BROOKSIDE

BROOKSIDE ENERGY LIMITED

ACN 108 787 720

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

CONTENTS

CORPORATE DIRECTORY

NON-EXECUTIVE CHAIRMAN
Michael Fry

MANAGING DIRECTOR
David Prentice

NON-EXECUTIVE DIRECTOR
Loren King

COMPANY SECRETARY
Loren King

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ASX CODE

BRK	(Ordinary Shares)
BRKOA	(Options)

DIRECTORS' REPORT

The Directors submit their report for the Company and its subsidiary (**Group** or **Company**) for the financial year ended 31 December 2018. In order to comply with the provisions of the Corporations Act, the directors' report is as follows:

DIRECTORS

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

Name	Position
Michael Fry	Independent Chairman
David Prentice	Managing Director
Loren King	Non-Executive Director

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

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

OPERATING RESULT

The after-tax loss for the Group for the financial year ended 31 December 2018 amounted to $1,217,780 (2017: $1,095,551).

DIVIDENDS

There were no dividends paid or recommended during or subsequent to the financial year ended 31 December 2018 (2017: Nil).

REVIEW OF OPERATIONS

During the full year to 31 December 2018 the Company continued to successfully pursue its strategy of providing shareholders and investors with a unique opportunity to own part of a world class oil and gas resource play and be rewarded as oil and gas reserves are established and values per leasehold acre increase. The Company continues to capitalise on the window in which to build a material premier asset position in the world-class Anadarko Basin Plays (STACK and SCOOP) in Oklahoma.

During the year the company announced details of its maiden estimate of oil and gas reserves attributable to STACK Play holdings in the Anadarko Basin confirming the success of the Company's acreage acquisition and revaluation strategy with the highlights being;

- Net oil and gas reserves of 3.45 MMboe attributable to ~20% of Brookside's total Anadarko Basin holdings
- Proved reserves (PDP and PUD) estimated at 2.83 MMboe (~82% of total reserves), with a further 617 Mboe attributable to the Probable reserve category
- Combined NPV_{10} (PDP, PUD and Probable) of US$12.5 million with forecast future net revenues of US$37.75 million
- NPV_{10} per acre at ~US$30,000 confirms highly successful and scalable acreage acquisition and revaluation business model

Anadarko Basin Play - Leasing and Acquisition Program

BRK Oklahoma announced a significant expansion of its leasing activity during 2018. BRK Oklahoma, together with its partner and manager of US operations Black Mesa Production, LLC (**Black Mesa**), extended its leasing and acquisition activities across the liquids-rich fairways of the Anadarko Basin in Oklahoma and in the SCOOP and STACK Plays specifically.

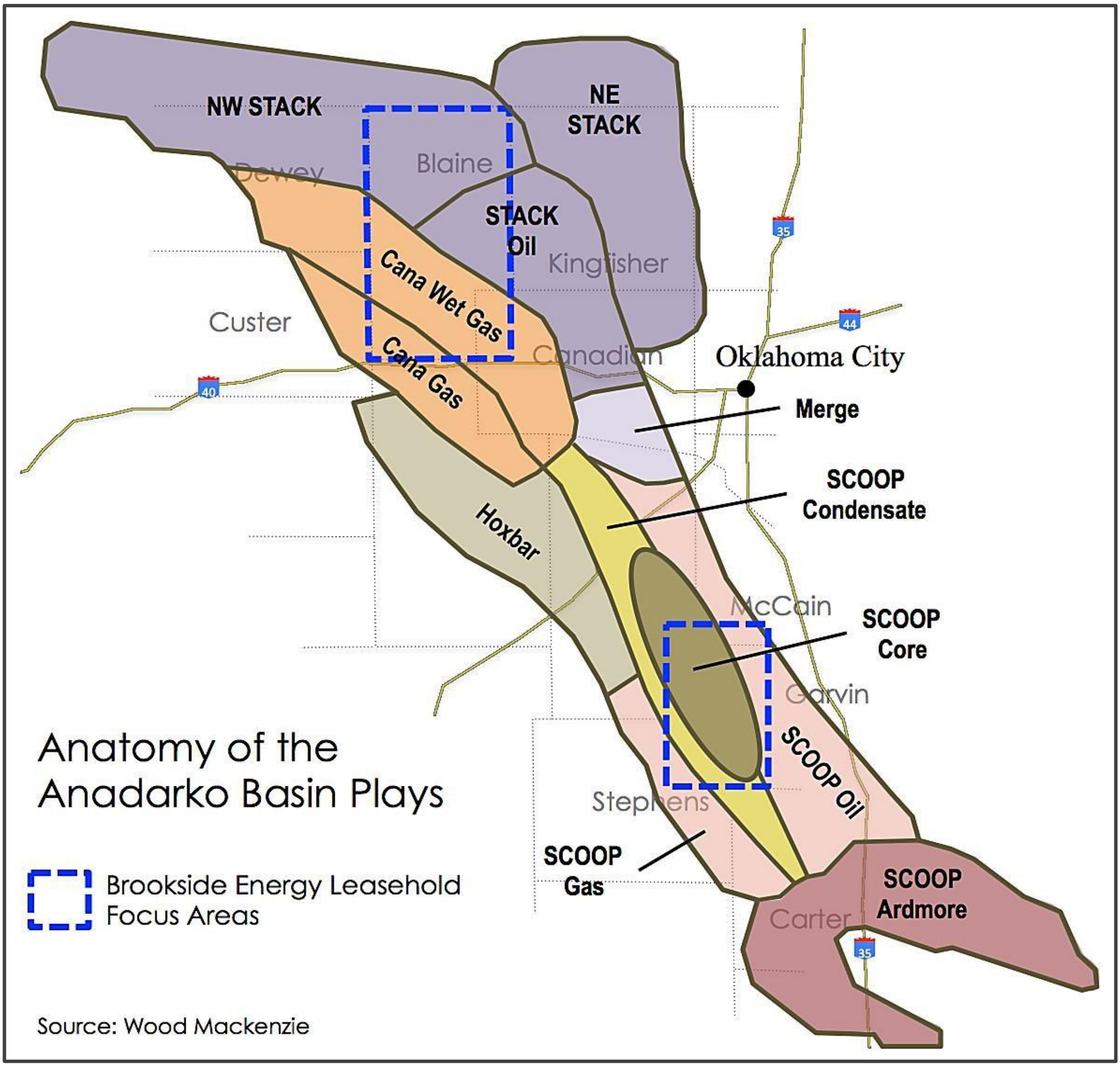

Figure 1. Leasehold focus areas in the Anadarko Basin.

During the year, the Company continued with its ongoing Working Interest leasehold acreage acquisition program in the world class Anadarko Basin plays. The focus was predominantly within the SCOOP Play targeting the SWISH AOI where Black Mesa has identified a ~8,000 acre "operated position" across at least 10 drilling units (with unit sizes ranging from 320 acres to 1,280 acres).

Maiden Oil and Gas Reserves

Brookside's partner and manager of US operations, Black Mesa Production, LLC (Black Mesa) prepared an estimate of the oil and gas reserves and future net revenues for certain petroleum property interests owned by Brookside. These interests consist of non-operated working interests and royalty interests in Oklahoma. The estimated net reserves and future net revenues for these interests are detailed in the ASX release dated 6 December 2018.

Acreage Divestment

The Company also announced during the year it had successfully completed the sale of its non-operated Working Interest leasehold acres in the STACK Play in Oklahoma. This was the first of the Company's non-operated development units in the STACK Play that has progressed to "full field" development, with the operator (a tier-one independent E&P company) to commence drilling eight proved undeveloped wells within this unit.

The acreage sale achieved US$28,600 per acre, representing a multiple of greater than 10-times on the average acquisition price paid, reflecting the significant interest in the secondary market for acreage in the Anadarko Basin Plays. It also highlights the high quality proved undeveloped locations that are being generated from the initial (or parent) wells being drilled in these plays.

Brookside's leasehold acreage in this unit was acquired during the last half of calendar 2016 (for an average consideration of US$2,500 per acre) as part of the Company's initial leasing campaign in the STACK Play.

In July 2018, Brookside successfully completed a second acreage sale from its STACK Play holdings in Oklahoma. The RA Minerals Royalty Acreage package (~96.5 acres) was acquired in March 2016 for ~US$878,000. The acreage package was sold for US$1,475,000 (~US$15,300 per acre for a mix of partially developed and undeveloped acreage).

This price per acre represents ~80% of the estimated "fully developed" PV10 value per acre compared to approximately 72% of estimated PV10 value per acre achieved in the previously announced sale of Working Interest leasehold in STACK.

The sale of this acreage package is another very strong endorsement of how the Company's business model is working, generating value for shareholders and providing working capital that can be leveraged into new holdings with the world class Anadarko Basin.

