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

## INITIAL DEVELOPMENT TO COMMENCE WITHIN BROOKSIDE'S RA MINERALS ROYALTY ACREAGE

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### Highlights:

- First extended reach horizontal well (Ike 1-20-17XH) to be drilled within Brookside's RA Minerals Royalty Acreage (with no operating expenses or capital required from Brookside)
  - Continental Resources, Inc. to be the operator of the well which is expected to target the Meramec formation which is up to 450 feet thick in this area with excellent reservoir qualities
  - RA Minerals Royalty Acreage package located in the heart of the world class STACK Meramec Play
  - Several operators in the play are already testing increased drilling density with successful pilots set to deliver significant upside to the currently modelled revenue stream
  - Industry type curve for a single extended reach horizontal well delivers 1,700 Mboe EUR (58% oil) with 380 Mboe produced in the first 12-months (40% pre-tax ROR at current pricing)
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Brookside Energy Limited (**Brookside** or the **Company**) is pleased to announce that development within the recently acquired RA Minerals Royalty Acreage in Blaine County, Oklahoma is set to commence with an initial extended reach horizontal well planned to be drilled.

Oklahoma Corporation Commission (**OCC**) records confirm that the proposed well (the Ike 1-20-17XH) will intersect one of the four sections included in the RA Minerals Royalty Acreage package. Brookside's wholly owned subsidiary BRK Oklahoma Holdings LLC (**BRK Oklahoma**) acquired minerals over approximately 38 acres in this section. OCC records further confirm that Continental Resources, Inc. (NYSE:CLR) will be the operator of this well.

The RA Minerals Royalty Acreage is located in the heart of the world class STACK Meramec Play in an area that is currently subject to active development through horizontal drilling (see March 2016 Investor Presentation). The Black Mesa1 team considers the area to be highly prospective for productive Meramec, with approximately 450 feet of gross thickness and excellent reservoir qualities (see Figures 1 and 2).

