

## Very Strong “Sustained” Production Results from the Woodford Shale

**Perth, Western Australia – December 18, 2018** - Brookside Energy Limited (**ASX: BRK**) (**Brookside** or the **Company**) is pleased to provide shareholders and investors with an update on production results from the Company's first Woodford Shale well in the world-class Anadarko Basin (SCOOP Play) in Oklahoma.

### Highlights

- **Bullard #1-18-07UWH<sup>ii</sup> well has now produced ~110,000 BOE (65% oil) in less than 3-months**
- **First three months net revenue<sup>iii</sup> estimated to be ~US\$850,000 (attributable to Brookside's 20.57% Working Interest)**
- **~43% of drilling and completion capex recovered in just three months**
- **Woodford Shale well located in the SCOOP Play delivering production results above the Company's pre-drill estimates**
- **Continued “sustained” production from this well will drive significant reserve growth beyond the Company's recently announced Maiden Reserve Report** with up to six additional potential well locations defined within this single development unit
- **Bullard #1-18-07UWH well located approximately five-miles north of Brookside's SWISH AOI in southern SCOOP**
- **Provides another very strong “data point” for the reserve potential of the Woodford Shale in this area and further justification for higher per-acre valuations**

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

“We are once again very pleased to be able to provide updated production results from one of our most significant non-operated Working Interest wells in the Anadarko Basin in Oklahoma.

The Bullard well continues to perform above our pre-drill expectations flagging the potential for significant additions to the proved reserves recently outlined in our Maiden Reserve Report.

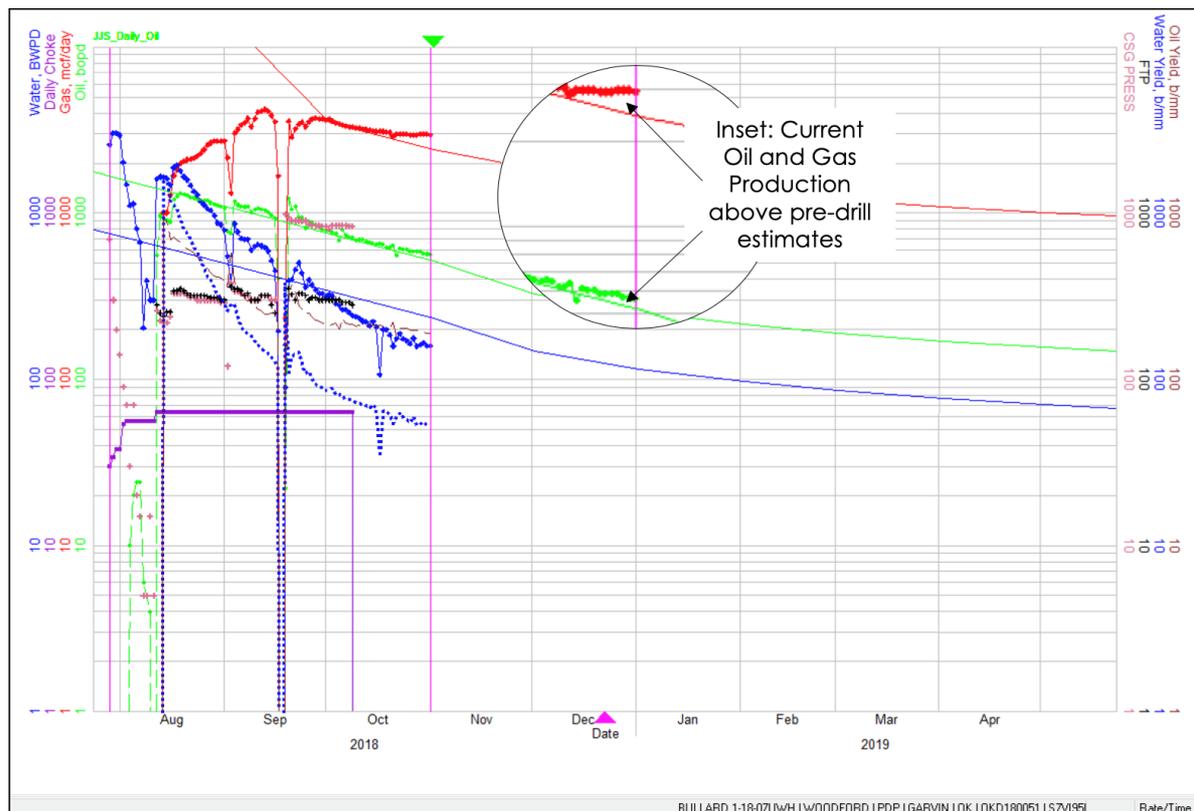
As we scale up our activities in the basin, with higher Working Interests per well and a larger acreage position we see the opportunity for exponential growth in our reserves of oil and gas and ultimately the value of the business.”