Anadarko Basin Leasing and Acquisition Activities

During the year the Company continued to focus its attention in the SWISH AOI (located in the SCOOP Play) in south western Oklahoma. As a result of this ongoing activity, the Company has now secured an interest (leasehold Working Interest acres) in twenty-three, 640-acre sections (representing ~13,000 total gross acres) within the 35,000-acre SWISH AOI.

In addition, the Company progressed the process of "high-grading" its position by actively managing its leasehold in the lead up to the filing of regulatory documents to secure operations in a smaller number of specifically targeted sections/development units.

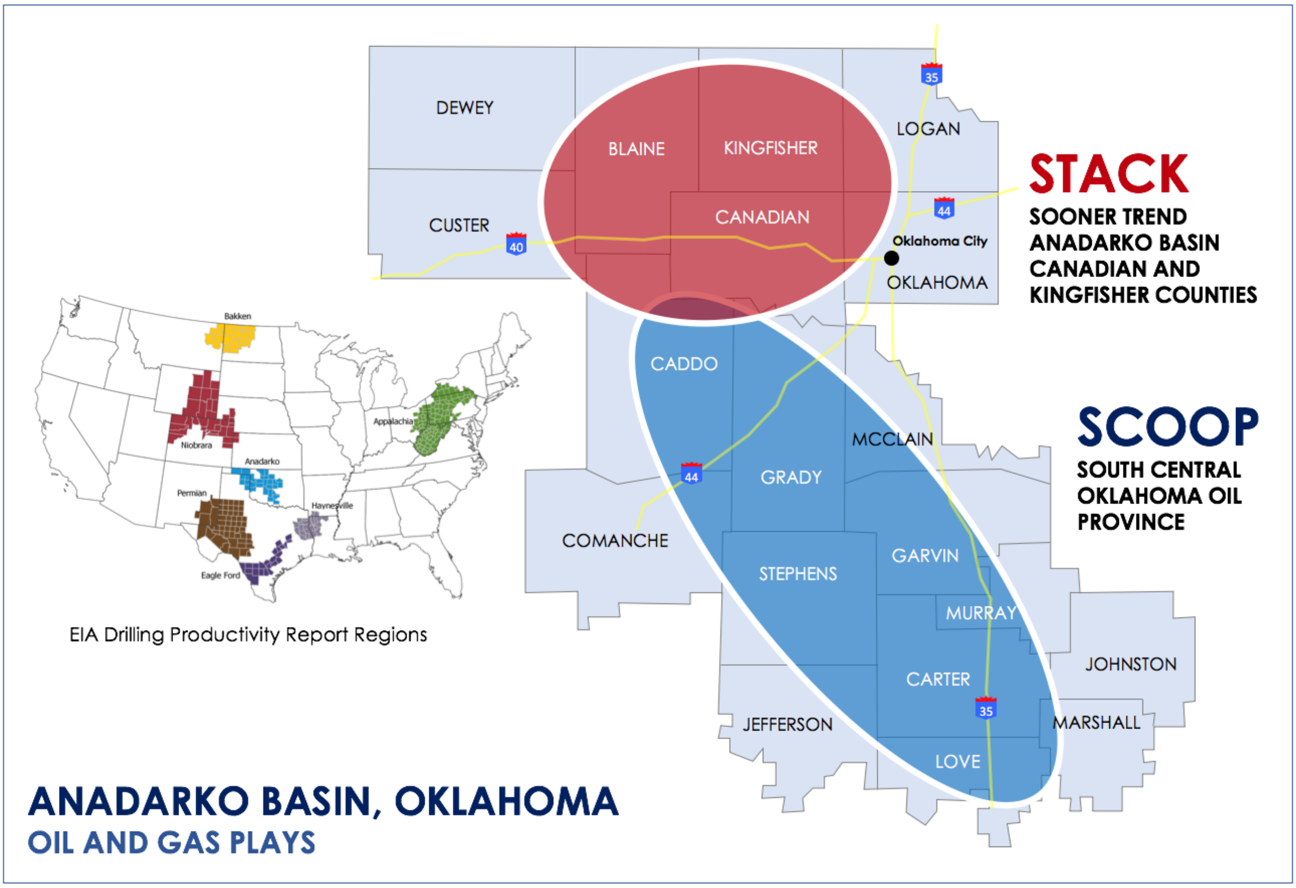

Figure 2. Drilling focus areas within the Anadarko Basin.

Anadarko Basin drilling and completion activity

The Company has now participated in the drilling and completion of sixteen horizontal wells within the Anadarko Basin Plays (STACK & SCOOP) (see Table 2 below).

Very strong sustained production results for the Bullard #1-18-07UWH well were announced during the quarter. The Rimrock Resource Operating, LLC. operated Bullard #1-18-07UWH well (Brookside 20.57% Working Interest) had produced approximately 110,000 BOE (65% oil) in less than three months (~71,000 barrels of oil and 236,000 Mcf gas).

These production results were achieved from a horizontal well bore with a 7,500-foot lateral producing at a depth of approximately 8,050 feet in the "volatile oil window" of the Woodford Shale formation. The well is currently producing full open flow through a 64-inch choke on gas lift.

To date, this well has continued to exceed the Company's pre-drill estimates with expected production to drive significant reserve growth beyond the Company's recently announced Maiden Reserve Report. The Company is estimating up to six additional potential well locations within this single 960-acre development unit.

The Bullard #1-18-07UWH well provides another very strong "data point" for the reserve potential of the Woodford Shale in this area and further justification for higher per-acre valuations in the SCOOP Play generally. Significantly this well is located adjacent to (approximately 5-miles north of) the Company's SWISH AOI, which is the focus of the current leasing campaign. These initial production results provide the Company with further confirmation of the productivity of the Woodford Shale in this part of the SCOOP Play and validate our SWISH acreage acquisition strategy were the Company is targeting both the Sycamore and Woodford Formations.

In addition, tier-one independent operator Continental Resources, Inc. (NYSE:CLR) announced initial production results for the Randolph #1-34-27XHM well in the STACK Play (Brookside 0.3% Working Interest), reporting IP24 production of 560 barrels of oil and 25,710 Mcf gas (4,845BOE/day) for this 7,150' lateral (30/64 choke).

Well Name	Operator	WI	Status
Strack #1-2-11XH	Marathon Oil, Co.	1.02%	Producing
Ike #1-17-20XH	Continental Resources, Inc.	NA	Sold
Davis #1-8-1611MH	Triumph Energy Partners, LLC	1.17%	Producing
HR Potter 1511 #1-3-34XH	Marathon Oil, Co.	0.80%	Sold
Landreth BIA #1-14H	Marathon Oil, Co.	2.55%	Producing
Herring #1-33 1513MH	Triumph Energy, LLC	18.18%	Producing
Sphinx 26-16N-11W #1H	Devon Energy Corp.	3.13%	Producing
Nelson Com #1H-0607X	Marathon Oil, Co.	0.38%	Producing
Luttrull #1-30-31XH	Continental Resources, Inc.	NA	Sold
Roser #1611-3-34	Marathon Oil, Co.	3.89%	Producing
Kevin FIU #1-20-17XH	Continental Resources, Inc.	2.11%	Producing
Dr. No. #1-17-20XH	Triumph Energy Partners, LLC	3.70%	Producing
Randolph #34-2	Continental Resources, Inc.	0.26%	Producing
Mote #1-26-23H	Rimrock Resource Operating, LLC	3.20%	Producing
Ladybug 27_22-15N-13W #1HX	Devon Energy Corp.	2.20%	Producing
Bullard #1-18/7H	Rimrock Resource Operating, LLC	20.57%	Producing
Watonga #1-19H	Highmark Resources, LLC	0.26%	Permitting
McKinley #13&24 15-13	Continental Resources, Inc.	1.02%	Permitting
Henry Federal #1-8-5XH	Continental Resources, Inc.	5.23%	Permitting
TBD	Cimarex Energy, Co.	1.12%	Permitting
TBD	Continental Resources, Inc.	0.59%	Permitting
TBD	Camino Natural Resources, LLC	0.02%	Permitting
TBD	Citizen Energy II, LLC	0.02%	Permitting
TBD	Citizen Energy II, LLC	0.02%	Permitting
TBD	Cheyenne Petroleum, Co.	0.23%	Permitting
TBD	Cheyenne Petroleum, Co.	0.16%	Permitting
SWISH 1-13-12SH	Black Mesa Production, LLC	36.98%	Permitting
Rangers 36-WH1	Black Mesa Production, LLC	48.31%	Permitting
Blackhawks 26-SH1	Black Mesa Production, LLC	20.25%	Permitting
Redwings 9-WH1	Black Mesa Production, LLC	22.98%	Permitting
Maple Leafs 15-SH1	Black Mesa Production, LLC	23.63%	Permitting
Jets 15-WH1	Black Mesa Production, LLC	10.13%	Permitting
Flames 10-3-WH1	Black Mesa Production, LLC	12.28%	Permitting
TBD	Black Mesa Production, LLC	15.63%	Permitting
Bruins 1-3-WH1	Black Mesa Production, LLC	3.91%	Permitting

Table 2. BRK Well Summary.
Note: Working Interest percentages may increase subject the issue of final pooling orders.