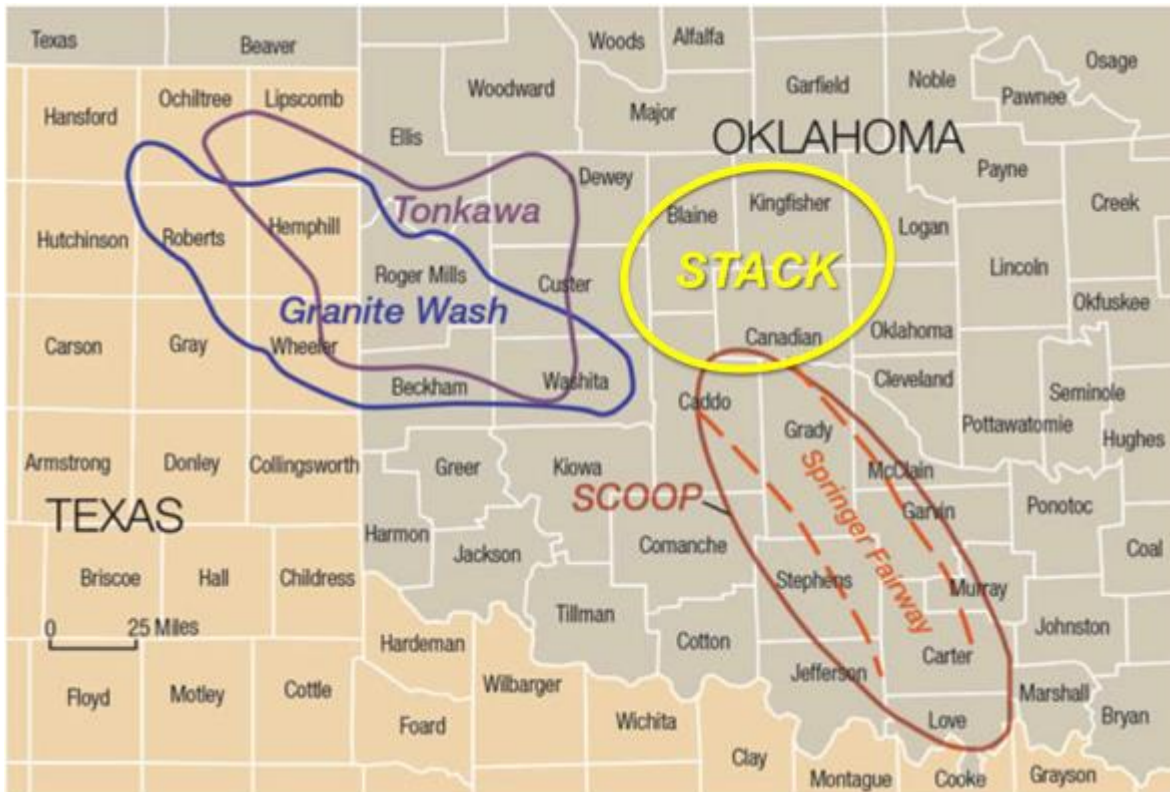


Figure 1. Central West & South Oklahoma Resource Plays

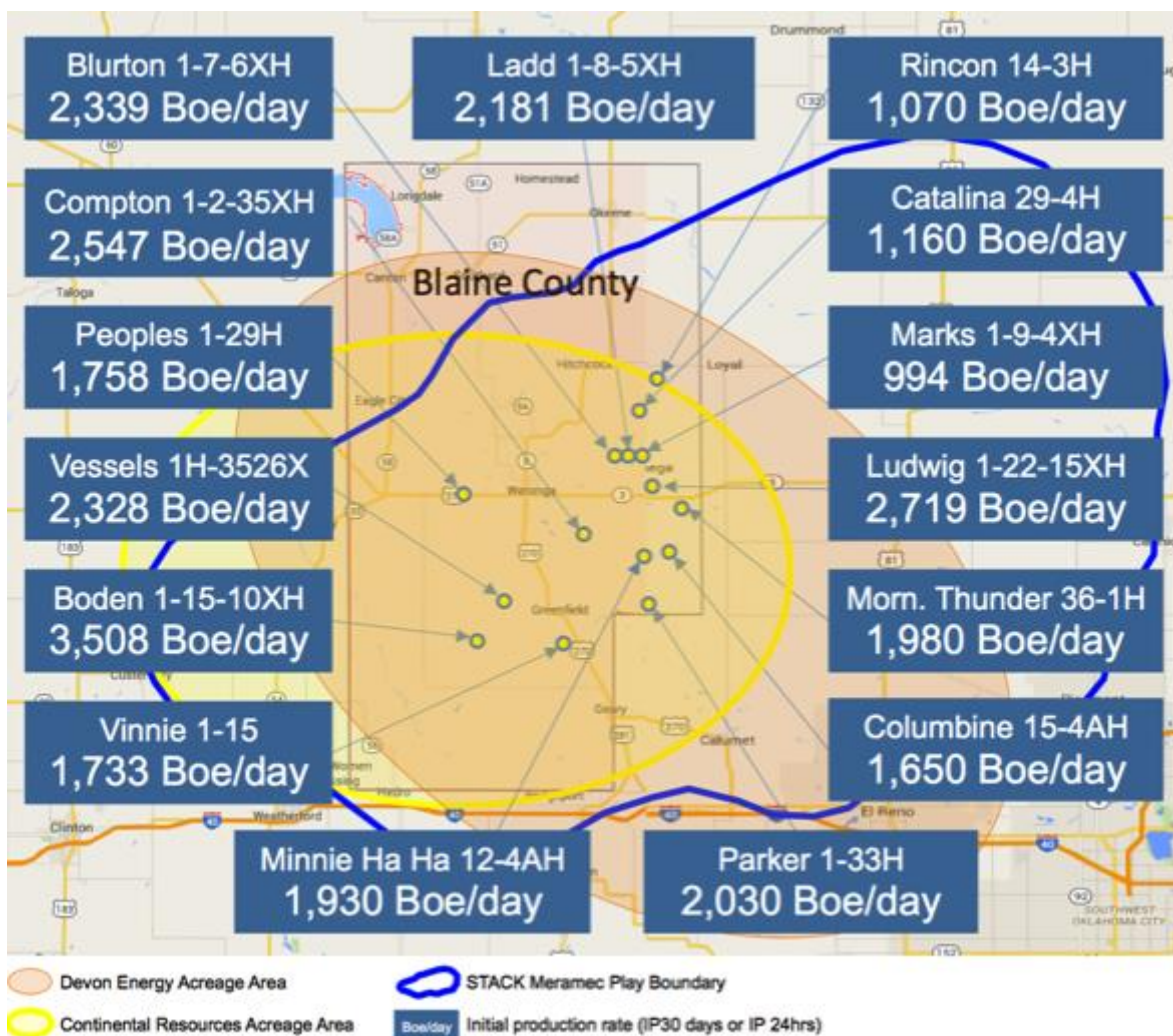


Figure 2. STACK Meramec Activity - Blaine County, Oklahoma

With 20 rigs operating 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 most economic resource plays in North America (see Figure 3.)

