
BROOKSIDE ENERGY LIMITED

ACN 108 787 720

NOTICE OF GENERAL MEETING

TIME: 10:00am (WST)

DATE: Tuesday, 8 December 2020

PLACE: Suite 9,
330 Churchill Avenue
Subiaco WA 6008

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am on 6 December 2020.

IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10:00am on Tuesday, 8 December 2020 at Suite 9, 330 Churchill Avenue, Subiaco WA 6008.

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

Your vote is important

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

Voting in person

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

Voting by proxy

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

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

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

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

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

Electronic Notice of Meeting

In accordance with section 5(1)(f) of the *Corporations (Coronavirus Economic Response) Determination (No.3) 2020* the Company will not be dispatching physical copies of the Notice. Instead the Notice is being made available to Shareholders electronically and can be viewed and downloaded online on the ASX Company Announcements Platform at <https://www2.asx.com.au/markets/trade-our-cash-market/historical-announcements> and by entering the code 'BRK'.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL OF ISSUE OF NEW OPTIONS UNDER PROSPECTUS

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

“That the issue of 300,000,000 New Options to the persons and on the terms and conditions set out in the Explanatory Memorandum is approved under and for the purposes of ASX Listing Rule 7.1 and for all other purposes.”

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

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

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

2. RESOLUTION 2 – APPROVAL OF ISSUE OF NEW OPTIONS TO OKLAHOMA ENERGY CONSULTANTS, INC.

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

“That the issue of 68,000,000 New Options to Oklahoma Energy Consultants, Inc. on the terms and conditions set out in the Explanatory Memorandum is approved under and for the purposes of ASX Listing Rule 7.1 and for all other purposes.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Oklahoma Energy Consultants, Inc. or an associate of Oklahoma Energy Consultants, Inc.

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

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

3. RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES TO OKLAHOMA ENERGY CONSULTANTS, INC.

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

“That the issue of 68,000,000 Shares to Oklahoma Energy Consultants, Inc. on the terms and conditions and in the manner set out in the Explanatory Memorandum is approved under and for the purposes of ASX Listing Rule 7.4 and for all other purposes.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by Oklahoma Energy Consultants, Inc. or an associate of Oklahoma Energy Consultants, Inc.

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

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

4. RESOLUTION 4 – APPROVAL OF BROOKSIDE ENERGY LIMITED SECURITIES INCENTIVE PLAN

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

“That, under and for the purposes of ASX Listing Rule 7.2 (Exception 13(b)), ASX Listing Rule 10.14 and for all other purposes, approval is given to adopt the Brookside Energy Limited Securities Incentive Plan and to issue securities under that plan, and to issue Shares pursuant to those securities, from time

to time upon the terms and conditions described in the Explanatory Memorandum.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by a person who is eligible to participate in the Brookside Energy Limited Securities Incentive Plan or an associate of such a person.

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

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

Voting Prohibition Statement: For the purposes of section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

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

A vote may be cast by such a person as a proxy if the vote is not cast on behalf of a person described above and either:

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

5. RESOLUTION 5 – APPROVAL OF POTENTIAL TERMINATION BENEFITS UNDER BROOKSIDE ENERGY LIMITED SECURITIES INCENTIVE PLAN

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

“Subject to the passing of Resolution 4 that, for the purpose of sections 200B and 200E of the Corporations Act and for all other purposes, approval is given for the giving of termination benefits under the Brookside Energy Limited Securities Incentive Plan by the Company to a person or their associates in connection with that person ceasing to hold a managerial or executive office in the Company or a related body corporate of the Company, as detailed in the Explanatory Memorandum.”

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

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

However, a person described above (the "voter") may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

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

6. RESOLUTION 6 – APPROVAL OF ISSUE OF NEW OPTIONS TO DIRECTOR MR MICHAEL FRY

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

"Subject to the passing of Resolution 4, that under and for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Company is authorised to issue up to 10,000,000 New Options to Mr Michael Fry, who is a Director, and/or his nominee(s), pursuant to the Brookside Energy Limited Securities Incentive Plan on the terms and conditions and in the manner set out in the Explanatory Memorandum."

