



29 April 2016

The Listing Manager
Australian Securities Exchange Ltd
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

QUARTERLY ACTIVITIES REPORT

for the period ended 31 March 2016

The Directors of Brookside Energy Limited (**ASX:BRK**) (**Brookside**, or the **Company**) are pleased to present the Company's quarterly activities report for the period ending March 31, 2016.

During the quarter the Company continued to pursue a strategy aimed at building value per share by leveraging the expertise, experience and contacts of the Board and our joint venture partner Black Mesa Production LLC (**Black Mesa**¹).

The Company has established a joint venture for its US focussed activity that allows it to maintain maximum flexibility to take advantage of the opportunities presented by the current low commodity price environment. Brookside's agreement with Black Mesa provides a unique, low-cost and efficient exposure to the United States E&P energy sector at an opportune time in the commodity price cycle.

The Company is investing alongside a Tulsa based equity group with extensive industry experience and a strong track record for creating significant value from energy start-ups. The Black Mesa executive team is in place with accomplished oil and gas professionals across key disciplines of land, reservoir engineering, geology, operations and finance.

During the quarter the Black Mesa team actively reviewed a number of energy focused opportunities and this work resulted in the identification of an opportunity to secure an initial exposure to the world class STACK Meramec Play in Oklahoma. This 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 are economic at the current forward curve.

On March 31, 2016 the Company announced the acquisition of royalties over ~100 acres (**RA Minerals Royalty Acreage**) across four sections in the core of the STACK Meramec Play where the target Meramec Formation is up to 450 feet thick with two productive benches and excellent reservoir qualities. Black Mesa's modelled development scenario delivers ~US\$4 Million in royalties to Brookside over the life of the project at the Forward Strip (with no operating expenses or further capital required).

Post the end of the March quarter, the Company announced that initial development was set to commence within the RA Minerals Royalty Acreage with the first extended reach horizontal well (Ike 1-20-17XH) to be drilled (with no operating expenses or capital required from Brookside). Continental Resources, Inc. is the operator of the well which is expected to target the Meramec formation.



As outlined in the announcement, several operators in this play are already testing increased drilling density with successful pilots set to deliver significant upside to the currently modelled ~US\$4 million revenue stream. The STACK Meramec play has been identified as one of the most economic resource plays in North America with the industry type curve for a single extended reach horizontal well delivering 1,700 Mboe EUR (58% oil) with 380 Mboe produced in the first 12-months (40% pre-tax ROR at current pricing).

See Appendix 1. Below for details of the Company's oil and gas interests.

Exploration Activities

No exploration was conducted during the quarter on the Company's leasehold interests in Payne County, Oklahoma.

Production Activities

There was no production from the Company's leasehold interests during the quarter.

Corporate

Subsequent to the end of the quarter the Company announced that it had received firm commitments for the placement of 100,000,000 shares at a price of \$0.01 per share (**Share**), along with free attaching options (exercisable at \$0.02 on or before 31 December 2018) (**Options**) on a 1 for 2 basis.

Under its placement capacity, the Company issued and allotted 60,000,000 Shares to raise approximately \$600,000 before costs. Shareholder approval to place the remaining 40,000,000 Shares and the attaching Options is being sought at the Company's upcoming Annual General Meeting to be held on 30 May 2016.

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APPENDIX 1 – SCHEDULE OF OIL AND GAS INTERESTS

COUNTRY	STATE/REGION	INTEREST ACQUIRED OR DISPOSED OF DURING THE QUARTER	TOTAL ACRES	WORKING INTEREST
USA	Payne County, Oklahoma	Nil	465 gross (282 net)	100%
USA	Blaine County, Oklahoma	~100 acres	~100 acres	Royalty Interest



FORWARD-LOOKING STATEMENTS AND OTHER DISCLAIMERS

This announcement may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions, which are outside the control of Brookside Energy Limited (**Brookside**, or the **Company**). These risks, uncertainties and assumptions include commodity prices, currency fluctuations, economic and financial market conditions in various countries and regions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay or advancement, approvals and cost estimates. Actual values, results or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, readers are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Brookside does not undertake any obligation to update or revise any information or any of the forward looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward looking statement is based.

