



# Brookside

**BROOKSIDE ENERGY LIMITED**

**ACN 108 787 720**

## **FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED 30 JUNE 2025**

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# DIRECTORS' REPORT

The Directors of Brookside Energy Limited (**Company**) and its subsidiaries (**Group**) present their report and the financial statements for the half-year ended 30 June 2025. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

## BOARD OF 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.

Name	Position
Michael Fry	Non-Executive Chairman
David Prentice	Managing Director
Richard Homsany	Non-Executive Director
Chris Robertson	Non-Executive Director
Chris Weatherl	Non-Executive Director (Appointed 20 August 2025)

## REVIEW OF OPERATIONS

### Overview

Brookside is pleased to present its results for the first half of the 2025 financial year. The period was marked by continued operational execution, with the Company successfully bringing its ninth operated well, the Bruins Well, into production ahead of schedule and under budget. This milestone, alongside sustained performance from the Flames Maroons Development Plan (FMDP) and the Gapstow non-operated wells, reinforces the repeatability of Brookside's low-cost development model. The Company also expanded its operated inventory with the addition of a fifth Drilling Spacing Unit (DSU) in the SWISH Play, further consolidating its strategic footprint. Brookside remains focused on disciplined growth, capital efficiency, and shareholder returns.

### Financial Performance

Brookside delivered a strong uplift in financial performance for the first half of 2025, with revenue from oil and gas sales nearly doubling to A\$30 million (1H2024: A\$15.4 million). This increase reflected both higher operated production and heightened contributions from non-operated wells. EBITDA was up 94% year-on-year to A\$13.6 million (1H2024: A\$7.0 million), highlighting the operating leverage in the business. Cash receipts from customers rose to A\$32.6 million, driving net operating cash flow of A\$11.1 million, up from A\$7.6 million in the prior corresponding period.

Net Profit After Tax lifted 53% to A\$5 million (1H2024: A\$3.2 million), despite a significantly higher amortisation charge (A\$8.2 million vs. A\$3.5 million in 1H2024) reflecting the step-up in producing assets. Earnings per share increased to 0.05 cents (1H2024: 0.03 cents). The balance sheet remained solid with net assets of A\$95.8 million and a reduced liability position compared to December 2024, while cash on hand was A\$8.3 million at 30 June 2025 after significant investment in new developments.

## DIRECTORS' REPORT

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Results from the first half of 2025 continue to reflect our commitment to disciplined growth and long-term value creation for our shareholders. With a strong foundation in place, we are well-positioned to build on this momentum through the remainder of the financial year and into 2026, as we execute on our strategy to grow production, build scale and return capital to shareholders.

### Production Performance

Gross operated production during the first half averaged approximately 2,975 BOE per day, with group net production averaging 1,884 BOE per day (56% liquids). Importantly, well performance across both operated and non-operated assets remained in line with modelled expectations, supporting the Company's production and cash flow outlook for the remainder of the year.

Description	Total	Liquids
Gross Operated Volumes (BOE)	523,709	63%
Group Net Volumes (BOE)	331,554	56%

Cumulative production from the Company's 9 SWISH wells reached 2.99 million BOE by the end of June 2025.

### Operations

#### Bruins Well

Brookside brought its ninth operated well, the Bruins Well, into production in late May, just 14 weeks after spud. Early-time performance has been strong, with the well producing approximately 36,900 BOE (71% liquids) and generating around US\$1.25 million in gross revenue by quarter-end. The Bruins Well is expected to deliver net revenues of ~US\$2.8 million in its first year, with the majority realised in the first six months.

#### Gapstow Full Field Development (FFD)

Brookside also benefited from a full half-year of production from its non-operated interest in the Gapstow development, operated by Continental Resources. The eight Gapstow wells delivered approximately 27,500 BOE net to Brookside in Q1 alone, with performance aligned to pre-drill expectations and liquids content averaging 73%. These volumes materially enhanced group production and cash flow, validating Brookside's strategy of complementing operated development with exposure to high-margin, capital-efficient non-operated wells.