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

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

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

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

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

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

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

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

7. RESOLUTION 7 – APPROVAL OF ISSUE OF NEW OPTIONS TO DIRECTOR MR DAVID PRENTICE

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

“Subject to the passing of Resolution 4, that under and for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Company is authorised to issue up to 25,000,000 New Options to Mr David Prentice, who is a Director, and/or his nominee(s), pursuant to the Brookside Energy Limited Securities Incentive Plan on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

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

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

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

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

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

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

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

8. RESOLUTION 8 – APPROVAL OF ISSUE OF NEW OPTIONS TO DIRECTOR MR RICHARD HOMSANY

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

“Subject to the passing of Resolution 4, that under and for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Company is authorised to issue up to 10,000,000 New Options to Mr Richard Homsany, who is a Director, and/or his nominee(s), pursuant to the Brookside Energy Limited Securities Incentive Plan on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

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

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

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

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

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

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

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

9. **RESOLUTION 9 – APPROVAL OF ISSUE OF NEW OPTIONS TO COMPANY SECRETARY**

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

“That the issue of 2,000,000 New Options to the Company Secretary Ms Katherine Garvey on the terms and conditions set out in the Explanatory Memorandum is approved under and for the purposes of ASX Listing Rule 7.1 and for all other purposes.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Katherine Garvey or an associate of Katherine Garvey.

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

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

Dated: 5 November 2020

By order of the Board

A handwritten signature in black ink, appearing to be 'M Fry', written over a horizontal line.

**Michael Fry
Chairman**

EXPLANATORY MEMORANDUM

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

1. RESOLUTION 1 – APPROVAL OF ISSUE OF NEW OPTIONS UNDER PROSPECTUS

1.1 Background

Resolution 1 seeks Shareholder approval for the issue and allotment of 300,000,000 New Options pursuant to the offer for New Options set out in the Company's prospectus dated 31 July 2020 (**Prospectus**) (**Prospectus Option Issue**).

The effect of Resolution 1 will be to allow the Directors to complete the Option Issue during the period of three months after the Meeting (or a longer period, if approved by ASX), without using the Company's 15% placement capacity.

1.2 ASX Listing Rule 7.1

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

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

To this end, Resolution 1 seeks Shareholder approval to the Prospectus Option Issue under and for the purposes of Listing Rule 7.1.

If Resolution 1 is passed, the Prospectus Option Issue can proceed without using up any of the Company's 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 1 is not passed, the Prospectus Option Issue may not be able to proceed having regard to the Company's available capacity under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A. If the Prospectus Option Issue is not able to proceed the Company will be required to refund all money received from applicants for New Options under the Prospectus.

1.3 ASX Listing Rule Disclosure Requirements

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 1 to allow Shareholders to assess the proposed Prospectus Option Issue:

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

The New Options will be issued to persons who subscribed for New Options under the Prospectus, and who are not related parties of the Company or their associates.

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

300,000,000 New Options. The terms and conditions of the New Options are set out in Annexure A.

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

It is expected that the New Options will be issued promptly after the Meeting but in any event will be issued by no later than three (3) months after the date of the Meeting (or such later date as may be approved by ASX).

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

The New Options the subject of Resolution 1 will be issued at a price of \$0.001 per New Option.

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

The Company intends to use the funds raised by the issue of New Options under Resolution 1 to progress its acquisition and development activities in the Anadarko Basin, Oklahoma (including planned acquisitions under the Orion Project Joint Venture) and for general working capital.

1.4 Directors' Recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 1. The Board recommends Shareholders vote in favour of Resolution 1 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval and will enable the Company to fund its ongoing commitments.

2. RESOLUTION 2 – APPROVAL OF ISSUE OF NEW OPTIONS TO OKLAHOMA ENERGY CONSULTANTS, INC.

2.1 Background

Resolution 2 seeks Shareholder approval for the issue and allotment of 68,000,000 New Options to Oklahoma Energy Consultants (OEC) (**OEC Option Issue**).

The effect of Resolution 2 will be to allow the Directors to issue the New Options to OEC during the period of three months after the Meeting (or a longer period, if approved by ASX), without using the Company's 15% placement capacity.

2.2 ASX Listing Rule 7.1

Broadly speaking, and subject to a number of exemptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the

approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

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

To this end, Resolution 2 seeks Shareholder approval to the OEC Option Issue under and for the purposes of Listing Rule 7.1.

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

If Resolution 2 is not passed, the OEC Option Issue can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the date that the New Options are issued to OEC.

2.3 ASX Listing Rule Disclosure Requirements

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

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

The New Options will be issued to Oklahoma Energy Consultants, Inc which is not a related party of the Company or their associates.

