

23 February 2017

Australian Securities Exchange Ltd
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Completion Operations Underway in STACK Play

- ✓ Completion operations underway on BRK's first STACK Play non-operated Working Interest well (Marathon Oil, Co. NYSE:MRO Operator)
 - ✓ Production facilities being installed (separators and tank batteries etc.) in anticipation of first sales early in the June Quarter
 - ✓ Two additional wells are currently drilling (the Ike #1-20-17XH¹ and Davis #1-8-1611MH)
 - ✓ Next non-operated (NYSE:MRO Operator) Working Interest well set to spud next month
 - ✓ Brookside is now participating in a total of ten horizontal wells in the core of the world-class STACK Play
 - ✓ Leasing efforts continue as the Company builds on its material premier asset position in this high-margin repeatable part of the play
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Brookside Energy Limited (**Brookside**, or the **Company**) is pleased to announce that completion operations have commenced on the Strack #1-2-11XH well in the core of the STACK Play in Oklahoma (see Figure 1. below).



Figure 1. Completion operations underway on the Strack #1-2-11XH well near Watonga in Oklahoma

Brookside (through its wholly owned subsidiary BRK Oklahoma Holdings, LLC) is participating in this well with Marathon as operator.

First sales from this well are expected early in the June quarter and the operator is already installing oil and gas production facilities (see Figure 2. below).



Figure 2. Production facilities being installed on the Strack #1-2-11XH well near Watonga in Oklahoma

As previously announced, Brookside is now participating in a total of ten horizontal wells in the core of the world-class STACK Play (see Table 1.), with working interests ranging from approximately 1% to 9% (consistent with the stated strategy of accumulating minority non-operated working interest positions in as many development units as possible while the leasing opportunity continues).

Well Name	Operator	Working Interest Acres	Status
Strack #1-2-11XH	Marathon Oil, Co.	12.5	Completion underway
Ike #1-20-17XH	Continental Resources, Inc.	38.0	Drilling
Davis #1-8-1611MH	Triumph Energy, LLC	7.5	Drilling
HR Potter 1511 #1-3-34XH	Marathon Oil, Co.	10.2	Spudding March 2017
Watonga 1-19H	Highmark Resources, LLC	1.9	Permitted
Scoville 1-17-20XH	Continental Resources, Inc.	47.4	Permitted
Kevin 1-20-17XH	Continental Resources, Inc.	21.1	Permitted
Henry Federal 1-8-5XH	Continental Resources, Inc.	66.6	Permitted
Craig 1-33 1513MH	Triumph Energy, LLC	57.2	Permitted
Alta BIA 1511 #1-6-31MXH	Marathon Oil, Co.	16.0	Permitted

Table 1.

Importantly, all the wells are being operated by experienced well-funded operators, including Tier One operators Marathon and Continental Resources (NYSE:CLR), and Brookside's share of the drilling costs are fully funded via the US\$3.5 million Drilling Joint Venture with Merchant Funds Management Pty Ltd.

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. These wells are the first of many that Brookside will have the opportunity to participate in through its growing non-operated working interest position in the play.

The Company is looking forward to keeping shareholders updated during 2017 with a strong pipeline of news flow expected as oil and gas sales are established, proved reserves are booked and further wells are drilled and/or added to the inventory.

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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 The Ike #1-20-17XH is being drilled within the Company's RA Minerals Royalty Acreage, which was acquired pursuant to the Acquisition Program Agreement between BRK Oklahoma and Black Mesa.