

## First Operated SWISH Development Unit Secured Regulatory Applications Approved

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

### Highlights

- Brookside has now acquired ~45% of the available acres in its first operated high-grade development unit within the SWISH AOI - Jewell Unit
- Pre-requisite regulatory applications have now also been approved by the Oklahoma Corporation Commission (OCC) for this development unit
- Company now expects to acquire an additional ~50% of the available acres in this unit via the OCC pooling process, taking the Company's final Working Interest in the Jewell Unit to ~95%<sup>i</sup>
- Surface location rights for the initial or parent well have already been acquired and surveying and staking operations have been completed
- Focus has now turned to the further six high-grade development units<sup>ii</sup> in the SWISH AOI, where Brookside has the opportunity to establish an operated position in three additional development units

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

"This is another tremendous milestone for Brookside as we rapidly progress along the path to unlocking the very significant value we see in our SWISH AOI in the world-class SCOOP Play in Oklahoma.

"The Black Mesa team continue to deliver for us on the ground in Oklahoma (in a very competitive environment) and winning operations on our first high-grade development unit is a Company making moment for Brookside.

"The successful drilling and production testing of the our first operated well in the SWISH AOI will be transformational for Brookside, unlocking very significant value in terms of proved undeveloped reserves and in providing proof of concept for the larger acreage position we are putting together in this highly sort after portion of the SCOOP Play"

## **Background**

As announced on February 27, 2019, the Company's SWISH AOI leasing campaign has delivered a potential ~6,000-acre position<sup>iii</sup> in the liquids-gas condensate core of the Woodford-Sycamore Trend of the SCOOP Play.

Brookside is focussed on seven high-grade development units within the SWISH AOI with the opportunity to establish a high working interest (operated position) in four of these units.

Our ongoing efforts to high-grade, trade and space and pool acreage within the SWISH AOI have delivered our first operated high-grade unit, with Brookside having now acquired ~45% of the available acres in the Jewell Unit.

Pre-requisite regulatory applications have now also been approved by the Oklahoma Corporation Commission (OCC) for this development unit and the Company now expects to acquire an additional ~50% of the available acres in this unit via the OCC pooling process, taking the Company's final Working Interest in the Jewell Unit to ~95%.

Surface location rights for the initial or parent well in the Jewell Unit have already been acquired and surveying and staking operations have been completed (figure 1. Below shows the staked location of the Jewell well).



The Company's focus has now turned to the further six high-grade development units in the SWISH AOI, where Brookside has the opportunity to establish an operated position in three additional development units.



### Pre-Drill Estimates

The following table sets out some of the key technical parameters used to describe the development potential of the Jewell Unit.

Name	Jewell Unit
Location	SCOOP Play, Anadarko Basin, Oklahoma
Working Interest	~95%
Operator	Black Mesa Production, LLC
Hydrocarbon Phases	Light Oil, Condensate and Gas
Target Formations	Sycamore Limestone and Woodford Shale
Pre-Drill Estimates	
Depth	7,200' to 8,500'
Lateral Length	6,300' to 7,300'
IP30 Boe per day	~1,000 to ~1,200
% Oil	58% to 70%
12-month Cum Boe	290,000 to 305,000
Full Unit Development	2 Sycamore wells and 5 Woodford Shale wells

The successful drilling and subsequent production testing of the initial or parent well in the Jewell Unit will unlock very significant value for Brookside and ultimately be the catalyst for higher acreage values which is central to our land and leasing acreage re-valuation business model.

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

<sup>i</sup> Estimate that is subject to the results achieved through the final pooling orders

<sup>ii</sup> Development Units vary in size from 320-acres to 1,280-acres

<sup>iii</sup> Gross Working Interest acres, assumes the Company secures operations and acquires 100% of the Working Interest acres available in each development unit