#### SWISH Play Expansion

During the half, Brookside expanded its operated inventory by securing a fifth Drilling Spacing Unit (DSU) in the SWISH Play, increasing its operated footprint by 26%. The Company also completed a strategic acreage swap, trading non-core STACK acreage for high-quality Sycamore rights in the SWISH Play, further consolidating its position in the core of the basin.

### Reserves

Brookside released the results of its annual independently assessed reserve review during the first half of 2025. This review showed a 22% increase in total proved reserves (1P), highlighting the strength of the company's reserves in the SWISH AOI. The total proved plus probable (2P) reserves stood at 12.4 million BOE, further solidifying the company's asset base and supporting its future

## DIRECTORS' REPORT

production growth projections. Year end 2024 reserves were assessed by Haas & Cobb Petroleum Consultants (Haas & Cobb) with an effective date of 1 January 2025.

Reserve Class/Cat	Oil (Bbl)	NGL (Bbl)	Gas (Mcf)	BOE	YOY Change %
Proved Developed Producing	736,131	735,389	7,090,355	2,653,246	50%
Proved Non-Producing	7,897	-	18,220	10,934	7%
Proved Undeveloped	756,398	660,133	5,412,249	2,318,573	0%
<b>Total Proved (1P)</b>	<b>1,500,426</b>	<b>1,395,522</b>	<b>12,520,824</b>	<b>4,982,752</b>	<b>22%</b>
Probable Undeveloped	1,840,474	2,364,494	18,976,230	7,367,673	(1%)
<b>Total Proved Plus Probable (2P)</b>	<b>3,340,900</b>	<b>3,760,016</b>	<b>31,497,054</b>	<b>12,350,425</b>	<b>7%</b>

**Reserves Cautionary Statement:** Oil and gas reserves and resource estimates are expressions of judgment based on knowledge, experience, and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. Additionally, by their very nature, reserve and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. This may result in alterations to development and production plans which may, in turn, adversely impact the Company's operations. Reserves estimates and estimates of future net revenues are, by nature, forward looking statements and subject to the same risks as other forward-looking statements. Brookside confirms that it is not aware of any new information or data that materially affects the information included in its market announcement dated 26 March 2025 that included the results of the 2024 independent certification of its reserves of oil and gas and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

## CORPORATE

### Proposed U.S. Listing

The Company continued to make steady progress toward its proposed NYSE American listing via an ADR program. Key milestones are advancing in line with expectations, with the PCAOB audit of FY2022–2024 financials nearing completion and drafting of the Form F-1 registration statement well underway. Coordination with U.S. advisors has been ongoing across legal, governance, investor-relations, and due diligence workstreams, ensuring alignment with the indicative timetable.

### Annual General Meeting

The Company's Annual General Meeting was held during the half, with all resolutions passed by shareholders. The Company notes that it received a "first strike" against its remuneration report at that meeting, and the Board has committed to complete a full review of the Company's policies in respect of executive remuneration and expand its engagement with all shareholders to ensure alignment on incentive outcomes and governance matters during this financial year. The Company also published its AGM presentation, which provided an update on strategic and operational progress, and a reaffirmation of Brookside's disciplined capital management framework.

## DIRECTORS' REPORT

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### Corporate Advisory and Investor Relations

During the half-year, the Company maintained an active investor relations program, supported by strong engagement through its Investor Centre, which recorded more than 10,000 unique visits and 42 investor questions over the past 12 months. Regular operational and financial updates, investor presentations, and direct communications were provided to keep shareholders informed and increase market recognition of Brookside's strategy and performance.

To further strengthen these efforts, the Company engaged Cumulus Wealth to provide corporate advisory services in the Australian market. This engagement lifted the Company's profile among high-net-worth investors and smaller institutions. Cumulus was paid A\$60,000 for these services, satisfied through the issue of 120,000 fully paid ordinary shares. Given the positive early results from this partnership, the Company has extended the engagement for a further 12 months on the same terms.

### **SUBSEQUENT EVENTS**

On 7 July 2025 the Company announced its intention to undertake an on-market share buy-back of up to 4.8 million fully paid ordinary shares, representing approximately 5% of the Company's issued capital (Share Buy-Back). Based on a share price of A\$0.40, the total cost of the Share Buy-Back would be approximately A\$1.92 million.

