

### Brookside Energy Limited Fourth-Quarter 2018

#### Activities and Cashflow Report for the Quarter ending 31 December 2018

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#### Highlights

- ✓ Maiden oil and gas reserves reported<sup>1</sup> for Brookside's STACK Play holdings in the Anadarko Basin, highlights include:
  - 3.45 MMboe attributable to ~20% of the Company's acreage position
  - US\$12.5 million of NPV<sub>10</sub> with forecast future net revenues of US\$37.75 million
  - US\$30,000 NPV<sub>10</sub> per acre valuation confirms successful and scalable acreage acquisition and re-valuation business model
- ✓ Ongoing leasing program has now secured an interest in twenty-three, 640-acre sections within the SWISH AOI in the SCOOP Play, with acreage "high-grading" now underway as the Company targets a smaller number of operated development units
- ✓ Updated production results for the Bullard well (in the SCOOP) which produced ~110,000 BOE (65% oil) in less than three months
- ✓ Net production of ~334 BOE/day for the quarter, generating net revenue of US\$851,630<sup>1</sup> for the quarter
- ✓ As at 31 December 2018, Brookside had an interest in 13 successful producing horizontal oil and gas wells spread across core areas of the STACK and SCOOP Plays in the Anadarko Basin, Oklahoma
- ✓ Listed option placement announced to reward holders of expiring options for their ongoing commitment and loyalty to the Company

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**Perth, Western Australia – 31 January 2019** - Brookside Energy Limited (**ASX: BRK**) (**Brookside** or the **Company**) is pleased to provide shareholders and investors with a report on its activities and cashflow for the quarter ending 31 December 2018.

Commenting on the fourth-quarter results, Brookside Managing Director, David Prentice said;

"We are delighted to present our fourth-quarter results, with a number of very important milestones achieved, including the release of our maiden oil and gas reserves for our STACK Play acreage.

"These outstanding results clearly demonstrate the effectiveness of our acreage acquisition and re-valuation business model, the quality of the acreage and oil and gas reservoirs identified within it and very importantly, the calibre of our team in

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<sup>1</sup> Net production is volumes attributable to the Company's Working Interest and is net of royalties and net revenues are net of all operating costs, severance and ad-valorem expenses. Pursuant to the terms of the Drilling Joint Venture as set out set out in the Company's announcement dated 25 July 2016, titled "Brookside Secures STACK Joint Venture Partner", Brookside will only receive its Working Interest share of net revenue after 100% of drilling and completion capital associated with the relevant well has been returned to the Drilling Joint Venture.



Oklahoma that is responsible for identifying, securing and developing these opportunities.

“We also made excellent progress during the quarter (in a highly competitive environment) with our consolidation of acreage in the SWISH AOI as we moved to high-grade our position and focus on a smaller number of very high-quality operated development units.

“We finished off the quarter in a very strong position, and we are now well on our way to completing the initial phases of leasing in SWISH and moving toward development of our first operated unit in that area.

“2019 will be transformational for the Company in terms of scale with the chance to increase our acreage and reserves by multiples as we take larger working interests across a bigger acreage position.”

### **Background**

During the quarter the Company continued to pursue its successful strategy of building value per share by leveraging the expertise, experience and contacts of the Board and its partner and manager of US operations Black Mesa Production, LLC.

The Company continues to execute its “land and leasing” business model which generates returns by acquiring undeveloped oil and gas leases (ground level direct investment) with a view to capturing value as oil and gas reserves are defined and the value of these reserves becomes the catalyst for the acreage to be revalued.

The Company’s ongoing leasing program is currently focussed in the world-class Anadarko Basin in Oklahoma, specifically in the STACK and SCOOP Plays (see Figure 1. below).

