



2025 ANNUAL REPORT



Grow Production - Build Scale - Return Capital

FY2025 INVESTMENT HIGHLIGHTS

Grow Production - Build Scale - Return Capital

FY2025 was a year of consistent execution and strong cash generation for Brookside Energy. The Company delivered its ninth consecutive operated horizontal well success with Bruins, added a full year of production from the Gapstow wells, and increased operating cash flow. Brookside also identified a new growth area at Riverbend and returned capital to shareholders through an on-market buy-back funded entirely from operating cash.

- Delivered sales volumes of 609,446 BOE from net production of 661,964 BOE (1,814 BOE/d).
- Generated A\$53.8 million of sales revenue and A\$58.9 million of cash receipts, supporting EBITDA of A\$19.0 million.
- Deployed A\$20.1 million of exploration and development capital and returned capital to shareholders through the repurchase of 1,115,882 shares under the on-market buy-back.

Sales Volume

609,446_{BOE}

↑2% YOY

Sales Revenue

A\$53.8_m

↑15% YOY

EBITDA

A\$19.0_m

↑2% YOY

Share Buy-Back

1,115,882

~1.2% of Issued
Capital

NPAT

A\$2.7_m

↓3.5% YOY

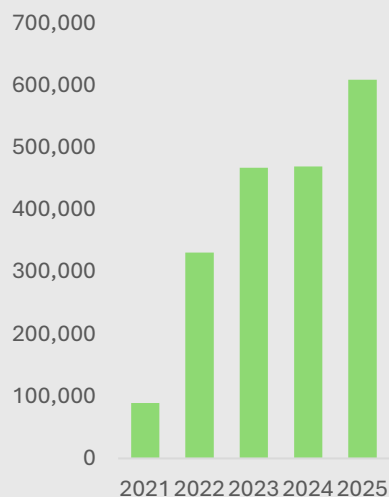
Cash

A\$11.9_m

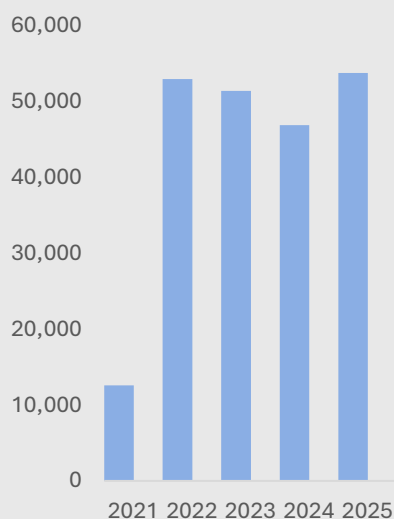
↑4% YOY



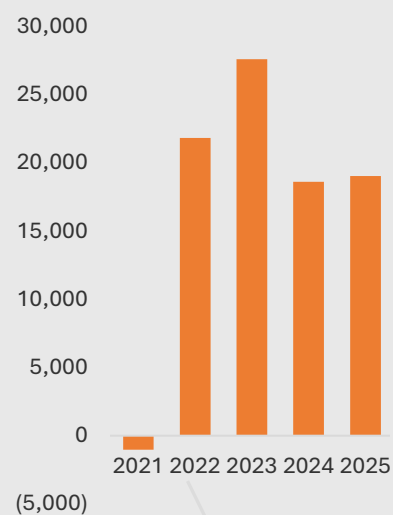
Oil and Gas Sales



Revenue



EBITDA



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Message from our Chairman

2025 was a year of disciplined execution for Brookside Energy as we continued to strengthen our development platform in the Anadarko Basin.

Dear Shareholders,

2025 was a year of solid progress for Brookside Energy. Our focus remained simple: allocate capital carefully, execute efficiently, and continue building a business capable of delivering long-term value for shareholders.

Energy markets remained volatile throughout the year. Commodity prices will always fluctuate, but our strategy is designed to perform across cycles through disciplined capital allocation and the development of high-quality assets in proven basins.

Our strategy is straightforward. We focus on acquiring and developing acreage in the Anadarko Basin where strong geology, established infrastructure and experienced operators create attractive opportunities for long-term value creation. Just as importantly, we allocate capital with discipline and maintain a portfolio capable of generating resilient returns across commodity cycles. We approach the business as long-term stewards of the capital entrusted to us by our shareholders and remain focused on increasing value per share over time.

The Board remains firmly focused on disciplined capital management. Growth is important, but it must be achieved while generating strong returns on the capital entrusted to us by shareholders. During the year we initiated an on-market share buyback program as part of this broader capital allocation framework.

During the year we continued to strengthen the Company's development platform while expanding the long-term opportunity set of the portfolio.

Late in the year we identified a new Area of Interest in the Anadarko Basin known as Riverbend. Early technical work indicates a significant oil-in-place opportunity and leasing activities have commenced. If successfully developed, Riverbend has the potential to add meaningful reserves and extend the Company's growth runway.

We also strengthened the Board with the appointment of Chris Weatherl as Non-Executive Director. Chris brings more than twenty-five years of upstream oil and gas experience, including senior operational roles across several U.S. basins. His experience in development planning and capital allocation will be valuable as Brookside continues to grow.

Brookside was founded with the intention of identifying and developing oil and gas opportunities in proven U.S. basins using disciplined investment criteria and strong local partnerships. That approach continues to guide our decisions today.

On behalf of the Board, I thank our shareholders for their continued support. I would also like to recognise the efforts of our management team, staff, contractors and service providers who continue to deliver strong operational outcomes safely and efficiently.

We believe Brookside is well positioned for the next phase of its development and remain committed to executing our strategy with discipline and focus.

Michael Fry
Chairman

Message from our CEO

Dear Shareholders,

2025 was a year of strong operational execution for Brookside Energy.

Our team remained focused on one objective: delivering efficient development of our SWISH Play acreage while expanding the Company's long-term development inventory across the Anadarko Basin.

Our operating model is built on repeatable development. We drill high-quality wells efficiently, expand our inventory in core acreage and allocate capital with discipline across commodity cycles.

The operational highlight of the year was the successful drilling, completion and first sales from the Bruins Well. Bruins is our ninth operated horizontal well in the SWISH Play and another demonstration of the repeatability of our development model in this part of Oklahoma.

The well was drilled and completed safely, ahead of schedule and under budget, and is now on production. Production rates and liquids-rich output from Bruins support the well economics we expect from this area.

Importantly, Bruins confirms the quality of the SWISH acreage and the ability of our team to consistently execute complex drilling and completion programs. Across the play we now operate wells in multiple drilling spacing units and continue to see reliable well performance and attractive project-level returns.

During the year we expanded our development inventory through the addition of a fifth drilling spacing unit. This increased our inventory of high-impact development locations and strengthened the long-term production growth potential of the SWISH portfolio.

The broader SWISH area continues to evolve as industry activity evaluates additional productive intervals. Emerging opportunities within the Simpson Group sands and the Caney Shale highlight the stacked-pay potential of the basin. While still early in evaluation, these intervals may provide additional upside across our acreage position.

Late in the year we announced the identification of a new Area of Interest in the Anadarko Basin known as Riverbend. This reflects the ongoing work of our technical team to identify high-quality development opportunities within proven petroleum systems.

Initial technical work indicates that Riverbend supports liquids-rich horizontal development with strong project economics. Leasing is underway as we work to establish an operated position and progress the project through the next stages of evaluation.

Commodity prices fluctuated during the year, but our development approach focuses on projects capable of delivering attractive returns across a wide range of price environments.

This approach delivered strong cash generation this year, with A\$58.9 million in cash receipts supporting the Company's capital programme and on-market share buy-back.

Our strategy remains straightforward: grow production, build scale and return capital to shareholders while maintaining disciplined investment criteria.

The Anadarko Basin offers a unique combination of high-quality reservoirs, established infrastructure and deep operational expertise. With our expanding operated footprint and growing development inventory, we believe Brookside is well positioned for the next phase of its development.

I would like to thank our team and partners across the basin for their continued commitment to safe and efficient operations.

Finally, I thank our shareholders for their ongoing support as we continue to advance the development of Brookside Energy.

David Prentice
Managing Director & CEO

Brookside Energy Limited

2025 RESERVES STATEMENT

HIGHLIGHTS

- Proved Developed Producing Net Reserves increased to 2.80 million barrels of oil equivalent (BOE), highlighting a material uplift in revenue generating assets.
- Total Proved (1P) Net Reserves increased by 7.0% to 5.33 million BOE, enhancing the Company's near-term production profile.
- Total Proved plus Probable (2P) Net Reserves increased modestly to 12.52 million BOE, further strengthening the long-term resource base.
- Reserves replacement significantly outpaced production, with 122% of 2025 production replaced on a PDP basis.

FY2025 reserve estimates and a comparison to FY2024.

FY2025 Net Reserve Estimates (As at 31 December 2025)				
Reserve Class	Oil (bbl)	NGL (bbl)	Gas (Mcf)	BOE
Proved Developed Producing	596,421	852,230	8,091,402	2,797,218
Proved Developed Non-Producing	7,815	-	18,300	10,865
Proved Undeveloped	746,065	735,989	6,245,853	2,523,030
Total Proved	1,350,301	1,588,219	14,355,555	5,331,113
Probable Undeveloped	1,819,500	2,319,235	18,323,264	7,192,612
Grand Total	3,169,801	3,907,454	32,678,819	12,523,725

PDP Reconciliation	
Metric	BOE
FY2024PDP	2,653,246
FY2025 Net Production	(661,964)
Additions and Adjustments	805,936
FY2025PDP	2,797,218

Key Reserves Metrics (YOY Comparison)			
Metric	FY2024	FY2025	Change
Proved Developed Producing (PDP)	2.65 MMBOE	2.80 MMBOE	▲ ~5%
Total Proved (1P)	4.98 MMBOE	5.33 MMBOE	▲ ~7%
Total Proved + Probable (2P)	12.35 MMBOE	12.52 MMBOE	▲ ~1%

Assumptions:

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

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

The base oil and gas prices calculated for FY2024 and used in this report were US\$65.34 per barrel and US\$3.39 per MMBTU, respectively using the methodology prescribed by the U.S. Securities and Exchange Commission. The base prices were adjusted for differentials on a field basis, which may include local basis differentials, transportation, gas shrinkage, gas heating value (BTU content) and/or crude quality and gravity corrections.

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

The lease operating expenses in this report represent summary level operating costs and include COPAS charges. Operating expense data for the period of September 1, 2024, through August 31, 2025, was generally used in this evaluation and were not escalated. Where available, capital costs were generally estimated using recent historical information reported for analogous expenditures. Where recent historical information was not available, Authority for Expenditure ("AFE") documents or supplemental information were used to estimate capital costs.

Capital costs provided by Brookside have been reviewed by Haas & Cobb for reasonableness and were not escalated in this evaluation. Abandonment, decommissioning, and restoration ("ADR") costs have been included in this evaluation.

Reserves Governance

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

Competent Persons Statement

The information in this release that relates to petroleum reserves was compiled by technical employees of independent consultants Haas & Cobb under the supervision of Mr. Tad Fielder. Mr. Fielder is a Licensed Professional Engineer in the State of Texas, has been practicing consulting petroleum engineering at Haas & Cobb since 2024 and has over 25 years of industry experience. The reserves included in this release have been prepared using definitions and guidelines consistent with the 2018 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The reserves information reported in this Statement are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of Mr. Fielder. Mr. Fielder is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the petroleum reserves information in this announcement in the form and context in which it appears.