The Share Buy-Back will commence in the September quarter and remain in place through to 30 June 2026, unless completed earlier. The timing and scale of any purchases will be subject to market conditions, trading volumes, and the Company's assessment of alternative capital deployment opportunities.

On 23 July 2025 the Company announced solid early production results from the Bruins Well, its ninth operated horizontal well in the SWISH Play. This reaffirmed the Company expectation that the well will deliver strong near-term cash flows. At recent pricing, gross revenues are forecast to exceed US\$6.2M over the first 12 months of production.

On 20 August 2025 the Company announced the appointment of Mr Chris Weatherl as Non-Executive Director of the Company. Mr Weatherl is a Petroleum Engineer and highly experienced upstream oil and gas executive with more than 25 years of commercial, technical, operational, and leadership experience across multiple major U.S. and international basins.

## DIRECTORS' REPORT

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### SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group other than as referred to elsewhere in this consolidated half-year report and in the accounts and notes attached thereto.

### SCHEDULE OF OIL AND GAS INTERESTS

COUNTY	INTEREST ACQUIRED OR (DISPOSED) OF DURING THE PERIOD	TOTAL ACRES	WORKING INTEREST
Blaine County, Oklahoma	-54	~302 acres	Working Interest
Garvin County, Oklahoma	Nil	~305 acres	Working Interest
Stephens & Carter Counties, Oklahoma	+89	~4,249 acres	Working Interest
Murray County, Oklahoma	Nil	~120 acres	Working Interest

### AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Hall Chadwick Audit (WA) Pty Ltd, to provide the directors of the 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 2025.

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 Frentice  
**Managing Director**

Dated this 9<sup>th</sup> day of September 2025

To the Board of Directors

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

As lead audit director for the review of the financial statements of Brookside Energy Limited and its controlled entities for the half-year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,



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



**NIKKI SHEN CA**  
**Director**

Dated this 9<sup>th</sup> September 2025  
Perth, Western Australia



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Half-Year Ended 30 June 2025

	Notes	6 months to 30-Jun-25 \$	6 months to 30-Jun-24 \$
Revenue	2	30,012,545	15,414,598
Royalties expense	2	(13,627,485)	(6,259,030)
Production expense		(1,274,474)	(771,301)
Gross profit		15,110,586	8,384,267
Interest income		184,782	729,572
Gain on derivative instruments		316,334	-
Other revenue	2	966,536	678,726
Director and employee related expenses		(1,011,733)	(929,393)
Compliance and registry expenses		(79,216)	(50,939)
Accounting and audit fees		(490,868)	(371,703)
Promotion and communication cost		(99,385)	(157,041)
Share based payments expense	13	(53,400)	(433,333)
Finance costs		(51,953)	(6,065)
Interest expense	8	(329,547)	(252,692)
Amortisation expense	5	(8,193,589)	(3,479,506)
Depreciation expense		(95,073)	(236)
Fair value loss on equity investment		(15,000)	(37,500)
Other expenses	2	(1,161,055)	(908,724)
		<b>(11,580,819)</b>	<b>(6,627,132)</b>
<b>Profit before income tax expense</b>		<b>4,997,419</b>	<b>3,165,433</b>
Income tax expense		-	-
<b>Net profit for the period</b>		<b>4,997,419</b>	<b>3,165,433</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit and loss:</i>			
Gain on cash flow hedges		325,382	-
Exchange differences on the translation of foreign operations		(5,007,821)	2,849,129
<b>Other comprehensive income/(loss) for the year net of taxes</b>		<b>314,980</b>	<b>6,014,562</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>314,980</b>	<b>6,014,562</b>
<b>Earnings Per Share</b>			
Basic earnings per share (cents)	9	0.05	0.03
Diluted earnings per share (cents)	9	0.05	0.03

The accompanying notes form part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 30 June 2025

