

HALF-YEAR REPORT
30 JUNE 2015

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DIRECTORS' REPORT

The directors of Brookside Energy Limited ("the Company" or "Brookside") (previously Red Fork Energy Ltd) present their report and the financial statements for the half-year ended 30 June 2015. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

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

Board of Directors

Michael Fry	Non-Executive Chairman
David Prentice	Executive Director
Loren Jones	Non-Executive Director (<i>appointed 5 June 2015</i>)

REVIEW OF OPERATIONS

As outlined in the Quarterly report for the period ended 31 March 2015, on 8 December 2014, Clifford Rocke, Martin Madden and David Winterbottom of KordaMentha Pty Ltd were appointed as Receivers and Managers (R&M) of certain assets of Red Fork Energy Limited (Subject to Deed of Company Arrangement) (Receivers and Managers Appointed) (renamed Brookside Energy Limited) (the "Company") under the terms of the security provided to Guggenheim Corporate Funding LLC.

On 10 December 2014, the Company's securities were suspended from quotation on the Australian Securities Exchange (ASX) and the Directors of the Company resolved to place the Company in voluntary administration and appointed Messrs Martin Jones, Darren Weaver and Benjamin Johnson of Ferrier Hodgson (the "Administrators") as joint and several administrators of the Company.

On 12 December 2014 the R&M were appointed over the Company. Following appointment of the R&M and the Administrators, the powers of the Company's officers (including Directors) were suspended and subject to the appointment of the R&M and Administrators who assumed control of the Company's business, property and affairs.

On 26 May 2015 the Company announced that a Deed of Company Arrangement (DOCA) as proposed by Cicero Advisory Services Pty Ltd had been executed in accordance with the resolutions passed at the second meeting of creditors.

On 9 June 2015 the Company announced that Shareholders had approved all resolutions put to the General Meeting of Shareholders held on 5 June 2015. The resolutions approved a Consolidation of Capital, the Issue of Shares under the Capital Raising proposal, the Issue of Shares to Cicero Advisory Services Pty Ltd, the appointment of Loren Anne Jones as a Director and a Change of Company Name to Brookside Energy Limited.

On 9 June 2015 the Company lodged a Prospectus for the offer of up to 2,500,000,000 Shares at \$0.001 per Share to raise up to \$2,500,000 (Prospectus).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 1 April 2015, at a meeting of creditors of the Company, the creditors of the Company resolved that the Company execute a DOCA between the Company, the administrators and Cicero Advisory Services Pty Ltd (Cicero) recommended by the administrators. The DOCA was subsequently executed on 2 April 2015. Under the terms of the DOCA, the administrators were appointed as deed administrators of the DOCA (Deed Administrators). The DOCA includes a proposal for the reconstruction and recapitalisation of the Company (Recapitalisation Proposal).

DIRECTORS' REPORT

A summary of the Recapitalisation Proposal is as follows:

- The Company will consolidate its existing securities on a one (1) for two (2) basis, rounded down to the nearest whole number (Consolidation);
- Cicero paid the Company a \$50,000 loan upon execution of the DOCA (Cicero Loan). The Cicero Loan was advanced to provide critical working capital required to facilitate the recapitalisation and reinstatement process. It is proposed that this loan amount shall convert into 749,494,640 Shares in the Company (on a post-Consolidation basis) (Cicero Shares) subject to satisfaction of the conditions precedent contained in the DOCA.
- The Company will issue a minimum of 1,500,000,000 Shares, and up to a maximum of 2,500,000,000 Shares, to be issued at a price of \$0.001 each to raise a minimum of \$1,500,000 and a maximum of \$2,500,000 (Capital Raising).
- Of the funds raised from the issue of the Shares pursuant to the Capital Raising, Cicero will pay \$400,000 to the Deed Administrators who in turn will pay \$295,000 into the creditors' trust created in accordance with the DOCA (Creditors' Trust) and \$105,000 to Guggenheim Corporate Funding, LLC in full and final satisfaction of the Company's obligations to Guggenheim. The balance of the funds raised is intended to be applied to working capital and other costs in relation to the general and administrative costs of the Company.
- Miss Loren Anne Jones is proposed to be appointed to the board of directors of the Company immediately upon the Recapitalisation Resolutions being passed at the Meeting. Messrs William Warnock, Larry Edwards and David Colwell will resign from the Board prior to Completion of the DOCA. Messrs David Prentice and Michael Fry will remain on the Board.
- Upon Completion of the DOCA in accordance with its terms:
 - (i) the DOCA will terminate;
 - (ii) all admitted claims against the Company arising on or before 10 December 2014 (Claims) will be released and compromised with those creditors' with Claims (Creditors) instead entitled to rights in respect of the Creditors' Trust; and
 - (iii) the Company will retain its main business undertaking and will seek reinstatement to the ASX.