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

68,000,000 New Options. The terms and conditions of the New Options are set out in Annexure "A".

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

It is expected that the New Options will be issued promptly after the Meeting but in any event by no later than three (3) months after the date of the Meeting (or such later date as may be approved by ASX).

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

No consideration will be received by the Company for the issue of the New Options as they are being issued in satisfaction of interest payable by the Company's subsidiary Anadarko in connection with a loan facility made available to it by OEC in lieu of a cash payment.

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

The purpose of the issue is to satisfy an interest debt payable by the Company's subsidiary Anadarko to OEC whilst preserving cash. No funds will be raised by the issue of New Options under Resolution 2.

2.4 Directors' Recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 2. The Board recommends Shareholders vote in favour of Resolution 2 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval and will enable the Company to fund its ongoing commitments.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES TO OKLAHOMA ENERGY CONSULTANTS, INC.

3.1 General

On 6 October 2020, the Company issued 68,000,000 Shares to OEC which, together with the 68,000,000 New Options in respect of which Shareholder approval is being sought under Resolution 2, is in satisfaction of all interest payable by the Company's wholly owned subsidiary Anadarko up to 31 December 2020 on the Anadarko Leasing Facility made available to Anadarko by OEC.

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

Resolution 3 seeks Shareholder approval and ratification pursuant to ASX Listing Rule 7.4 for the prior issue of the 68,000,000 Shares to OEC (**OEC Share Issue**) on 6 October 2020 (**OEC Share Issue Date**).

3.2 ASX Listing Rule 7.4

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

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

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

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

To this end, Resolution 3 seeks Shareholder approval to the OEC Share Issue under and for the purposes of Listing Rule 7.4.

If Resolution 3 is passed, the OEC Share Issue will be excluded in calculating Brookside's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the OEC Share Issue Date.

If Resolution 3 is not passed, the OEC Share Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the OEC Share Issue Date.

3.3 Technical information required by ASX Listing Rule 7.4

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

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

68,000,000 Shares were issued. The Shares issued were all fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing Shares.

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

The Shares were issued for no consideration as they were issued in satisfaction of interest payable by the Company's subsidiary Anadarko to OEC in lieu of a cash payment. The Shares were issued at a deemed issue price of \$0.005 per Share.

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

The Shares were issued on 6 October 2020.

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

The Shares were issued to Oklahoma Energy Consultants, Inc., which is not a related party of the Company.

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

The OEC Share Issue was made in satisfaction interest payable by the Company's subsidiary Anadarko under a loan facility made available to it by OEC in lieu of a cash payment therefore no funds were raised by the issue of the Shares.

3.4 Board recommendation

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

4. **RESOLUTION 4 – APPROVAL OF BROOKSIDE ENERGY LIMITED SECURITIES INCENTIVE PLAN AND RESOLUTION 5 – APPROVAL OF POTENTIAL TERMINATION BENEFITS UNDER BROOKSIDE ENERGY LIMITED SECURITIES INCENTIVE PLAN**

4.1 **Background**

Resolution 4 is a resolution which seeks Shareholder approval for the Brookside Energy Limited Securities Incentive Plan (**Incentive Plan**).

A summary of the terms and conditions of the Incentive Plan is set out in Annexure “A” to this Notice of Meeting.

Listing Rule 7.1 places certain restrictions on the extent to which a listed company may issue certain equity securities, including options. The effect is that shareholder approval is required before the company may issue equity securities representing more than 15% of the capital of the company within a 12 month period. However, certain issues are exempt from the restrictions of Listing Rule 7.1 and are effectively disregarded for the purposes of determining the number of securities which a company may issue within a 12 month period. Exempt issues include an issue of securities to persons participating in an employee incentive scheme where shareholders have approved the issue of securities under the scheme as an exemption from Listing Rule 7.1. Shareholder approval must be given in a general meeting held not more than three (3) years before the date of issue when the notice of meeting contains or is accompanied by certain prescribed information (set out below) (Exception 13 of Listing Rule 7.2).

In order to take advantage of the exemption from Listing Rule 7.1 and allow the Company flexibility to issue securities, Shareholders are requested to approve the issue of securities under the Incentive Plan (**Plan Securities**) as an exemption from Listing Rule 7.1. This approval will be effective for a period of three (3) years from the date of the Resolution. It should be noted that Resolution 4 does not approve the issue of any Plan Securities to any Director, employee or consultant of the Company. Plan Securities cannot be granted to Directors or associates of the Company unless prior approval of Shareholders is obtained in accordance with the Listing Rules.