<u>Non-Anadarko Basin Exploration & Production Activities</u>

No exploration was conducted during the quarter on the Company's leasehold interests in Payne County, Oklahoma.

CORPORATE

The Company's Annual General Meeting was held on 31 May 2018 with all Resolutions put to Shareholders passed.

During the year the Company announced that its wholly owned subsidiary, Anadarko Leasing, LLC (**Anadarko Leasing**) had reached agreement with Tulsa based Oklahoma Energy Consultants, Inc. (**OEC**) to increase the Anadarko Leasing Facility (**Facility**) limit to US$4.0 million.

The maturity date of the facility was also extended to 31 December 2019. All other terms of the Facility (outlined in our ASX release dated 21 June 2017) remained unchanged.

In July 2018, the Company announced that it had completed a placement of 197,500,000 fully paid ordinary shares at an issue price of A$0.016 per share (**Share**), with a 1 for 1 free attaching listed option (exercisable at A$0.02 on or before 31 December 2018), to raise A$3,160,000 before costs (**Placement**).

Cicero Advisory Services Pty Ltd acted as Lead Manager and bookrunner to the Placement, which was heavily oversubscribed and has introduced new institutional and sophisticated investors to Brookside's share register. The new Shares were issued under the Company's placement capacity pursuant to ASX Listing Rule 7.1.

During the year the Company (together with Cove Capital, and the Advisory Board) continued to pursue a number of initiatives aimed at raising the profile of Brookside and its "land and leasing" business model within the Australian investment community and attracting new investors. With the Company's maiden reserve report announced and excellent progress made with the consolidation of acreage in the SWISH AOI.

As at 31 December 2018 Brookside had approximately ~A$2.9 million available to advance its activities in the Anadarko Basin Plays, including ~A$1.2 million in cash and call deposits; A$1.7 million available under the Anadarko Leasing Facility.

During the year the Company (via its wholly owned subsidiary BRK Oklahoma Holdings, LLC) (**BRK OK**) also confirmed a number of conditional commercial arrangements with LS Operating LLC (**LSO**) (a wholly owned subsidiary of Lone Star Energy Limited) under which LSO has a first right to participate in well bore drilling and or acreage acquisition opportunities presented to BRK under the Drilling Program Agreement with Black Mesa (**Step-in Agreement**).

LSO has conditionally exercised its right to participate in two such opportunities under the terms of the Step-in Agreement. The prospects introduced to date include the Bullard Prospect (a Working Interest, well bore only drilling opportunity targeting the Woodford Formation in the Anadarko Basin in Garvin County, Oklahoma) and the STACK Group prospects.

The STACK Group prospects include a well bore only Working Interest in six currently undrilled development units in the STACK Play in Blaine County, Oklahoma.

Consistent with the Company's acreage acquisition and re-valuation business model, these arrangements (provided the relevant conditions precedent are satisfied) will provide Brookside with a potential partner to assist with the development of its Anadarko Basin holdings and another valuable source of drilling capital.

SUBSEQUENT EVENTS

The Company announced on 8 January 2019, an Option Prospectus to issue 225,140,625 New Listed Options at an issue price of $0.00006 each with each New Listed Option exercisable at $0.03 each and expiring at 5:00pm (WST) on 31 December 2020.

On 27 February 2019, the Company announced an update on progress within the Company's SWISH area of interest (SWISH AOI) in the world-class SCOOP Play in the Anadarko Basin, Oklahoma.

The Company announced on 7 March 2019, a production update from its first Woodford Well in the world-class SCOOP Play in the Anadarko Basin, Oklahoma.

A market update was realised to market on 27 March 2019, informing the market that the Company had secured its first operated SWISH development unit through having its regulatory applications approved.

ENVIRONMENTAL REGULATIONS

The Company 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.

INFORMATION ON DIRECTORS

Michael Fry	**Non-Executive Chairman**
Qualifications	B.Comm, F.Fin
Experience	Michael Fry holds a Bachelor of Commerce degree from the University of Western Australia, is a Fellow of the Financial Services Institute of Australasia, and is a past member of the ASX. Michael has extensive experience in capital markets and corporate treasury management specialising in the identification of commodity, currency and interest rate risk and the implementation of risk management strategies.
Other Directorships	Michael Fry is currently the non-executive chairman of ASX Listed Companies Challenger Energy Limited (ASX: CEL) and Technology Metals Australia Limited (ASX: TMT).

David Prentice	**Managing Director**
Qualifications	Grad. Dip BA, MBA
Experience	David is a senior resources executive with 25 plus years domestic and international 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 production companies. During the last 12 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 a Non-Executive Director of Black Mesa Production, LLC Non-Executive Chairman of Lustrum Minerals Limited (ASX: LRM) and Non-Executive Director of Comet Resources Limited (ASX: CRL).

Loren King	**Non-Executive Director and Company Secretary**
Qualifications	Grad. Dip (Applied Corporate Governance), BSc (Psych), Cert IV FinSvcs (Bookkeeping)
Experience	Loren King has worked in finance and back office administration roles with ASX listed companies, stockbroking and corporate advisory services for the past 13 years. During this time, she has gained invaluable experience in dealing with all aspects of corporate governance and compliance, specialising in initial public offerings (IPO), backdoor listings, private capital raising and business development.
Other Directorships	Loren King is a Non-Executive Director at Blaze International Limited (ASX: BLZ) and Lustrum Minerals Limited (ASX: LRM). Past Non-Executive Directorships include Intiger Group Limited (resigned 17 August 2016) and Fraser Range Metals Group Limited (resigned 29 July 2016).

CORPORATE INFORMATION

Group Corporate Structure

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

Employees

Brookside Energy Limited has no full-time employees as at the date of this report.

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	5	5
David Prentice	5	5
Loren King	4	5

Note: Both David Prentice and Michael Fry attended 12 and 11 Black Mesa Production (**BMP**) Board meetings respectively from a total of 12 meetings held for the financial reporting period. The importance of noting this is that BMP provides the technical and operational inputs for Brookside under a number of agreements including the Drilling Program Agreement (**DPA**) and the Acquisition Program Agreement (**APA**).

Options

At the date of this report 295,140,625 options over ordinary shares in the Group were on issue and no options were exercised during the year.

As at 31 December 2018, options on issue are as detailed below.

Type	Date of Expiry	Exercise Price	Number on issue
Unlisted option(i)	31 Dec 2020	$0.03	70,000,000

(i) Subsequent to the end of the period, these options were quoted under the ASX ticker code BRKOA.

Directors' holdings of shares and options during the financial year have been disclosed in the Remuneration Report. Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company.

INDEMNIFYING OFFICERS

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001, every Officer, or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer, or agent of the Company 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 Company currently has a 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 Company, 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 Company.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the Court for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company 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 2018.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 17 and forms part of this Directors' Report for the year ended 31 December 2018.

REMUNERATION REPORT (AUDITED)

This Remuneration Report, which forms part of the directors' report, sets out information about the remuneration of Brookside Energy Limited's Directors and its Key Management Personnel for the financial year ended 31 December 2018.

A. INTRODUCTION

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

A.1 Brookside's KMPs

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

Name	Category	Position	Appointment Date
Michael Fry	Non-Executive Director	Independent Chairman	20 April 2004
David Prentice	Executive Director	Managing Director	20 April 2004
Loren King	Non-Executive Director	Non-Executive Director	5 June 2015

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

The Company received a 97.76% (98.74% after Chairman's discretion) of "yes" votes on its Remuneration Report for the 2017 financial year. The Company did not receive any specific feedback from shareholders at the 2017 Annual General Meeting on its remuneration practices.

Additional information

The loss of the consolidated entity for the five years to 31 December 2018 are summarised below:

	2018 A$'000	2017 A$'000	2016 A$'000	2015 A$'000	2014 A$'000
Revenue	99	2	6	29	-
EBITDA	(1,218)	(991)	(416)	(2,248)	(16)
EBIT	(1,218)	(1,096)	(410)	(2,240)	(16)
Loss after income tax	(1,218)	(1,096)	(410)	(2,240)	(16)

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

	2018	2017	2016	2015	2014
Share price at financial year end (AUD)	0.011	0.01	0.01	0.01	0.01
Total dividends declared (cents per share)	-	-	-	-	-
Basic loss per share (cents per share)	0.13	0.14	0.20	2.13	USD38.40

B. REMUNERATION POLICY DURING THE REPORTING PERIOD

The Brookside Board is committed to transparent disclosure of its remuneration strategy and this report details the Company's remuneration objectives, practices and outcomes for KMP, which includes Directors and senior executives, for the period ended 31 December 2018. Any reference to "Executives" in this report refers to KMPs who are not Non-Executive Directors.