	Notes	30-Jun 2025 \$	31-Dec 2024 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		8,317,775	11,391,127
Trade and other receivables	3	5,456,039	8,327,305
Derivative financial instruments		325,382	-
Financial assets fair value through profit or loss		37,500	52,500
Other		139,847	44,232
<b>Total Current Assets</b>		<b>14,276,543</b>	<b>19,815,164</b>
<b>Non-Current Assets</b>			
Property, plant, and equipment		138,186	17,843
Right- of-use assets	4	770,398	941,755
Producing assets	5	65,665,795	73,919,212
Exploration and evaluation assets	6	38,985,743	32,992,833
<b>Total Non-Current Assets</b>		<b>105,560,122</b>	<b>107,871,643</b>
<b>Total Assets</b>		<b>119,836,665</b>	<b>127,686,807</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	7	17,163,235	24,215,527
Finance lease liabilities		123,634	106,091
Provisions		76,334	126,178
Other liabilities	8	4,895,835	4,695,753
<b>Total Current Liabilities</b>		<b>22,259,038</b>	<b>29,143,549</b>
<b>Non-Current Liabilities</b>			
Finance lease liabilities		872,130	976,884
Provisions		492,829	466,617
Other liabilities	8	437,556	1,690,976
<b>Total Non-Current Liabilities</b>		<b>1,802,515</b>	<b>3,134,477</b>
<b>Total Liabilities</b>		<b>24,061,553</b>	<b>32,278,026</b>
<b>Net Assets</b>		<b>95,775,112</b>	<b>95,408,781</b>
<b>Equity</b>			
Share capital	10	265,246,099	265,064,748
Reserves	11	8,330,752	13,143,191
Accumulated losses		(177,801,739)	(182,799,158)
<b>Total Equity</b>		<b>95,775,112</b>	<b>95,408,781</b>

The accompanying notes form part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Half-Year Ended 30 June 2025

	Share Capital	Accumulated Losses	Share Based Payment Reserve	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 January 2024</b>	264,956,415	(185,631,564)	1,270,534	-	2,837,975	83,433,360
Profit for the period	-	3,165,433	-	-	-	3,165,433
Other comprehensive income	-	-	-	-	2,849,129	2,849,129
<b>Total comprehensive loss for the period</b>	-	<b>3,165,433</b>	-	-	<b>2,849,129</b>	<b>6,014,562</b>
Share rights issued during the period	-	-	433,333	-	-	433,333
<b>Balance at 30 June 2024</b>	<b>264,956,415</b>	<b>(182,466,131)</b>	<b>1,703,867</b>	-	<b>5,687,104</b>	<b>89,881,255</b>
<b>Balance at 1 January 2025</b>	265,064,748	(182,799,158)	1,595,534	-	11,547,657	95,408,781
Profit for the period	-	4,997,419	-	-	-	4,997,419
Other comprehensive income	-	-	-	325,382	(5,007,821)	(4,682,439)
<b>Total comprehensive loss for the period</b>	-	<b>4,997,419</b>	-	<b>325,382</b>	<b>(5,007,821)</b>	<b>314,980</b>
Share issued during the period	183,400	-	-	-	-	183,400
Share rights exercised during the period	-	-	(130,000)	-	-	(130,000)
Share issue costs during the period	(2,049)	-	-	-	-	(2,049)
<b>Balance at 30 June 2025</b>	<b>265,246,099</b>	<b>(177,801,739)</b>	<b>1,465,534</b>	<b>325,382</b>	<b>6,539,836</b>	<b>95,775,112</b>

The accompanying notes form part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For The Half-Year Ended 30 June 2025

	6 months to 30-Jun-25 \$	6 months to 30-Jun-24 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	32,560,982	18,927,726
Payments to suppliers and employees	(21,626,204)	(12,041,832)
Interest received	180,214	724,748
Interest paid	(24,445)	-
<b>Net cash provided by operating activities</b>	<b>11,090,547</b>	<b>7,610,642</b>
<b>Cash flows from investing activities</b>		
Payments for exploration activities	(12,659,426)	(11,976,325)
Payments for producing assets	(984,283)	-
Payments for property, plant and equipment	(45,802)	-
Proceeds from sale of exploration assets	124,815	-
<b>Net cash used in investing activities</b>	<b>(13,564,696)</b>	<b>(11,976,325)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	2,442,748	-
Repayments of borrowings	(2,442,748)	-
Payments of borrowings costs	(55,712)	-
Payments for lease liabilities	(73,565)	-
Payments for share buy-back	-	(99,000)
<b>Net cash used in financing activities</b>	<b>(129,277)</b>	<b>(99,000)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,603,426)</b>	<b>(4,464,683)</b>
Cash at beginning of the period	11,391,127	26,233,914
Effect of exchange rates on cash	(469,926)	59,650
<b>Cash at end of period</b>	<b>8,317,775</b>	<b>21,828,881</b>