The main purpose of the Incentive Plan is to give an additional reward to Directors, employees and consultants of the Company to provide dedicated and ongoing commitment and effort to the Company, and for the Company to reward its Directors, employees and consultants for their efforts. The Incentive Plan is a reward plan designed to increase the motivation of personnel and create a stronger link between increasing Shareholder value and personnel reward.

If convertible securities issued under the Plan are exercised, it will have the effect of increasing the Company’s cash position by the amount of the exercise price multiplied by the number of Plan convertible securities exercised. It will also

increase the number of Shares that are on issue by the number of Plan convertible securities exercised.

Shares issued pursuant to the exercise of Plan convertible securities will rank pari passu in all respects with the Company's existing Shares.

Application will not be made for official quotation on the ASX of the Plan Securities.

The Board believes that the Incentive Plan will:

- enable the Company to recruit and retain the talented people needed to achieve the Company's business objectives;
- link the rewards of key personnel with the achievements of strategic goals and the performance of the Company;
- align the financial interest of participants in the Incentive Plan with those of Shareholders; and
- provide reward to participants in the Incentive Plan to focus on superior performance that creates Shareholder value.

4.2 ASX Listing Rule 7.2 (Exception 13) and ASX Listing Rule 10.15 Disclosure Requirements

In accordance with ASX Listing Rule 7.2 (Exception 13) and ASX Listing Rule 10.15, the following information is disclosed to Shareholders for the purposes of Resolution 4:

- (1) A summary of the terms and conditions of the Incentive Plan is set out in Annexure "B" to this Notice of Meeting.
- (2) A voting exclusion statement is included in the Notice.
- (3) If Shareholder approval to the adoption of the Incentive Plan is granted pursuant to Resolution 4, offers to the Company's Directors will be made under the Incentive Plan, for which Shareholder approval will be sought pursuant to Resolutions 5 to 7 inclusive. A total of 45,000,000 New Options are proposed to be issued under the Incentive Plan pursuant to Resolutions 5 to 7 inclusive. If Shareholder approval of the Incentive Plan is obtained, it is intended that a further 7,500,000 New Options will be issued to an employee of the Company, Executive General Manager – Commercial Mr Gracjan Lambert, pursuant to the Incentive Plan after the Meeting.
- (4) No Securities have been issued under the Incentive Plan as at the date of this Meeting.
- (5) The current Directors to whom the Incentive Plan would apply are Messrs Fry, Prentice and Homsany. As Directors, ASX Listing Rule 10.14.1 applies to Messrs Fry, Prentice and Homsany. As at the date of this Notice no other persons referred to in ASX Listing Rule 10.14, apart from those Directors, will be entitled to participate in the Incentive Plan. Directors who are appointed after Resolution 4 is approved will become entitled to participate in the Incentive Plan but will not be permitted to do so until after Shareholder approval required under ASX Listing Rule 10.14 (or otherwise under chapter 10 of the ASX Listing Rules) is obtained or ASX grants a waiver from this requirement. There is no guarantee that a waiver will be applied for, or if sought, granted.

- (6) The exact number of Plan Securities that may be issued under the Plan cannot be determined as at the date of this Notice. The Board will make determinations from time to time during the currency of the Incentive Plan as to whether Plan Securities should be issued under it at their discretion and subject to any approvals that may be required under the ASX Listing Rules including ASX Listing Rule 10.14.
- (7) The Company intends to commence operation of the Incentive Plan with effect from the date of the Meeting in the event of Shareholder approval of Resolution 4.
- (8) Details of any Plan Securities issued under the Plan will be published in each annual report of the Company relating to the period in which they have been issued together with a statement that approval for the issue of the Plan Securities was obtained under Listing Rule 10.14.
- (9) No loans have or will be made by the Company in connection with the grant of Plan Securities to any Director.

4.3 Section 200B of the Corporations Act

The Corporations Act restricts the benefits which can be given to certain persons (those who hold a managerial or executive office, as defined in the Corporations Act) on leaving their employment or office with the company or any of its related bodies corporate. Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or its related bodies corporate if it is approved by shareholders or an exemption applies. This applies to all Directors and to all key management personnel of the Company (that is, to all persons whose remuneration is required to be disclosed in the Remuneration Report), including those who are not Directors. Additionally, persons subject to the restrictions remain subject to them for at least three years after they cease to hold a managerial or executive office.