Reserves Cautionary Statement

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

Brookside Energy Limited



ACTIVITIES REVIEW



Brookside's operations in 2025 were driven by continued development of the SWISH Area of Interest and a full year of contribution from the Gapstow wells. Together, these assets increased production and cash flow.

The SWISH Area of Interest remains Brookside's core operated asset. Nine horizontal wells were producing at year-end. All are successful completions delivering a high-margin liquids-rich production stream throughout the year. Cumulative gross production from these wells has exceeded 3.5 million BOE since drilling commenced. This milestone reflects both the quality of the acreage and the effectiveness of Brookside's full-field development model, which was further evidenced by the four Flames Maroons Development Plan wells. The FMDP wells delivered their first full year of production in 2025 and performed in line with expectations as they moved to steady decline. The Wolf Pack well continues to perform as a strong long-term producer, with cumulative production exceeding 770,000 BOE.

The Bruins well was the primary operated activity in 2025, marking Brookside's ninth consecutive horizontal success in the SWISH Play. The well was drilled to 16,718 feet in 30 days, ahead of schedule, and brought to first production within 14 weeks of spud. Bruins delivered an IP24 of approximately 1,040 BOE/d and an IP30 of approximately 750 BOE/d, in line with type curve expectations. The well transitioned to stable production during the September quarter and continues to perform consistently, reinforcing Brookside's 100% operated success rate across the SWISH AOI.

Brookside added a fifth Drilling Spacing Unit through an acreage exchange. This increased operated inventory and expanded future drilling locations. The addition increased the Company's operated development inventory by approximately 26%, providing a meaningful expansion to Brookside's multi-year drilling program and further consolidating its strategic position within the SWISH Play.

Brookside also participated in eight Gapstow wells operated by Continental Resources. The Company held an average ~3% working interest per well (~16% NRI) with total investment of US\$2.5 million. This provided exposure to eight wells at a cost well below a single operated well. The wells delivered a full year of production in 2025 and exceeded initial expectations with strong early rates and high liquids content.

Brookside identified the Riverbend Area of Interest as a potential new development area targeting stacked reservoirs across Devonian, Mississippian, and Pennsylvanian intervals. The acreage covers ~24 square miles with estimated net pay of 80 to 200 feet. Early modelling indicates attractive well economics. The Company will progress acreage acquisitions, approvals, and appraisal before committing to development. The stacked play nature of the geology creates the potential for multiple productive horizons within each DSU, which Brookside believes may support a multi-well development program once an operated land position is established. Well economics at the base case Estimated Ultimate Recovery of approximately 630,000 BOE per well, comprising 82% liquids, are highly attractive, indicating a rate of return of approximately 76% and a payback period of approximately 12 months. The high case EUR of approximately 960,000 BOE per well improves these returns further, maintaining economics that are competitive with, and in several scenarios superior to, the economics of the SWISH AOI.

This annual financial report covers the consolidated financial statements for the Group, consisting of Brookside Energy Limited (the 'Company') and its subsidiaries.

The annual financial report is presented in Australian dollars.

Brookside Energy Limited is a public company limited by shares and is listed on the ASX. It is incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1
50 Kings Park Road
Perth WA 6005

The annual financial report was authorised for issue by the Board of Directors on [insert date] 2026. The Board of Directors has the power to amend and reissue the annual financial report.

All references to reserves within the financial report are drawn from the Brookside 2025 Reserves and Resources Statement dated [insert date].



FINANCIAL REPORT

FOR THE YEAR ENDING 31 DECEMBER 2025



DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereafter as the 'Group') consisting of Brookside Energy Limited (the 'Company') and the subsidiaries it controlled at the end of, or during the financial year ended, 31 December 2025.

Directors

The following persons were directors of Brookside Energy Limited during the whole, or for part where noted, of the financial year and up to the date of this report:

M Fry – Non-Executive Chairman

D Prentice – Managing Director

R Homsany – Non-Executive Director

C Robertson – Non-Executive Director

C Weatherl (appointed as a non-executive Director on 20 August 2025)

Review of operations

Principal activities

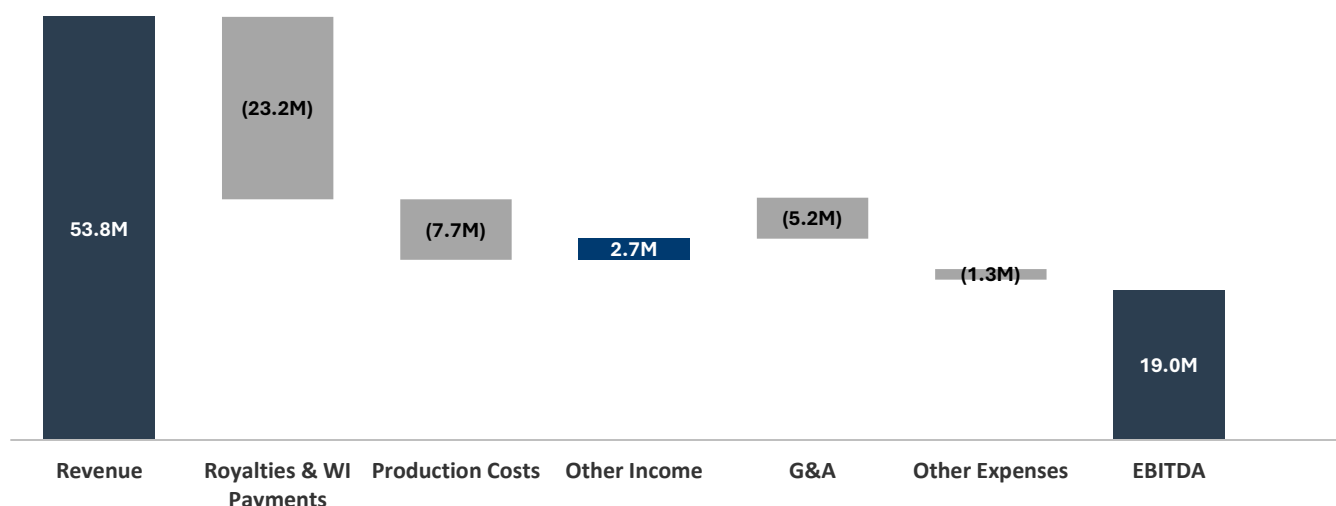
During the financial year, the principal activities of the Group continued to be directed towards petroleum production, development and exploration.

A detailed review of the operations of the Group during the financial year is set out in the Activities Review on pages 11 to 14 of this annual financial report.

Group Financial Performance

Consolidated Statement of Profit or Loss and Other Comprehensive Income

2025 Profit Drivers



DIRECTORS' REPORT

The Group reported a net profit after tax of A\$2.7 million for the financial year ended 31 December 2025 (2024: A\$2.8 million).

EBITDA was A\$19.0 million (2024: A\$18.6 million) and EBIT was A\$3.4 million (2024: A\$3.5 million). Net operating cash flows for the financial year were A\$20.9 million (2024: A\$21.1 million).

EBITDA is a financial measure which is not prescribed by Australian Accounting Standards and is not audited or reviewed as part of the audit of the financial statements. The Directors believe this measure provides useful information to investors regarding the Group's operating performance and is commonly used by companies in the oil and gas sector. EBITDA is defined as earnings before interest, taxes, depreciation, depletion and amortisation.

Sales and Production -

The Group's producing assets in the Anadarko Basin performed strongly throughout the financial year, supported by Brookside's nine operated wells in the SWISH Play and the Company's non-operated interests in the Anadarko Basin, including its interest in the Gapstow wells operated by Continental Resources.

Group net production for the financial year totalled approximately 662,000 BOE (average ~1,813 BOE per day), with a liquids-weighted production mix of approximately 55–56% liquids. This represented an increase from 525,456 BOE in FY2024, driven by the commencement of production from the Bruins well in May 2025 and the full-year contribution from the Company's non-operated Gapstow well interests. Total gross operated production for the year was approximately 1.0 million BOE. Cash receipts from oil and gas sales totalled A\$58.9 million for the financial year (2024: A\$45.6 million).

Production and operating costs for the financial year were A\$7.7 million (2024: A\$2.4 million), reflecting the commencement of production from the Bruins well in the second half of 2025 and a full year of contribution from the Gapstow non-operated wells. The Company's lease operating expenses remained consistent with expectations, reflecting Brookside's low-cost operating model in the Anadarko Basin. Cost discipline across the operated SWISH Play portfolio continued to underpin strong production margins.

General and Administrative Expenses

General and administrative expenses for the financial year were A\$6.3 million (2024: A\$5.5 million). The increase principally reflects a change in the treatment of employee-related costs during the year, including a revision to the Company's capitalisation policy for salary costs and the inclusion of a broader range of employment costs within the line item, including payroll taxes, 401(k) contributions, and other employment-related costs, which were not captured on this basis in the prior year. Absent this change in approach, the underlying G&A cost base was broadly in line with the prior year.

Insurance Expense

Insurance expense for the financial year was A\$0.09 million (2024: A\$0.3 million). The Company's insurance program covers its operated and non-operated assets in the Anadarko Basin, including well control, general liability, and directors' and officers' liability.

Exploration and Development Expenses

Exploration and evaluation expenditure capitalised during the financial year was A\$15.2 million (2024: A\$49.5 million), primarily directed toward the Bruins well, ongoing SWISH Play development activities, leasehold acquisition costs in the Riverbend Area of Interest, and non-operated capital contributions.

DIRECTORS' REPORT

Finance Costs/Income

Finance costs and income for the financial year resulted in a net finance cost of A\$0.5 million (2024: net income of approximately A\$0.3 million, comprising interest received of A\$1.0 million and finance costs of A\$0.7 million). Interest income of A\$0.3 million was earned on cash balances held in USD-denominated accounts throughout the year, offset by lease interest, accretion, and other financing costs.