A Notice of General Meeting, to be held 5 June 2015, containing the DOCA proposal and related resolutions was dispatched to shareholders on 7 May 2015. On 5 June 2015, the shareholders of the Company resolved to pass all resolutions put to the meeting.

On 2 April 2015 the Company (subject to DOCA and R&M appointment) entered into a deed of forgiveness with its subsidiary, Red Fork USA Investments Inc, whereby it forgave the repayment of the intercompany indebtedness owing by the subsidiary at that date and cancelled the debt.

On 2 April 2015, the Company (subject to DOCA and R&M appointment) disposed of its entire shareholding in its subsidiary holdings to a third party which included the debt owed to the Secured Creditor.

The DOCA was wholly effectuated on 15 July 2015 in accordance with clause 10.1 of the DOCA and section 445C of the Corporations Act 2001.

On 16 July 2015, the Company was advised that the Receivers and Managers appointed by Guggenheim Corporate Funding LLC (as announced on 10 December 2014) have retired from office by way of execution of a Deed of Retirement effective as of 15 July 2015.

Control of the Company has reverted to the Board of Directors, effective 15 July 2015.

DIRECTORS' REPORT

EVENTS SUBSEQUENT TO REPORTING DATE

On 1 July 2015 the Company announced that the Offers under this Prospectus had closed oversubscribed with a total of \$2,500,000 raised.

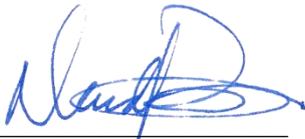
On 16 July 2015 the Company further announced the Completion of the DOCA, the retirement of the R&M and that control of the Company had reverted to the Board of Directors, effective 15 July 2015.

The Directors are not aware of any other matter or circumstance that has arisen since 30 June 2015 which significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Grant Thornton Audit Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on the following page and forms part of this directors' report for the half-year ended 30 June 2015.

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



David Prentice
Executive Director

Dated this 11th day of September 2015

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**Auditor's Independence Declaration
To The Directors of Brookside Energy Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Brookside Energy Limited for the half-year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M J Hillgrove
Partner - Audit & Assurance

Perth, 11 September 2015

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 JUNE 2015

	Notes	6 months to 30 June 2015 \$	6 months to 30 June 2014 \$
Revenue	2	-	14,084
Amortisation, depreciation, depletion and rehabilitation expense		-	(1,495)
Consultants expenses		-	(118,650)
Corporate and compliance expenses		(120,725)	(304,474)
Employment expenses		-	(372,404)
Equity based payments		-	(1,153,042)
Finance costs		-	(1,634)
Writedown of doubtful accounts		(37,216)	-
Other expenses		(28,669)	(319,464)
LOSS BEFORE INCOME TAX EXPENSE		(186,610)	(2,257,079)
Income tax expense		-	-
LOSS FOR THE PERIOD		(186,610)	(2,257,079)
DISCONTINUED OPERATIONS			
Net gain/(loss) due to discontinued operations	9	-	(13,127,423)
NET LOSS FOR THE YEAR ENDED 30 JUNE 2015		(186,610)	(15,384,502)
Other comprehensive loss for the period net of tax		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(186,610)	(15,384,502)
Basic and diluted loss per share (cents per share)		(0.039)	(3.07)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Notes	30 June 2015 \$	31 December 2014 \$
ASSETS			
CURRENT ASSETS			
Trade and other receivables		31,026	47,624
TOTAL CURRENT ASSETS	3	31,026	47,624
NON-CURRENT ASSETS			
Plant and equipment		-	4,149
TOTAL NON-CURRENT ASSETS	4	-	4,149
TOTAL ASSETS		31,026	51,773
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		1,008,601	817,738
TOTAL CURRENT LIABILITIES	5	1,008,601	817,738
TOTAL LIABILITIES		1,008,601	817,718
NET ASSETS		(977,575)	(765,965)
EQUITY			
Issued capital		215,487,649	215,487,649
Accumulated losses	6	(216,440,224)	(216,253,614)
TOTAL EQUITY	7	(977,575)	(765,965)

