:		
Current – 30 days	-	444,294
Total	-	444,294

4. OTHER ASSETS

	As at 30 June 2020 $	As at 31 Dec 2019 $
Black Mesa - Earn-in	-	1,336,964
	-	1,336,964

4.A. MOVEMENT IN CARRYING AMOUNTS

Opening balance	1,336,964	972,484
Black Mesa Productions, LLC - Earn-in	-	360,325
Movement through obtaining control of subsidiaries	(1,360,012)	-
Foreign currency exchange	23,048	4,155
Closing balance	-	1,336,964

5. EXPLORATION AND EVALUATION ASSETS

	As at 30 June 2020 $	As at 31 Dec 2019 $
Costs carried forward in respect of areas of interest in:		
Exploration and evaluation phases – at cost	12,000,098	10,832,632
Opening Balance	10,832,623	10,392,000
Anadarko Basin Projects (leasehold acquisition)	567,390	1,908,191
Capitalised expenses	239,447	(303,567)
Sale of acreage	(680,570)	(1,237,590)
Movement from obtaining control of subsidiaries	849,143	-
Foreign currency transaction on movement	192,065	73,569
	12,000,098	10,832,623

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.

5.A. ACQUISITION OF CONTROLLED ENTITIES

On, 1 April 2020, the Parent Entity increased its equity interest in Black Mesa Energy, LLC (**Black Mesa**), to 28.7%. The Parent Entity also gained control of Black Mesa (Board control, operational control and control of any distribution of assets, including cash held by Black Mesa) on 1 April 2020, via the provisions of the Second Amended and Restated Operating Agreement (**Operating Agreement**) of Black Mesa. In accordance with the terms of the Operating Agreement, the Company also appointed two new members to the board of BMP, increasing the board to six members (including three Brookside representatives). David Prentice was also appointed Chairman and CEO of BMP, with the Chairman having the deciding vote in matters where a majority is required. The financial statement of Black Mesa have therefore been consolidated from 1 April 2020.

6. TRADE AND OTHER PAYABLES

	As at 30 June 2020 $	As at 31 Dec 2019 $
Current		
Trade creditors	16,091	8,449
Accrued and other payables	30,667	39,168
Closing balance	46,758	47,617

6.A. TERMS AND CONDITIONS

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

7. BORROWINGS

	As at 30 June 2020 $	As at 31 Dec 2019 $
Opening balance	5,362,785	4,644,838
Oklahoma Energy LLC financing[i]	-	200,000
Interest accrued on borrowings	347,409	602,160
Foreign Currency Translation	5,271	15,787
Closing balance	5,715,465	5,362,785

(iii) On 1 June 2017, Anadarko Leasing LLC (wholly owned subsidiary) entered into a Drawdown Facility with Oklahoma Energy Consultants.

Terms of the Drawdown Facility are as follows:

Date of agreement	Financing Facility	Terms
1 June 2017 (Amended 22 December 2017, 16 March 2018, 31 October 2019, and 30 September 2020)	US$4,000,000 (increase from $2,000,000 on 22 December 2017)	Facility is due for repayment on 31 July 2021. Facility shall bear interest at a rate per annum of 12%, payable quarterly in arrears on drawdown amounts. Facility will be secured by the Borrower's interest in Working Interest leasehold acreage that is acquired by the Borrower pursuant to and subject to the terms of the Drilling Program Agreement between the Borrower and Black Mesa Production, LLC.

8. ISSUED CAPITAL

	As at 30 June 2020 $	As at 31 Dec 2019 $
Issued and paid up capital		
1,001,721,875 Ordinary shares *(31 December 2019: 999,221,875)*	225,427,357	225,407,357

8.A. MOVEMENTS IN ISSUED CAPITAL

	6 months to 30 June 2020 $	Year ended 31 Dec 2019 $
At the beginning of the period	225,407,357	225,354,557
Shares issued during the period:		
- Payment of Advisor Fees in Ordinary Shares	20,000	52,800
Share issue costs	-	-
At end of the period	225,427,357	225,407,357

8.B. MOVEMENTS IN NUMBER OF SHARES ON ISSUE

	6 months to 30 June 2020 Number	Year ended 31 Dec 2019 Number
At the beginning of the period	999,221,875	994,821,875
Shares issued during the period:		
- Corporate Advisory Fees paid in shares in lieu of cash	2,500,000	4,400,000
At end of the period	1,001,721,875	999,221,875

8.C. TERMS AND CONDITIONS OF CONTRIBUTED EQUITY

8.C.1. Ordinary shares

Ordinary shares have the right to receive dividends as declared and in the event of the winding up of the Company, 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 Company.