Income and Royalty Tax

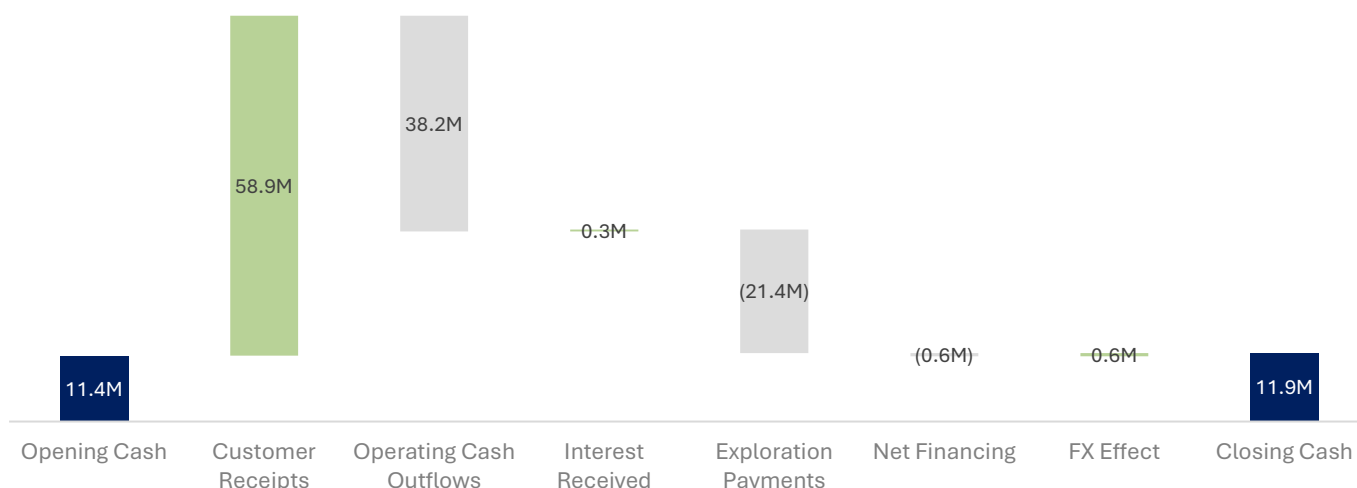
Income tax expense for the financial year was A\$nil (2024: A\$nil). The Group's operations are conducted through its wholly-owned U.S. subsidiary, BRK Oklahoma Holdings, LLC, and are subject to U.S. federal income tax. No current tax charge was recognised in the 2025 period.

Consolidated Statement of Financial Position

At 31 December 2025, total assets were A\$114 million (2024: A\$127.7 million) and total liabilities were A\$22 million (2024: A\$32.3 million), resulting in net assets of A\$92.0 million (2024: A\$95.4 million). The reduction in total assets primarily reflects depreciation and amortisation of producing assets and the impact of foreign exchange movements on USD-denominated balances, partially offset by new capital investment in the period.

At 31 December 2025, the Group reported a cash balance of A\$11.9 million (31 December 2024: A\$11.4 million). Cash and cash equivalents are held in USD-denominated accounts in the United States, reported in AUD at the closing exchange rate. The year-end cash balance reflects strong operating cash flows of A\$20.9 million, capital expenditure of approximately A\$21 million, and disbursements under the on-market share buy-back program.

Consolidated Statement of Cash Flows



DIRECTORS' REPORT

2025 Cash Drivers

Net cash generated from operating activities for the financial year was A\$20.9 million (2024: A\$21.1 million), reflecting strong cash generation from the operated SWISH Play portfolio and contributions from the non-operated Gapstow well interests. Total cash receipts from customers were A\$58.9 million for the year (2024: A\$45.6 million). This operating cash flow supported the Group's capital expenditure program, the on-market share buy-back initiative, and maintained a robust closing cash balance.

Corporate

Group liquidity

At 31 December 2025, the Group's cash balance was A\$11.9 million (31 December 2024: A\$11.4 million). The Group had no drawn debt at year end. The Group's liquidity position is considered sound, with ongoing operating cash flows expected to continue to fund capital requirements and the share buy-back program.

Commodity Hedging

The Company maintains a disciplined and conservative hedging programme designed to protect near-term cash flows from commodity price volatility while retaining exposure to favourable oil and gas price movements. The Company's production is subject to commodity price risk, and its hedging strategy is focused on protecting near-term cash flows from the operated SWISH Play assets. During the financial year, the Company settled oil and gas hedges covering portions of its production volumes. At 31 December 2025, open hedge positions included oil of approximately 54,000 barrels at an average price of US\$60.52 per barrel from January to December 2026, and gas of 300,000 MMBTU at an average price of US\$4.03 per MMBTU. The hedging approach is reviewed periodically by the Board to ensure an appropriate balance between downside protection and participation in improving commodity prices, consistent with the Company's capital allocation framework and shareholder return objectives.

Matters subsequent to the end of the financial year

Since 31 December 2025, the Company has continued its on-market share buy-back program, which was announced on 14 May 2025 and authorised the repurchase of up to 4.8 million shares representing approximately 5% of the Company's issued capital. As at the date of this report, the Company had repurchased 1,115,882 shares under the program representing approximately 1.2% of the Company's issued capital.

On 19 March 2026, the Company announced its year-end 2025 reserves certification, reporting Total Proved plus Probable (2P) Net Reserves of 12.52 MMBOE, independently assessed by Haas & Cobb as at 31 December 2025.

On 26 March 2026, the Company announced that operations have commenced at its next two-well development pad in the SWISH Area of Interest (AOI) in the Anadarko Basin, Oklahoma. Earthworks are now underway at the site, with pad preparation and lease access activities in progress. These operations mark the first step in the execution of Brookside's next phase of development drilling, with the program on track to commence in May 2026.

DIRECTORS' REPORT

Matters subsequent to the end of the financial year (continued)

Other than the matters noted above, there has been no matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect:

- [1] - the Group's operations in future financial years; or
- [2] - the results of those operations in future financial years; or
- [3] - the Group's state of affairs in future financial years.

Group business strategies and prospects for future financial years

Brookside's strategy is simple: Grow Production, Build Scale and Return Capital. We allocate capital based on returns, reinvesting in the business and returning cash via buy-backs where appropriate. Grow Production by maximizing performance from existing wells and adding new high-return locations. The Company's nine operated wells in the SWISH Play, Jewell, Rangers, Flames, Wolf Pack, the four FMDP wells and the Bruins well, have collectively delivered more than 3.5 million gross barrels of oil equivalent since first production in 2020, achieving a nine-from-nine drilling success record. The high-margin, liquids-weighted production mix (approximately 55–56% liquids) supports strong realised prices and healthy free cash flow generation. Brookside also holds a non-operated working interest (approximately 16% NRI) in eight Gapstow wells operated by Continental Resources within the SWISH Play, which commenced production in early 2025 and materially enhanced the Group's production base. Going forward, the Company is focused on optimising production performance across the portfolio through disciplined flow parameter management, reservoir pressure monitoring, cost control, and the effective use of existing gathering and processing infrastructure. Build inventory by expanding its operated footprint in the SWISH Play and advancing Riverbend as the next development area. Modelling indicates compelling per-well economics, with an estimated ultimate recovery (EUR) of approximately 630,000 to 960,000 BOE per well (approximately 82% liquids content), attractive internal rates of return, and an estimated payback period of approximately 12 months under base case assumptions. The Company's approach to Riverbend is staged and disciplined: secure an operated acreage position across targeted DSUs, progress regulatory approvals, advance reserve definition activities, and evaluate full-field development potential. Brookside also continued to progress its proposed dual listing on the NYSE American via an ADR program, which is expected to broaden its investor base, improve market visibility, and facilitate access to U.S. capital markets in support of long-term growth. Return capital via buy-backs when they are the best use of capital. In July 2025, the Company commenced an on-market share buy-back, authorising the repurchase of up to 4.8 million shares (approximately 5% of issued capital) through to 30 June 2026, funded entirely from operating cash flows. This initiative demonstrates Brookside's commitment to returning capital when doing so represents an attractive use of funds. The Company also employs a conservative hedging program to protect near-term cash flows from commodity price volatility, ensuring robust operating cash generation across commodity cycles. The Board regularly assesses the appropriate balance between investment in production maintenance and growth, and direct returns to shareholders, with the objective of compounding long-term value per share.

Brookside is exposed to commodity price volatility, foreign exchange movements, and operational risks typical of upstream oil and gas operations. The speculative nature of petroleum exploration and development will also impact the Company's ability to achieve these objectives; key risks include production and development risk, exploration and drilling risk, joint operations risk, and geological risk surrounding resources and reserves.

The Group has various risk management policies and procedures in place to enable the identification, assessment and mitigation of risks that may arise. Whilst the Group can mitigate some of the risks described above, many are beyond the control of the Group. For further information in relation to the Company's risk management framework, refer to the Corporate Governance Statement.

DIRECTORS' REPORT

Outlook

Brookside enters FY2026 in a sound financial and operational position, supported by a nine-well production base delivering steady, high-margin cash flows from its SWISH assets. The Company's proved plus probable (2P) net reserves of 12.52 million BOE, independently assessed as at 31 December 2025, provide a strong foundation for ongoing production and cash flow generation. The near-term outlook is underpinned by continued production from the operated SWISH Play portfolio and sustained contribution from non-operated interests, with activity focused on optimising performance across the existing well base. The operating environment remains subject to commodity price and foreign exchange variability; the Company will continue to apply its disciplined capital allocation framework to balance investment and shareholder returns. Key areas of focus for the year ahead include advancing the Riverbend AOI toward a drillable position, evaluating the timing and scope of the next operated well in the SWISH Play, progressing the NYSE American dual listing, and continuing the on-market share buy-back program as part of the Company's broader capital management approach. The Board remains confident in Brookside's ability to continue growing value per share through disciplined execution of its three-pillar strategy.

The Group's short-term priorities are focused on:

- Optimise performance across existing operated and non-operated wells
- Advance the Riverbend AOI toward a drill-ready position through acreage, technical work, and appraisal
- Execute the next phase of SWISH development
- Progress the NYSE American listing and continue the share buy-back program

The Company will maintain a disciplined approach to capital allocation while targeting growth in value per share.

Environmental regulation

The Group is aware of its environmental obligations with regards to these activities and ensured that it complied with all regulations. There have not been any known breaches of the entity's obligations under these environmental regulations during the year under review and up to the date of this report.

Reporting currency

The Company's and the Group's functional and reporting currency is Australian dollars. All references in this annual financial report to 'A\$' or 'dollars' are references to Australian dollars, unless otherwise stated. The Group's operations in the United States are conducted in United States dollars and are translated to Australian dollars for financial reporting purposes.

Business risks

The achievement of Brookside's business strategy and future financial performance is subject to various risks. Brookside undertakes steps to identify, assess and manage these risks and operates under a Board-approved Group-wide Risk Management Framework. Further information on risk management is available on the Company's website at www.brookside-energy.com.au.

The key business risks faced by the Group that may have an impact on the operating and financial prospects of the Group as at 31 December 2025 are:

DIRECTORS' REPORT

Oil and Gas exploration and development risks

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

- (i) the discovery and/or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to interests;
- (v) obtaining consents and approvals necessary for the conduct of oil and gas exploration, development and production; and
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

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

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

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

Operational Risks

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

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

Title risks

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

DIRECTORS' REPORT

Sovereign risks

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

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

Additional Requirements for Capital

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

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

Reliance on Key Personnel

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

Contractual and Joint Venture Risk

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

DIRECTORS' REPORT

Reserves and resources

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

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

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

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

Hydraulic fracturing

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

DIRECTORS' REPORT

INDUSTRY RISKS

Operating Risks

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

- (i) operational and technical difficulties encountered in drilling;
- (ii) difficulties in commissioning and operation plant and equipment;
- (iii) mechanical failure or plant breakdown;
- (iv) unanticipated drilling problems which may affect production costs;
- (v) adverse weather conditions;
- (vi) industrial and environmental accidents;
- (vii) industrial disputes; and
- (viii) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Oil and Gas Reserves and Production Estimates

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

Permit grant and maintenance risks

The Group's oil and gas exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations.

The maintaining of permits, obtaining renewals, or getting permits granted, often depends on the Group being successful in obtaining the required statutory approvals for its proposed activities and that the licences, concessions, leases, permits or consents that it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection their grant.