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 30 JUNE 2015

	Issued Capital	Accumulated Losses	Share Based Payment Reserve	Foreign Translation Reserve	Total
	\$	\$	\$	\$	\$
BALANCE AT 1 JANUARY 2015	215,487,649	(216,253,614)	-	-	(765,965)
Loss for the period	-	(186,610)	-	-	(186,610)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-
BALANCE AT 30 JUNE 2015	215,487,649	(216,440,224)	-	-	(977,575)
BALANCE AT 1 JANUARY 2014	220,362,511	(51,306,644)	5,705,039	731,806	175,492,712
Loss for the period	-	(2,839,008)	-	-	(2,839,008)
Adjustment for discontinued operations	-	(13,127,423)	-	-	(13,127,423)
Exchange difference arising on translation of foreign operation	-	-	-	12,777,647	12,777,647
Foreign exchange loss reclassified to equity	-	-	-	(12,714,283)	(12,714,283)
Total comprehensive loss for the period	-	(15,966,431)	-	63,364	(15,903,067)
Expired and cancelled options and performance rights	-	581,929	(581,929)	-	-
Recognition of share based payments	-	-	1,276,887	-	1,276,887
BALANCE AT 30 JUNE 2014	220,362,511	(66,691,146)	6,399,997	795,170	160,866,532

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 30 JUNE 2015

	6 months to 30 June 2015 \$	6 months to 30 June 2014 \$
Cash flows from operating activities		
Payments to suppliers and employees	-	(1,253,153)
Interest received	-	16,621
Net cash provided by operating activities	-	(1,236,532)
Cash flows from investing activities		
Net cash (used in) investing activities	-	-
Cash flows from financing activities		
Net cash provided by / (used in) financing activities	-	-
Net increase in cash and cash equivalents	-	(1,236,532)
Cash and cash equivalents at beginning of period	-	1,822,191
Cash and cash equivalents at end of reporting period	-	585,659

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting". The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The financial statements have been prepared on the basis of historical costs. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the year ended 31 December 2014, except in relation to the matters disclosed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to currency. Prior reporting periods have been reported in US dollars. This report and its comparative data have been reported in Australian dollars.

New and revised Accounting Standards and Interpretations

The Company has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the Company's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Company.

Going concern

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Company incurred a net loss of \$186,610 and had nil net cash outflows from operating activities and investing activities for the half year ended 30 June 2015. As at that date, the Company had net current liabilities of \$1,008,601. The Company's ability to continue as a going concern is dependent on raising further capital and / or reducing costs.

The financial report has been prepared on a going concern basis which assumes the continuity of normal business activities and the realization of assets and settlement of liabilities in the ordinary course of business. The directors believe it is appropriate to prepare these accounts on a going concern basis because under the DOCA dated 2 April 2015, the DOCA will extinguish all liabilities associated with the previous administration of the Company, and the Company is in the process of undertaking the following transactions:

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2015

- Cicero paid the Company a \$50,000 loan upon execution of the DOCA (Cicero Loan). The Cicero Loan was advanced to provide critical working capital required to facilitate the recapitalisation and reinstatement process. It is proposed that this loan amount shall convert into 749,494,640 Shares in the Company (on a post-Consolidation basis) (Cicero Shares) subject to satisfaction of the conditions precedent contained in the DOCA.