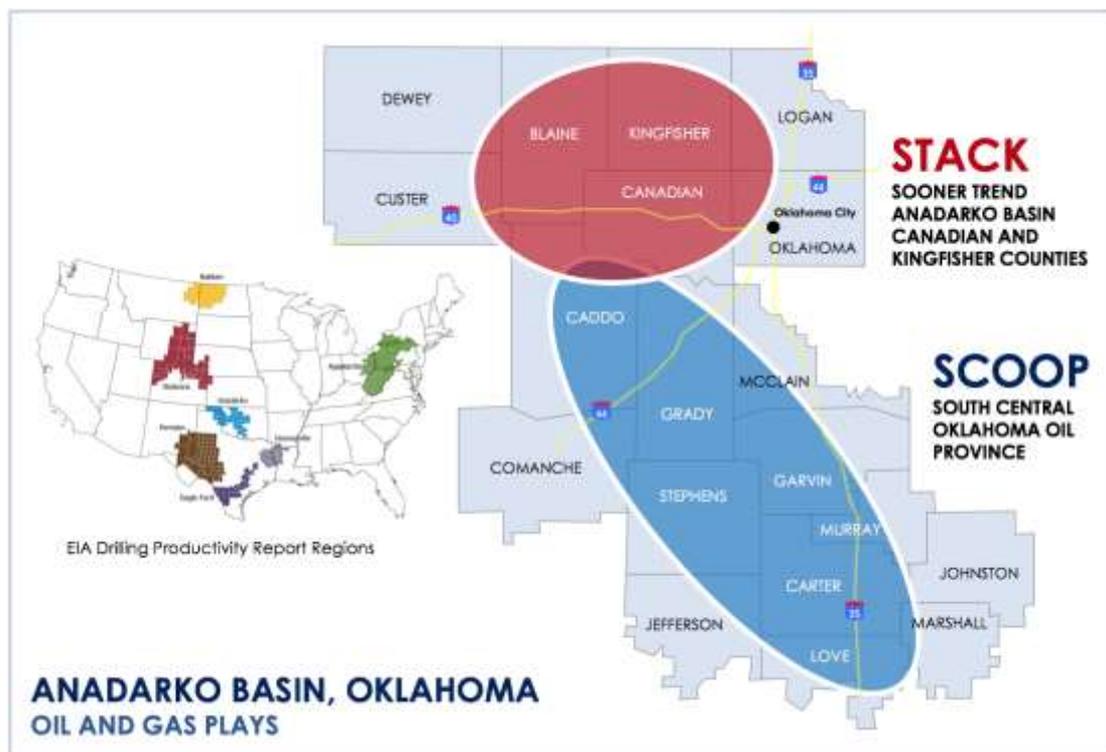


Figure 1. Anadarko Basin Oil and Gas Plays



## **Maiden Oil and Gas Reserves**

During the quarter the Company announced details of its maiden estimate of oil and gas reserves attributable to STACK Play holdings in the world-class Anadarko Basin in Oklahoma.

Brookside's partner and manager of US operations, Black Mesa Production, LLC (**Black Mesa**) has prepared an estimate of the oil and gas reserves and future net revenues for certain petroleum property interests owned by Brookside. These interests consist of non-operated working interests and royalty interests in Oklahoma (see Appendix 1 for details of the relevant properties and operators). The estimated net reserves and future net revenues for these interests are summarised by reserve category in Table 1.

**Table 1. Net Reserves, Estimated Net Reserves and Future Net Revenues\***

Net Reserves				Future Net Revenue		
Category	Status	Oil (Barrels)	Gas (Mcf) <sup>4</sup>	BOE <sup>4</sup>	Total (US\$)	NPV <sub>10</sub> (US\$)
1P <sup>5</sup>	Proved, Developed, Producing (PDP)	43,158	1,460,232	286,530	4,220,666	2,956,483
	Proved Undeveloped (PUD)	559,424	11,918,153	2,545,783	28,875,322	8,755,363
	Probable	97,896	3,114,494	616,978	4,644,826	783,891
2P <sup>6</sup>	<b>Proved plus Probable</b>	<b>700,478</b>	<b>16,492,879</b>	<b>3,449,291</b>	<b>37,740,814</b>	<b>12,495,737</b>

\*Notes:

1. All volumes are net to Brookside's interest and after the deduction of Black Mesa's "back-in after payout" and royalties.
2. Total NPV<sub>10</sub> includes ~US\$2.3million in value associated with the RA Minerals Royalty Acreage and the HR Potter Unit. Brookside received proceeds of ~\$US1.79million from the sale of these properties. The NPV<sub>10</sub> total does not include a further US\$493,000 of value attributable to Brookside's equity in Black Mesa. Refer Annexure 1 for additional information requirements under Chapter 5 of the Listing Rules and a description of the financial and other assumptions used to prepare the valuation.
3. In accordance with LR 5.25.1, the estimates of volumes and future net revenues have an evaluation date of December 31, 2017.
4. In accordance with LR 5.25.7, the conversion factor used in Table 1 is BOE - Barrel of oil equivalent (1bbl = 6 Mcf).
5. 1P Reserves have been determined on the basis of the economic assumptions detailed in Annexure 1 of the Company's ASX announcement dated 6 December 2018, specifically notes, LR 5.31.1 Material Economic Assumptions
6. As per LR 5.28.2, the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable reserves.

The estimated future net revenue shown in Table 1 should be realised from the sale of the estimated net reserves after the deduction of Black Mesa's "back-in after payout" (as set out in the Drilling Program and Acquisitions Program Agreements), royalties, production taxes, direct operating costs and required capital expenditures, where applicable. Future net revenue is before the deduction of federal and state income taxes.