Under the terms and conditions of the proposed Incentive Plan (the subject of Resolution 4), circumstances in which the early vesting of convertible Plan Securities are permitted at the Board's discretion include termination of a participant's employment, engagement or office with the Company due to death, permanent incapacity, mental incapacity, redundancy, resignation, retirement or any other reason the Board decides, or in other circumstances where the Board exercises its discretion to allow early vesting as well as change of control events. The termination "benefit" under section 200B of the Corporations Act has a wide operation and relevantly includes, in the context of Resolution 4, the early vesting of Plan Securities upon the exercise of the Board's discretion or the Board determining to provide that the participant's Plan Securities do not lapse but will continue and be vested in the ordinary course.

Resolution 5 seeks approval of any "termination benefit" that may be provided to a participant under the terms and conditions of Plan Securities that might be issued in the future to persons who from, time to time, hold a managerial or executive office (as defined in the Corporations Act) in the Company, to the extent permitted by law. The Company will obtain any Shareholder or other

approvals that may be required before any Plan Securities are granted to Directors or associates of the Company.

Resolution 5 is conditional upon the passing of Resolution 4 (which seeks Shareholder approval of the Incentive Plan). In the event that Resolution 4 is not passed, Resolution 5 will be withdrawn and will not be put to Shareholders.

Specifically, Shareholder approval is being sought to give the Board (or the Board's delegate) the capacity to exercise certain discretions under the terms and conditions of Plan Securities to be issued in the future to persons who hold a managerial or executive office (as defined in the Corporations Act) in the Company to the extent permitted by law (under Resolution 4), including the discretion to determine to vest some or all of the unvested Plan Securities of any such person.

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

If the relevant Shareholder approvals are obtained under Resolutions 4 and 5, and the Board exercises its discretion to vest some or all of an affected participant's unvested Plan Securities, (or to provide that the participant's Plan Securities do not lapse but will continue and be vested in the ordinary course), the value of these benefits will be disregarded when calculating the relevant participant's statutory cap for the purposes of section 200F(2)(b) or section 200G(1)(c) of the Corporations Act.

The terms and conditions of the Incentive Plan are summarised in Annexure "B" to this Notice of Meeting.

4.4 Section 200E of the Corporations Act

Section 200E of the Corporations Act requires certain information to be provided to shareholders in approving a termination benefit. Whilst the value of the proposed termination benefits cannot currently be ascertained, the manner in which the value of the proposed termination benefits is calculated, and the matters, events and circumstances that will, or are likely to, affect the calculation of the value are as follows:

(a) *Details of the termination benefits*

The terms and conditions of any Plan Securities to be issued in the future may contain provisions dealing with the early vesting of unvested Plan Securities in certain circumstances. For example, where the holder's office with the Company is terminated before the Plan Securities have vested, the Plan Securities may vest in the Board's discretion and the basis on which vesting may occur (which may include, without limitation, timing and conditions). Similarly, if a "change of control" occurs, the Board may determine that some or all of a participant's unvested Plan Securities will vest. The Board may also determine to provide that the participant's Plan Securities do not lapse but will continue and be vested in the ordinary course. The exercise of these and other discretions in the Incentive

Plan will constitute a “benefit” for the purposes of the Corporations Act’s termination benefits provisions.

Shareholder approval is sought for future issues of Plan Securities under Resolution 5, to the extent permitted by law, for exercise of these and other discretions in the Incentive Plan that will constitute a benefit for the purposes of the Corporations Act’s termination benefits provisions. The Company will obtain any required Shareholder or other approvals before issuing Plan Securities to Directors or associates of the Company. The exercise of these discretions will constitute a “benefit” for the purposes of the Corporations Act’s termination benefits provisions.

(b) *Value of the termination benefits*

The value of the termination benefits under the proposed terms and conditions of the Plan Securities cannot be determined in advance as various matters will, or are likely to affect that value. Specifically, if any Plan Securities are issued in the future, the value of a particular benefit will depend on the Company’s Share price at the time of vesting and the number of Plan Securities that vest or the Board decides to vest. Some of the future factors that may affect the value of the termination benefits are as follows:

- (i) the holder’s length of service and the proportion of any relevant performance periods that have expired at the time their office is terminated;
- (ii) the holder’s total fixed remuneration at the time the Plan Securities are issued and at the time they leave employment; and
- (iii) the number of unvested Plan Securities held at the time their office is terminated; and
- (iv) the reasons for termination of their office.

