



31 March 2016

Manager Announcements
Company Announcements Platform
ASX Compliance Pty Limited (**ASX**)
Level 4, 20 Bridge Street
SYDNEY NSW 2000

BROOKSIDE ACQUIRES OIL AND GAS ROYALTIES IN THE WORLD CLASS STACK MERAMEC PLAY

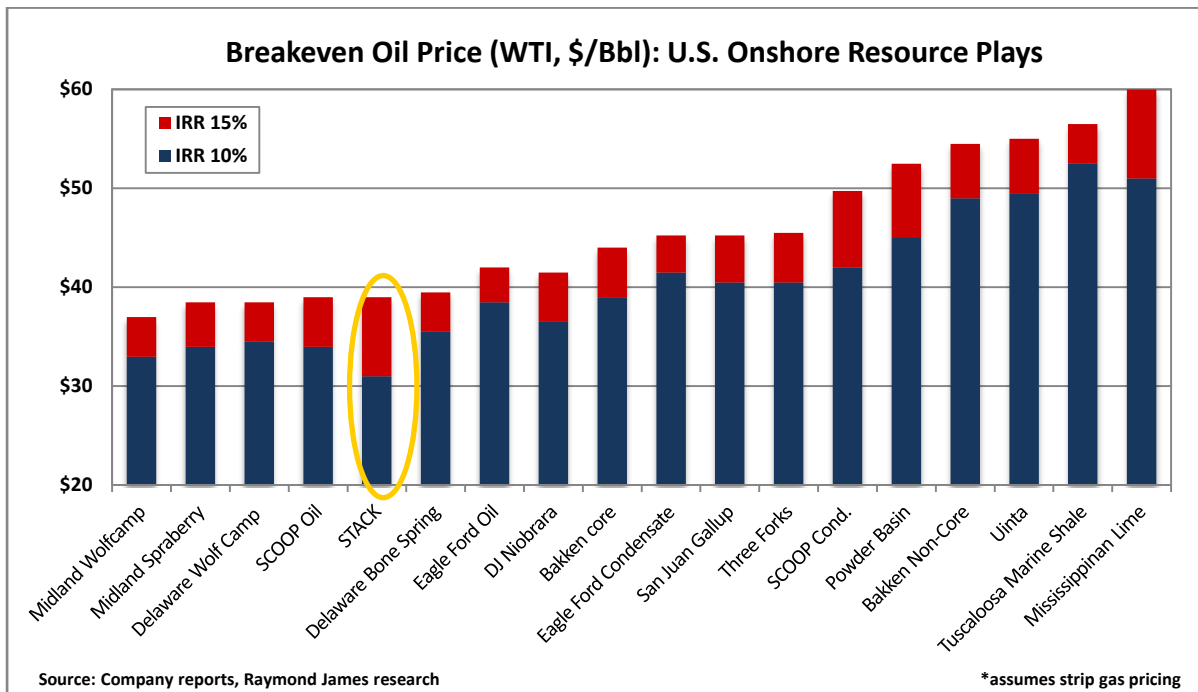
Highlights:

- Acquisition represents a first step in a strategy to build a position in one of the select group of on-shore United States plays that remain economic at the current forward curve
- Brookside has acquired royalties over ~100 acres across four sections in the core of the play where the target Meramec Formation is up to 450 feet thick with two productive benches and excellent reservoir qualities
- Modelled development scenario delivers ~US\$4 Million in royalties to Brookside over the life of the project at the Forward Strip¹. (with no operating expenses or further capital required)
- Very active play (20 rigs operating) that is delivering results comparable with the most economic parts of the Permian and Eagle Ford Plays
- Initial development set to commence with an extended reach horizontal well already permitted