## **Background**

The Company's non-operated Working Interest wells in the world-class Anadarko Basin plays continue to deliver excellent "sustained" production rates providing further support for the quality of the acreage that Brookside has been able to secure within the Anadarko Basin in Oklahoma.

The Rimrock Resource Operating, LLC. operated Bullard #1-18-07UWH well (Brookside 20.57% Working Interest) has produced approximately 110,000 BOE (65% oil) in less than three months (~71,000 barrels of oil and 236,000 Mcf gas). See Figure 1. below.



**Figure 1. Rate/Time Plot Bullard #1-18-07UWH well**

These production results were achieved from a horizontal well bore with a 7,500-foot lateral producing at a depth of approximately 8,050 feet in the "volatile oil window" of the Woodford Shale formation. The well is currently producing full open flow through a 64-inch choke on gas lift.

Net revenue (net to Brookside) from this well for its first three months of production is estimated to be ~US\$850,000, with approximately 43% of the Working Interest share of drilling and completion capex recovered in this period.

To date, production from this well has continued to exceed the Company's pre-drill estimates with continued "sustained" production expected to drive significant reserve growth beyond the Company's recently announced Maiden Reserve Report. The Company is estimating up to six additional potential well locations within this single 960-acre development unit.



The Bullard #1-18-07UWH well provides another very strong “data point” for the reserve potential of the Woodford Shale in this area and further justification for higher per-acre valuations in the SCOOP Play generally.

Significantly this well is located adjacent to (approximately 5-miles north) the Company's SWISH AOI, which is the focus of the current leasing campaign. These initial production results provide the Company with further confirmation of the productivity of the Woodford Shale in this part of the SCOOP Play and validate our SWISH acreage acquisition strategy were the Company is targeting both the Sycamore and Woodford Formations.

**- ENDS -**

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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

<b>AOI</b>	Area of Interest
<b>APO WI</b>	After pay out working interest
<b>AFIT</b>	After Federal Income Tax
<b>BFIT</b>	Before Federal Income Tax
<b>BOE</b>	Barrels of Oil Equivalent
<b>COPAS</b>	Council of Petroleum Accountants Societies
<b>Development Unit</b>	Development Unit or spacing unit is the geographical area in which an initial oil and/or gas well is drilled and produced from the geological formation listed in a spacing order. The spacing unit communitizes all interest owners for the purpose of sharing in production from oil and/or gas wells in the unit. A spacing order establishes the size of the unit; names the formations included in the unit; divides the ownership of the unit for the formations into the "royalty interest" and the "working interest"; Only one well can be drilled and completed in each common source of supply. Additional wells may be drilled in a Development Unit, but only after an Increased Density Order is issued by the Oklahoma Corporation Commission.
<b>Mboe</b>	1,000 barrels of oil equivalent
<b>Mcf</b>	1,000 cubic feet
<b>MMboe</b>	1,000,000 barrel of oil equivalent
<b>NPV<sub>10</sub></b>	The net present value of future net revenue, before income taxes and using a discount rate of 10%.
<b>PDP</b>	Proved Developed Producing Reserves
<b>Pooling Agreements</b>	The pooling agreements facilitate the development of oil and gas wells and drilling units. These binding pooling agreements are between the Company and the operators as specified in Appendix 1.
<b>PUD</b>	Proved Undeveloped Reserves
<b>Reserve Categories</b>	These reserve categories are totalled up by the measures 1P, 2P, and 3P, which are inclusive of all reserves types: <ul style="list-style-type: none"> <li>• "1P reserves" = proven reserves (both proved developed reserves + proved undeveloped reserves).</li> <li>• "2P reserves" = 1P (proven reserves) + probable reserves, hence "proved AND probable."</li> <li>• "3P reserves" = the sum of 2P (proven reserves + probable reserves) + possible reserves, all 3Ps "proven AND probable AND possible."</li> </ul>
<b>Working Interest</b>	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



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<sup>i</sup> Subject to the back-in after payout (25% Working Interest) set out in the Drilling Program Agreement between Black Mesa Production, LLC and BRK Oklahoma Holdings, LLC.

<sup>ii</sup> This well is subject to the previously announced Step-in Agreement, between LS Operating, LLC (a wholly owned subsidiary of Lone Star Energy Limited (Lone Star)) and BRK Oklahoma Holdings, LLC (a wholly owned subsidiary of BRK). Lone Star will be acquired by Nickleore Limited (to be renamed Stonehorse Energy Limited) (provided a number of conditions precedent are satisfied, including the successful capital raising as set in a Prospectus dated 20 November 2018).

<sup>iii</sup> Net revenues are after the deduction royalties, production taxes, direct operating costs and required capital expenditures (where applicable) and before the deduction of federal and state income taxes.