



5 August 2020

Dear Shareholder

PRO-RATA NON-RENOUNCEABLE ENTITLEMENT OFFER AND OPTION OFFER NOTICE TO INELIGIBLE SHAREHOLDERS

This letter is to notify you that on 31 July 2020 Brookside Energy Limited (**ASX: BRK**) (**Brookside** or **the Company**) announced a pro rata non-renounceable entitlement offer of fully paid ordinary shares on the basis of one (1) fully paid ordinary shares (**New Shares**) for every four (4) fully paid ordinary shares in the Company (**Shares**) to eligible holders of Shares (**Shareholders**) registered at 5:00pm (WST) on Thursday 6 August 2020 (**Record Date**) at an issue price of \$0.005 per New Share, together with one (1) free attaching option exercisable at \$0.011 on or before 30 June 2022 (**New Options**), for every one (1) New Share issued under the Prospectus (**Entitlement Offer**), and a separate offer of up to 300,000,000 New Options at an issue price of \$0.001 per New Option, subject to Shareholder approval (**Option Offer**), to raise up to approximately \$1,555,625 (before costs) based on the number of Shares on issue at the date of this letter (**Offers**).

On the basis that no option holders of the Company exercise their options before the Record Date a maximum of 251,125,000 New Shares and 502,250,000 New Options will be issued under the Offers.

Ineligible Foreign Shareholders

The Entitlement Offer is only open to shareholders of the Company (**Shareholders**) who are registered as Shareholders at 5.00pm (WST) on the Record Date and who have registered addresses in Australia or New Zealand (**Eligible Shareholders**).

Shareholders with registered addresses outside Australia and New Zealand are considered ineligible shareholders (**Ineligible Foreign Shareholders**) and cannot participate in the Entitlement Offer.

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules, that it is not practicable for Ineligible Foreign Shareholders to participate in the Entitlement Offer having regard to the number of Ineligible Foreign Shareholders, the number and value of New Shares and New Options they would be offered and the costs of complying with regulatory requirements of those jurisdictions.

Accordingly, the Company wishes to advise you that it will not be extending the Offer to you and you will not be able to subscribe for New Shares under the Entitlement Offer.

Use of funds

The purpose of the Offers is to raise up to \$1,555,625 (before costs). The funds are intended to be first applied towards meeting the expenses of the Offer and then used to progress the Company's acquisition and development activities in the Anadarko Basin, Oklahoma (including planned acquisitions under the Orion Project Joint Venture) and for general working capital.



Prospectus and Offer Details

Details of the Entitlement Offer, together with all other relevant information, are set out in the Company's prospectus which was lodged with the ASX on Friday, 31 July 2020 (**Prospectus**). The Prospectus is currently available from the Company's website, www.brookside-energy.com.au, or the ASX website, www.asx.com.au, by searching under the Company's ASX code "BRK".

If you have any queries concerning the Entitlement Offer please contact the Company on +61 (8) 6489 1600.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Loren King", with a small flourish at the end.

Loren King
Company Secretary
Brookside Energy Limited