Despite an approval by Shareholders of Resolution 4 and Resolution 5, any future grant of Plan Securities to a Director or his or her associates will remain subject to the Company obtaining any required Shareholder or other approval for their issue.

4.5 Directors' Recommendation

As the Directors may have a personal interest in Resolutions 4 and 5, the Directors make no recommendation as to how Shareholders should vote on this resolution.

5. RESOLUTIONS 6, 7 AND 8 – APPROVAL FOR ISSUE OF NEW OPTIONS TO DIRECTORS

5.1 Background to Resolutions 6, 7 and 8

Subject to the passing of Resolution 4 (seeking Shareholder approval for the Brookside Energy Limited Securities Incentive Plan) the Company is proposing to issue 45,000,000 New Options in aggregate to Directors Michael Fry, David Prentice and Richard Homsany under the Brookside Energy Limited Securities Incentive Plan pursuant to Resolutions 6 to 8 (inclusive) respectively.

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

- (a) a director of the company;
- (b) an associate of a director of the company; or

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

unless it obtains the approval of its shareholders.

The issues the subject of Resolutions 6, 7 and 8 fall within paragraph (a) above (being Listing Rule 10.14.1) and therefore require the approval of Shareholders under Listing Rule 10.14.

Resolutions 6, 7 and 8 seek the required Shareholder approval to the issue of New Options to Directors Messrs Fry, Prentice and Homsany respectively under and for the purposes of Listing Rule 10.14.

If Resolutions 6, 7 and 8 are each passed, the Company will be able to proceed to issue the respective New Options to Messrs Fry, Prentice and Homsany.

If Resolutions 6, 7 and 8 are not passed, the Company will not be able to proceed to issue the respective New Options to Messrs Fry, Prentice and Homsany.

The terms and conditions of the New Options are set out in Annexure "A" to this Notice and a summary of the terms and conditions of the Incentive Plan is set out in Annexure "B" to this Notice.

5.2 Chapter 2E of the Corporations Act

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

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

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

5.3 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 10.14 the following information is provided in relation to Resolutions 6 to 8 (inclusive):

- (a) Directors Messrs Fry, Prentice and Homsany (or their nominees) are the persons to whom equity securities (being New Options) will be issued if Resolutions 6 to 8 (inclusive) are passed by Shareholders.
- (b) 25,000,000 New Options are proposed to be issued to Mr Prentice pursuant to Resolution 7 and 10,000,000 New Options are proposed to be issued to each of Messrs Fry and Homsany under Resolutions 6 and 8 respectively.

- (c) The current remuneration packages of Messrs Fry, Prentice and Homsany are set out below:

Resolution	Director	Position	Annual remuneration including superannuation and non cash benefits	Estimated value of New Options (Annexure C)
6	Michael Fry	Chairman	50,000	\$10,000
7	David Prentice	Managing Director	120,000	\$25,000
8	Richard Homsany	Non-Executive Director	40,000	\$10,000

- (d) The expiry date of the New Options is 30 June 2022.
- (e) The nature of the financial benefit proposed to be given is the issue of New Options for no consideration. The purpose of the issue is to provide cost effective consideration to Directors for their contribution to the Company in their respective roles.
- (f) The New Options will be issued within 36 months of the date of the Meeting or such later date as the ASX Listing Rules permit (including such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- (g) No New Options or other Plan Securities have previously been issued under the Incentive Plan to persons referred to in ASX Listing Rule 10.14, nor has the Incentive Plan previously been adopted by Shareholders.
- (h) All Directors are entitled to participate in the Incentive Plan including Messrs Fry, Prentice and Homsany.
- (i) The New Options are to be granted for nil consideration and therefore no funds will be raised from their issue.
- (j) As at the date of this Notice, the Directors hold the following relevant interests in the securities in the Company:

Director	Shares	Current Options held	New Options proposed to be issued	Shareholding on a fully diluted basis*
Michael Fry	6,875,000	11,375,000	10,000,000	2.06%
David Prentice	12,999,999	17,499,999	25,000,000	3.98%
Richard Homsany	4,000,000	3,800,000	10,000,000	1.97%

*Assuming Shareholders approve the issue of the New Options to Directors that are subject to Resolutions 6 to 8 inclusive and all New Options and current options are exercised.

