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

Drilling Underway in Brookside's STACK Acreage

Brookside Energy Limited (**Brookside** or the **Company**) is very pleased to announce that **drilling operations have commenced within Brookside's STACK Play leasehold acreage** in Blaine County, Oklahoma.

Marathon Oil (NYSE:MRO) is operating¹ the Strack 1-2-11XH well, which is an **extended reach horizontal well targeting the Meramec formation (the target formation) in the highly productive STACK Play which is now considered to be one of the best development plays in North America.**

This horizontal well is **expected to reach a total measured depth of ~20,106 feet within approximately twenty-six drilling days.** Thereafter the operator is expected to commence operations to run production casing and schedule the well for completion and production testing.



Drilling underway on the Strack 1-2-11XH well near Watonga in Blaine County, Oklahoma

The Company is **delighted to be participating in this well with Marathon Oil** (a tier one experienced operator) **who are demonstrating consistent and improving results in the STACK Play**. As outlined in the recently released Third Quarter 2016 Financial and Operational Review, **Marathon's STACK Meramec volatile oil wells continue to outperform their type curve**. Of particular note are initial production results from **Marathon's Marjorie XL and Lloyd XL wells that achieved 30-day results of 2,845 BOED and 2,010 BOED respectively (~70% oil)**.

Marathon also recently flagged an increase in STACK activity, with the company expected to **move to 5 operated rigs in the 4th quarter of 2016**.

As previously announced, Brookside is **moving quickly to capitalize on a short window in which to build a material premier asset position in this high-margin repeatable part of the STACK Play**. This well (the Strack 1-2-11XH) is **the first of many wells that Brookside will have the opportunity to participate in through its growing non-operated working interest position in the STACK Play**.

Importantly, the Company is also **fully funded for its share of the drilling and completion costs associated with this development by virtue of its previously announced US\$3.5 million Drilling Joint Venture with Merchant Funds Management** which provides Brookside shareholders with maximum exposure to the upside created from reserve growth and unlevered future cash flow in full field development.

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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 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. 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>

¹ Brookside holds approximately 12.5 non-operated working interest leasehold acres in the Strack 1-2-11XH spacing unit through its wholly owned subsidiary BRK Oklahoma Holdings, LLC pursuant to the Drilling Program Agreement with Black Mesa Production, LLC.