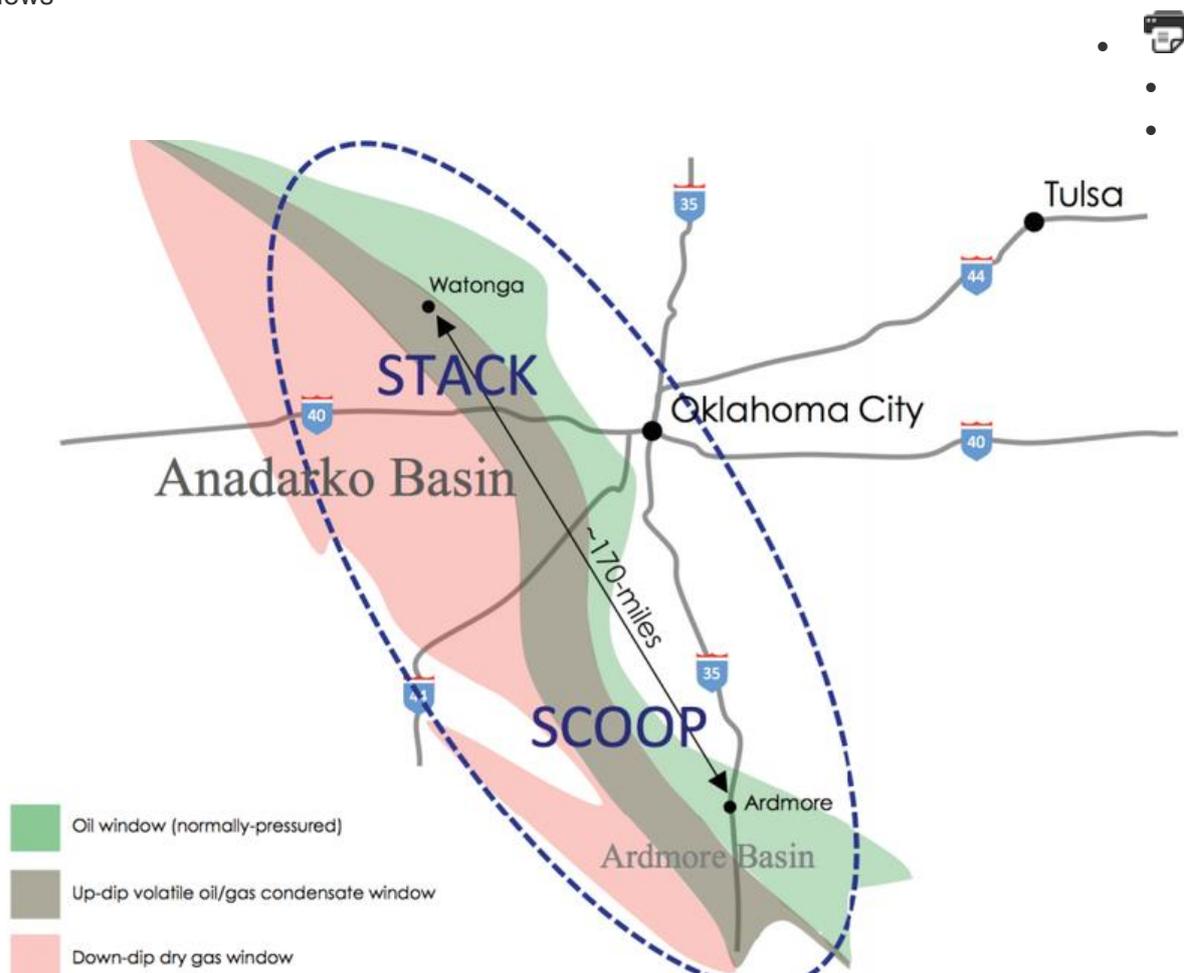


## Brookside nets tenfold profit on Stack divestment

BROOKSIDE Energy's divestment of just 11 acres in its first full field development unit in the Stack play in Oklahoma's Anadarko Basin has netted the company US\$28,600 per acre, a tenfold rise on the initial average \$2500 per acre cost.

- [James Bowen](#)
- 15 May 2018
- 11:29
- News



The junior made the investment into the undeveloped non-operating working interest leasehold at the end of 2016.

The company said the result reflected the significant interest in the secondary market for acreage in its Anadarko Basin plays.

The per acre price achieved is also significantly higher than the \$16,000 weighted average achieved over the last two years of the company's merger and acquisition activity.

Brookside said it validated its business model "to acquire undeveloped acreage and utilise the production results (and resultant proved undeveloped reserves) from the initial or parent well in a development unit as a catalyst for acreage revaluation".

It added that the divestment covers a relatively small amount of acreage in the context of its entire Anadarko Basin holdings.

Indeed, the divested asset sit in one of 17 development units in the Stack play and the first non-operated development units that had progressed to full-field development status.

The unnamed operator that acquired the assets, described only as a "tier-one independent E&P company" is expected to drill eight proved undeveloped wells within the unit.

According to Brookside, the sale also highlighted the high quality proved undeveloped locations that being generated from the initial wells drilled in the plays.

The business model, which it says is common in the US market, focuses on acquiring undeveloped acreage and utilising the production results, and resultant proved undeveloped reserves, from the initial or parent well in a development unit as a catalyst for acreage evaluation.

Brookside managing director David Prentice said the company was delighted with the results of the divestment.

"This transaction has demonstrated to our shareholders and to the market generally the validity of our business model," Prentice said.

"We are very confident that the greatest leverage for our shareholders comes from acquiring the very best undeveloped leasehold acreage we can in this world-class basin and then unlocking the value as wells get drilled and the reserve potential of each acre becomes apparent."

The proceeds will be re-invested in further working Interest leasehold acquisitions in the Scoop and Swish plays, as well as drilling and completion activities in Stack wells.

Together with partner and US operations manager Black Mesa, Brookside continues to aggressively pursue its leasing campaign within the 35,000-acre Swish project , targeting an 8000 acre operated position within the area of interest, including at least 10 drilling units ranging from 320 to 1280 acres.

Brookside closed a heavily oversubscribed placement last month to raise A\$3.16 million before costs in service of its Andanarko Basin activities.

Brookside was trading at 1.5c this morning.

<http://www.energynewsbulletin.net/development/news/1338292/brookside-nets-tenfold-profit-on-stack-divestment>