- (k) The Directors consider that the incentive represented by the issue of New Options is a cost effective and efficient incentive when compared to other forms of incentive such as cash, bonuses or increased remuneration.
- (l) The New Options proposed to be issued to Directors pursuant to Resolutions 6 to 8 are being issued on the same terms and conditions as those proposed to be issued to persons who subscribed for New Options under the Prospectus (being the subject of Resolution 1). Accordingly the New Options have been valued on the basis of their subscription price under the Prospectus of \$0.001 per New Option.
- (m) The Board recognises that the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations states that non-executive directors should not receive options as part of their remuneration. Notwithstanding this, the Board considers the issue of New Options to the Directors is appropriate in the circumstances for the reasons set out in this section.
- (n) The Board has concluded that the totality of the Directors' remuneration packages, including the equity component of such number of Performance Rights proposed to be issued to each Director under Resolutions 6 to 8 inclusive is fair and reasonable in the circumstances of the Company given its size and stage of development, market practice of other companies in the mineral exploration industry and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves, and in light of the Directors' management experience and knowledge of the mineral exploration industry.
- (o) The Board does not consider that there are any material taxation consequences or benefits foregone by the Company as a result of issuing the New Options on the terms proposed.
- (p) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision as to whether it is in the best interests of the Company to pass the Resolutions other than as set out in this section.
- (q) If all the New Options the subject of Resolutions 6 to 8 inclusive are granted and exercised, then the Company's fully paid share capital (based on the existing number of Shares and assuming no other Company securities are exercised or converted) will be diluted by 3.2%;
- (r) The Directors consider that the incentive represented by the grant of New Options is a cost effective and efficient incentive when compared to other forms of incentive such as cash, bonuses or increased remuneration;
- (s) The primary purpose of the grant of New Options to the Directors is to provide an incentive to Messrs Fry, Prentice and Homsany. Given this purpose, the Directors do not consider that there is any opportunity cost or benefit foregone to the Company in granting the New Options that are the subject of Resolutions 6 to 8 inclusive (other than as set out in this section).

- (t) The Board has examined the individual remuneration packages of Directors to determine the fairness and reasonableness of the remuneration package. As part of the examination, the Board has reviewed the remuneration packages of industry executives and non-executives in similar roles. The Board considers the grants to Messrs Fry, Prentice and Homsany are appropriate in the circumstances for the reasons set out in this section.
- (u) No loans by the Company exist in relation to the proposed grant of the New Options.
- (v) Based on its examination, the Board has concluded that the totality of Messrs Fry, Prentice and Homsany's remuneration packages, including the equity component of up to 45,000,000 New Options now to be considered for approval by Shareholders, is fair and reasonable in the circumstances of the Company given its size and stage of development, market practice of other companies in the mineral exploration industry and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves, and in light of Messrs Fry, Prentice and Homsany's significant management experience and knowledge of the industry in which the Company operates.
- (w) Accounting standards require that granted New Options be valued and expensed. The Directors do not consider that there are any other opportunity costs to the Company or benefits forgone by the Company in respect of the proposed issue of New Options pursuant to Resolutions 6 to 8 inclusive.

The last available price of Shares quoted on ASX prior to the date of this Notice of Meeting on 4 November 2020 was \$0.005. The highest price for Shares trading on ASX over the last 12 months was \$0.01 on 6 November 2019, 26 November 2019, 28 – 29 November 2019, 21 December 2019 and 21 February 2020 on 24 - 27 March 2020, 7 April 2020, 22 April 2020 and 29 April 2020.

5.4 ASX Listing Rule 7.1

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

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

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

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

6. RESOLUTION 9 – APPROVAL OF ISSUE OF NEW OPTIONS TO COMPANY SECRETARY

6.1 Background

Resolution 9 seeks Shareholder approval for the issue and allotment of 2,000,000 New Options to Company Secretary Ms Katherine Garvey, in consideration for services provided to the Company (**Consultant Option Issue**).

The effect of Resolution 9 will be to allow the Directors to issue the New Options the subject of Resolution 9 during the period of three months after the Meeting (or a longer period, if approved by ASX), without using the Company's 15% placement capacity.