8.D. OPTIONS

At the end of the reporting period, 295,140,625 options over unissued shares were on issue at the end of the reporting period.

Type	Date of Expiry	Exercise Price AUD	Number of Options on Issue
Listed options	31 Dec 2020	$0.03	295,140,625

8.E. MOVEMENTS IN NUMBER OF OPTIONS ON ISSUE

	As at 30 June 2020 Number	As at 31 Dec 2019 Number
At the beginning of the period	295,140,625	70,000,000
Shares issued during the period:		
- Options issued under prospectus	-	225,140,625
At end of the period	225,140,625	295,140,625

9. RESERVES

	As at 30 June 2020 $	As at 31 Dec 2019 $
Option valuation reserve	2,912,845	2,912,845
Foreign currency translation reserve	1,057,784	890,740
	3,970,629	3,803,585

9.A. OPTION VALUATION RESERVE

Balance at the beginning of the period	2,912,845	2,902,864
Options issued during the period:		
- Options issued during the period	-	9,981
At end of the period	2,912,845	2,912,845

9.B. FOREIGN CURRENCY TRANSLATION RESERVE

At beginning of the period	890,740	826,052
Movement during the period	167,044	64,688
Balance at end of period	1,057,784	890,740

10. ACCUMULATED LOSSES

	As at 30 June 2020 $	As at 31 Dec 2019 $
Balance at the beginning of the period	(220,300,432)	(221,217,935)
Net profit/(loss) for the period	(1,485,764)	917,503
Balance at end of the period	(221,786,196)	(220,300,432)

11. BASIC LOSS PER SHARE

	As at 30 June 2020 $	As at 30 June 2019 $
Profit/(Loss) used in calculation of basic EPS	(1,485,764)	155,722
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	1,001,721,875	998,292,986

12. INVESTMENT IN SUBSIDIARIES

12.A. INVESTMENT IN SUBSIDIARY

Subsidiary	2020 %	2019 %	2020 $	2019 $
BRK Oklahoma Holdings, LLC	100	100	366	366
Anadarko Leasing	100	100	444	444
Black Mesa Energy, LLC	28.7	17.2	1,360,012	1,336,964

13. SEGMENT REPORTING

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

13.A. SEGMENT INFORMATION

1.A.1. Identification of reportable segments

The Company 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 Company is managed primarily on the basis of its oil and gas in the USA and its corporate activities. 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.

13.B. TYPES OF REPORTABLE SEGMENTS

1.A.2. Oil and gas exploration: Segment assets, including acquisition cost of exploration licenses and all expenses related to the projects in the USA are reported on in this segment.

1.A.3. 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.

13.C. BASIS OF ACCOUNTING FOR PURPOSES OF REPORTING BY OPERATING SEGMENTS

1.A.4. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2020

1.A.5. 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.

1.A.6. Segment liabilities

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

	Corporate $	Oil & Gas and other USA entities $	Total $
30 June 2020			
Segment performance			
Segment revenue	-	238,685	238,685
Segment results	(314,094)	(1,410,355)	(1,724,449)
Included within segment result:			
- Drawdown facility interest expense	-	(347,404)	(347,404)
- Foreign currency translation reserve	-	99,744	99,744
- Interest revenue	-	249	249
- Loss on disposal of assets	-	(337,269)	(337,269)
- Share based payment expense	(20,000)	-	(20,000)
- Write down of receivables	-	(477,592)	(477,592)
Segment assets	607,024	12,766,989	13,374,013
Segment liabilities	(4,161,418)	(1,600,805)	(5,762,223)
30 June 2019			
Segment performance			
Segment revenue	96	1,425,328	1,425,424
Segment results	(454,437)	610,159	155,722
Included within segment result:			
- Interest revenue	96	-	96
- Gain on sale of investment	-	145,890	145,890
Segment assets	585,944	12,785,443	13,371,387
Segment liabilities	(71,698)	(5,143,813)	(5,215,511)