The estimates shown are for proved developed producing, proved undeveloped, and probable reserves. The estimates do not include any possible reserves that may exist within these properties. These estimates do not include any value that could be attributed to interests in undeveloped acreage beyond those tracts for which undeveloped reserves have been estimated.

The property interests evaluated in this release were obtained by Brookside pursuant to the terms of the Drilling Program and Acquisitions Program Agreements between Black Mesa Production and BRK Oklahoma Holdings, LLC (**BRK Oklahoma**) (refer to the Company's ASX announcement dated May 24, 2016).

### **Anadarko Basin Leasing and Acquisition Activities**

During the quarter the Company continued to focus its attention in the SWISH AOI (located in the SCOOP Play) in south western Oklahoma.

As a result of this ongoing activity, the Company has now secured an interest (leasehold Working Interest acres) in twenty-three, 640-acre sections (representing ~13,000 total gross acres) within the 35,000-acre SWISH AOI.

During the quarter, the Company progressed the process of "high-grading" its position by actively managing its leasehold in the lead up to the filing of regulatory documents to secure operations in a smaller number of specifically targeted sections/development units.

The Company made strong headway in this "high-grading" activity during the December quarter and will provide a further update on this early in the first quarter of 2019.





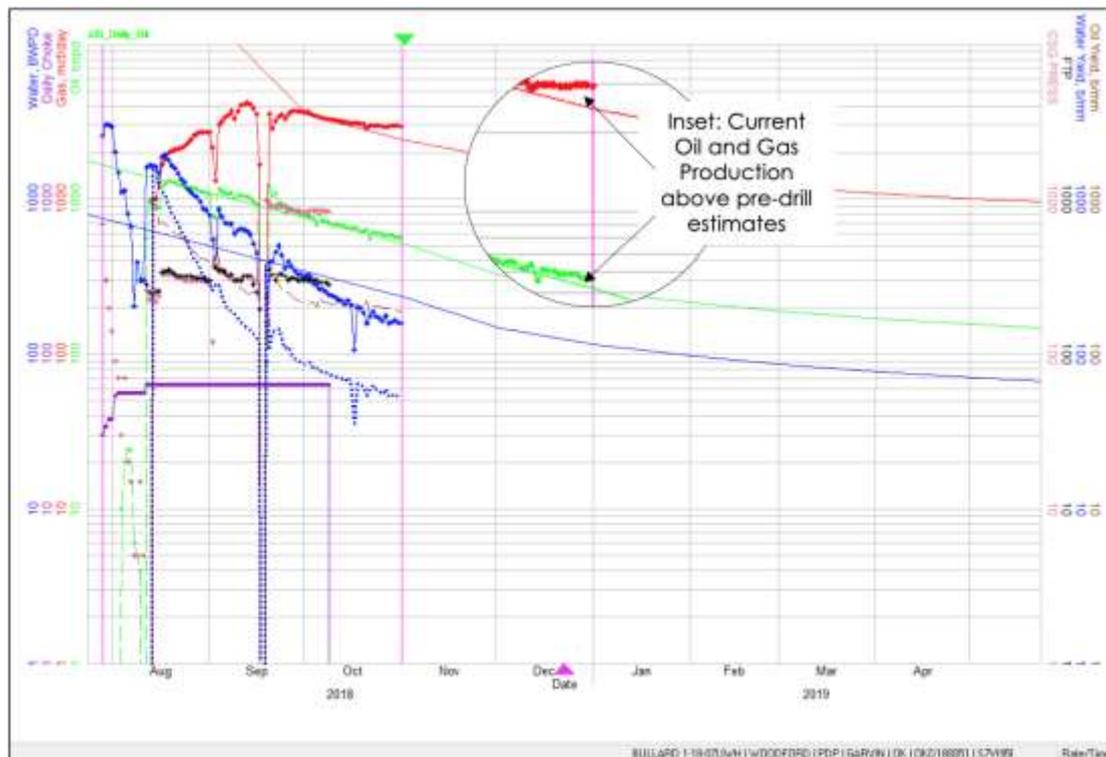
### **Anadarko Basin Drilling and Completion Activity**

The Company has now participated in the drilling and completion of sixteen horizontal wells within the Anadarko Basin Plays (STACK & SCOOP) (see Table 1. below).