Commercial Risk

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

DIRECTORS' REPORT

Commodity Price Volatility and Exchange Rate Risks

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

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

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

Insurance Risks

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

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

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

Environmental Risks

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

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

DIRECTORS' REPORT

Competition

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

Lease Expiry

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

Commercialisation

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

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

Seasonality and weather

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

DIRECTORS' REPORT

GENERAL INVESTMENT RISKS

General Economic Conditions

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

Share Market Conditions

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

- (i) general economic outlook;
- (ii) the introduction of tax reform or other new legislation (such as royalties);
- (iii) interest rates and inflation rates;
- (iv) currency fluctuations;
- (v) changes in investor sentiment toward particular market sectors in Australia and/or overseas (such as the oil and gas exploration or production sectors within that industry);
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism or other hostilities.

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

Volatility in Global Credit and Investment Markets

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

DIRECTORS' REPORT

Information on Directors & Officers

Michael Fry **Non-Executive Chairman**

Qualifications BCom

Experience Michael Fry holds a Bachelor of Commerce degree from the University of Western Australia and is a past member of the Australian Stock Exchange. Michael has extensive corporate and commercial experience, financial and capital market knowledge and a background in corporate treasury management.

Other

Directorships Michael is a non-executive director of unlisted public company Atrum Coal Limited. During the period Michael served as the non-executive chairman of ASX Listed Technology Metals Australia Limited (ASX:TMT), until February 2024.

David Prentice **Managing Director**

Qualifications Grad. Dip BA, MBA

Experience David is a senior resources executive with 30 years domestic and international corporate finance and executive management experience. David started his career working in commercial and business development roles within the resources sector working for some of Australia's most successful gold and nickel exploration and mining companies. During the last 16 years, David has gained international oil and gas exploration and production sector experience (with a specific focus on the Mid-Continent region of the United States) working in both executive and non-executive director roles with Australian publicly traded companies.

Other

Directorships David Prentice is currently Non-Executive Chairman of Noronex Limited (ASX:NRX) and Blaze Minerals Limited (ASX:BLZ).

Richard Homsany **Non-Executive Director**

Qualifications LL.B (Hons), B. Com, Grad. Dip. Fin & Inv, F Fin, MAICD, CPA

Experience Richard is an experienced corporate lawyer and Certified Practising Accountant (CPA) with significant experience in the resources and energy sectors. He is the principal of Cardinals Lawyers and Consultants, a West Perth based corporate and resources law firm. Richard was previously a partner of major law firm DLA Phillips Fox (now known as global law firm DLA Piper).

Other

Directorships Richard Homsany is Executive Chairman of ASX listed uranium exploration and development Group Toro Energy Limited (ASX:TOE) and Executive Vice President, Australia of TSX listed uranium exploration Group Mega Uranium Ltd (TSX:MGA). He is also the Chairman of each of ASX listed lithium exploration Group Galan Lithium Limited (ASX:GLN), ASX listed copper exploration Group Redstone Resources Limited (ASX:RDS), TSX-V listed gold and iron ore explorer Central Iron Ore Limited (TSX-V:CIO) and the Health Insurance Fund of Australia Ltd.

Chris Robertson **Non-Executive Director**

Qualifications MM, BBus

Experience Chris has over 34 years of investment market experience, including 20 years in senior roles in the funds management industry. Chris has a solid understanding of the Group's strategic objectives and the opportunities to create shareholder value as well as the need to address the challenges faced around shareholder engagement. In his capacity as a Non-Executive Director, Chris will assume responsibilities across various Board sub-committees, including the Audit and Risk Committee, as well as the Remuneration and Nomination Committee.

Other

Directorships No other directorships

DIRECTORS' REPORT

Chris Weatherl

Qualifications

Experience

Non-Executive Director

BSPE

Chris has over 25 years of experience in the oil and gas industry. Mr. Weatherl co-founded Luminus Capital, LLC and has been a Managing Partner since October 2020. From December 2020 to August 2024, Mr. Weatherl served as Chief Operating Officer of Rimrock Resource Operating, LLC. From January 2018 to April 2020, he served as founding partner, Chief Operating Officer and Board member of Rebellion Energy II, LLC. Mr. Weatherl has a Bachelor of Science degree in Petroleum Engineering from the University of Tulsa.

Other

Directorships

No other directorships

Shane Gray

Qualifications

Experience

Chief Financial Officer

BBA, CPA, Member of COPAS

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

Katherine Garvey

Qualifications

Experience

Group Secretary

LL.B, BA, MAICD

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

DIRECTORS' REPORT

CORPORATE INFORMATION

Group Corporate Structure

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

Meetings of Directors

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

Director	Directors Meetings	
	Meetings Attended	Number Held and Eligible to Attend
Michael Fry	11	11
David Prentice	11	11
Richard Homsany	11	11
Chris Robertson	11	11
Chris Weatherl	5	5

INDEMNIFYING OFFICERS

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

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

PROCEEDINGS ON BEHALF OF GROUP

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

NON-AUDIT SERVICES

No non-audit services were provided by the external auditors during the year ended 31 December 2025.

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, Hall Chadwick Audit (WA) Pty Ltd, to provide the Directors of the Group with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 37 and forms part of this Directors' Report for the year ended 31 December 2025.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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

DIRECTORS' REPORT

REMUNERATION REPORT

This Remuneration Report outlines the remuneration arrangements for the Directors and Key Management Personnel (KMP) of Brookside Energy Limited (the Company) for the financial year ended **31 December 2025**.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company.

For the purposes of this report, KMP comprise:

- **David Prentice** – Managing Director and Chief Executive Officer
- **Shane Gray** – Chief Financial Officer
- **Michael Fry** – Non-Executive Chairman
- **Richard Homsany** – Non-Executive Director
- **Chris Robertson** – Non-Executive Director
- **Chris Weatherl** – Non-Executive Director

A. REMUNERATION GOVERNANCE

The Board of Directors is responsible for overseeing the Company's remuneration framework and ensuring that remuneration arrangements are aligned with shareholder interests and support the Company's long-term strategy.

The Board has established a Remuneration and Nomination Committee to assist in fulfilling these responsibilities.

The Committee's responsibilities include:

- reviewing remuneration policies for Directors and senior executives
- overseeing the structure of short-term and long-term incentive programs
- reviewing executive performance and approving incentive outcomes
- assessing market competitiveness and remuneration benchmarking
- ensuring compliance with applicable governance standards.

The Committee makes recommendations to the Board, which retains ultimate responsibility for remuneration matters.

B. REMUNERATION PHILOSOPHY

Brookside Energy's remuneration framework is designed to attract, retain and motivate high-calibre executives while aligning remuneration outcomes with the creation of sustainable long-term shareholder value.

The Company adopts a remuneration structure that combines competitive fixed remuneration with performance-based "at-risk" incentives.

Fixed remuneration reflects the responsibilities and experience of each executive and prevailing market conditions, while variable remuneration is delivered through short-term and long-term incentive arrangements linked to operational performance, capital discipline and shareholder returns.

This structure promotes a strong pay-for-performance culture and aligns executive remuneration outcomes with the achievement of the Company's strategic and financial objectives.

REMUNERATION REPORT

C. REMUNERATION STRUCTURE

Executive remuneration consists of two principal components:

- **Fixed remuneration**
- **Variable remuneration**, comprising:
 - Short-Term Incentives (STI)
 - Long-Term Incentives (LTI)

Remuneration Framework at a Glance

Component	Form	Purpose	Key Features
Fixed Remuneration	Base salary and statutory benefits	Provides stable and competitive remuneration reflecting responsibilities and experience.	Reviewed periodically against market benchmarks and individual performance.
Short-Term Incentive (STI)	Cash bonus	Rewards achievement of annual operational and financial objectives aligned with the Company's business plan.	Performance measured against CapEx and OpEx metrics with Board discretion.
Long-Term Incentive (LTI)	Equity-based incentives	Aligns executives with long-term shareholder value creation and retention.	LTIP linked to shareholder return performance measures. No LTI awards granted during FY2025.

D. REMUNERATION COMPONENTS

Fixed Remuneration

Fixed remuneration consists of base salary, superannuation and other statutory benefits. Fixed remuneration reflects the scope of each executive's role, experience, responsibilities and prevailing market benchmarks within the energy sector.

The Committee periodically reviews fixed remuneration to ensure it remains appropriate relative to market practice, the responsibilities of the role and the Company's operational scale and complexity.

Short-Term Incentive Plan (STI)

The Short-Term Incentive Plan (STI) is designed to reward executives for delivering annual operational and financial outcomes aligned with the Company's strategic objectives.

Participants in the STI include the Managing Director and Chief Financial Officer, together with any other executives approved by the Board for participation.

Each participant is assigned a Target Bonus Opportunity (TBO) expressed as a percentage of fixed remuneration. STI payments range from 0% to 100% of TBO, based on performance against the annual scorecard established by the Board.

REMUNERATION REPORT

The STI framework emphasises disciplined capital management, operational efficiency and leadership performance.

Performance measures include:

- **40% CapEx versus budget** — including drilling and completion cost performance, project delivery and cycle-time efficiency
- **40% OpEx versus budget** — including lease operating expense per BOE, operational uptime, efficiency initiatives and HSE performance
- **20% Board discretion / individual contribution** — recognising leadership, strategic execution and exceptional individual performance.

STI bonuses are generally paid semi-annually in cash, with a mid-year payment reflecting interim performance outcomes and a larger final payment determined following the Board's review of full-year performance against the approved annual budget and strategic objectives.

Long-Term Incentive Plan (LTI)

The Long-Term Incentive Plan (LTI) is intended to align executive incentives with sustained shareholder value creation and the Company's long-term strategic performance.

The proposed LTIP structure includes equity-based awards delivered as warrants, structured as a one-time transitional award designed to align executive incentives with the successful execution of the Company's planned Level 3 ADS listing, representing approximately three years of annual LTIP opportunity.

Key proposed features include:

- warrants issued at nil cost
- exercise price equal to the issue price of the Company's ADSs at the time of the planned Level 3 ADS listing
- term of approximately 4.5 years
- exercisable from approximately 180 days following completion of the Company's planned Level 3 ADS listing
- vesting subject to both time-based and performance-based conditions.

Performance Conditions

The proposed LTIP incorporates two equally weighted performance measures.

Relative Total Shareholder Return (TSR) – 50% weighting

Relative TSR measures the Company's Total Shareholder Return relative to the performance of a defined peer group of comparable energy companies over the applicable performance period.

- 50th percentile → 50% vesting
- 50–60th percentile → 75% vesting
- 60–75th percentile → 100% vesting

Linear interpolation applies between performance points. Performance is assessed based on the Company's ranking relative to the peer group to ensure vesting outcomes reflect shareholder returns relative to comparable companies rather than absolute market movements.

REMUNERATION REPORT

Absolute Total Shareholder Return (TSR) – 50% weighting

- Negative TSR → 0% vesting
- +5% TSR → 75% vesting
- +10% TSR → 100% vesting

Linear interpolation applies between performance points.

TSR is proposed to be measured using a 20-trading-day volume weighted average price (VWAP) at the beginning and end of the measurement window.

Additional governance provisions include malus and clawback provisions, Board discretion in good-leaver scenarios, and no retesting of performance conditions.

