

Growing Operated Position in Anadarko Basin SCOOP Play Platform for Transformational Reserve Growth

Perth, Western Australia – February 27, 2019 - Brookside Energy Limited (**ASX: BRK**) (**Brookside** or the **Company**) is pleased to provide shareholders and investors with an update on progress within the Company's SWISH area of interest (SWISH AOI) in the world-class SCOOP Play in the Anadarko Basin, Oklahoma.

Highlights

- SWISH AOI leasing campaign has delivered Brookside a potential ~6,000-acre position¹ in the emerging SCOOP Woodford-Sycamore trend where several of the NYSE listed tier-one independents are reporting very significant per unit resource potential²
- Company's SWISH AOI acreage is focussed around seven high-grade development units³ that are located in the liquids-gas condensate core of this world-class play
- Leasing activity has created the opportunity to establish a high Working Interest (operated position) in at least four of the seven development units targeted in the ongoing leasing campaign
- Spacing and/or pooling applications (the precursor to establishing operations and commencing development) have already been filed with the Oklahoma Corporation Commission on several of these development units
- High-grading, trading, Spacing and Pooling provides the Company with a pathway to capture additional acreage on favourable terms as the final position in the SWISH AOI is firmed up
- Third party drilling and completion activity within SWISH AOI ramps up with excellent initial results from both Sycamore and Woodford target formations

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

"We are once again delighted to present this update on our progress in the Anadarko Basin. The excellent work from the Black Mesa team in Oklahoma has positioned us very well to capitalise on the next phase as we look towards the development of the exciting Sycamore Woodford trend within our SWISH AOI.

There has been an enormous amount of work done to firstly identify the opportunity and then to execute on the initial leasing strategy which has ultimately positioned us to win high Working Interests and operated positions in our preferred high-grade development units.

The scale of the proved undeveloped reserves that will be unlocked from our initial development in the SWISH AOI will be transformational for Brookside, providing exponential growth in our reserves of oil and gas and ultimately the value of the business."

¹ Gross Working Interest acres, assumes the Company secures operations and acquires 100% of the Working Interest acres available in each development unit

² <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9Njk5NTc1fENoaWxkSUQ9NDEExMDczfFR5cGU9MQ==&t=1>

³ Development Units vary in size from 320-acres to 1,280-acres



Background

During the last 12-months, Brookside's partner and manager of US operations, Black Mesa Production, LLC (**Black Mesa**) has been actively pursuing a leasing and acquisition program within the Company's SWISH AOI in the world-class SCOOP Play in the Anadarko Basin, Oklahoma.

Black Mesa was an early mover in the SWISH AOI, identifying an exciting (low-risk) opportunity to exploit the Woodford and Sycamore target reservoirs that were already being successfully exploited by other tier-one independents elsewhere in SCOOP.

This successful campaign has delivered Brookside a potential ~6,000-acre position¹ in the SCOOP Woodford-Sycamore trend where several of the tier-one independents are reporting very significant per unit resource potential, including NYSE listed Continental Resources, Inc (**Continental**) who have highlighted enormous upside in their SCOOP Project SpringBoard.

Continental is expecting to average ~12 operating rigs in its SCOOP Project SpringBoard acreage and is already producing ~13,000 gross BOE per day from this acreage, with 45-wells drilled waiting on completion (including 27-wells targeting the Woodford and Sycamore reservoirs).



The Company's leasing and acquisition program is now focussed on seven high-grade development units that are located in the liquids-gas condensate core of the SWISH AOI. As a result of Black Mesa's successful execution of the leasing program, the Company now has the opportunity, to establish a high Working Interest (operated position) in at least four of the seven development units being targeted.

Spacing and/or pooling applications (precursor to establishing operations and commencing development) have already been filed with the Oklahoma Corporation Commission on several of these development units.



Black Mesa is continuing to work on high-grading, trading, and additional leasing to firm up the final acreage position within the SWISH AOI. Importantly, Oklahoma's Spacing and Pooling regulations provide the pathway to capture additional acreage within each development unit on favourable terms. The seven development units being targeted range in size from 320-acres to 1,280-acres and to date the Company controls an average of 28% of the acres available to be leased in each unit.

Competition within the SWISH AOI is now intense with several independents and private equity backed groups actively leasing in the area. Excellent initial production results are also being reported by third party operators from both the Sycamore and Woodford target formations. Notable data points include Encana Corporation's (NYSE: ECA) Ely Unit (8-well Woodford infill) with average IP24 of 1,044 BOE per day per well and Continental's Betts well (targeting the Sycamore) that has produced 46,000 barrels of oil in its first 45-days.

This activity, together with the ramp-up in drilling and completion activity is a very strong endorsement of the quality of the acreage and points to sharp increases in acreage values in the future as more wells get drilled and completed and oil and gas reserves start to get booked.

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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

APO WI	After pay out working interest
AFIT	After Federal Income Tax
AOI	Area of Interest
BFIT	Before Federal Income Tax
BOE	Barrels of Oil Equivalent
COPAS	Council of Petroleum Accountants Societies
Development Unit	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.
Mboe	1,000 barrels of oil equivalent
Mcf	1,000 cubic feet
MMboe	1,000,000 barrel of oil equivalent
NPV₁₀	The net present value of future net revenue, before income taxes and using a discount rate of 10%.
PDP	Proved Developed Producing Reserves
Pooling Agreements	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.
PUD	Proved Undeveloped Reserves
Reserve Categories	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"> • "1P reserves" = proven reserves (both proved developed reserves + proved undeveloped reserves). • "2P reserves" = 1P (proven reserves) + probable reserves, hence "proved AND probable." • "3P reserves" = the sum of 2P (proven reserves + probable reserves) + possible reserves, all 3Ps "proven AND probable AND possible."
STACK	Sooner Trend Anadarko Basin Canadian and Kingfisher Counties – oil and gas play in the Anadarko Basin Oklahoma
SCOOP	South Central Oklahoma Oil Province - oil and gas play in the Anadarko Basin Oklahoma
SWISH AOI	Description of Brookside's Area of Interest in the SCOOP Play
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