<b>Well Name</b>	<b>Operator</b>	<b>WI</b>	<b>Status</b>
Strack #1-2-11XH	Marathon Oil, Co.	1.02%	Producing
Ike #1-17-20XH	Continental Resources, Inc.	NA	Sold
Davis #1-8-1611MH	Triumph Energy Partners, LLC	1.17%	Producing
HR Potter 1511 #1-3-34XH	Marathon Oil, Co.	0.80%	Sold
Landreth BIA #1-14H	Marathon Oil, Co.	2.55%	Producing
Herring #1-33 1513MH	Triumph Energy, LLC	18.18%	Producing
Sphinx 26-16N-11W #1H	Devon Energy Corp.	3.13%	Producing
Nelson Com #1H-0607X	Marathon Oil, Co.	0.38%	Producing
Luttrull #1-30-31XH	Continental Resources, Inc.	NA	Sold
Roser #1611-3-34	Marathon Oil, Co.	3.89%	Producing
Kevin FIU #1-20-17XH	Continental Resources, Inc.	2.11%	Producing
Dr. No. #1-17-20XH	Triumph Energy Partners, LLC	3.70%	Producing
Randolph #34-2	Continental Resources, Inc.	0.26%	Producing
Mote #1-26-23H	Rimrock Resource Operating, LLC	3.20%	Producing
Ladybug 27_22-15N-13W #1HX	Devon Energy Corp.	2.20%	Producing
Bullard #1-18/7H	Rimrock Resource Operating, LLC	20.57%	Producing
Watonga #1-19H	Highmark Resources, LLC	0.26%	Permitting
McKinley #13&24 15-13	Continental Resources, Inc.	1.02%	Permitting
Henry Federal #1-8-5XH	Continental Resources, Inc.	5.23%	Permitting
TBD	Cimarex Energy, Co.	1.12%	Permitting
TBD	Continental Resources, Inc.	0.59%	Permitting
TBD	Camino Natural Resources, LLC	0.02%	Permitting
TBD	Citizen Energy II, LLC	0.02%	Permitting
TBD	Citizen Energy II, LLC	0.02%	Permitting
TBD	Cheyenne Petroleum, Co.	0.23%	Permitting
TBD	Cheyenne Petroleum, Co.	0.16%	Permitting
SWISH 1-13-12SH	Black Mesa Production, LLC	36.98%	Permitting
Rangers 36-WH1	Black Mesa Production, LLC	48.31%	Permitting
Blackhawks 26-SH1	Black Mesa Production, LLC	20.25%	Permitting
Redwings 9-WH1	Black Mesa Production, LLC	22.98%	Permitting
Maple Leafs 15-SH1	Black Mesa Production, LLC	23.63%	Permitting
Jets 15-WH1	Black Mesa Production, LLC	10.13%	Permitting
Flames 10-3-WH1	Black Mesa Production, LLC	12.28%	Permitting
TBD	Black Mesa Production, LLC	15.63%	Permitting
Bruins 1-3-WH1	Black Mesa Production, LLC	3.91%	Permitting



Very strong sustained production results for the Bullard #1-18-07UWH well<sup>ii</sup> were announced during the quarter. The Rimrock Resource Operating, LLC. operated Bullard #1-18-07UWH well (Brookside 20.57% Working Interest) had 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 of) 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.

In addition, tier-one independent operator Continental Resources, Inc. (NYSE:CLR) announced initial production results for the Randolph #1-34-27XHM well in the STACK Play (Brookside 0.3% Working Interest), reporting IP24 production of 560 barrels of oil and 25,710 Mcf gas (4,845BOE/day) for this 7,150' lateral (30/64 choke).

### **Anadarko Basin Production and Cash flow**

Oil and gas production and sales continued during the quarter, with volumes coming from a mix of Drilling Joint Venture wells and from wells funded outside of this off-balance sheet structure.

Net production (volumes attributable to the Company's Working Interest and net of royalties) and net revenues (net of all operating costs, severance and ad-valorem expenses) are summarised below.

Description	Total
Revenue Net of Expenses (US\$) <sup>1</sup>	851,630
Net Oil Volume (bbls)	9,451
Net Gas Volume (Mcf)	126,119
Net Volume (BOE)	30,470
Average Daily Production	~334 BOE/day

1. Pursuant to the terms of the Drilling Joint Venture as set out set out in the Company's announcement dated 25 July 2016, titled "Brookside Secures STACK Joint Venture Partner", Brookside will only receive its Working Interest share of net revenue after 100% of drilling and completion capital associated with the relevant well has been returned to the Drilling Joint Venture.



## **CORPORATE**

During the quarter the Company (together with Cove Capital, and the Advisory Board) continued to pursue a number of initiatives aimed at raising the profile of Brookside and its "land and leasing" business model within the Australian investment community and attracting new investors. With the Company's maiden reserve report announced and excellent progress with our consolidation of acreage in the SWISH AOI we have a very strong platform from which to launch a further round of investor relations activity, kicking off in the first quarter of 2019.