B.1 Remuneration Policy Framework

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

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

B.2 Policy for Executive Remuneration for Future Reporting Periods

Executive Remuneration consists of the following key elements:

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

C. REMUNERATION COMPONENTS

C.1 Fixed Remuneration

Fixed remuneration was reviewed by the Remuneration and Nomination Committee in 2013 and remained consistent for the current reporting period.

C.2 STI Plan for the 2018 Reporting Period

As a result of a strategic review conducted during 2015, no STI plan was implemented for the 2018 reporting period.

C.3 Policy for and Components of Non-Executive Remuneration During the Reporting Period

<u>*Remuneration Policy*</u>

Non-Executive Director Fees

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

Equity Compensation

In accordance with Australian practice and shareholder preference, the Company's current policy is not to grant equity-based compensation to Non-Executive Directors. Accordingly, no equity components (LTI Rights) were offered to Non-Executive Directors in the reporting period to 31 December 2018.

Remuneration Structure

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

D. DETAILS OF REMUNERATION

Remuneration of Key Management Personnel is set out below:

	Primary			Post- employment			
31 December 2018	**Base Salary and Fees $**	**Bonus STI $**	**Share-based Benefits $**	**Super-annuation Contributions $**	**Termination Payments $**	**TOTAL $**	**Percentage Performance Related %**
Executive Directors							
David Prentice	180,000	-	-	-	-	180,000	-
Non-Executive Directors							
Michael Fry	50,000	-	-	-	-	50,000	-
Loren King(i)	30,000	-	-	-	-	30,000	-
Total 31 Dec 2018	**260,000**	**-**	**-**	**-**	**-**	**260,000**	

(i) During the year ended 31 December 2018, Cicero Corporate Pty Ltd, an entity related to Loren King, received $114,000 (2017: $114,000) exclusive of GST for the provision of company secretarial and accounting work to the Company. Cicero has been engaged to provide corporate services to the Group.

As at 31 December 2018, the Company had accrued outstanding director fees to Mr David Prentice and Mr Michael Fry for $15,000 and $4,166, respectively, for the month of December 2018 (31 December 2017: $58,766).

31 December 2017	Primary			Post- employment			
	Base Salary and Fees $	Bonus STI $	Non-Monetary Benefits $	Super-annuation Contributions $	Termination Payments $	TOTAL $	Percentage Performance Related %
Executive Directors							
David Prentice	175,000	-	80,395	-	-	255,395	-
Non-Executive Directors							
Michael Fry	49,166	-	53,596	-	-	102,762	-
Loren King	30,000	-	-	-	-	30,000	-
Total 31 Dec 2017	**254,166**	**-**	**133,991**	**-**	**-**	**388,157**	

E. ADDITIONAL DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

(i) Shares held by Key Management Personnel

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

There were no shares granted during the year as compensation.

Director	Balance at 1 Jan 2018	Shares Issued	Other[(i)]	Balance at 31 Dec 2018
David Prentice	1,437,372	-	809,900	2,247,272
Michael Fry	3,000,000	-	1,000,000	4,000,000
Loren King	-	-	-	-
Total	**4,437,372**	**-**	**1,809,900**	**6,247,272**

[(i)] Shares acquired are at arms-length transaction.

There have been no changes in holdings as at the date of this report.

(ii) Options Held by Key Management Personnel

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

Director	Balance at 1 Jan 2018	Options Issued	Other[(i)]	Balance at 31 Dec 2018
David Prentice	55,000,000	-	(40,000,000)	15,000,000
Michael Fry	36,274,924	-	(26,274,924)	10,000,000
Loren King	-	-	-	-
Total	**91,274,924**	**-**	**(66,274,924)**	**25,000,000**

[(i)] Options expired unexercised on 31 December 2018.

No shares were issued on the exercise of options during the period.

There have been no changes in holdings as at the date of this report.

(iii) Loans to Key Management Personnel

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

(iv) Other Transactions and Balances with Key Management Personnel

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

(v) Compensation Options: Granted and vested during and since the financial year ended 31 December 2018

During the financial year ended 31 December 2018 (2017: 25,000,000), no compensation options were granted or vested to directors.

(vi) Performance income as a proportion of total income

No performance-based bonuses have been paid to key management personnel during the financial year.

F. SERVICE AGREEMENTS

Director	Base Salary	Terms of the Agreement	Notice Period
David Prentice *CEO/Managing Director*	$15,000 per month	Until termination	6 Months
Michael Fry *Non-Executive Chairman*	$50,000 per annum	Until termination in accordance with the Company's Constitution	Reasonable notice
Loren King *Non-Executive Director*	$30,000 per annum	Until termination in accordance with the Company's Constitution	Reasonable notice
	$114,000 per annum for the provision of company secretarial and office support	Until termination	6 Months

- - END OF REMUNERATION REPORT - -

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

David Prentice
Chief Executive Officer

30 March 2019

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Brookside Energy Limited for the year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

Perth, Western Australia	**N G Neill**
30 March 2019	**Partner**

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CORPORATE GOVERNANCE STATEMENT

Brookside Energy Limited (**Company**) 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 Company 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 Company'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 2018.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2018

	Notes	For the year ended 31 Dec 2018 $	For the year ended 31 Dec 2017 $
Royalty Revenue	2.A	98,000	-
Interest revenue	2.A	1,183	1,789
Other revenue	2.A	-	29,020
Gain on sale of asset	2.A	810,804	-
Other expenses	2.B	(329,917)	(273,000)
Director and employee related expenses		(260,000)	(254,166)
Consultants fees		(87,205)	(94,390)
Compliance and registry expenses		(173,332)	(163,606)
Share based payments expense		(346,242)	(179,991)
Interest on financing		(586,666)	(105,969)
(Loss)/gain on foreign exchange movement		(344,405)	(55,237)
Loss before income tax expense		**(1,217,780)**	**(1,095,550)**
Income tax expense	3	**-**	-
Net loss for the year		**(1,217,780)**	**(1,095,550)**
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on the translation of foreign operations		1,117,179	(247,322)
Other comprehensive loss for the year net of taxes		**(100,601)**	**(247,322)**
Total comprehensive loss for the year		**(100,601)**	**(1,342,872)**
Loss Per Share			
Basic and diluted loss per share (cents)	15	(0.13)	(0.14)

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Notes	As at 31 Dec 2018 $	Restated As at 31 Dec 2017 $
Assets			
Current Assets			
Cash and cash equivalents	4	1,193,306	51,854
Trade and other receivables	5	24,337	24,366
Total Current Assets		**1,217,643**	**76,220**
Non-Current Assets			
Other receivables		-	12,820
Other assets	6	972,484	1,994,614
Exploration and evaluation assets	7	10,392,000	5,993,514
Total Non-Current Assets		**11,364,484**	**8,000,948**
Total Assets		**12,582,127**	**8,077,168**
Liabilities			
Current Liabilities			
Trade and other payables	8.A.	71,751	371,940
Borrowings	8.B.	4,644,838	-
Total Current Liabilities		**4,716,589**	**371,940**
Non-Current Liabilities			
Borrowings	8.B.	-	3,022,744
Total Non-Current Liabilities			3
Total Liabilities		**4,716,589**	**3,394,684**
Net Assets		**7,865,538**	**4,682,484**
Equity			
Issued capital	9	225,354,557	222,355,544
Reserves	11	3,728,916	2,327,095
Accumulated losses	10	(221,217,935)	(220,000,155)
Total Equity		**7,865,538**	**4,682,484**

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

	Issued Capital $	Accumulated Losses $	Share Based Payment Reserve $	Foreign Currency Translation Reserve $	Total $
Balance at 1 January 2017	**220,586,610**	**(218,904,604)**	**1,973,231**	**(43,805)**	**3,611,432**
Loss for the period	-	(1,095,551)	-	-	(1,095,551)
Other comprehensive loss	-	-	-	(247,322)	(247,322)
Total comprehensive loss for the period	**-**	**(1,095,551)**	**-**	**(247,322)**	**(1,342,873)**
Shares issued during the period	1,980,000	-	-	-	1,980,000
Options issued during the period	-	-	644,991	-	644,991
Capital raising costs	(211,066)	-	-	-	(211,066)
Balance at 31 December 2017	**222,355,544**	**(220,000,155)**	**2,618,222**	**(291,127)**	**4,682,484**
Balance at 1 January 2018	**222,355,544**	**(220,000,155)**	**2,618,222**	**(291,127)**	**4,682,484**
Loss for the period	-	(1,217,780)	-	-	(1,217,780)
Other comprehensive loss	-	-	-	1,117,179	1,117,179
Total comprehensive loss for the period	**-**	**(1,217,780)**	**-**	**1,117,179**	**(100,601)**
Shares issued during the period	3,160,000	-	-	-	3,160,000
Shares issued in lieu of services	108,350	-	-	-	108,350
Options issued during the period	-	-	284,642	-	284,642
Capital raising costs	(269,337)	-	-	-	(269,337)
Balance at 31 December 2018	**225,354,557**	**(221,217,935)**	**2,902,864**	**826,052**	**7,865,538**