LTI Opportunity

Under the proposed LTIP framework, the Company may grant equity-based incentives to Key Management Personnel to align executive remuneration with long-term shareholder value creation.

The Board has determined that the LTIP may comprise a total equity pool of up to 4.5% of the Company's fully diluted share capital, which may be allocated to Key Management Personnel.

Any grants made under the LTIP will be subject to Board approval and, where required, shareholder approval.

No long-term incentive awards were granted to Key Management Personnel during the financial year ended 31 December 2025.

E. MARKET BENCHMARKING

During the reporting period the Remuneration and Nomination Committee undertook a review of executive remuneration to ensure the Company's remuneration framework remains competitive and aligned with market practice within the oil and gas exploration and production sector.

The Committee determined the peer group used for benchmarking purposes, comprising listed energy companies with broadly comparable size, market capitalisation, operational profile and industry focus.

As part of this review, the Company engaged Frederic W. Cook & Co. (FW Cook) to provide independent benchmarking analysis of executive remuneration against a peer group of U.S. listed exploration and production companies with broadly comparable size, operational profile and market positioning. FW Cook is an independent executive compensation advisor to boards and remuneration committees of public companies.

REMUNERATION REPORT

For Australian listed peer companies, the Committee reviewed publicly available remuneration disclosures and market data to provide additional context for the benchmarking analysis.

The benchmarking review considered:

- fixed remuneration levels
- short-term incentive opportunities
- long-term incentive structures
- equity participation levels
- the balance between fixed and performance-based remuneration.

The Committee also considered remuneration practices among U.S. micro-cap exploration and production companies, reflecting the Company's operational focus in the United States and the Company's planned Level 3 ADS listing.

F. REMUNERATION OUTCOMES FOR FY2025

For the year ended 31 December 2025, the Company maintained a remuneration framework consistent with prior periods while continuing to refine its long-term incentive arrangements in anticipation of the Company's planned Level 3 ADS listing.

Short-Term Incentive outcomes for executive management reflected performance against the Company's operational and financial objectives, including capital expenditure discipline, operating cost performance and operational execution.

STI bonuses recognised during the year represent payments approved by the Board under the Company's Short-Term Incentive Plan.

No Long-Term Incentive awards were granted during the reporting period while the Company continued to review and refine the LTIP framework.

REMUNERATION REPORT

G. DETAILS OF REMUNERATION (AASB 124 DISCLOSURE)

Remuneration of Key Management Personnel — Year Ended 31 December 2025

31 December 2025	Short-Term Employee Benefits				Post-employment Superannuation / Pension	TOTAL	Equity Related %
	Salary and Fees \$	Bonus STI \$	Share-based Benefits \$	Other Benefits \$			
Executive Directors							
David Prentice	400,000	80,000	-	-	-	480,000	0%
Non-Executive Directors							
Michael Fry	80,000	-	-	-	-	80,000	0%
Richard Homsany	40,000	-	-	-	-	40,000	0%
Chris Robertson	40,000	-	-	-	-	40,000	0%
Chris Weatherl	22,772	-	-	-	-	22,772	0%
Other Key Management Personnel							
Shane Gray	410,913	73,964	-	28,978	16,437	530,292	0%
Total 31 Dec 2025	993,685	153,964	-	28,978	16,437	1,193,064	-

As at 31 December 2025, the Group had accrued \$51,149 in outstanding director fees (31 December 2024: \$50,000).

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

REMUNERATION REPORT

Notes to Remuneration Table

1. **No long-term incentive awards were granted** to Key Management Personnel during the financial year ended 31 December 2025.
2. **Short-Term Incentive payments** represent bonuses approved by the Board under the Company's Short-Term Incentive Plan and reflect performance against operational, capital expenditure and cost management objectives.

H. ADDITIONAL DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

Shares Held by Key Management Personnel

There were no shares granted during the year as compensation.

	Balance at 1 Jan 2025	Acquired	Exercise of share rights	Other	Balance at 31 Dec 2025
Executive Directors					
David Prentice	2,253,638	399,998	346,364	-	3,000,000
Non-Executive Directors					
Michael Fry	560,000	-	-	-	560,000
Richard Homsany	96,000	-	-	-	96,000
Chris Robertson	1,646,142	30,860	-	-	1,677,002
Chris Weatherl	-	-	-	-	-
Other Key Management Personnel					
Shane Gray	4,000	3,000	200,000	-	207,000
Total	4,559,780	433,858	546,364	-	5,540,002

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

REMUNERATION REPORT

Share Rights Held by Key Management Personnel

	Balance at 1 Jan 2025	Acquired	Exercise of share rights	Other	Balance at 31 Dec 2025
Executive Directors					
David Prentice	346,364	-	(346,364)	-	-
Non-Executive Directors					
Michael Fry	-	-	-	-	-
Richard Homsany	-	-	-	-	-
Chris Robertson	-	-	-	-	-
Chris Weatherl	-	-	-	-	-
Other Key Management Personnel					
Shane Gray	200,000	-	(200,000)	-	-
Total	546,364	-	(546,364)	-	-

	Balance at 1 Jan 2024	Granted as Remuneration	Exercise of share rights	Other	Balance at 31 Dec 2024
Executive Directors					
David Prentice	2,318,182	15,000,000 ⁽ⁱ⁾	-	(16,971,818)	346,364
Non-Executive Directors					
Michael Fry	-	-	-	-	-
Richard Homsany	-	-	-	-	-
Chris Robertson	-	-	-	-	-
Total	2,318,182	15,000,000	-	(16,971,818)	346,364

Options Held by Key Management Personnel

No options were granted to Key Management Personnel during the financial year.

REMUNERATION REPORT

I. SERVICE AGREEMENTS

Executive	Position	Base Salary	Terms of Agreement	Notice Period
David Prentice	Managing Director	A\$33,333 per month	Ongoing employment agreement	6 months
Shane Gray	Chief Financial Officer	US\$265,000 per annum	Ongoing employment agreement	3–6 months
Michael Fry	Non-Executive Chairman	A\$80,000 per annum	Ongoing appointment	Reasonable notice
Richard Homsany	Non-Executive Director	A\$40,000 per annum	Ongoing appointment	Reasonable notice
Chris Robertson	Non-Executive Director	A\$40,000 per annum	Ongoing appointment	Reasonable notice
Chris Weatherl	Non-Executive Director	US\$36,000 per annum	Ongoing appointment	Reasonable notice

END OF REMUNERATION REPORT

To the Board of Directors,

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

As lead audit director for the audit of the financial statements of Brookside Energy Limited for the year ended 31 December 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully



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



NIKKI SHEN CA
Director

Dated this 31st day of March 2026
Perth, Western Australia

Corporate Governance Statement

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

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

All these practices, unless otherwise stated, were in place for the entire period and comply with the ASX Corporate Governance Principles and Recommendations and are contained in the accompanying Appendix 4G for the period ended 31 December 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	For the year ended 31 Dec 2025 \$	For the year ended 31 Dec 2024 \$
Revenue	2	53,789,020	46,902,292
Royalties expense	2	(23,213,212)	(22,400,604)
Production expense		(7,677,788)	(2,397,148)
Gross profit		22,898,020	22,104,540
Interest revenue		307,950	997,294
Gain on derivative instruments		712,771	-
Other revenue	2	1,659,366	1,511,707
Director and employee related expenses		(4,213,764)	(1,999,791)
Amortisation expense	7	(15,435,313)	(14,971,528)
Depreciation expense		(193,812)	(111,720)
Compliance and registry expenses		(462,054)	(203,218)
Accounting and audit fees		(295,229)	(609,902)
Promotion and communication cost		(175,411)	(357,118)
Share based payments expense	20	(95,400)	(433,333)
Interest on financing		(591,881)	(591,403)
Finance costs		(92,974)	(99,895)
Accretion expense		(104,865)	(51,523)
Fair value loss on equity investment		-	(52,500)
Other expenses	2	(1,186,147)	(2,299,204)
Profit before income tax expense		2,731,257	2,832,406
Income tax expense	3	-	-
Net profit for the period		2,731,257	2,832,406
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit and loss:</i>			
Gain on cash flow hedges		174,226	-
Exchange differences on the translation of foreign operations		(6,124,680)	8,709,682
Other comprehensive income for the year net of taxes		(3,219,197)	11,542,088
Total comprehensive income for the year		(3,219,197)	11,542,088
Earnings Per Share			
Basic and diluted earnings per share (cents)	16	0.03	0.03

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	As at 31 Dec 2025 \$	As at 31 Dec 2024 \$
Assets			
Current Assets			
Cash and cash equivalents	4	11,855,293	11,391,127
Trade and other receivables	5	4,333,520	8,327,305
Derivative financial instruments		174,226	-
Financial assets fair value through profit or loss		52,500	52,500
Other		176,125	44,232
Total Current Assets		16,591,664	19,815,164
Non-Current Assets			
Property, plant, and equipment		179,287	17,843
Right- of-use assets	8	750,595	941,755
Producing assets	7	71,475,343	73,919,212
Exploration and evaluation assets	6	25,087,313	32,992,833
Total Non-Current Assets		97,492,538	107,871,643
Total Assets		114,084,202	127,686,807
Liabilities			
Current Liabilities			
Trade and other payables	9	17,032,954	24,215,527
Finance lease liabilities		121,881	106,091
Provisions		653,358	126,178
Other liabilities	10	3,466,252	4,695,753
Total Current Liabilities		21,274,445	29,143,549
Non Current Liabilities			
Finance lease liabilities		801,542	976,884
Provisions		-	466,617
Other liabilities		-	1,690,976
Total Non Current Liabilities		801,542	3,134,477
Total Liabilities		22,075,987	32,278,026
Net Assets		92,008,215	95,408,781
Equity			
Share capital	11	265,247,789	265,064,748
Reserves	12	5,597,203	13,143,191
Accumulated losses		(178,836,776)	(182,799,158)
Total Equity		92,008,215	95,408,781

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Share Capital	Accumulated Losses	Share Based Payment Reserve	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2024	264,956,415	(185,631,564)	1,270,534	-	2,837,975	83,433,360
Profit for the period	-	2,832,406	-	-	-	2,832,406
Other comprehensive income	-	-	-	-	8,709,682	8,709,682
Total comprehensive loss for the period	-	2,832,406	-	-	8,709,682	11,542,088
Share issued	108,333	-	-	-	-	108,333
Share rights issued	-	-	433,333	-	-	433,333
Share rights exercised	-	-	(108,333)	-	-	(108,333)
Balance at 31 December 2024	265,064,748	(182,799,158)	1,595,534	-	11,547,657	95,408,781
Balance at 1 January 2025	265,064,748	(182,799,158)	1,595,534	-	11,547,657	95,408,781
Profit for the period	-	2,731,257	-	-	-	2,731,257
Other comprehensive income	-	-	-	174,226	(6,124,680)	(5,950,454)
Total comprehensive loss for the period	-	2,731,257	-	174,226	(6,124,680)	(3,219,197)
Share issued	459,809	-	-	-	-	459,809
Share rights exercised	-	-	(364,409)	-	-	(364,409)
Share buy-back	(271,437)	-	-	-	-	(271,437)
SBP and Options Reserve Expiry	-	1,231,125	(1,231,125)	-	-	-
Share issue costs	(5,331)	-	-	-	-	(5,331)
Balance at 31 December 2025	265,247,789	(178,836,776)	-	174,226	5,422,976	92,008,215

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	For the year ended 31 Dec 2025 \$	For the year ended 31 Dec 2024 \$
Cash flows from operating activities			
Receipts from customers		58,905,597	45,608,387
Payments to suppliers and employees		(38,223,431)	(25,555,347)
Interest received		307,187	997,294
Net cash provided by operating activities	13	20,989,353	21,050,334
Cash flows from investing activities			
Payments for exploration activities		(18,693,551)	(36,815,106)
Payments for producing assets		(1,349,581)	-
Proceeds from sale of producing assets		124,815	-
Payments for property, plant and equipment		(73,830)	(21,059)
Net cash used in investing activities		(19,992,147)	(36,836,166)
Cash flows from financing activities			
Payments for share buy-back		(279,160)	(99,000)
Payments of borrowing costs		(133,910)	(22,117)
Payments of lease liabilities		(180,934)	(29,189)
Net cash used in financing activities		(594,004)	(150,306)
Net increase / (decrease) in cash and cash equivalents		403,202	(15,936,137)
Cash at beginning of the period		11,391,127	26,233,914
Effect of exchange rates on cash		60,964	1,093,350
Cash at end of period		11,855,293	11,391,127

The accompanying notes form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.A. BASIS OF PREPARATION

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

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

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

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

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

The financial report is presented in Australian dollars.