The Company also announced a placement of new options to existing option holders during the quarter. Subject to Shareholder approval (which was secured at the General Meeting held today) the Company will place 225,140,625 listed options (exercisable at \$0.03 on or before 31 December 2020) at an issue price of \$0.00006 per option, to raise approximately \$13,605 (before costs). The primary purpose of this placement is to reward existing option holders for their ongoing commitment and loyalty to the Company.

Finally, details of the Company's oil and gas interests are set out in Appendix 1.

**- ENDS -**

### **For further information contact:**

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## **FORWARD-LOOKING STATEMENTS AND OTHER DISCLAIMERS**

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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>



## GLOSSARY

<b>AFIT</b>	After Federal Income Tax
<b>AOI</b>	Area of Interest
<b>APO WI</b>	After pay out working interest
<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>SCOOP</b>	South Central Oklahoma Oil Province - oil and gas play in the Anadarko Basin Oklahoma
<b>STACK</b>	Sooner Trend Anadarko Basin Canadian and Kingfisher Counties – oil and gas play in the Anadarko Basin Oklahoma
<b>SWISH AOI</b>	Description of Brookside's Area of Interest in the SCOOP Play
<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



## Appendix 1 – Schedule of Oil and Gas Interests

COUNTY	INTEREST ACQUIRED OR DISPOSED OF DURING THE QUARTER	TOTAL ACRES	WORKING INTEREST
Payne County, Oklahoma	Nil	465 gross (282 net)	100%
Blaine County, Oklahoma	Nil	~430acres	Working Interest
Garvin County, Oklahoma	Nil	~305 acres	Working Interest
Stephens & Carter Counties, Oklahoma	~170 acres	~1,570acres	Working Interest

<sup>i</sup> Please refer to ASX announcement dated 6 December 2018 for the detailed assumptions and further information required under Chapter 5 of the ASX Listing Rules.

<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).

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

#### Name of entity

Brookside Energy Limited (**Brookside**, the **Company**)

#### ABN

15 108 787 720

#### Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter (Dec 2018) \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	16	89
1.2 Payments for		
(a) exploration & evaluation	(1,258)	(3,979)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(190)	(940)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (ATO GST refunds)	17	89
<b>Net cash from / (used in) operating activities</b>	<b>(1,415)</b>	<b>(4,742)</b>

Consolidated statement of cash flows	Current quarter (Dec 2018) \$A'000	Year to date (12 months) \$A'000
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	2,077
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>2,077</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	3,156
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(242)
3.5 Proceeds from borrowings	-	744
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>3,658</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter (Dec 2018) \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,553	52
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,415)	(4,742)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	2,077
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	3,658
4.5	Effect of movement in exchange rates on cash held	52	145
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,190</b>	<b>1,190</b>

<b>5. Reconciliation of cash and cash equivalents</b> <i>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</i>	<b>Current quarter (Dec 2018) \$A'000</b>	<b>Previous quarter (Sept 2018) \$A'000</b>
5.1 Bank balances	165	118
5.2 Call deposits	1,025	2,435
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,190<sup>1</sup></b>	<b>2,553</b>

<sup>1</sup> In addition to Cash and Cash Equivalents, Brookside has AUD\$1,676,392 of the US\$4.0m Anadarko Leasing Facility remaining and available for draw down at the Company's discretion.

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	103
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 - <i>Payment of director's fees, rent and corporate administration expense.</i>	

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 -	

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	5,672	3,996
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well: <ul style="list-style-type: none"> <li>- US\$4.0 million Anadarko Leasing Facility (24-month maturity) (<b>Leasing Facility</b>) with interest payable quarterly in arrears at the rate of 12% per annum on draw down amounts. The Leasing Facility is secured by Anadarko Leasing, LLC's interest in working leasehold acreage acquired during the term of the Facility. Anadarko Leasing, LLC is a wholly owned subsidiary of Brookside.</li> <li>- As at 31 December 2018 the USD value of the Leasing Facility was \$2,817,808, which, using an AUD/USD exchange rate of 0.7052, equates to AUD\$3,995,758. Brookside has AUD\$1,676,392 available for draw down in the Leasing Facility.</li> </ul>		

9. <b>Estimated cash outflows for next quarter</b>	Next Quarter \$A'000
9.1 Exploration and evaluation	(200)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	(125)
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>(325)</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

  
.....  
**Director and Secretary**

Date: **31 January 2019**

Print name: **Loren King**

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.