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	Notes	For the year ended 31 Dec 2018 $	Restated For the year ended 31 Dec 2017 $
Cash Flows Used in Operating Activities			
Receipts from Customers		98,000	-
Payments to suppliers and employees		(850,534)	(711,356)
Interest received		1,183	1,789
Net Cash (Used In) Operating Activities	12	**(751,351)**	**(709,567)**
Cash Flows from Investing Activities			
Proceeds from disposal of investment		2,077,114	-
Payments for investments		-	(329,480)
Payments for acquisition of oil and gas properties		(3,988,879)	(3,744,264)
Net Cash (Used In) Investing Activities		**(1,911,765)**	**(4,073,744)**
Cash Flows from Financing Activities			
Proceeds from issue of shares		3,155,655	1,980,000
Transaction costs on issue of shares		(241,560)	(121,066)
Proceeds from borrowings		743,519	2,716,901
Net Cash Provided by Financing Activities		**3,657,614**	**4,575,835**
Net Increase/(Decrease) in Cash and Cash Equivalents		**994,498**	**(207,476)**
Cash at beginning of the period		51,854	256,857
Effect of exchange rates on cash		146,954	2,473
Cash at End of Period	12	**1,193,306**	**51,854**

The accompanying notes form part of these 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 Company 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 Company is an ASX listed public company, incorporated in Australia and operating in Australia and 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 (AUD$), which is the Group's presentation currency unless otherwise stated.

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 2017 financial statements except for the impact of the new and revised standards and interpretations as outlined in Note 1.B.

1.A.3. Going Concern

The Group incurred a loss of $1,217,780 for the year ended 31 December 2018. In addition, the Group has working capital deficiency of $3,498,947. Cash and cash equivalents at the year-end amounted to $1,193,306.

The ability of the company and consolidated entity to continue as going concerns is dependent on a combination of a number of factors, the most significant of which is the ability of the company to raise additional funds in the following 12 months through issuing additional shares and/or, to secure further financing facilities or extend the current financing facilities in place, which are due to be repaid on 31 December 2019.

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

1. 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 2018

In the year ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and interpretations issued by the AASB that are relevant to the Company and effective for the current reporting periods beginning on or after 1 January 2018.

As a result of this review, the Group has initially applied AASB 9 and AASB 15 from 1 January 2018.

AASB 9 Financial Instruments
AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and makes changes to a number of areas including classification of financial instruments, measurement, impairment of financial assets and hedge accounting model.

Financial instruments are classified as either held at amortised cost or fair value.

Financial instruments are carried at amortised cost if the business model concept can be satisfied.
All equity instruments are carried at fair value and the cost exemption under AASB 139 which was used where it was not possible to reliably measure the fair value of an unlisted entity has been removed. Equity instruments which are non-derivative and not held for trading may be designated as fair value through other comprehensive income (FVOCI). Previously classified available-for-sale investments now carried at fair value are exempt from impairment testing and gains or loss on sale are no longer recognized in profit or loss.

The AASB 9 impairment model is based on expected loss at day 1 rather than needing evidence of an incurred loss, this is likely to cause earlier recognition of bad debt expenses. Most financial instruments held at fair value are exempt from impairment testing.

The Group has applied AASB 9 at the date of initial application, being 1 January 2018 and has elected not to restate comparative information. Accordingly, the information presented for 31 December 2017 has not been restated.

AASB 15 Revenue from Contracts with Customers
AASB 15 Revenue from Contacts with Customers is a new Standard introduced by AASB to replace existing revenue recognition guidance, AASB 111 Construction Contracts, AASB 118 Revenue and AASB 1004 Contributions. AASB 15 applies to annual periods beginning on or after 1 January 2018. The new Standard is aimed at improving financial reporting of revenue and comparability to provide better clarity on revenue recognition on areas where existing requirements unintentionally created diversity in practice. AASB 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The core principle of AASB 15 is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Standard introduces a 5-step approach to revenue recognition:
1. Identify the contract(s) with a customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue when a performance obligation is satisfied or as a performance obligation is satisfied over time

Revenue is recognised upon satisfaction of these performance obligations, which occur when control of goods or services is transferred, rather than on transfer of risks and rewards. Revenue received for a contract that includes a variable amount is subject to revised conditions for recognition, whereby it must be highly probable that no significant reversal of the variable component may occur when the uncertainties around its measurement are removed.

When applying AASB 15 for the first time, an entity shall apply the Standard in full for the current period. In respect of prior periods, the transition guidance grants entities an option to either apply AASB 15 in full to prior periods or to retain prior-period figures as reported under the previous standards, recognising the cumulative effect of applying AASB 15 to all contracts that had not yet been completed at the beginning of the reporting period as an adjustment to the opening balance of equity at the date of first-time adoption.

<u>Standards and Interpretations in issue not yet adopted</u>

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 31 December 2018. As a result of this review, the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

1.C. STATEMENT OF COMPLIANCE

The general purpose consolidated financial statements for the period ended 31 December 2018 were approved and authorised for issue on 30 March 2019.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.D. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Brookside Energy Limited and its subsidiaries as at 31 December each year (the **Group**). Control is achieved where the company 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 company, using consistent accounting policies. Investments in subsidiaries are accounted for at cost in the parent entity's financial statements.

In preparing the consolidated financial statements, all intercompany 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 company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

1.E. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

<u>Exploration and evaluation expenditure</u>

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

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

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black and Scholes model, using assumptions provided by the Company.

The fair value is expensed over the period until vesting.

1.F. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.F. FOREIGN CURRENCY TRANSLATION (continued)

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 and Anadarko Leasing LLC is US dollars, "USD".

2. REVENUES AND EXPENSES

2.A. REVENUE

	Year ended 31 Dec 2018 $	Year ended 31 Dec 2017 $
Royalty revenue	98,000	-
Interest received	1,183	1,789
Other received	-	29,020
Gain on sale of investment	810,804	-
	909,987	**30,809**

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. All revenue is measured at the point in time.

<u>Interest income</u>

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2. REVENUES AND EXPENSES (continued)

2.B. OTHER EXPENSES

	Year ended 31 Dec 2018 $	Year ended 31 Dec 2017 $
Administration expenses	95,766	64,470
Borrowing fees	-	10,500
Promotion and communication costs	56,555	34,075
Travel expenses	177,596	163,661
Other expenses	-	294
	329,917	**273,000**

3. INCOME TAX EXPENSE

	Year ended 31 Dec 2018 $	Year ended 31 Dec 2017 $
The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in statement of profit or loss and other comprehensive income	**-**	**-**

3.A. UNRECOGNISED DEFERRED TAX LIABILITY

Other deferred tax liabilities	5,113	-
Less: Deferred tax assets recognised (tax losses)	(5,113)	-
	-	**-**

3.B. UNRECOGNISED DEFERRED TAX ASSETS

Unrecognised deferred tax assets at 27.5% (31 December 2017: 27.5%)(i):		
Carry forward revenue losses	2,894,309	2,561,214
Provisions and accruals	6,000	8,250
Capital raising	119,102	37,339
Less: Deferred tax liabilities	(5,113)	-
	3,014,298	**2,606,803**

(i) The corporate tax rate for eligible companies will reduce from 30% to 25% by 30 June 2027 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised, or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

3. INCOME TAX EXPENSE (continued)

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

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

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

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

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

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

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

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

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

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

3. INCOME TAX EXPENSE (continued)

Other taxes

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

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

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

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

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

4. CASH AND CASH EQUIVALENTS

	As at 31 Dec 2018 $	As at 31 Dec 2017 $
Cash at bank	1,193,306	51,854
	1,193,306	**51,854**

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

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Cash at bank earns interest at floating rates based on daily bank deposit rates.

5. TRADE & OTHER RECEIVABLES

	As at 31 Dec 2018 $	As at 31 Dec 2017 $
Current		
Other receivables	7,295	13,158
Prepayments	17,042	11,208
	24,337	**24,366**

Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days. There are no receivables that are past due date.

6. OTHER ASSETS

	As at 31 Dec 2018 $	As at 31 Dec 2017 $
At Cost	972,484	1,994,614
	972,484	**1,994,614**

6.A. MOVEMENT IN CARRYING AMOUNTS

	Year ended 31 Dec 2018	Year ended 31 Dec 2017
Opening balance	**1,994,614**	**1,951,077**
Black Mesa Productions LLC - Earn In	-	184,615
Foreign currency translation	154,981	(141,078)
Disposal of RA Minerals - at Cost	(1,177,111)	-
Closing balance	**972,484**	**1,994,614**

(i) On 7 December 2015, BRK Oklahoma Holdings LLC entered into an agreement investing in the United States focused energy start-up Black Mesa Production, LLC. Under this agreement, BRK Oklahoma will acquire 15% of Black Mesa and the Tulsa Equity Group will acquire 35% ("the Equity Members"). The Black Mesa management team will earn 50% equity in Black Mesa as Incentive Members.

