

US\$1,475,000 Proceeds from Acreage Sale Further Validation of Business Model

Perth, Western Australia – July 31, 2018 - Brookside Energy Limited (**ASX: BRK**) (**Brookside** or the **Company**) is pleased to provide an update on its activities in the World-Class Anadarko Basin plays in Oklahoma, US.

Highlights

- **Second acreage saleⁱ** from within the Company's STACK Play holdings **generates US\$1,475,000 in proceeds**
- RA Minerals Royalty Acreage **sale achieves ~US\$15,300 per acre for a mix of partially developed and undeveloped acreage**
- **Price per acre achieved represents ~80% of the estimated "fully developed" PV10 value per acre** (previous sale achieved ~72% of est. PV10 value per acre)
- Acreage **package was acquired in March 2016** for ~US\$878,000.
- Sale provides **further validation of the Company's acreage revaluation business model**
- **Proceeds** from the sale **to be re-invested in further Working Interest leasehold acquisitions in the SCOOP Play (SWISH)**

Commenting on the announcement, Brookside Managing Director, David Prentice said;

"We are once again very pleased to report the results of a successful acreage sale from within our STACK Play holdings. The sale of the RA Minerals Royalty Acreage has provided further validation of our business model.

"The proceeds from this sale can now be re-invested in our ongoing leasing efforts in SWISH where we believe we can create very significant value; the investment capital generated from the sale of ~100-acres effectively leverages us into the acquisition of ~1,000-acres.

"We strongly believe that the greatest value for our shareholders comes from acquiring the very best undrilled acreage, unlocking the value as wells get drilled and the reserve potential of each acre becomes apparent. The model is clearly working, we are very confident as we now continue our work to significantly increase the scale of the business.

"In our view, Brookside provides shareholders and investors with a unique opportunity to own part of a World-Class oil and gas resource play and be rewarded as reserve value is demonstrated and acreage values increase."



Background

Brookside has successfully completed a second acreage sale from its STACK Play holdings in Oklahoma. The RA Minerals Royalty Acreage package (~96.5 acres) was acquired in March 2016 for ~US\$878,000.

The acreage package was sold for US\$1,475,000 (~US\$15,300 per acre for a mix of partially developed and undeveloped acreage). This price per acre represents ~80% of the estimated "fully developed" PV10 value per acre compared to approximately 72% of estimated PV10 value per acre achieved in the previously announced sale of Working Interest leasehold in STACK.

The sale of this acreage package is another very strong endorsement of how the Company's business model is working, generating value for shareholders and providing working capital that can be leveraged into new holdings with the World-Class Anadarko Basin.

As previously announced the Company is continuing to aggressively pursue (through the efforts of its partner and manager of US operations, Black Mesa) its leasing campaign within the 35,000-acre SWISH AOI within the SCOOP Play. The Company is targeting an ~8,000 acre "operated position" within the AOI that includes at least 10 drilling units (with unit sizes ranging from 320 acres to 1,280 acres).

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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>

GLOSSARY

BOE	Barrels of Oil Equivalent
CWC	Completed Well Cost
EUR	Estimated Ultimate Recovery
PUD	Proved Undeveloped Reserves
Type Curve/Well Half Cycle	Representative production profile of a well for a specific play Includes drilling, completion and Tie-In costs for a well and does not include land acquisition, general and administration or financing costs
Working Interest	Percentage of ownership in a lease granting its owner the right to explore, drill and produce oil and gas from a tract of property. Working interest owners are obligated to pay a corresponding percentage of the cost of leasing, drilling, producing and operating a well or unit

¹ Brookside held ~96.5 (mineral royalty) acres spread across four 640-acre development units located in Blaine County, Oklahoma. These acres were acquired pursuant to the Acquisition Program Agreement between BRK Oklahoma and Black Mesa. Perpetual Production, LLC (a Texas and Oklahoma based, land-focused oil and gas company with an emphasis on the acquisition of minerals, royalties, non-operated working interests and leasehold) purchased the acreage.