6.2 ASX Listing Rule 7.1

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

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

To this end, Resolution 9 seeks Shareholder approval to the Consultant Option Issue under and for the purposes of Listing Rule 7.1.

If Resolution 8 is passed, the Consultant Option Issue can proceed without using up any of the Company's 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 9 is not passed, the Consultant Option Issue can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the date that the New Options the subject of Resolution 9 are issued.

6.3 ASX Listing Rule Disclosure Requirements

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 9 to allow Shareholders to assess the proposed Consultant Option Issue:

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

The New Options will be issued to the Company Secretary, Ms Katherine Garvey.

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

2,000,000 New Options. The terms and conditions of the New Options are set out in Annexure A.

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

It is expected that the New Options will be issued promptly after the Meeting but in any event will be issued by no later than three (3) months after the date of the Meeting (or such later date as may be approved by ASX).

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

No consideration will be received by the Company for the issue of the New Options as they are being issued in consideration for services provide to the Company.

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

No funds will be raised by the issue of the New Options the subject of Resolution 9 as they are being issued in consideration for services provided to the Company.

6.4 Directors' Recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 9. The Board recommends Shareholders vote in favour of Resolution 8 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval and will enable the Company to fund its ongoing commitments.

GLOSSARY

\$ means Australian dollars.

Anadarko means Anadarko Leasing, LLC.

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

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

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

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

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

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

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

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

Explanatory Memorandum means the explanatory memorandum accompanying the Notice.

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

Incentive Plan is defined in Section 4.1.

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

New Option means an Option issued on the terms and conditions set out in Annexure "A" to this Notice.

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

OEC is defined in Section 2.1.

OEC Option Issue is defined in Section 2.1.

OEC Share Issue is defined in Section 3.1.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

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

Plan Securities is defined in Section 4.1.

Prospectus is defined in Section 1.1.

Prospectus Option Issue is defined in Section 1.1.

Proxy Form means the proxy form accompanying the Notice.

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

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

Securities means a Share or an Option.

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

Shareholder means a registered holder of a Share.

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

ANNEXURE A – TERMS AND CONDITIONS OF THE NEW OPTIONS

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

(a) Entitlement

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

(b) Exercise Price

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

(c) Expiry Date

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

(d) Exercise Period

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

(e) Notice of Exercise

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

(f) Exercise Date

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

(g) Timing of issue of Shares on exercise

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

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

If a notice delivered under paragraph (ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

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

(h) Shares issued on exercise

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

(i) Quotation

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

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

(j) Reconstruction of capital

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

(k) Participation in new issues

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

(l) Change in exercise price

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

(m) Transferability

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

ANNEXURE B – TERMS AND CONDITIONS OF THE BROOKSIDE ENERGY LIMITED SECURITIES INCENTIVE PLAN

The Brookside Energy Limited Securities Incentive Plan (**Plan**) is being considered for approval by Shareholders at the General Meeting. The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Plan is set out below:

- (a) (**Eligible Participant**): Eligible Participant means a person that:
- (i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); or
 - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) (**Purpose**): The purpose of the Plan is to:
- (i) assist in the reward, retention and motivation of Eligible Participants;
 - (ii) link the reward of Eligible Participants to Shareholder value creation; and
 - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (c) (**Plan administration**): The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
- (d) (**Eligibility, invitation and application**): The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.
- On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company.
- The Board may accept an application from an Eligible Participant in whole or in part.
- If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
- (e) (**Grant of Securities**): The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (f) (**Terms of Convertible Securities**): Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by

virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

- (g) **(Vesting of Convertible Securities)**: Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible

Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

- (h) **(Exercise of Convertible Securities and cashless exercise)**: To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation. A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

- (i) **(Delivery of Shares on exercise of Convertible Securities)**: As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (j) **(Forfeiture of Convertible Securities)**: Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
 - (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (k) **(Change of control)**: If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (l) **(Rights attaching to Plan Shares)**: All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, **(Plan Shares)** will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (m) **(Disposal restrictions on Plan Shares)**: If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
 - (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
- (n) **(Adjustment of Convertible Securities)**: If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (o) **(Participation in new issues)**: There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (p) **(Amendment of Plan)**: Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (q) **(Plan duration)**: The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **10.00am (WST) on Sunday 6 December 2020**, being not later than **48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/loginsah>

or scan the QR code below using your smartphone

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



BY MAIL:

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