1.A.1. Functional and Presentation Currency

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

1.A.2. Accounting Policies

The same accounting policies and methods of computation have been followed in this consolidated financial report as were applied in the 31 December 2024 financial statements except for the impact (if any) of the new and revised standards and interpretations as outlined in Note 1.B.

1.A.3. Going Concern

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

During the year ended 31 December 2025 the Group incurred a net profit of \$2,731,257 (2024: \$2,832,406), a net cash inflow from operating activities amounting to \$20,989,353 (2024: \$21,050,334) and had net current liabilities of \$4,682,781 (2024: net current liabilities \$9,328,385).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.B. ADOPTION OF NEW AND REVISED STANDARDS

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

Standards and Interpretations applicable to 31 December 2025

In the year ended 31 December 2025, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the year reporting periods beginning on or after 1 January 2025.

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

Standards and Interpretations in issue not yet adopted applicable to 31 December 2025.

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted that are relevant to the Group and effective for the year reporting periods beginning on or after 1 January 2026.

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

1.C. STATEMENT OF COMPLIANCE

The general purpose consolidated financial statements for the period ended 31 December 2025 were approved and authorised for issue on 31 March 2026.

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

1.D. BASIS OF CONSOLIDATION

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.D. BASIS OF CONSOLIDATION (continued)

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

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

1.E. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Exploration and evaluation expenditure

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

Share-based payment transactions

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

Amortisation and estimation of reserves

The Company follows the successful efforts method of accounting for its oil and gas exploration and production activities. Under this method, costs associated with the acquisition of mineral interests, drilling and equipping of successful exploratory and development wells, and related asset retirement costs are capitalized. Geological and geophysical costs, delay rentals, and costs associated with unsuccessful exploratory wells are expensed as incurred.

Exploratory drilling costs are initially capitalized pending determination of whether the well has found proved reserves. If an exploratory well is determined to be unsuccessful, the associated costs are charged to expense. For exploratory wells that find reserves but require additional evaluation to determine commercial viability, costs remain capitalized as long as sufficient progress is being made in assessing the reserves and economic viability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.E. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Amortisation and estimation of reserves (continued)

Under this method of accounting, all costs incident to the acquisition, exploration and development of properties (both developed and undeveloped), including costs of abandoned leaseholds, delay lease rentals, unproductive wells, and well drilling and equipment costs along with certain general and administrative costs, are capitalized. These costs, as well as future development costs on proved undeveloped properties, are amortized using the units-of-production method. The units-of-production method is based primarily on estimates of reserve quantities. Costs of significant development projects are excluded from the depletion base until the projects are placed into production.

To estimate economically recoverable proved reserves and related future net cash flows, we considered many factors and assumptions, including the use of reservoir parameters derived from geological, geophysical and engineering data, which cannot be measured directly, economic criteria based on current costs and SEC pricing requirements and forecasts of future production rates. To establish reasonable certainty with respect to our estimated proved reserves, the technologies and economic data used included, but were not limited to, production, downhole completion information, geologic data, and historical well cost and operating expense data.

During the year, the Company revised its estimate of recoverable reserves for certain oil and gas assets based on additional proved undeveloped reserves. Proved undeveloped reserves are estimated quantities of oil and natural gas expected to be recovered from known reservoirs through future wells, re-completions, or major infrastructure projects. They must have "reasonable certainty" of economic producibility under existing conditions but lack required capital investment for development. The Group has also included the future costs to develop these reserves in the amortisation. As a result, the amortisation charge for the current year decreased by A\$3.75 million. The change is expected to affect amortisation expense in future periods; however, the extent of the impact cannot be reliably estimated.

The Company reviews its proved oil and gas properties for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. If the undiscounted future net cash flows are less than the carrying amount, an impairment loss is recognized to the extent that the carrying value exceeds fair value.

Unproved properties are assessed periodically for impairment based on remaining lease terms, drilling results, reservoir performance, and other relevant factors. If impairment is indicated, the related costs are transferred to expense.

Asset retirement obligations associated with oil and gas properties are recognized in accordance with applicable accounting standards. The fair value of a liability for asset retirement is recorded in the period in which it is incurred, with a corresponding increase in the carrying amount of the related asset. Such costs are depreciated over the useful lives of the related assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.F. REVENUE

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

Sale of oil and gas (operator)

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled.

Non-operated oil and gas revenues

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

Interest income

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

1.G. FOREIGN CURRENCY TRANSLATION

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.H. LEASES

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

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

1.I. PRODUCING ASSETS

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.J. CAPITALISATION OF EMPLOYEE COSTS RELATED TO FIXED ASSETS

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is The Company capitalises certain employee-related costs directly attributable to the acquisition, construction, or development of fixed assets. These costs include salaries, wages, payroll taxes, and benefits for employees who spend time directly on activities necessary to bring an asset to its intended use.

Capitalized employee costs are limited to those incurred during the construction or development phase of a project and are recorded as part of the asset's cost basis. During 2024, the Company capitalised employee costs as a fixed percentage through analysis and discussion with management. Beginning in 2025, the amount capitalized is determined based on actual time incurred or, when appropriate, estimates of time spent on qualifying activities. General and administrative costs, as well as costs related to training, maintenance, or inefficiencies, are expensed as incurred.

Capitalization of such costs ceases once the asset is substantially complete and ready for its intended use. These costs are moved with other relevant costs to producing assets once the asset is in production. Capitalized employee costs are subsequently amortised over the estimated useful life of the related asset, consistent with the Company's depletion policies.

Management periodically evaluates the appropriateness of capitalised employee costs to ensure compliance with applicable accounting standards and the Company's capitalisation policy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. REVENUES AND EXPENSES

REVENUE

	Year ended 31-Dec-25 \$	Year ended 31-Dec-24 \$
Oil and gas sales - operator (Point in time)	48,497,913	46,223,364
Oil and gas sales - non-operator (Point in time)	5,291,107	678,928
Oil and gas revenue	53,789,020	46,902,292
Royalties expenses ¹	(23,213,212)	(22,400,604)
	30,575,808	24,501,688
Other revenue		
Overhead income from program participants	-	308,915
Other ²	1,659,366	1,202,792
	1,659,366	1,511,707

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

² Included within Other are Marketing revenue of \$486,188 and reimbursements of \$718,275.

- The Company received Marketing Revenue from other working interest partners to compensate for efforts to sell the oil and gas products.
- The Company also receives reimbursement at fixed rates for overhead related to the joint operations costs which is guided by the Council of Petroleum Accountants Society (COPAS).

EXPENSES

	Year ended 31-Dec-25 \$	Year ended 31-Dec-24 \$
Other expenses		
Administration expenses	399,199	1,217,589
Insurance expenses	86,819	306,472
Consultant fees	284,649	200,828
Legal fees	122,404	144,328
Travel expenses	293,076	429,987
	1,186,147	2,299,204

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. INCOME TAX EXPENSE

The components of tax expense comprise:

	Year ended 31-Dec-25 \$	Year ended 31-Dec-24 \$
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in statement of profit or loss and other comprehensive income	-	-
Prima facie tax benefit on profit from ordinary activities before income tax at 30% (2024: 30%)	819,377	849,722
Add tax effect of:		
Deductible expenses	(1,345,352)	(10,568,587)
Losses not recognised	676,166	9,885,855
Impact of different tax rate (USA)	(150,191)	(166,990)
	-	-
Less tax effect of:		
Losses recouped deferred tax balances not recognised	-	-
Income tax benefit reported in the consolidated statement of profit or loss and other comprehensive income	-	-

3.G. UNRECOGNISED DEFERRED TAX LIABILITIES AND ASSETS

	Year ended 31-Dec-25 \$	Year ended 31-Dec-24 \$
Unrecognised deferred tax liabilities at 30% (31 December 2024: 30%):		
Other deferred tax liabilities	21,799	3,794
Less: Deferred tax assets recognised (tax losses)	(21,799)	(3,794)
	-	-

	Year ended 31-Dec-25 \$	Year ended 31-Dec-24 \$
Unrecognised deferred tax assets at 30% (31 December 2024: 30%):		
Carry forward revenue losses	8,196,798	15,359,894
Provisions and accruals	39,150	43,050
Capital raising	63,159	240,816
Less: Deferred tax liabilities	(21,799)	(3,794)
	8,277,308	15,639,967

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. INCOME TAX EXPENSE (continued)

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

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

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

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. INCOME TAX EXPENSE (continued)

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

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

Other taxes

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

4. CASH AND CASH EQUIVALENTS

	As at 31-Dec-25 \$	As at 31-Dec-24 \$
Cash at bank	11,855,293	11,391,127
	11,855,293	11,391,127

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. TRADE & OTHER RECEIVABLES

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

	As at 31-Dec-25 \$	As at 31-Dec-24 \$
Current		
Accrued revenue	4,321,601	8,273,820
Other receivables	11,919	53,485
	4,333,520	8,327,305

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

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

The expected loss rates are based on the payment profile for sales over the past 48 months before 31 December 2025 and 31 December 2024 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. EXPLORATION AND EVALUATION

	As at 31-Dec-25 \$	As at 31-Dec-24 \$
<i>Costs carried forward in respect of areas of interest in:</i>		
Exploration and evaluation phases – at cost	25,410,177	32,992,833
Opening Balance	32,992,833	32,360,881
Capitalised expenses	15,190,449	49,489,361
Transfer to Producing assets (refer to Note 7)	(16,114,089)	(52,062,685)
Reclassification adjustments ⁽ⁱ⁾	(1,221,701)	-
Foreign currency transaction on movement	(5,760,179)	3,205,276
	25,087,313	32,992,833

(i) *In the current year, management reviewed the presentation of certain line items within the financial statements. As a result, reclassifications have been made within the current reporting period to enhance consistency and relevance of presentation. These reclassifications have no impact on previously reported profit, loss, or equity.*

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.

