



27 May 2016

The Listing Manager
Australian Securities Exchange Ltd
Level 40, Central Park
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PERTH WA 6000

BROOKSIDE SECURES MORE STACK ACREAGE

Brookside Energy Limited (**Brookside** or the **Company**) is pleased to provide an update on progress as it continues to build a position in the core of the STACK Meramec Play (**STACK Play**) in Oklahoma.

As announced on March 31, 2016, Brookside through its wholly owned subsidiary BRK Oklahoma Holdings, LLC (**BRK Oklahoma**) made an acquisition of oil and gas royalties over approximately 100 acres in the core of the STACK Play in Blaine County, Oklahoma (**RA Minerals Royalty Acreage**). As further announced on April 18, 2016, development within this acreage position is expected to commence shortly with an initial extended reach horizontal well to be drilled by Continental Resources, Inc.

The RA Minerals Acreage acquisition represented a first step in Brookside's strategy to build a position in the heart of this major oil and gas play that is already demonstrating key attributes of repeatability, robust economics (at today's commodity prices) with substantial future development potential and attendant production and reserve growth.

Over the last several weeks the team at Black Mesa Production, LLC (**Black Mesa**) have been pursuing (on behalf of BRK Oklahoma, pursuant to the Drilling Program Agreement between Black Mesa and BRK Oklahoma) a research program aimed at identifying working interest acreage acquisition opportunities within the core of the STACK Play.

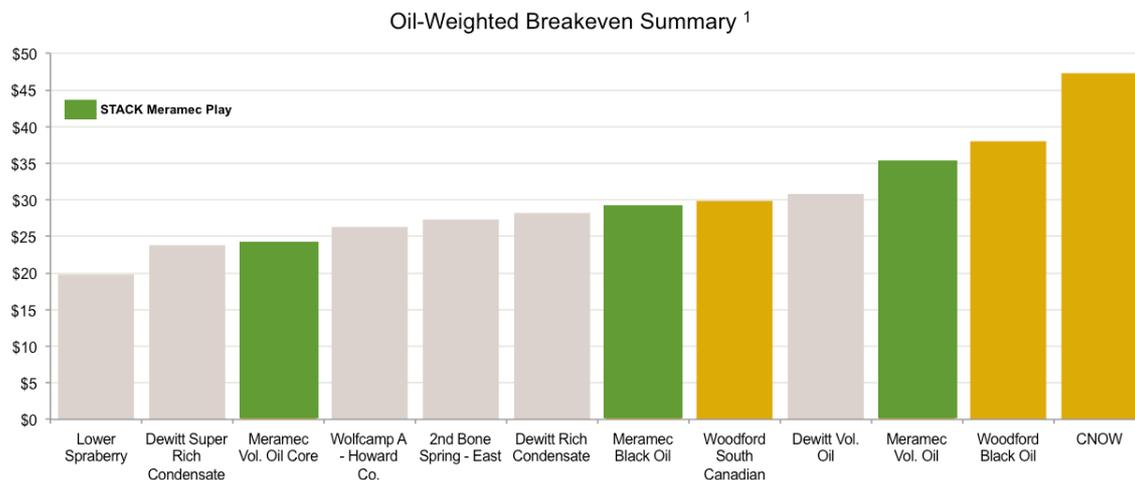
The Company is pleased to report that these efforts have already resulted in the **acquisition of an additional 50 acres (leasehold) in a single section in the core of the Stack Play**. This campaign is ongoing and as the location of the acreage and the contractual terms of the leases are commercially sensitive at present, the Company will make a more fulsome disclosure when the current campaign is finalised and the acreage acquisition opportunities are better defined.

General Update on the STACK Play

Activity within the STACK Play continues to expand with a number of large (well-funded) US listed E&P Companies active in the play and ~20 rigs operating, drilling normal and extended length horizontal wells.

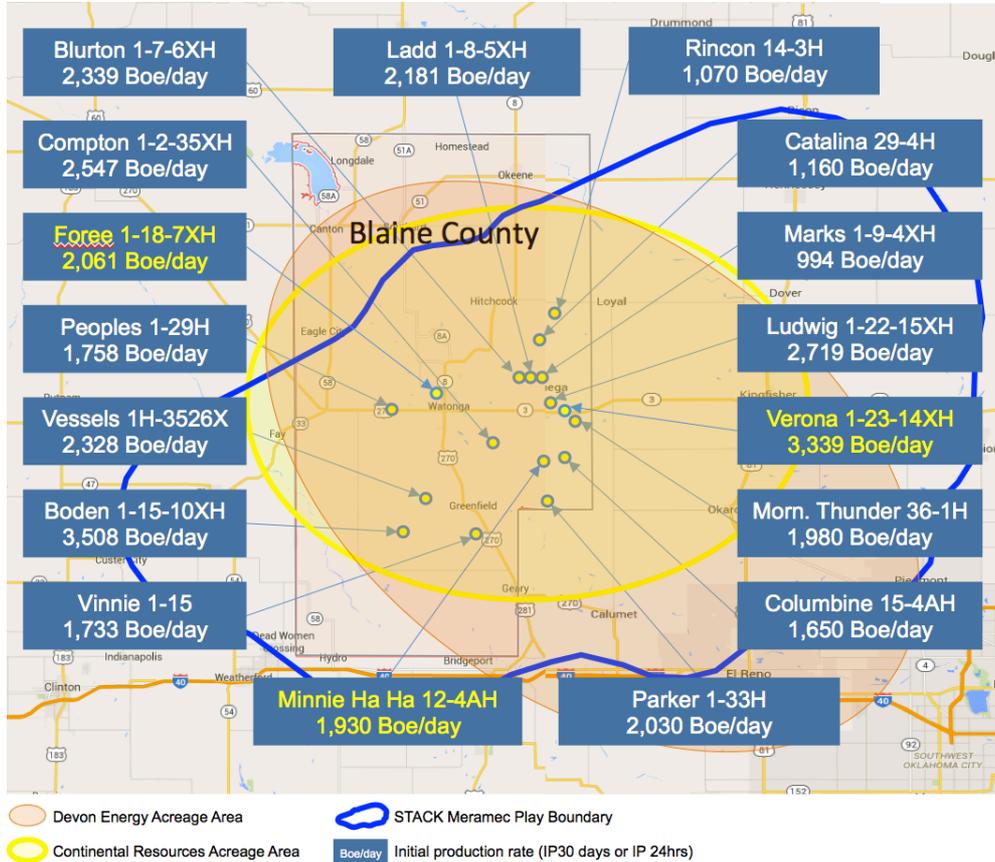
The STACK Play is one of the select few plays on-shore in the United States that are economic at today's prices. The current industry type curve for a single extended reach horizontal well delivers an EUR of 1,700 Mboe (58% oil) with 380 Mboe produced in the first 12-months. This well generates a pre-tax rate of return in excess of 40% at today's prices (based on a completed well cost of US\$10 million).

The STACK Is One of the Most Economic Resource Plays in North America



(1) Source: Jefferies research. Uses NYMEX strip oil pricing as of November 13, 2015 and assumes constant natural gas pricing of \$3.00 / MMBtu

Initial production data has emerged in the last few weeks from recently drilled and completed Meramec wells in the core of the STACK Play, including the Verona 1-23-14XH well at **3,339 Boe per day** (2,345 Bbls oil and 6,000 Mcf gas), the Foree 1-18-7XH well at **2,061 Boe per day** (1,411 Bbls oil and 3,900 Mcf gas) and the Minnie Ha Ha 12 4AH well at **1,930 Boe per day**.



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