*The accompanying notes form part of these consolidated financial statements.*

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### 1.A. STATEMENT OF COMPLIANCE

The half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

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

The half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position, and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 December 2023 and any public announcements made by Brookside Energy Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

### 1.B. BASIS OF PREPARATION

The half-year report has been prepared on a historical cost basis unless specified elsewhere in the financial statements. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted. For the purpose of preparing the half-year report, the half-year has been treated as a discrete reporting period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 1.C. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY ESTIMATES

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 31 December 2024.

## 1.D. GOING CONCERN

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

## 1.E. ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current half-year.

## 1.F. ADOPTION OF NEW AND REVISED STANDARDS

### 1.F.1. Standards and Interpretations applicable to 30 June 2025

In the half-year ended 30 June 2025, 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 half-year reporting periods beginning on or after 1 January 2025.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1.F.2. Standards and Interpretations in issue not yet adopted applicable to 30 June 2025

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2025.

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

## 2. REVENUES AND EXPENSES

### REVENUE

	6 months to 30-Jun-25 \$	6 months to 30-Jun-24 \$
Oil and gas sales - operator (Point in time)	26,936,672	14,898,407
Oil and gas sales – non-operator (Point in time)	3,075,873	516,191
Oil and gas revenue	30,012,545	15,414,598
Royalties expenses <sup>1</sup>	(13,627,485)	(6,259,030)
	<b>16,385,060</b>	<b>9,155,568</b>
<b>Other revenue</b>		
Overhead income from program participants	442,643	419,701
Other	523,893	259,025
	<b>966,536</b>	<b>678,726</b>

<sup>1</sup>Royalty expenses represent amounts paid or payable to third party mineral owners.

### EXPENSES

	6 months to 30-Jun-25 \$	6 months to 30-Jun-24 \$
<b>Other expenses</b>		
Administration expenses	746,426	578,574
Insurance expenses	127,016	111,628
Travel expenses	141,348	134,654
Consultant fees	103,202	39,000
Legal fees	43,063	44,868
	<b>1,161,055</b>	<b>908,724</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 3. TRADE & OTHER RECEIVABLES

	As at 30-Jun-25 \$	As at 31-Dec-24 \$
<b>Current</b>		
Accrued revenue	5,415,717	8,273,820
Other receivables	40,322	53,485
	<b>5,456,039</b>	<b>8,327,305</b>

### 4. RIGHT-OF-USE ASSETS

	As at 30-Jun-25 \$	As at 31-Dec-24 \$
Balance at beginning of period	941,755	-
Additions	-	1,117,693
Depreciation expensed	(86,527)	(110,770)
Interest expensed	(41,041)	(54,878)
Effect of exchange rates	(43,788)	(10,290)
	<b>770,398</b>	<b>941,755</b>

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

### 5. PRODUCING ASSETS

	As at 30-Jun-25 \$	As at 31-Dec-24 \$
Balance at beginning of period	73,919,212	32,593,556
Transferred from exploration and evaluation assets	3,077,889	52,062,685 <sup>(i)</sup>
Add: capitalisation of production expense	357,567	1,898,365
Less: amortisation	(8,193,589)	(14,971,528)
Foreign currency translation on movement	(3,495,284)	2,336,134
	<b>65,665,795</b>	<b>73,919,212</b>

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 6. EXPLORATION AND EVALUATION

	As at 30-Jun-25 \$	As at 31-Dec-24 \$
<i>Costs carried forward in respect of areas of interest in:</i>		
Exploration and evaluation phases – at cost	<b>38,985,743</b>	<b>32,992,833</b>
Opening Balance	<b>32,992,833</b>	<b>32,360,881</b>
Capitalised expenses	10,853,895	49,489,361
Transfer to Producing assets	(3,077,889)	(52,062,685)
Sale of acreage	(124,874)	-
Foreign currency transaction on movement	(1,658,222)	3,205,276
	<b>38,985,743</b>	<b>32,992,833</b>

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.