14. FINANCIAL INSTRUMENTS

This note provides information about how the Group determines fair values of various financial assets and liabilities. The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

The Directors consider that the carrying value of the financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	30 June 2020		31 December 2019	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Financial assets				
Cash and cash equivalents	624,538	624,538	1,056,179	1,056,179
Trade and other receivables	30,038	30,038	466,684	466,684
Total financial assets	654,576	654,576	1,522,863	1,522,863
Financial liabilities				
Trade and other creditors	46,758	46,758	47,616	47,616
Loans and borrowings	5,715,465	5,715,465	5,362,785	5,362,785
Total financial liabilities	5,762,223	5,762,223	5,410,401	5,410,401

15. SHARE BASED PAYMENTS

The following share-based payment was entered into during the period.

2,500,000 fully paid ordinary shares were issued to a consultant of the company in lieu of payment for corporate advisory services.

	30 June 2020 Fair value $
Type	Fully Paid Ordinary Shares
Number	2,500,000
Grant date	20 February 2020
Grant date share price	$0.008
Total fair value of equity instrument at grant	$20,000

No share options were exercised during the year.

16. CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

17. EVENTS SUBSEQUENT TO REPORTING DATE

On 17 July 2020, the Company issued 2,778,125 Shares to an Advisor (who is not a related party) pursuant to the terms of a services agreement.

On 25 August 2020, the Company advised that it has received applications under its non-renounceable entitlement offer of one (1) New Share for every four (4) Shares held at an issue price of $0.005 per share (**New Share**) (**ASX:BRK**) together with one (1) free attaching New Option exercisable at $0.011 on or before 30 June 2022 (**New Option**) (**ASX:BRKOB**) for every one (1) New Share subscribed for and issued (**Entitlement Offer**). A total of 151,724,371 New Shares were issued under the Entitlement Offer (including entitlements and applications for additional New Shares) to raise a total of $758,622 (before costs).

On 9 September 2020 the Company announced that it had closed its Entitlement Offer with the successful placement of the remaining 99,400,629 New Shares at $0.005 per New Share (together with 99,400,629 New Options) under the shortfall placement (**Shortfall Placement**). The Shortfall Placement raised $497,003 (before costs).

In addition, the Company advised that it had successfully placed a further 26,375,000 oversubscription of New Shares at $0.005 per New Share (together with 25,375,000 New Options) (**Oversubscription Placement**) (**Securities**). The Oversubscription Placement raised an additional $131,875 (before costs). The Oversubscription Placement Securities were issued using the Company's existing placement capacity with 26,375,000 New Shares and 26,375,000 New Options being issued pursuant to ASX Listing Rule 7.1.

The Entitlement Offer together with the Shortfall Placement and Oversubscription Placement (**Offers**) raised at total of $1,387,500 (before costs).

Proceeds from the Offers are being 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.

On 30 September 2020 the Company announced that its wholly owned subsidiary Anadarko Leasing, LLC (**Anadarko**), which is a party to a loan deed dated 31 October 2019 with Oklahoma Energy Consultants Inc. (**OEC**) under which OEC agreed to make a loan facility (**Loan Facility**) available to Anadarko (**Loan Deed**), had agreed with OEC to extend the Loan Deed maturity date for the Loan Facility from 31 December 2020 to 31 July 2021.

DIRECTORS' DECLARATION

In the opinion of the directors of Brookside Energy Limited (**Company**):

1. The attached financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:

    a. complying with Accounting Standards, the *Corporations Act 2001* and other mandatory professional reporting requirements; and

    b. giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the half-year then ended;

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

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

David Prentice
Executive Director

Dated this 30th day of September 2020

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Brookside Energy Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Brookside Energy Limited ("the company") which comprises the condensed consolidated statement of financial position as at 30 June 2020, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Brookside Energy Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material uncertainty related to going concern

We draw attention to Note 1 in the half-year financial report, which indicates the existence of a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The directors of the group are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
30 September 2020

Norman Glad

N G Neill
Partner