This announcement does not constitute investment advice. Neither this announcement nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction. Shareholders should not rely on this announcement. This announcement does not take into account any person's particular investment objectives, financial resources or other relevant circumstances and the opinions and recommendations in this announcement are not intended to represent recommendations of particular investments to particular persons. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.

The information set out in this announcement does not purport to be all-inclusive or to contain all the information, which its recipients may require in order to make an informed assessment of Brookside. You should conduct your own investigations and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this announcement.

To the fullest extent permitted by law, the Company does not make any representation or warranty, express or implied, as to the accuracy or completeness of any information, statements, opinions, estimates, forecasts or other representations contained in this announcement. No responsibility for any errors or omissions from this announcement arising out of negligence or otherwise is accepted.

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 capitalised 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 COO), John Schumer (Vice President Reservoir Engineering), James Eddleman (Senior Geologist) and Lee Francis (Vice President Operations).

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

BROOKSIDE ENERGY LIMITED

ABN

15 108 787 720

Quarter ended ("current quarter")

31 March 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter (Mar 2015) \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(372)	(372)
(b) development	-	-
(c) production	-	-
(d) administration	(106)	(106)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(473)	(473)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(1,039)	(1,039)
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (Disposal of subsidiaries)	-	-
Net investing cash flows	(1,039)	(1,039)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

	Current quarter (Mar 2016) \$A'000	Year to date (3 months) \$A'000
1.13 Total operating and investing cash flows (carried forward)	(1,512)	(1,512)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	-	-
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	-
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other – cost of share issue	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(1,512)	(1,512)
1.20 Cash at beginning of quarter/year to date	1,837	1,837
1.21 Exchange rate adjustments to item 1.20	(17)	(17)
1.22 Cash at end of quarter	307¹	307¹

¹ Subsequent to the end of the quarter the Company issued and allotted 60,000,000 Shares to raise approximately \$600,000 before costs. Shareholder approval is being sought at the Company's upcoming Annual General Meeting to be held on 30 May 2016 to place an additional 40,000,000 Shares and raise a further \$400,000. The cash balance of the Company at the date of this announcement is \$792,385.

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	(93)
1.24 Aggregate amount of loans to the parties included in item 1.10	-
1.25 Explanation necessary for an understanding of the transactions	
Payment of director's fees, rent and administration expenses.	

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows	None
Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest	None

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(64)
4.2 Development	-
4.3 Production	-
4.4 Administration	(206)
4.5 Finance costs	-
Total (outflow)	(270)

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter (Mar 2016) \$A'000	Previous quarter (Dec 2015) \$A'000
5.1 Cash on hand and at bank	308	1,837
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other – Restricted cash (Cash held in escrow account of lender and certificates of deposit)	-	-
Total: cash at end of quarter (item 1.22)	307¹	1,837

¹ Subsequent to the end of the quarter the Company issued and allotted 60,000,000 Shares to raise approximately \$600,000 before costs. Shareholder approval is being sought at the Company's upcoming Annual General Meeting to be held on 30 May 2016 to place an additional 40,000,000 Shares and raise a further \$400,000. The cash balance of the Company at the date of this announcement is \$792,385.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities	-	-	-
	(description)			
7.2	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through conversion to shares and cancellations	-	-	-
7.3	+Ordinary securities	400,000,000	-	-
7.4	Changes during quarter			
	(a) Increases through placement of new fully paid ordinary shares	-	-	-
	(b) Decreases through returns of capital, buy-backs	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.5 *Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	187,499,924	187,499,924	Exercise price \$0.02	Expiry date 31 Dec 2018
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Loren Jones
Director and Company Secretary
29 April 2016

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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