During the year ended 31 December 2018, Black Mesa Production, LLC. did not request BRK to pay its earn in for the year, being US$288,000, as per the agreement. In the prior year which ended 31 December 2017, the Company paid US$144,00. As at 31 December 2018, there is a further US$253,020 payable over the next 12 months.

Investment in Subsidiary

Subsidiary	2018 %	2017 %	2018 $	2017 $
BRK Oklahoma Holdings LLC	100	100	366	366
Anadarko Leasing LLC	100	100	444	444

7. EXPLORATION AND EVALUATION

	As at 31 Dec 2018 $	Restated As at 31 Dec 2017 $
Costs carried forward in respect of areas of interest in:		
Exploration and evaluation phases – at cost	**10,392,000**	**5,993,514**
Opening Balance	**5,993,514**	**1,830,733**
Anadarko Basin Projects (leasehold acquisition)	4,849,094	3,920,157
STACK-A JV[i]	-	375,000
Foreign currency translation on movement	(450,608)	(132,376)
	10,392,000	**5,993,514**

[i] In accordance with the STACK-A Joint Venture agreement, the company issued 75,000,000 listed options at $0.02, exercisable on or before 31 December 2018.
[ii] Refer to Note 24 for details of restatement.

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:
  - (i) 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
  - (ii) 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 of 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.

7. EXPLORATION AND EVALUATION (continued)

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 development.

8. LIABILITIES

8.A. TRADE AND OTHER PAYABLES

	As at 31 Dec 2018 $	As at 31 Dec 2017 $
Trade creditors (a)	32,585	61,742
Other creditors and accruals*	39,166	310,198
	71,751	**371,940**
**Aggregate amounts payable to related parties included:*		
Directors and director-related entities	19,166	58,766

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.

8.B. BORROWINGS

	Year ended 31 Dec 2018 $	Restated Year ended 31 Dec 2017 $
Opening balance (Restated)	**3,022,744**	**200,000**
Oklahoma Energy LLC financing[(i)]	743,519	3,022,744
Repayments – Cicero Advisory Services[(ii)]	-	(200,000)
Interest accrued on borrowings	586,666	-
Foreign Currency Translation	291,909	-
Closing balance	**4,644,838**	**3,022,744**

[(i)] On 1 June 2017, Anadarko Leasing LLC (wholly owned subsidiary) entered into a Drawdown Facility with Oklahoma Energy Consultants.
[(ii)] The Company repaid the loan with Cicero Advisory Services in the amount of $200,000 plus borrowing fees of $10,500.
[(iii)] Refer to Note 24 for details of restatement.

8. LIABILITIES (continued)

8.B. BORROWINGS

Terms of the Drawdown Facility are as follows:

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

[(i)] On 16 March 2018, the terms of the facility agreement were amended. Refer Note 22.

As at 31 December 2018, a total of A$4,644,838 (US$3,275,540) has been drawn down. Included within the profit and loss statement is $586,666 interest expense for the period.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

9. ISSUED CAPITAL

	As at 31 Dec 2018 $	As at 31 Dec 2017 $
Issued and paid up capital		
994,821,875 Ordinary shares	**225,354,557**	222,355,544
(31 December 2017: 790,000,000)		

9.A. MOVEMENTS IN ISSUED CAPITAL

	Year ended 31 Dec 2018	Year ended 31 Dec 2017
At the beginning of the period	**222,355,544**	**220,586,610**
Shares issued during the period:		
- Placement @ $0.012	-	1,980,000
- Placement @ $0.016	3,160,000	-
- Payment of Broker Fees in Ordinary Shares	46,750	-
- Payment of Advisor Fees in Ordinary Shares	61,600	-
Share issue costs	(269,337)	(211,066)
At end of the period	**225,354,557**	**222,355,544**

9.B. MOVEMENTS IN NUMBER OF SHARES ON ISSUE

	Year ended 31 Dec 2018 Number	Year ended 31 Dec 2017 Number
At the beginning of the period	**790,000,000**	**625,000,000**
Shares issued during the period:		
-Placement – 3 February 2017	-	165,000,000
-Placement – 13 and 17 April 2018	197,500,000	-
-Capital Raising Fees paid in shares in lieu of cash	2,921,875	-
-Corporate Advisory Fees paid in shares in lieu of cash	4,400,000	-
At end of the period	**994,821,875**	**790,000,000**

9.C. TERMS AND CONDITIONS OF CONTRIBUTED EQUITY

Voting Rights

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held.

At shareholders meetings, each ordinary share is entitled to one vote in proportion to the paid-up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

9. ISSUED CAPITAL (continued)

9.D. OPTIONS

At the end of the reporting period, 70,000,000 options over unissued shares were on issue.

Type	Date of Expiry	Exercise Price AUD	Number of Options on Issue
Options	31 Dec 2020	$0.03	70,000,000

9.E. MOVEMENTS IN NUMBER OF OPTIONS ON ISSUE

	As at 31 Dec 2018 Number	As at 31 Dec 2017 Number
At the beginning of the period	**460,000,000**	**250,000,000**
Shares issued during the period:		
- Options free attaching to placement	197,500,000	82,500,000
- Options issued in accordance with drilling agreement	-	75,000,000
- Options issued to advisors, consultants and/or directors	85,000,000	36,500,000
- Options issued in lieu of capital raising fees	2,921,875	16,000,000
- Options expired during the period	(675,421,875)	-
At end of the period	**70,000,000**	**460,000,000**

10. ACCUMULATED LOSSES

	As at 31 Dec 2018 $	As at 31 Dec 2017 $
Balance at the beginning of the period	**(220,000,155)**	**(218,904,604)**
Net loss for the period	(1,217,780)	(1,095,551)
Balance at end of the period	**(221,217,935)**	**(220,000,155)**

11. RESERVES

	As at 31 Dec 2018 $	As at 31 Dec 2017 $
Option valuation reserve	2,902,864	2,618,222
Foreign currency translation reserve	826,052	(291,127)
	3,728,916	**2,327,095**

<u>Option valuation reserve</u>

This reserve is used to record the value of equity benefits provided to employees, directors, suppliers and consultants as part of their remuneration. Refer to Note 20.

11. RESERVES (continued)

Foreign Currency Translation Reserve

Foreign currency translation reserve records exchange differences arising on translation of the subsidiaries' functional currency (US Dollars) into presentation currency at balance date.

11.A. OPTION VALUATION RESERVE

	Year ended 31 Dec 2018 $	Year ended 31 Dec 2017 $
At the beginning of the period	**2,618,222**	**1,973,231**
Options issued during the period:		
- Options issued to consultants(i)	284,642	46,000
- Options issued in directors(ii)	-	133,991
- Options issued in accordance with Drilling agreement(iii)	-	375,000
- Options issued in lieu of capital raising services(iv)	-	90,000
At end of the period	**2,902,864**	**2,618,222**

(i) On 29 March 2017, 11,500,000 listed options were issued to Cicero Corporate Advisory in lieu of corporate advisory services with a value $0.004 based on 5-day VWAP at date of agreement.
(ii) On 29 March 2017, 15,000,000 unlisted options were issued to David Prentice and 10,000,000 unlisted options to Michael Fry in recognition of their ongoing commitment and contribution to the company.
(iii) On 29 March 2017, the company issued 75,000,000 listed options in accordance with the Stack-A JV Drilling Facility at a value of $0.005 per option.
(iv) On 29 March 2017, 16,000,000 listed options were issued to various consultants in lieu of capital raising services with an average value of $0.005 based on 5-day VWAP at the date of their agreements.

11.B. OPTION VALUATION

The fair value of the listed options issued during the year ended 31 December 2018, was determined by the VWAP of the listed option price at the date of issue.

11.C. FOREIGN CURRENCY RESERVE

	Year ended 31 Dec 2018 $	Year ended 31 Dec 2017 $
At beginning of the period	**(291,127)**	**(43,805)**
Movement during the period	1,117,179	(247,322)
Balance at end of the period	**826,052**	**(291,127)**

12. CASH FLOW INFORMATION

12.A. RECONCILIATION OF NET LOSS AFTER TAX TO THE NET CASH FLOWS FROM OPERATIONS

	Year ended 31 Dec 2018 $	Year ended 31 Dec 2017 $
Net loss	**(1,217,780)**	**(1,095,551)**
Non-cash items		
Gain on disposal	(810,804)	-
Share based payment expense	346,242	179,991
Foreign currency translation	344,405	55,531
Interest on borrowings	586,666	105,969
Changes in assets and liabilities		
Increase/(decrease) in receivables and other assets	39,436	(5,168)
Decrease in payables and accruals	(39,156)	49,661
Net cash flows from / (used in) operating activities	**(751,351)**	**(709,567)**
Reconciliation of cash:		
Cash balances comprises		
AUD accounts	8,432	40,417
USD accounts	1,184,874	11,437
	1,193,306	**51,854**

12. CASH AND CASH EQUIVALENTS (continued)

12.B. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Consolidated			
	Loans $	Convertible notes $	Lease liability $	Total $
Balance as at as at 1 January 2017	**200,000**	**-**	**-**	**200,000**
Net cash from (used in) financing activities (Restated)	3,022,744	-	-	3,022,744
Repayments – Cicero Advisory Services (i)	(200,000)	-	-	(200,000)
Balance as at 31 December 2017 (Restated)	**3,022,744**	**-**	**-**	**3,022,744**
Balance as at as at 1 January 2018 (Restated)	**3,022,744**	-	-	**3,022,744**
Net cash from (used in) financing activities	743,519	-	-	743,519
Interest accrued on borrowings	586,666	-	-	586,666
Exchange differences	291,909	-	-	291,909
Balance as at 30 June 2018	**4,644,838**	**-**	**-**	**4,644,838**

(i) During the year ending 31 December 2017, the Company repaid the loan with Cicero Advisory Services in the amount of $200,000 plus borrowing fees of $10,500.

