



24 October 2016

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

Brookside Capitalising on STACK Play Leasing Window

Brookside Energy Limited (**Brookside** or the **Company**) is pleased to provide an update on progress, as it's wholly owned subsidiary BRK Oklahoma Holdings, LLC (**BRK Oklahoma**) continues to build a position in the core of the STACK Play in Oklahoma.

BRK Oklahoma has **secured an additional ~100 acres¹** (non-operated working interest leasehold) **within the highly productive over-pressured volatile oil window of the STACK Play** in Blaine County, Oklahoma.

The Company **expects to capture additional core acreage** prior to the end of this calendar year **so that 100% of the capital available through the** previously announced **Drilling Joint Venture with Merchant Funds Management Pty Ltd can be deployed.**

Total holdings in the STACK Play now stand at ~400 acres², all located within the core of the play where leasing, pooling, permitting and drilling and completion activity continues at unprecedented levels.

There are **currently 33 rigs operating in the STACK Play counties of Blaine, Kingfisher and Canadian, with in excess of 180 pooling applications and orders** (a pre-cursor to the spudding of a well) **active within Brookside's area of interest** in the core of the play, with Continental Resources, Inc. (NYSE:CLR) and Marathon Oil Corp. (NYSE:MRO) leading the development. Continental Resources and Marathon Oil combined account for ~75% of this activity.

The Company continues to **move quickly to capitalise on** what it sees as **a short window in which to build a material premier asset position in this high-margin repeatable part of the STACK Play.**

A current **industry type curve³ for a single extended-reach horizontal well in the STACK Play delivers a target 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 70% at current pricing** (based on an estimated completed well cost of US\$9 million). Based on this type curve and the recent successful increased density pilots, **Brookside's current STACK acreage is well down the path to supporting the Company's initial target of 10 Mmboe⁴ in proved reserves.**

Capital Raising

The Company is also pleased to announce a successful placement to raise \$600,000 before costs via the issue of 60,000,000 new fully paid ordinary shares at \$0.01 per share (Shares) to exempt wholesale investors (Placement). The Placement Shares will be issued under the Company's current placement capacity pursuant to ASX Listing Rule 7.1, subject to satisfying the conditions to its use and are offered to sophisticated investors, pursuant to Section 708 of the Corporations Act 2001 (Cth). Funds raised from the Placement will be used to fund the Company's on-going leasing campaign in the STACK Play and for general working capital purposes.

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ABOUT BROOKSIDE ENERGY LIMITED

Brookside is an Australian publicly held company listed on the Australian Securities Exchange (ASX:BRK). The Company was established in 2004 and first listed via an Initial Public Offering in October 2005. The Company has established deep and valued relationships in the oil and gas sector over the last 10 years through its successful activities in the oil and gas sector focused on the mid-continent region of the United States. Brookside's goal is to build value per share through a disciplined portfolio approach to the acquisition and development of producing oil and gas assets and the leasing and development of acreage opportunities.

Web <http://www.brookside-energy.com.au>

ABOUT 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. Black Mesa is executing a returns-based, disciplined strategy directed at the acquisition of producing properties, lower-risk development drilling opportunities and larger scale entry level acreage plays/concepts. Black Mesa's is leveraging the extensive experience of its executive team and its Board with the latest technology and data sets that are available to identify and evaluate opportunities.

Web <http://www.blkmesa.com>

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1. Includes acreage that is subject to final title clearance and closing.
 2. Includes non-operated working interest acres acquired pursuant to the Drilling Program Agreement between BRK Oklahoma and Black Mesa and the RA Minerals Royalty Acreage acquired pursuant to the Acquisition Program Agreement between BRK Oklahoma and Black Mesa.
 3. Type curve and economics per Continental Resources, Inc. Investor Update Barclays Energy & Power Conference September 6, 2016 – target EUR for STACK Over-Pressured Oil extended-reach lateral (9,800') well.
 4. This is the Company's stated initial target for proved reserves in the STACK Play. This is not an independently certified reserve and the statement should not be considered a representation that the Company's STACK acreage contains 10Mmboe in proved reserves. Drilling, completion and the establishment of commercial oil and gas production on the Company's acreage will be required before an independently certified reserve can be reported.