A Notice of Meeting containing the DOCA proposal and related resolutions was dispatched to shareholders on 7 May 2015. Shareholders approved all resolutions at the meeting held on 5 June 2015. The resolutions put to the meeting were as follows and became effective 15 July 2015:

- The Company will consolidate its existing securities on a one (1) for two (2) basis, rounded down to the nearest whole number (Consolidation);
- The Company will be authorised to issue a minimum of 1,500,000,000 Shares, and up to a maximum of 2,500,000,000 Shares, to be issued at a price of \$0.001 each to raise a minimum of \$1,500,000 and a maximum of \$2,500,000 (Capital Raising).
- Of the funds raised from the issue of the Shares pursuant to the Capital Raising, Cicero will pay \$400,000 to the Deed Administrators who in turn will pay \$295,000 into the creditors' trust created in accordance with the DOCA (Creditors' Trust) and \$105,000 to Guggenheim Corporate Funding, LLC in full and final satisfaction of the Company's obligations to Guggenheim. The balance of the funds raised is intended to be applied to working capital and other costs in relation to the general and administrative costs of the Company.
- Upon Completion of the DOCA in accordance with its terms:
 - (i) the DOCA will terminate;
 - (ii) all admitted claims against the Company arising on or before 10 December 2014 (Claims) will be released and compromised with those creditors' with Claims (Creditors) instead entitled to rights in respect of the Creditors' Trust; and
 - (iii) the Company will retain its main business undertaking and will seek reinstatement to the ASX.

Subsequent to 30 June 2015, the Company completed a capital raising of \$2,500,000, before costs. Liabilities at balance sheet date were written off in accordance with the effectuation of the DOCA.

Based upon the proposed equity raising as described above, the Company's cash flow forecast indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for a period of at least 12 months from the date of signing the financial report. Accordingly the directors are satisfied that the going concern basis of preparation is appropriate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2015

NOTE 2: REVENUES AND EXPENSES

Revenue

Interest received

	6 months to 30 June 2015 \$	6 months to 30 June 2014 \$
	-	14,084
	-	14,084

NOTE 3: TRADE AND OTHER RECEIVABLES

Current

Other receivables

Prepayments

Closing balance

	As at 30 June 2015 \$	As at 30 Dec 201 \$
	-	17,811
	31,026	29,813
	31,026	47,624

NOTE 4: PLANT and EQUIPMENT

Plant and equipment

At cost

Accumulated depreciation

Plant and equipment

Opening balance

Disposals

Depreciation for the period

Closing balance

	44,093	44,093
	(44,093)	(39,944)
	-	4,149
	4,149	9,527
	(4,149)	-
	-	(5,378)
	-	4,149

NOTE 5: TRADE AND OTHER PAYABLES

Current

Trade creditors

Accrued and other payables

Provisions

Closing balance ⁽¹⁾

	295,087	104,224
	632,489	632,489
	81,025	81,025
	1,008,601	817,738

⁽¹⁾ On 16 July 2015, the DOCA was effectuated resulting in \$400,000 of the liabilities of the Company being transferred to the Creditors' Trust as settlement of the \$817,738 in outstanding liabilities as at 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2015

NOTE 6: ISSUED CAPITAL

Ordinary shares

Issued and fully paid

	As at 30 June 2015	As at 31 Dec 2014
	215,487,649	215,487,649

	As at 30 June 2015		As at 31 Dec 2014	
	Number	\$	Number	\$
<i>Movements in ordinary shares on issue</i>				
Balance at beginning of period	501,051,719	215,487,649	501,051,719	215,487,649
Movement during the period				
Reconstruction 1:2 ratio	(250,526,063)	-	-	-
	250,525,656	215,487,649	501,051,719	215,487,649

NOTE 7: ACCUMULATED LOSSES

Balance at the beginning of the period
Net loss for the period
Balance at end of the period

	As at 30 June 2015	As at 31 Dec 2014
	(216,253,614)	(33,600,204)
	(186,610)	(182,653,410)
	(216,440,224)	(216,253,614)

NOTE 8: SEGMENT REPORTING

Management has determined, based upon the reports reviewed by the CEO and used to make strategic decisions, that the Group has no reportable segments.

The CEO reviews internal management reports on a monthly basis that are consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required, because the information as presented is used by the CEO to make strategic decisions.