13. KEY MANAGEMENT PERSONNEL DISCLOSURES

13.A. REMUNERATION OF DIRECTORS AND EXECUTIVES

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

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

	As at 31 Dec 2018 $	As at 31 Dec 2017 $
Short term employee benefits	260,000	254,166
Post-employment benefits	-	-
Share-based payments	-	133,991
	260,000	**388,157**

During the year ended 31 December 2018, Cicero Corporate Services Pty Ltd (**Cicero**), an entity related to Loren King, received $114,000 exclusive of GST for the provision of company secretarial and accounting work to the Group. Cicero has been engaged to provide corporate services to the Company.

14. SEGMENT INFORMATION

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

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

The Company is managed primarily on the basis of its oil and gas 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: 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 Company as a whole and are not allocated. Segment liabilities include trade and other payables.

14. SEGMENT INFORMATION (continued)

31 December 2018	**Corporate $**	**Oil and Gas & Other US entities $**	**Total $**
(i) Segment performance			
Segment revenue	1,183	908,804	**909,987**
Segment results	(1,539,918)	322,138	**(1,217,780)**
Included within segment result:			
- Interest Revenue	1,183	-	**1,183**
- Gain on disposal of investment	-	810,804	**810,804**
- Drawdown facility interest expense	-	(586,666)	**(586,666)**
- Share based payments expense	(346,242)	-	**(346,242)**
Segment assets	549,751	12,032,377	**12,582,128**
Segment liabilities	(71,751)	(4,644,838)	**(4,716,589)**

31 December 2017 (Restated)	**Corporate $**	**Oil and Gas & Other US entities $**	**Total $**
(i) Segment performance			
Segment revenue	30,809	-	**30,809**
Segment results	(921,236)	(174,315)	**(1,095,551)**
Included within segment result:			
- Interest Revenue	1,789	-	**1,789**
- Drawdown facility interest expense	-	(105,969)	**(105,969)**
- Option valuation expense	(179,991)	-	**(179,991)**
Segment assets	452,030	7,579,580	**8,031,610**
Segment liabilities	(110,908)	(3,314,438)	**(3,425,346)**

15. LOSS PER SHARE

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

	As at 31 Dec 2018 $	**As at 31 Dec 2017 $**
Loss used in calculation of basic and diluted loss per share	(1,217,780)	(1,095,551)
Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	933,943,553	775,041,209

15. LOSS PER SHARE (continued)

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 profit 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.

16. RELATED PARTY DISCLOSURE

On 5 August 2015, the Group entered into an agreement with Cicero Corporate Services Pty Ltd (an entity in which Mrs King is shareholder and director) (**Cicero**) defining the terms of engagement for the provision of administration services by Cicero as a contractor to the Group. Cicero will provide the office rent, bookkeeping, company secretarial and administration services to the Company for a monthly fee of $9,500 plus GST. Fees paid to Cicero for the period ending 30 June 2018 is $114,000 (exc. GST).

17. AUDITOR'S REMUNERATION

	Year ended 31 Dec 2018 $	Year ended 31 Dec 2017 $
The auditor of Brookside Energy Limited is HLB Mann Judd.		
Amounts received or due and receivable to the auditor for:		
– Audit or reviewing the financial report.	49,680	36,750
	49,680	**36,750**

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.

18. FINANCIAL INSTRUMENTS (continued)

Market Risk

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

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

Currency Risk

Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not he functional currency of the Group. The Group deposits are denominated in both US and Australian dollars. At the year end the majority of deposits were held in Australian 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 impact of reasonably possible changes in foreign exchange rates for the Group is not material.

Interest Rate Risk

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts might not reconcile to the statement of financial position.

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 does not supply products and have trade receivables and is not 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 2018 is Nil (2017: Nil). There are no impaired receivables at 31 December 2018 (2017: Nil).

19. FINANCIAL INSTRUMENTS (continued)

Interest Rate Sensitivity Analysis

At 31 December 2018, if interest rates had been 2% higher or lower than the prevailing rates realised, with all other variables held constant, the effect on loss and equity as a result of interest rates changes would be as follows:

	31 Dec 2018 $ Net Change	31 Dec 2017 $ Net Change
Change in loss		
Increase in interest rate by 2%:		
AUD accounts	(167)	(36)
USD accounts	(23,697)	-
	(23,864)	**(36)**
Decrease in interest rate by 2%:		
AUD accounts	167	36
USD accounts	23,697	-
	23,864	**36**
Change in equity		
Increase in interest rate by 2%:		
AUD accounts	(167)	(36)
USD accounts	(23,697)	-
	(23,864)	**(36)**
Decrease in interest rate by 2%:		
AUD accounts	167	36
USD accounts	23,697	-
	23,864	**36**

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.

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.

19. 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.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2018:

31 December 2018	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Cash and cash equivalents	1,193,306	-	-	1,193,306
Receivables	24,337	-	-	24,337
Total financial assets	**1,217,643**	**-**	**-**	**1,217,643**
Financial liabilities				
Payables	(71,751)	-	-	(71,751)
Loans and borrowings	(4,644,838)	-	-	(4,644,838)
Total financial liabilities	**(4,716,589)**	**-**	**-**	**(4,716,589)**

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2017:

31 December 2017 (Restated)	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Cash and cash equivalents	51,854	-	-	51,854
Receivables	24,366	-	-	24,366
RA Minerals - Royalty Rights acquisition	1,115,388	-	-	1,115,388
Total financial assets	**1,191,608**	**-**	**-**	**1,191,608**
Financial liabilities				
Payables	(371,940)	-	-	(371,940)
Loans and borrowings	(3,053,460)	-	-	(3,053,460)
Total financial liabilities	**(3,425,400)**	**-**	**-**	**(3,425,400)**

19. FINANCIAL INSTRUMENTS (continued)

19.A. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Net fair value of financial assets and liabilities

The carrying amount of cash and cash equivalents 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 PAYMENT PLANS

The following share-based payment arrangements were entered into during the period:

The fair value of the unlisted equity-settled options granted is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted. Listed options are valued using VWAP as at the prevailing share price on the date of grant.

	Advisor Options	**Advisor Shares**	**Advisor Options**
Type	Listed options: BRKO	Unlisted options	Unlisted options.
Number	40,000,000	30,000,000	15,000,000
Grant date	5 June 2018	7 Nov 2018	7 Nov 2018
Expiry date / vesting date	31 Dec 2018	31 Dec 2020	31 Dec 2020
Exercise Price	$0.02	$0.03	$0.03
Dividend yield (%)	-	-	-
Expected volatility (%)	-	-	-
Risk-free interest rate (%)	-	-	-
Expected life of option (years)	-	-	-
Grant date share price	$0.013	$0.014	$0.014
Fair value of equity instrument at grant	$0.03	$0.0036	$0.0036

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

No share options were exercised during the year.

Included in the statement of profit and loss is $346,242 which relates to equity settled share-based payment transactions which have been brought to account in the year.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes model, using assumptions provided by the Company.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Brookside Energy Ltd (market conditions), if applicable.

21. SHARE BASED PAYMENT PLANS (continued)

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

(i) the extent to which the vesting period has expired; and
(ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share. Refer Note 15.

21. PARENT ENTITY DISCLOSURES

	Year Ended 31 Dec 2018 $	Year Ended 31 Dec 2017 $
Financial Position		
Assets		
Current assets	174,751	76,220
Non-current assets	10,639,097	4,717,172
Total assets	**10,813,848**	**4,793,392**
Liabilities		
Current liabilities	4,067,509	110,908
Total liabilities	**4,067,509**	**110,908**
Equity		
Issued capital	225,354,557	222,355,544
Accumulated losses	(221,511,082)	(220,291,282)
Reserves	2,902,864	2,618,222
Total equity	**6,746,339**	**4,682,484**
Financial performance		
Loss for the period	(1,539,918)	(1,241,355)
Other comprehensive income	-	-
Total comprehensive income	**(1,539,918)**	**(1,241,355)**

Contingent liabilities

As at 31 December 2018 and 2017, the Company had no contingent liabilities.