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. PRODUCING ASSETS

	As at 31-Dec-25 \$	As at 31-Dec-24 \$
Balance at beginning of period	73,919,212	32,593,556
Transferred from exploration and evaluation assets ⁽ⁱ⁾	16,114,089 ⁽ⁱ⁾	52,062,685 ⁽ⁱⁱ⁾
Add: capitalisation of production expense	554,959	1,898,365
Less: sale of oil & gas property	(122,148)	-
Less: amortisation	(15,435,313)	(14,971,528)
Reclassification adjustments (refer to Note 6)	1,221,701	-
Foreign currency translation on movement	(4,777,157)	2,336,134
	71,475,343	73,919,212

(i) On 23 July 2025, the Company announced solid early production results from the Bruins Well, its ninth operated horizontal well in the SWISH Play. A total cost of \$12,109,561 in relation to the Bruins wells drilling program, has been transferred from exploration and evaluation assets to producing asset.

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

Estimates and judgements

Assumptions used to carry forward the producing assets.

During the year ended 31 December 2025, no producing assets were assessed as impaired.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. RIGHT-OF-USE ASSETS

	As at 31-Dec-25 \$	As at 31-Dec-24 \$
Balance at beginning of period	941,755	-
Additions	-	1,117,693
Depreciation expensed	(170,127)	(110,770)
Effect of exchange rates	(21,033)	(65,168)
	750,595	941,755

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

9. TRADE AND OTHER PAYABLES

	As at 31-Dec-25 \$	As at 31-Dec-24 \$
Current		
Trade creditors	5,759,318	7,596,234
Other current liabilities ⁽ⁱ⁾	11,050,786	16,573,293
Accrued and other payables	222,850	46,000
	17,032,954	24,215,527

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

Terms and conditions

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

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

10. OTHER LIABILITIES

	As at 31-Dec-25 \$	As at 31-Dec-24 \$
Current	3,466,252	4,695,753
Non-current	-	1,690,976
	3,466,252	6,386,729

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. SHARE CAPITAL

	As at 31-Dec-25 \$	As at 31-Dec-24 \$
Issued and paid up capital		
95,458,550 Ordinary shares	265,247,789	265,064,748
(31 December 2023: 4,764,545,628)		

11.A. MOVEMENTS IN SHARE CAPITAL

	Year ended 31-Dec-25 \$	Year ended 31-Dec-24 \$
At the beginning of the period	265,064,748	264,956,415
Shares issued during the period:		
- Exercise of share rights	364,409	108,333
- Payment of advisor fees in ordinary shares	95,400	-
Share buy back	(271,437)	-
Share issue costs	(5,331)	-
At end of the period	265,247,789	265,064,748

11.B. MOVEMENTS IN NUMBER OF SHARES ON ISSUE

	Year ended 31-Dec-25 Number	Year ended 31-Dec-24 Number
At the beginning of the period	95,458,550	4,764,545,628
Shares issued during the period:		
- Exercise of share rights	546,364	8,333,333
- Payment of advisor fees in ordinary shares	240,000	-
Share buy back	(685,882)	-
Share consolidation	-	(4,677,420,411)
At end of the period	95,559,032	95,458,550

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. SHARE CAPITAL (continued)

11.C. TERMS AND CONDITIONS OF CONTRIBUTED EQUITY

11.C.1 Ordinary shares

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

11.D. MOVEMENTS IN NUMBER OF SHARE RIGHTS ON ISSUE

	As at 31-Dec-25 Number	As at 31-Dec-24 Number
At the beginning of the period	546,364	2,318,182
- Share rights issued to director and employees	-	33,333,333
- Share rights exercised	(546,364)	(8,333,333)
- Consolidation	-	(26,771,818)
At end of the period	-	546,364

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. RESERVES

Nature and purpose of reserves

Share-based Payments Reserve

This reserve is used to record the value of equity benefits provided to employees, consultants and Directors as part of their remuneration. Refer to Note 19 for further details of these plans.

Cash Flow Hedge Reserve

This reserve is used to record the cumulative effective portion of gains or losses on hedging instruments that are designated and qualify as cash flow hedges.

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign subsidiary accounts.

	As at 31-Dec-25 \$	As at 31-Dec-24 \$
Share based payment reserve	-	1,595,534
Cash flow hedge reserve	174,226	-
Foreign currency translation reserve	5,422,977	11,547,657
	5,597,203	13,143,191

SHARE BASED PAYMENT RESERVE

	As at 31-Dec-25 \$	As at 31-Dec-24 \$
Balance at the beginning of the period	1,595,534	1,270,534
Reversal of limited recourse loan	(1,231,125)	-
<i>Share Rights issued during the period:</i>		
- Share Rights issued to director (Note 18)	-	195,000
- Share Rights issued to employees (Note 18)	-	238,333
<i>Share Rights exercised during the period:</i>		
- Share Rights exercised	(364,409)	(108,333)
Balance at end of period	-	1,595,534

12.B FOREIGN CURRENCY RESERVE

	As at 31-Dec-25 \$	As at 31-Dec-24 \$
At the beginning of the period	11,547,657	2,837,975
Movement during the period	(6,124,680)	8,709,682
Balance at end of period	5,422,976	11,547,657

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. CASH FLOW INFORMATION

RECONCILIATION OF NET PROFIT AFTER TAX TO THE NET CASH FLOWS FROM OPERATIONS

	Year ended 31-Dec-25 \$	Year ended 31-Dec-24 \$
Net profit	2,731,257	2,832,406
Non-cash items		
Share based payment expense	95,400	433,333
Fair value loss on financial assets	-	52,500
Depreciation expense	193,812	111,720
Amortisation expense	15,435,313	14,971,528
Accretion expense	104,865	51,523
Changes in assets and liabilities		
Decrease/(Increase) in receivables and other assets	3,871,904	(4,496,312)
Increase/(decrease) in payables and accruals	(1,443,198)	7,093,636
Net cash flows (used in)/from operating activities	20,989,353	21,050,334
Reconciliation of cash:		
<i>Cash balances comprises</i>		
AUD accounts	227,244	52,513
USD accounts	11,628,049	11,338,614
	11,855,293	11,391,127

14. KEY MANAGEMENT PERSONNEL DISCLOSURES

REMUNERATION OF DIRECTORS AND EXECUTIVES

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

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

	As at 31-Dec-25 \$	As at 31-Dec-24 \$
Short term employee benefits	1,176,627	661,030
Post-employment benefits	16,437	-
Share-based payments	-	195,000
	1,193,064	856,030

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. SEGMENT INFORMATION

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

Identification of reportable segments

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

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

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

Types of reportable segments

- (i) Oil and gas exploration and exploitation: Segment assets, including acquisition cost of exploration licenses and all expenses related to the projects in the USA are reported on in this segment.
- (ii) Corporate, including treasury, corporate and regulatory expenses arising from operating an ASX listed entity. Segment assets, including cash and cash equivalents, and investments in financial assets are reported in this segment.

Basis of accounting for purposes of reporting by operating segments.

Accounting policies adopted

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

Segment assets

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

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

Segment liabilities

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. SEGMENT INFORMATION (continued)

	Corporate \$	Oil & Gas and other USA entities \$	Total \$
31-Dec-25			
Segment performance			
Segment revenue	2,462	56,466,645	56,469,107
Segment results	(2,275,136)	5,006,393	2,731,257
<i>Included within segment result:</i>			
- Interest on financing	-	(591,881)	(591,881)
- Finance costs	(7,251)	(85,723)	(92,974)
- Amortisation expenses	-	(15,435,313)	(15,435,313)
- Share based payment expense	(95,400)	-	(95,400)
Segment assets	805,798	113,400,285	114,206,083
Segment liabilities	(227,936)	(21,969,931)	(22,197,867)
31-Dec-24			
Segment performance			
Segment revenue	8,738	49,402,555	49,411,293
Segment results	(2,733,911)	5,566,317	2,832,406
<i>Included within segment result:</i>			
- Interest on financing	-	(591,403)	(591,403)
- Finance costs	(4,042)	(95,853)	(99,895)
- Amortisation expenses	-	(14,971,528)	(14,971,528)
- Share based payment expense	(433,333)	-	(433,333)
Segment assets	546,292	127,140,515	127,686,807
Segment liabilities	(246,679)	(32,031,347)	(32,278,026)

During 2025, \$48,497,913 or 90% of the Group's revenues depended on five customers in the segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. EARNINGS/(LOSS) PER SHARE

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

	As at 31-Dec-25 \$	As at 31-Dec-24 \$
Profit used in calculation of basic and diluted EPS	2,731,257	2,832,406
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	95,819,811	95,373,336

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

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

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

17. AUDITOR'S REMUNERATION

	Year ended 31 Dec 2025 \$	Year ended 31 Dec 2024 \$
<i>The auditor of Brookside Energy Limited is Hall Chadwick.</i>		
<i>Amounts received or due and receivable to the auditor for:</i>		
Audit or reviewing the financial report.	50,000	60,000
	50,000	60,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. FINANCIAL INSTRUMENTS

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

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

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

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

Market Risk

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

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

Currency Risk

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

The Group's sensitivity to foreign exchange rates has increased during the year mainly to the exposure of deposits held in US dollars (Note 13) and US dollars payables (Note 9) at year end in the Group. If the US dollars exchange rate strengthened (weakened) against all other currencies as at 31 December 2025 by 10% then profit or loss and equity would increase by \$1,162,805 (decrease by \$1,162,805).

Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities. The Group does not have short- or long-term debt, and therefore this risk is minimal. The weighted average interest rate on cash balances at the end of the year was 3.86% (2024: 4.50%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. FINANCIAL INSTRUMENTS (continued)

Credit Risk

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

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

The Group's maximum exposure to credit risk at each balance date in relation to each class of recognised financial assets is the carrying amount, net of any allowance for doubtful debts, of those assets as indicated in the statement of financial position. The maximum credit risk exposure of the Group at 31 December 2025 is Nil (2024: Nil).

Liquidity Risk

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

Capital Management

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. FINANCIAL INSTRUMENTS (continued)

18.A. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

Disclosures

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

Financial assets of \$52,500 (2024: \$52,500) represents level 1 financial instruments being shares in a listed Company

Net fair value of financial assets and liabilities

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

19. CONTINGENT ASSETS AND LIABILITIES

There are no contingent liabilities or contingent assets.

20. SHARE BASED PAYMENTS

Share-based payments made during the full year ended 31 Dec 2025 are summarised below.

	As at 31 Dec 2025 \$	As at 31 Dec 2024 \$
Payment of advisor fees in ordinary shares	95,400	-
Share Rights issued to director ⁽ⁱ⁾	-	195,000
Share Rights issued to employee	-	238,333
	95,400	433,333

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. SUBSIDIARIES

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

Subsidiary	Incorporation	2025 Ownership	2024 Ownership
BRK Oklahoma Holdings, LLC	USA	100%	100%
Black Mesa Energy, LLC	USA	100%	100%
Orion Acquisitions, LLC	USA	100%	100%
Anadarko Leasing, LLC	USA	100%	100%

22. PARENT ENTITY DISCLOSURES

	Year Ended 31-Dec-25 \$	Year Ended 31-Dec-24 \$
Financial Position		
Assets		
Current assets	426,645	171,144
Non-current assets	34,069,375	36,800,124
Total assets	34,496,020	36,971,268
Liabilities		
Current liabilities	227,936	246,679
Total liabilities	227,936	246,679
Equity		
Issued capital	265,247,774	265,064,748
Accumulated losses	(230,979,691)	(229,935,693)
Reserves	-	1,595,534
Total equity	34,268,084	36,724,589
Financial performance		
Loss for the period	(2,275,136)	(2,733,911)
Other comprehensive income	-	-
Total comprehensive income	(2,275,136)	(2,733,911)

Contingent liabilities

As at 31 December 2024 and 2025, the Group had no contingent liabilities.