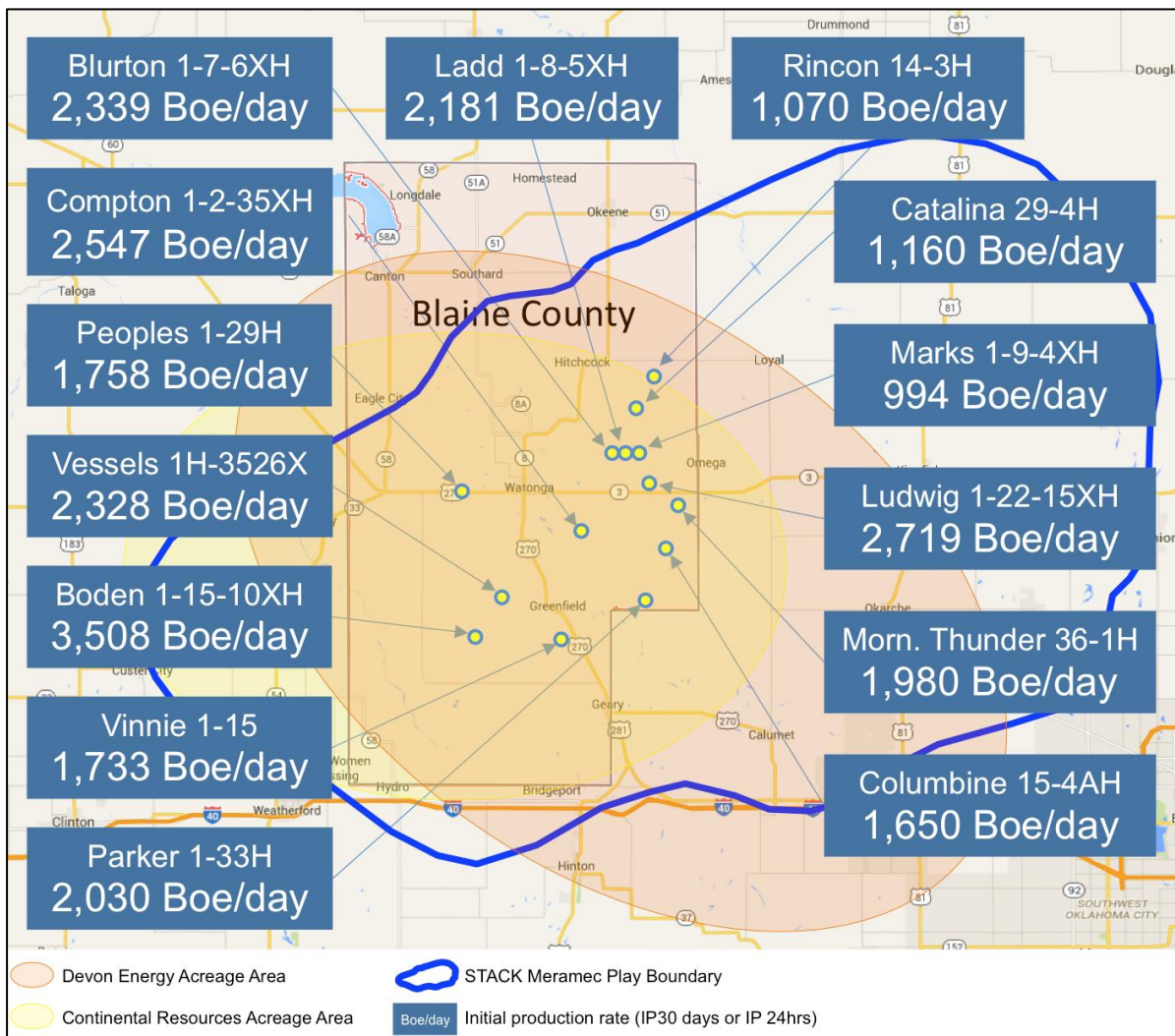
Brookside Energy Limited (**Brookside** or the **Company**) is pleased to announce that its wholly owned subsidiary BRK Oklahoma Holdings, LLC (**BRK Oklahoma**) has acquired oil and gas royalties over approximately 100 acres, across four sections, in Blaine County, Oklahoma (**RA Minerals Royalty Acreage**).

The RA Minerals Royalty Acreage is located in the heart of the world class STACK Meramec Play within a core focus area that has been identified by the Black Mesa Production, LLC (**Black Mesa**) team and which is currently subject to active development through horizontal drilling (see March 2016 Investor Presentation). The Black Mesa team considers the area to be highly prospective for productive Meramec, with approximately 450 feet of gross thickness and excellent reservoir qualities.

With 20 rigs running in the play and a number of large (well-funded) US listed E&P Companies active (including Devon Energy, Marathon Oil, Newfield Exploration, Continental Resources and Cimarex Energy) the STACK Meramec Play is one of the select few plays in the United States that remain economic at today's prices.



Devon Energy and Continental Resources are the dominant operators within the RA Minerals Royalty Acreage and lease records confirm that Continental Resources has already permitted an extended reach lateral (10,000 foot) horizontal well within the acreage. Further details on this proposed well will be released to the market as they become available.



Commenting on this announcement Brookside's Managing Director David Prentice said:

"We are extremely pleased to have successfully closed this acquisition in the world class STACK Meramec Play. This represents an initial foray into a play that is delivering results in the current commodity price environment that are comparable with the most economic parts of the Permian and Eagle Ford Plays. The STACK Meramec Play has been identified as a stand out in the select group of on-shore United States plays that are economic at the forward curve and history tells us that well timed acquisitions in the core of these world class plays will generate superior returns for shareholders over time".

SUMMARY OF COMMERCIAL TERMS

The acquisition was completed pursuant to the Acquisition Program Agreement as defined under the Company's joint venture with Black Mesa and is therefore subject to Black Mesa's 18.75% back-in after payout. The consideration for the acquisition was ~A\$1.1 million.

CAPITAL RAISING

Brookside has appointed Cicero Advisory Services Pty Ltd to manage an offer of 100,000,000 new fully paid ordinary shares at \$0.01 (with a one for two free attaching option, exercisable at \$0.02 on or before 31 December 2018, subject to shareholder approval) to raise \$1,000,000 before costs. The capital raised under this offer will be used for expenditure on the Company's existing projects and for working capital.

-END-

For further information, contact:

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Note 1.

Forward Strip as at March 2016		
Year	Oil (US\$/Bbl)	Gas (US\$/Mmbtu)
2017	40.47	2.40
2018	42.11	2.53
2019	43.37	2.60
2020	44.67	2.76
2021	46.01	2.85
Life	47.00	3.00