### 7. TRADE AND OTHER PAYABLES

	As at 30-Jun-25 \$	As at 31-Dec-24 \$
<b>Current</b>		
Trade creditors	4,784,514	7,596,234
Other current liabilities <sup>(i)</sup>	12,274,637	16,573,293
Accrued and other payables	104,084	46,000
	<b>17,163,235</b>	<b>24,215,527</b>

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

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 8. OTHER LIABILITIES

	As at 30-Jun-25 \$	As at 31-Dec-24 \$
Current	4,895,835	4,695,753
Non- current	437,556	1,690,976
	<b>5,333,391</b>	<b>6,386,729</b>

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

### 9. EARNINGS PER SHARE

	As at 30-Jun-25 \$	As at 30-Jun-24 \$
Profit used in calculation of basic and diluted EPS	4,997,419	3,165,433
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	95,707,832	95,290,913

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 10. SHARE CAPITAL

### Issued and paid-up capital

95,778,550 Ordinary shares  
(31 December 2024: 95,458,550)

As at 30-Jun-25 \$	As at 31-Dec-24 \$
265,246,099	265,064,748

## 10.A. MOVEMENTS IN SHARE CAPITAL

At the beginning of the period  
Shares issued during the period:  
- Exercise of share rights  
- Payment of advisor fees in ordinary shares

Share issue costs

**At end of the period**

6 months to 30-Jun-25 \$	Year ended 31-Dec-24 \$
265,064,748	264,956,415
130,000	108,333
53,400	-
(2,049)	-
<b>265,246,099</b>	<b>265,064,748</b>

## 10.B. MOVEMENTS IN NUMBER OF SHARES ON ISSUE

At the beginning of the period  
Shares issued during the period:  
- Exercise of share rights  
- Payment of advisor fees in ordinary shares  
Share consolidation  
At end of the period

6 months to 30 June 2025 Number	Year ended 31-Dec-24 Number
95,458,550	4,764,545,628
200,000	8,333,333
120,000	-
-	(4,677,420,411)
<b>95,778,550</b>	<b>95,458,550</b>

## 10.C. TERMS AND CONDITIONS OF CONTRIBUTED EQUITY

### 10.C.1. Ordinary shares

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

## 10.D. SHARE RIGHTS

At the end of the reporting period, 346,364 share rights over unissued shares were on issue.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 11. RESERVES

*Nature and purpose of reserves*

### Share-based Payments Reserve

This reserve is used to record the value of equity benefits provided to employees, consultants and Directors as part of their remuneration. Refer to Note 13 for further details of these plans.

### Cash Flow Hedge Reserve

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

### Foreign Currency Translation Reserve

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

	As at 30-Jun-25 \$	As at 31-Dec-24 \$
Share based payment reserve	1,465,534	1,595,534
Cash flow hedge reserve	325,382	-
Foreign currency translation reserve	6,539,836	11,547,657
	<b>8,330,752</b>	<b>13,143,191</b>

### SHARE BASED PAYMENT RESERVE

	As at 30-Jun-25 \$	As at 31-Dec-24 \$
Balance at the beginning of the period	1,595,534	1,270,534
Share Rights issued during the period:		
- Share Rights issued to director (Note 13)	-	195,000
- Share Rights issued to employee (Note 13)	-	238,333
Share Rights exercised during the period:		
- Share Rights exercised	(130,000)	(108,333)
Balance at end of period	<b>1,465,534</b>	<b>1,595,534</b>

### FOREIGN CURRENCY RESERVE

	As at 30-Jun-25 \$	As at 31-Dec-24 \$
At beginning of the period	11,547,657	2,837,975
Movement during the period	(5,007,821)	8,709,682
	<b>6,539,836</b>	<b>11,547,657</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 12. SEGMENT INFORMATION

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

### 12.A. IDENTIFICATION OF REPORTABLE SEGMENTS

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

The Company is managed primarily on the basis of its oil and gas in the USA and its corporate activities. 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.