Contractual Commitments

As at 31 December 2024 and 2025, the Group had no contractual commitments.

Guarantees entered into by parent entity

As at 31 December 2024 and 2025, the Group had not entered into any guarantees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. COMMITMENTS AND CONTINGENCIES

The Group has no material commitments or contingencies.

24. SUBSEQUENT EVENTS

On 19 March 2026, the Company announced its year-end 2025 reserves certification, reporting Total Proved plus Probable (2P) Net Reserves of 12.52 MMBOE, independently assessed by Haas & Cobb as at 31 December 2025.

On 26 March 2026, the Company announced that operations have commenced at its next two-well development pad in the SWISH Area of Interest (AOI) in the Anadarko Basin, Oklahoma. Earthworks are now underway at the site, with pad preparation and lease access activities in progress. These operations mark the first step in the execution of Brookside's next phase of development drilling, with the program on track to commence in May 2026.

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

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Basis of preparation

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

Tax residency

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

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

Australian tax residency

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

Foreign tax residency

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

Trusts and partnerships

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

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

DIRECTORS' DECLARATION

- 1) In the opinion of the directors of Brookside Energy Limited (the 'Group'):
 - a) the financial statements, notes and the additional disclosures are in accordance with the *Corporations Act 2001* including:
 - i) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the year then ended; and
 - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
 - b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
 - c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
 - d) The information disclosed in the attached consolidated entity disclosure statement is true and correct.
- 2) This declaration has been made after reviewing the declarations required to be made to the directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 31 December 2025.

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



David Prentice
Managing Director

31 March 2026

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF BROOKSIDE ENERGY LIMITED AND ITS CONTROLLED ENTITIES

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Brookside Energy Limited ("the Company") and its controlled entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the director's declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2025 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
1) Revenue and related risk of fraud – Note 2 The Group's revenue are primarily from the sale of oil and gas and sales revenue recognised for the year amounts to \$53,789,020 for the year (2024: \$46,902,292). Revenue recognition was a key audit matter due to the associated fraud risk (overstatement and/or misappropriation), importance and materiality of the matter to users' understanding of the financial report.	Our work included, but was not limited to, the following procedures: • Ensuring that accounting policies comply with Australian Accounting standards; • Performing testing over a sample of revenue to supporting evidence; • Ensuring the adequacy of disclosures made within the financial report; • Comparing sales recorded to external information, including production volumes and commodity prices to determine the reasonableness of revenue recognised.
2) Producing assets – Note 7 Australian Accounting Standards require the Group to assess whether there are any indicators that oil and gas properties may be impaired. If an indicator exists, the Group must estimate the recoverable amount of the asset. At year end, the Group concluded that there were no impairment charges or reversals of previous impairment charges required for any of its Cash Generating Units (CGUs). In determining whether there was an indicator of impairment or impairment reversal, the Group considered whether there was a significant change in the external or internal factors as set out in Note 7 to the financial statements. The key assumptions, judgements and estimates used in the Group's assessment of impairment are also disclosed in Note 7. The assessment of impairment indicators is complex	We evaluated whether there had been significant changes in the external or internal factors considered by the Group in assessing whether indicators of impairment or reversal of impairment existed. This included assessing the foreign exchange rates and commodity prices with reference to market prices (where available), market research, market practice, market indices, oil production data and historical performance. In addition, future estimated net revenue and profit stream of each CGUs were reviewed. We also considered the adequacy of the financial report disclosures regarding the assumptions, key estimates and judgements applied by management for the Group's assessment of indicators of impairment of non-current assets. These have been disclosed in Note 7.

Key Audit Matter	How our audit addressed the Key Audit Matter
and highly judgmental and includes assessing a range of external and internal factors and modelling a range of assumptions that could impact the recoverable amount of a CGU. Accordingly, this matter was considered to be a key audit matter. 3) Exploration and Evaluation – Note 6 In accordance with AASB 6 Exploration and Evaluation of Mineral Resources, the Group capitalises all exploration and evaluation expenditure, including acquisition costs, and subsequently applies the cost model after recognition. Our audit focused on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group. We have planned our work to address the audit risk that the capitalised expenditure might not meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may be impaired under AASB 6. As at 31 December 2025 the carrying value of exploration and evaluation assets was \$25,087,313 (2024: \$32,992,833), as disclosed in Note 6.	Our work included, but was not limited to, the following procedures: • Conducting a detailed review of management's assessment of impairment trigger events prepared in accordance with AASB 6 including: ○ Assessing whether the rights to tenure of the areas of interest remained current at report date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future; ○ Holding discussions with the Directors as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and • Considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the Group's accounting policy; and • Assessing the appropriateness of the related disclosures in Note 6.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 31 December 2025, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2025.

In our opinion, the Remuneration Report of Company, for the year ended 31 December 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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



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



NIKKI SHEN CA
Director

Dated this 31st day of March 2026
Perth, Western Australia

Brookside Energy Limited

ADDITIONAL SHAREHOLDER INFORMATION



ADDITIONAL SHAREHOLDERS' INFORMATION

A. CORPORATE GOVERNANCE

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

B. SHAREHOLDING

Substantial Shareholders

B.1. Quoted Securities

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

B.2. Unquoted Securities

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

At the date of this report, the Company has no unquoted share rights. 546,364 share rights were exercised during the year.

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

There are 3,884 holders of ordinary shares. Each shareholder is entitled to one vote per share held.

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

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

By Class	Holders of Ordinary Shares	Number of Ordinary Shares	%
1-1,000	644	445,910	0.46%
1,001 - 5,000	1,605	4,083,409	4.24%
5,001 – 10,000	578	4,424,152	4.59%
10,001 - 100,000	916	30,414,433	31.56%
100,001 and over	141	56,997,010	59.15%
TOTALS	3,884	96,364,914	100.00%

B.5. Restricted Securities

The Group has no restricted securities at the current date.

ADDITIONAL SHAREHOLDERS' INFORMATION

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

Fully paid ordinary shares

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

Name	No. of Shares	%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	6,908,994	7.17%
HEDTEK PTY LTD	3,962,000	4.11%
David Prentice	3,000,000	3.11%
CITICORP NOMINEES PTY LIMITED	2,856,465	2.96%
RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	1,890,000	1.96%
MR BRIAN THOMAS CLAYTON & MRS JANET CLAYTON	1,482,223	1.54%
MR IVAN MURRAY HANDASYDE	1,363,170	1.41%
BROOKSIDE ENERGY LIMITED	1,115,882	1.16%
ENSEL SUPERANNUATION FUND PTY LTD <ENSEL SUPER FUND A/C>	928,225	0.96%
STONEHORSE ENERGY LIMITED	900,000	0.93%
GREYHOUND INVESTMENTS PTY LTD <GREYHOUND INVESTMENTS A/C>	880,000	0.91%
MR DOUGLAS PAUL TALBOT	821,461	0.85%
BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	806,330	0.84%
DR DANIEL GEORGE PECHAR & MRS KATRINA JANE PECHAR <PECHAR SUPER FUND A/C>	690,000	0.72%
HOLDSWORTH BROS PTY LTD <HOLDSWORTH BROS S/F A/C>	600,000	0.62%
Michael Fry	560,000	0.58%
NON CORRELATED CAPITAL PTY LTD <ALIWA ALPHA FUND A/C>	552,252	0.57%
BAYESIAN HOLDINGS PTY LTD <M&IL A/C>	550,000	0.57%
RETZOS FAMILY PTY LTD <RETZOS FAMILY S/FUND A/C>	548,000	0.57%
Gracjan Lambert	546,205	0.57%
Total	30,961,207	32.13%
Total Issued Capital	96,364,914	100%

B.7. List of Interests in Mining Tenement and Petroleum Leases

Location	Tenement	Net Acres
Oklahoma	Anadarko Basin	4,961

ADDITIONAL SHAREHOLDERS' INFORMATION

GLOSSARY

A-IFRS	Australian equivalents to International Financial Reporting Standards
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BBSW	Bank Bill Swap Rate
bbl(s)	Blue barrel(s), oil barrel volume is 0.159 cubic metres
bcf	Billion cubic feet of natural gas
boe	Barrel of oil equivalent. The factor used to convert gas to oil equivalent is based upon an approximate energy value of 6,000 cubic feet per barrel and not price equivalence at the time
boepd	Barrel of oil equivalent per day
bopd	Barrel of oil per day inclusive of NGLs
CNOOC	China National Offshore Oil Corporation
EBITDAX	Earnings before interest, tax, depreciation, depletion and amortisation, and exploration expenses
ESP	Electrical submersible pump
FID	Final investment decision
FPSO	Floating production, storage and offloading vessel
GST	Goods and services tax
JOA	Joint operating agreement
km	Kilometres
LIBOR	London inter-bank offered rate
LNG	Liquefied natural gas
MMbbl/MMbo	Million barrels of oil
MMboe	Million barrels of oil equivalent
MMcfb	Millions cubic feet barrels
NDRC	National Development and Reform Commission
NGL(s)	Natural gas liquid(s)
OTCQB	OTC Markets Group Venture Market
ODP	Overall Development Plan
OTCQB	OTC Markets Group Venture Market
ODP	Overall Development Plan
PEP	Petroleum exploration permit
PMP	Petroleum mining permit
Reserves	Reserves as included in this report refers to both Proven and Probable reserves (2P). Proven and Probable reserves are reserves that analysis of geological and engineering data suggests are more likely than not to be recoverable – there is at least a 50% probability that reserves recovered will exceed Proven and Probable reserves.
Contingent Resources	The Company's technically recoverable resources (2C) for its discovered oil and gas fields are classified as contingent resources. These resources would be expected to be booked in reserves (Proven and Probable reserves) once commercialisation arrangements have been finalised.
PSA	Production Sharing Agreement
SDA	Supplemental Development Agreement
SOFR	Secured Overnight Financing Rate
SPE-PRMS	Society of Petroleum Engineers – Petroleum Resources Management System
Sq km	Square kilometres
tcf	Trillion cubic feet of natural gas
USD / US\$	United States dollars
WHP	Wellhead platform
WOU	Workover unit
2D Seismic	Seismic recorded in 2 dimensions
3D Seismic	Seismic recorded in 3 dimensions



Brookside-Energy.com.au

AUSTRALIAN OFFICE

Level 1, 50 Kings Park Road
West Perth, Western Australia 6005

Phone: + 61 8 6212 3500

Email: info@brookside-energy.com.au

UNITED STATES OFFICE

Suite 2700, 15 East 5th Street
Tulsa OK 74103

Phone: [918-933-4454](tel:918-933-4454)

Email: contact@blkmesa.com