Contractual Commitments

As at 31 December 2018 and 2017, the Company had no contractual commitments.

Guarantees entered into by parent entity

As at 31 December 2018 and 2017, the Company had not entered into any guarantees.

The financial information for the parent entity, Brookside Energy Ltd, has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements.

22. COMMITMENTS FOR EXPENDITURE

Capital Commitments – Black Mesa Productions LLC

	As at 31 Dec 2018 $	As at 31 Dec 2017 $
Within one year^	358,792	324,385
After one year but not more than five years*	-	-
More than five years	-	-
	358,792	**324,385**

^ Equivalent of 2018: USD253,020 and 2017: USD253,020
** Equivalent of 2018: nil and 2017: nil*

23. CORRECTIONS OF PRIOR PERIOD ERRORS

Statement of Financial Position	31 Dec 2017 $	Adjustment $	Restated 31 Dec 2017 $
Exploration and evaluation assets	5,521,615	471,899	5,993,514
Borrowings	2,550,845	471,899	3,022,744
Statement of Cash Flows			
Payments for acquisition of oil and gas properties	(3,272,365)	(471,899)	(3,744,264)
Proceeds from borrowings	2,245,002	471,899	2,716,901

An additional amount of $471,899, drawn down under the Lease Facility Agreement of Oklahoma Energy Consultants, LLC, was inadvertently not recorded in the Financial Statements for the Year ending 31 December 2017. This adjustment has been made retrospectively, with updated balances above.

24. SUBSEQUENT EVENTS

The Company announced on 8 January 2019, an Option Prospectus to issue 225,140,625 New Listed Options at an issue price of $0.00006 each with each New Listed Option exercisable at $0.03 each and expiring at 5:00pm (WST) on 31 December 2020.

On 27 February 2019, the Company announced an update on progress within the Company's SWISH area of interest (SWISH AOI) in the world-class SCOOP Play in the Anadarko Basin, Oklahoma.

The Company announced on 7 March 2019, a production update from its first Woodford Well in the world-class SCOOP Play in the Anadarko Basin, Oklahoma.

A market update was realised to market on 27 March 2019, informing the market that the Company had secured its first operated SWISH development unit though having its regulatory applications approved.

DIRECTORS' DECLARATION

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

   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 2018 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 Company 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.

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 2018.

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
Chief Executive Officer

30 March 2019

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Brookside Energy Limited ("the Group") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit and loss and 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 a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
b)
c) 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 Group 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* ("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.

Material uncertainty related to going concern

We draw attention to Note 1.A.3 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	**How our audit addressed the key audit matter**
Stack Acreage Exploration and Evaluation Note 7	
In accordance with AASB 6 *Exploration for 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 focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group. We planned our work to address the audit risk that the capitalised expenditure might no longer meets the 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 exceed its recoverable amount.	Our procedures included but were not limited to the following: • We obtained an understanding of the key processes associated with management's review of carrying values of each area of interest; • We considered the Directors' assessment of potential indicators of impairment; • We obtained evidence that the Group has current right to tenure of its areas of interest; • We examined the exploration budget for the year 2019 and discussed with management the nature of planned and ongoing activities; • We enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Group had not resolved to discontinue exploration and evaluation at any of its areas of interest; and • Ensuring the adequacy of disclosures made within the financial report

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2018 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.

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.

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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.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 Group or to cease operations, or have 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 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 Group'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 Group'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 Group 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.

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.

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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 within the directors' report for the year ended 31 December 2018.

In our opinion, the Remuneration Report of Brookside Energy Limited for the year ended 31 December 2018 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 section 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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
30 March 2019

Norman Glad

N G Neill
Partner

ADDITIONAL SHAREHOLDERS' INFORMATION

A. CORPORATE GOVERNANCE

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the reporting period is detailed following the Director's Report.

B. SHAREHOLDING

Substantial Shareholders

The names of the substantial shareholders listed on the Company's register as at 29 March 2019.

Name	Number of Shares
THE TRUST COMPANY (AUSTRALIA) LIMITED <MOF A/C>	112,500,000
THE TWENTIETH CENTURY MOTOR COMPANY PTY LTD <WALKER FAMILY S/F A/C>	57,000,000
MR MARK JAMES CASEY	50,265,901

B.1. Quoted Securities

At the date of this report 70,000,000 quoted options over ordinary shares in the Company were on issue and no options were exercised during the year. The listed options are exercisable at $0.03 per option and have an expiry date of 31 December 2020.

B.2. Unquoted Securities

At the date of this report there were no unquoted options over ordinary shares in the Company and no options were exercised during the year.

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

There are 2,182 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 as at 29 March 2019

By Class	Holders of Ordinary Shares	Number of Ordinary Shares	%
1-1,000	865	295,128	0.03%
1,001 - 5,000	382	997,048	0.10%
5,001 – 10,000	108	800,015	0.08%
10,001 - 100,000	356	17,552,902	1.76%
100,001 and over	471	979,576,782	98.03%
TOTALS	**2,182**	**999,221,875**	**100.00%**

B.5. Marketable Parcel

There are 1486 shareholders with less than a marketable parcel.

B.6. Restricted Securities

The Company has no restricted securities at the current date.

B.7. 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 each holds and the percentage of share capital each holds (as at 29 March 2019) is as follows:

Name	No. of Shares	%
The Trust Company (Australia) Limited <MOF A/C>	112,500,000	11.26%
The Twentieth Century Motor Company Pty Ltd <Walker Family S/F A/C>	57,000,000	5.70%
Mr Mark James Casey	50,265,901	5.03%
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	34,700,070	3.47%
Great Southern Flour Mills Pty Ltd	33,000,000	3.30%
Station Nominees Pty Ltd <Station Super Fund A/C>	25,000,000	2.50%
Mr Jonathan Mark Wild	25,000,000	2.50%
Ausepen Pty Ltd <Desktop A/C>	22,250,000	2.23%
Aspire West Pty Ltd	20,000,000	2.00%
De Jong Superannuation Pty Ltd <The Dejong Super Fund A/C>	16,650,106	1.67%
Mr Richard Stuart Dongray & Mrs Joan Dongray <Super Fund A/C>	15,000,000	1.50%
JKR Super Pty Ltd <JPR Super Fund A/C>	15,000,000	1.50%
Domaevo Pty Ltd <The JCS A/C No 2>	14,314,443	1.43%
Mr Hoai Nam Pham	14,061,434	1.41%
Pandora Perth Pty Ltd	13,500,000	1.35%
JJ Wealth Fund Pty Ltd <JJ Wealth Fund Family A/C>	12,000,000	1.20%
Mr Paul Simon Dongray <The Dongray Family No 2 A/C>	12,000,000	1.20%
Sabreline Pty Ltd <JPR Investment A/C>	10,000,000	1.00%
Mr Owen John Clare & Mrs Rosalind Mary Clare <Clare Super Fund A/C>	9,800,000	0.98%
Mr Ian Alastair Leete & Mrs Helen Leete <The Leete Family S/F A/C>	9,166,667	0.92%
TOTAL	**521,208,621**	**52.16%**

ADDITIONAL SHAREHOLDERS' INFORMATION

Options

The names of the twenty largest option holders, the number of options each holds and the percentage of option capital each holds (as at 29 March 2019) is as follows:

Name	No. of Options	%
Berry Enterprises Pty Ltd <The Berry A/C>	15,000,000	5.08%
Ausepen Pty Ltd <Desktop A/C>	15,000,000	5.08%
Mr David Prentice & Mrs Mirella Rosanna Prentice <D&M Prentice Superfund A/C>	15,000,000	5.08%
Mr Mark James Casey	15,000,000	5.08%
Mr Scott Alan Malone	13,685,082	4.64%
The Trust Company (Australia) Limited <MOF A/C>	13,152,882	4.46%
Merchant Funds Management Pty Ltd	11,404,233	3.86%
Fry Super Pty Ltd <INXS Super Fund A/C>	10,000,000	3.39%
My H & B Pty Ltd	9,351,471	3.17%
Ravenhill Investments Pty Ltd <House Of Equity A/C>	9,123,387	3.09%
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient Drp>	7,978,360	2.70%
Eastern Capital Group LLC	6,666,667	2.26%
Cove Capital Pty Ltd	6,666,667	2.26%
Ausepen Pty Ltd <Desktop A/C>	6,666,667	2.26%
Mr Kirk Larsen	6,208,850	2.10%
Mr Ashley William Robin Parker	5,930,201	2.01%
Dr Daniel George Pechar & Mrs Katrina Jane Pechar <Pechar Super Fund A/C>	5,000,000	1.69%
Mr Hoai Nam Pham	4,561,693	1.55%
Mr Muhammad Asif Malik	4,561,693	1.55%
Mr Stephen Thomas Jessop	4,331,311	1.47%
TOTAL	**185,289,164**	**62.78%**