### 12.B. TYPES OF REPORTABLE SEGMENTS

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.

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.

### 12.C. 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 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 nexus 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.

	Corporate \$	Oil & Gas and other USA entities \$	Total \$
<b>30 June 2025</b>			
<b>Segment performance</b>			
Segment revenue	2,461	31,477,736	31,480,197
Segment results	(1,102,627)	6,100,046	4,997,419
<i>Included within segment result:</i>			
- Finance costs	(4,100)	(47,853)	(51,953)
- Interest expense	-	(329,547)	(329,547)
- Amortisation expenses	-	(8,193,589)	(8,193,589)
- Share based payment expense	(53,400)	-	(53,400)
Segment assets	541,596	119,295,069	119,836,665
Segment liabilities	(273,616)	(23,787,937)	(24,061,553)
<b>30 June 2024</b>			
<b>Segment performance</b>			
Segment revenue	8,398	16,814,498	16,822,896
Segment results	(1,379,455)	4,544,888	3,165,433
<i>Included within segment result:</i>			
- Finance costs	(887)	(5,178)	(6,065)
- Interest expense	-	(252,692)	(252,692)
- Amortisation expenses	-	(3,479,506)	(3,479,506)
- Share based payment expense	(433,333)	-	(433,333)
Segment assets	1,184,378	107,115,276	108,299,654
Segment liabilities	(254,166)	(18,164,233)	(18,418,399)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 13. SHARE BASED PAYMENTS

Share-based payments made during the half-year ended 30 June 2025 are summarised below.

	As at 30 June 2025 \$	As at 31 Dec 2024 \$
Payment of advisor fees in ordinary shares	53,400	-
Share Rights issued to director	-	195,000 <sup>(i)</sup>
Share Rights issued to employees	-	238,333
	<b>53,400</b>	<b>433,333</b>

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

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

### 14. CONTINGENT LIABILITIES

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

### 15. EVENTS SUBSEQUENT TO REPORTING DATE

On 7 July 2025 the Company announced its intention to undertake an on-market share buy-back of up to 4.8 million fully paid ordinary shares, representing approximately 5% of the Company's issued capital (Share Buy-Back). Based on a share price of A\$0.40, the total cost of the Share Buy-Back would be approximately A\$1.92 million.

The Share Buy-Back will commence in the September quarter and remain in place through to 30 June 2026, unless completed earlier. The timing and scale of any purchases will be subject to market conditions, trading volumes, and the Company's assessment of alternative capital deployment opportunities.

On 23 July 2025 the Company announced solid early production results from the Bruins Well, its ninth operated horizontal well in the SWISH Play. This reaffirmed the Company expectation that the well will deliver strong near-term cash flows. At recent pricing, gross revenues are forecast to exceed US\$6.2M over the first 12 months of production.

### **15. EVENTS SUBSEQUENT TO REPORTING DATE (continued)**

On 20 August 2025 the Company announced the appointment of Mr. Chris Weatherl as Non-Executive Director of the Company. Mr. Weatherl is a Petroleum Engineer and highly experienced upstream oil and gas executive with more than 25 years of commercial, technical, operational, and leadership experience across multiple major U.S. and international basins.

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



## DIRECTORS' DECLARATION

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In the opinion of the directors of Brookside Energy Limited (**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 Group's financial position as at 30 June 2025 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  
**Managing Director**

Dated this 9<sup>th</sup> day of September 2025

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BROOKSIDE ENERGY LIMITED AND ITS CONTROLLED ENTITIES

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of Brookside Energy Limited and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

#### Directors' Responsibility for the half-year Financial Report

The directors of the Company 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 internal control 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 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, anything has come to our attention that causes us to 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 Group's consolidated financial position as at 30 June 2025 and its consolidated financial 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 the Group, 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 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 have complied with the independence requirements of the *Corporations Act 2001*.



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



**NIKKI SHEN CA**  
**Director**

Dated this 9<sup>th</sup> September 2025  
Perth, Western Australia