NOTE 9: DISCONTINUED OPERATIONS

On 8 December 2014, Clifford Rocke, Martin Madden and David Winterbottom of KordaMentha Pty Ltd were appointed as Receivers and Managers ("R&M") of certain assets of the Company under the terms of the security provided to Guggenheim Corporate Funding LLC "Guggenheim".

On 10 December 2014, Red Fork Energy Limited's (renamed Brookside Energy Limited) (Subject to Deed of Company Arrangement) (Receivers and Managers Appointed) securities were suspended from quotation on the Australian Securities Exchange (ASX). On 10 December 2014, the Directors of the Company resolved to place the Company in voluntary administration and appointed Messrs Martin Jones, Darren Weaver and Benjamin Johnson of Ferrier Hodgson as joint and several administrators of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2015

On 12 December 2014 the R&M were appointed over the Company. Following appointment of the R&M and Administrators, the powers of the Company's officers (including Directors) were suspended and subject to the appointment of the R&M and Administrators who assumed control of the Company's business, property and affairs.

As a result Red Fork Energy Limited (renamed Brookside Energy Limited) disposed of the US subsidiaries.

NOTE 10: CONTINGENT LIABILITIES

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

NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

On 1 July 2015 the Company announced that the Offers under this Prospectus had closed oversubscribed with a total of \$2,500,000 raised.

A portion of the funds raised under the Prospectus were used to settle obligations to creditors with claims against the Company arising on or before 10 December 2014 under the Company's Deed of Company Arrangement (DOCA). Upon completion of the Capital Raising \$400,000 was paid to the Deed Administrators who in turn paid \$295,000 into the Creditors' Trust and \$105,000 to Guggenheim, resulting in the DOCA being effectuated and the Company's recapitalisation and reinstatement on the ASX. Consequently, the Board of Directors regained control of the Company and has since used the funds raised to cover the expenses of the Prospectus Offers and to provide ongoing working capital.

The DOCA as entered into on 1 April 2015 was wholly effectuated on 15 July 2015 in accordance with clause 10.1 of the DOCA and section 445C of the *Corporations Act 2001*.

On 16 July 2015, the Company was advised that the Receivers and Managers appointed by Guggenheim Corporate Funding LLC (as announced on 10 December 2014) retired from office by way of execution of a Deed of Retirement effective as of 15 July 2015.

Control of the Company has reverted to the Board of Directors, effective 15 July 2015. On 16 July 2015, the Company was reinstated to the ASX upon the completion of the Deed of Company Arrangement (DOCA) as described above. Refer Significant Changes in State of Affairs.

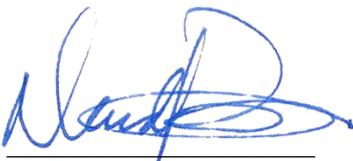
The Directors are not aware of any other matter or circumstances that has arisen since 30 June 2015 which significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

DIRECTORS' DECLARATION

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

1. The attached financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
 - a. complying with Accounting Standards, the *Corporations Act 2001* and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the half-year then ended;
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



David Prentice
Executive Director

Dated this 11th day of September 2015

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Independent Auditor's Review Report To the Members of Brookside Energy Limited

We have reviewed the accompanying half-year financial report of Brookside Energy Limited ("Company"), which comprises the statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement, other explanatory information and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of Brookside Energy Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Brookside Energy Limited financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Brookside Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance

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with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Basis for Qualified Conclusion

We have been unable to obtain sufficient appropriate audit evidence on some aspects of the accounting of the consolidated entity due to the loss of control of the US subsidiary in 2014. Specifically, we have been unable to satisfy ourselves on the following areas:

Comparative balances – due to the disclaimer of opinion issued on the financial report for 31 December 2014, we are unable to obtain evidence to support the comparative balances in the 30 June 2015 financial statements.

Qualified Conclusion

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

- a giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Other Matter

The audit opinion to the financial report for the year ended 31 December 2014 was disclaimed due to inadequate accounting records being maintain caused by the company entering administration.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M J Hillgrove
Partner - Audit & Assurance
Perth, 11 September 2015