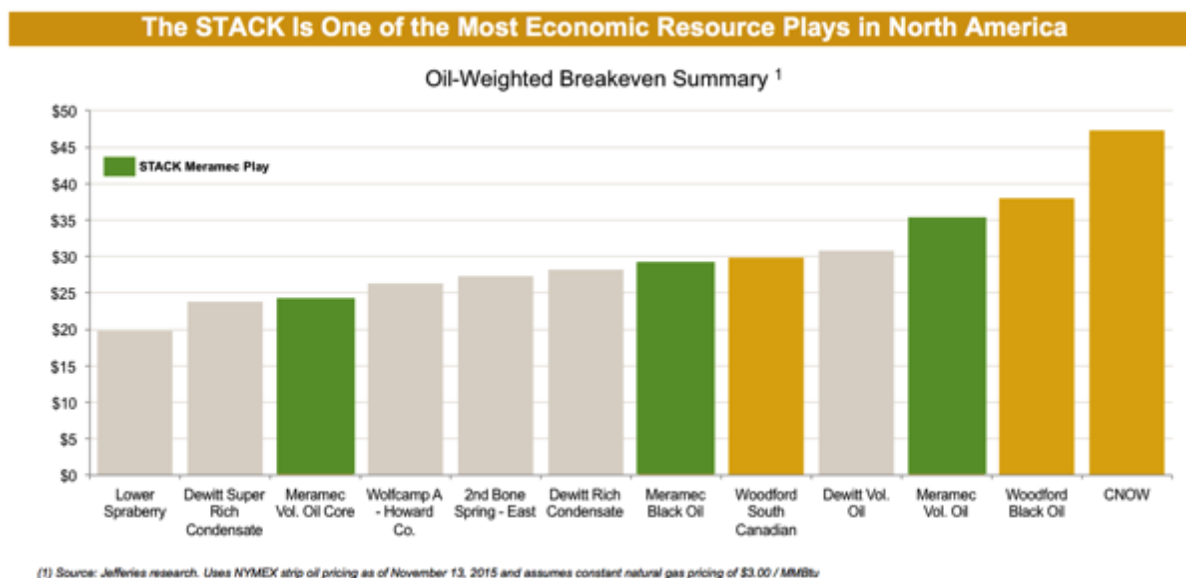


Figure 3. Oil- Weighted Breakeven Summary

As previously announced, the Black Mesa team has flagged potential for considerable upside to the presently modelled development scenario (see March 2016 Investor Presentation), including from increased drilling density. Brookside notes that a number of the companies that are currently active in the STACK Meramec Play are already proceeding with increased drilling density pilots (testing up to eight wells per section across one interval in the Upper Meramec and flagging potential for joint development of the Meramec and the Woodford Shale). Further success with these pilots would have a significant positive impact on the revenue stream from the Company's RA Minerals Royalty Acreage acquisition.

The current industry type curve for a single extended reach horizontal well delivers an EUR of 1,700 Mboe (58% oil) with 380 Mboe produced in the first 12-months. This well generates a pre-tax rate of return in excess of 40% at current pricing (based on an estimated completed well cost of US\$10 million).

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

*"We are excited to see initial development set to commence within the RA Minerals Royalty Acreage package. The economics in this part of the play are excellent with successful increased drilling density pilots capable of delivering further upside to the currently modelled revenue stream."*

**-ENDS-**

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### **NOTE 1. ABOUT BLACK MESA PRODUCTION LLC**

Black Mesa Production, LLC (**Black Mesa**) is an Oklahoma domiciled limited liability company established for the purpose of identifying and exploiting opportunities in the upstream oil and gas sector on-shore in the United States.

Black Mesa was capitalized via an agreement between the Tulsa Equity Group, BRK Oklahoma (a wholly owned subsidiary of Brookside Energy Limited) and the Incentive Members of Black Mesa. The Tulsa Equity Group and BRK Oklahoma have acquired 50% of Black Mesa (Tulsa Equity Group 35% and BRK Oklahoma 15%) by agreeing to fund their pro-rata share of US\$3.126 million in start-up capital over three years. The Incentive Members are earning the remaining 50% of Black Mesa as executives of the Company.

The Tulsa Equity Group is made up of some of the members of the Board of Black Mesa but does not include Chris Girouard or any of the Directors and/or Officers of Brookside and/or BRK Oklahoma (personally or beneficially). The Incentive Members include some members of the Black Mesa executive team. None of the Directors and/or Officers of Brookside and/or BRK Oklahoma (personally or beneficially) are Incentive Members. None of the Directors and/or Officers of Brookside and/or BRK Oklahoma (personally or beneficially) are members of or hold equity in the Tulsa Equity Group or Black Mesa.

Black Mesa's executive team is comprised of Chris Girouard (President and CEO), John Schumer (Vice President Reservoir Engineering), James Eddleman (Senior Geologist) and Lee Francis (Vice President Operations).