

Annual Message for Shareholders

Strategy Delivers, Provides Proof of Concept and Opportunity to Scale-Up

Perth, Western Australia – April 1, 2019 - Brookside Energy Limited (**ASX: BRK**) (**Brookside** or the **Company**) is pleased to provide the following “Annual Message for Shareholders”.

At the conclusion of the first quarter of calendar 2019, it is timely to review our performance in 2018 in the context of our overall strategy and stated goal of building value per share by acquiring and developing on-shore US oil and gas assets.

Notwithstanding the broader market forces (in particular the commodity price volatility that was especially evident towards the end of 2018) we remain convinced that our lease acquisition and revaluation business model will deliver superior returns for our shareholders and we are pursuing this strategy as aggressively today as we were when we acquired our first leases in the Anadarko Basin back in 2016.

As a result, the Company has now acquired ~2,400-acres (with the opportunity to grow this position to ~6,000-acres through forced pooling) in the core of the STACK and SCOOP Plays, in the Anadarko Basin in Oklahoma. The Company has also booked ~3,450,000 barrels of oil equivalent in Proved Reserves from its STACK Play holdings (less than 20% of its current holdings and less than 7% of an expanded 6,000-acre holding). These Proved Reserves have a Net Present Value (10% discount) of US\$12,500,000.

Based on this \$/reserve acre metric, Brookside’s current undeveloped acreage has the potential to deliver upside that will be multiples of this current value once reserves can be booked following initial drilling.

Production Results and Cashflow Underpin Maiden Reserve

The Company kicked off its activities in 2018 with the focus on our ~400-acre non-operated STACK Play holdings and a number of excellent production results from wells funded via our Drilling Joint Venture. The following table highlights the outstanding initial production results achieved (pre-dominantly from the STACK Play acreage).

| Well Name | Operator | WI | Status | IP24 |
|----------------------------|---------------------------------|-------|------------|-------|
| Landreth BIA #1-14H | Marathon Oil, Co. | 2.6% | Producing | 2,649 |
| Kevin FIU #1-20-17XH | Continental Resources, Inc. | 2.1% | Producing | 5,328 |
| Nelson Com #1H-0607X | Marathon Oil, Co. | 0.4% | Producing | 4,023 |
| Bullard #1-18/7H | Rimrock Resource Operating, LLC | 20.6% | Producing | 1,828 |
| Herring #1-33 1513MH | Triumph Energy, LLC | 18.2% | Producing | 2,380 |
| Sphinx 26-16N-11W #1H | Devon Energy Corp. | 3.1% | Producing | 2,185 |
| Strack #1-2-11XH | Marathon Oil, Co. | 1.0% | Producing | 1,714 |
| Dr. No. #1-17-20XH | Triumph Energy Partners, LLC | 3.7% | Producing | 1,769 |
| Davis #1-8-1611MH | Triumph Energy Partners, LLC | 1.2% | Producing | 825 |
| Randolph #34-2 | Continental Resources, Inc. | 0.3% | Producing | 4,845 |
| Mote #1-26-23H | Rimrock Resource Operating, LLC | 3.2% | Producing | 285 |
| Ladybug 27_22-15N-13W #1HX | Devon Energy Corp. | 2.2% | Producing | 3,200 |
| Big Earl #6-15N-10W | Devon Energy Corp. | 0.3% | Producing | 1,540 |
| Henry Federal #1-8-5XH | Continental Resources, Inc. | 5.2% | Spudding | |
| McKinley #13&24 15-13 | Continental Resources, Inc. | 1.0% | Permitting | |



These results underpinned our Maiden Reserve estimate (announced in December 2018) with forecast average time to achieve payout (i.e. when net revenue returns 100% of drilling and completion capex) for these wells of approximately 29-months (assumes WTI at US\$55/Bbl flat and Gas at US\$3.00/Mcf flat). This is a very important metric in determining the quality of the acreage we have secured and ultimately the value that can be attributed to these acres.

Importantly, and perhaps somewhat overlooked by the market, the production from these initial or parent wells also proved-up a large number of undeveloped well locations within each development unit. This has created a tremendous inventory of very high quality low-risk wells that can be developed in the future now that this acreage is held by production.

Strategic Acreage Sales Validate Business Model

2018 also saw the Company close a number of strategic acreage sales from its non-operated STACK Play holdings. These successful transactions highlighted the success of the business model, achieving multiples up to 10-times the average undeveloped acreage acquisition costs. The proceeds from these acreage sales was also available to be re-invested in the acquisition of more undeveloped acreage in an exciting new leasing campaign.

The success of our early work in the STACK Play provided us with a “pilot study” for an expansion into a much larger acreage position. Using data and experience gathered from this non-operated position in the STACK Play, we commenced the search for other areas along the eastern margin of the world-class Anadarko Basin where this success could be replicated – but on a much larger scale.

Transformational Growth Opportunity Identified in the SCOOP Play

Early in the second quarter of 2018, the Company announced that it had identified a “Step Change Growth Opportunity” and unveiled the SWISH Area of Interest (SWISH AOI). Leasing in this area kicked-off and the Company continued to acquire acreage throughout the balance of calendar 2018, eventually pulling together a strategic ~2,000-acre position within this emerging and now highly sort after part of the SCOOP Play.

Importantly, the Company also took the opportunity to participate in and fund the drilling of its first (non-operated) horizontal Woodford Well in the SCOOP Play. This well (the Bullard #1-18-07UWH well) is located a few miles north of the SWISH AOI and the very strong and sustained production results achieved from this well (160,000 BOE in its first 4 ½ months of production) together with results being achieved by other operators on adjacent acreage has highlighted the “Company Making” potential that can be unlocked from our SWISH AOI holdings.

To date, our SWISH AOI leasing campaign has delivered Brookside a potential ~6,000-acre position in this very exciting SCOOP Woodford-Sycamore trend where several of the NYSE listed tier-one independents are reporting very significant per unit resource potential. This acreage position is focused around seven high-grade development units that are located in the liquids-gas condensate core of this world-class play. Our leasing activity has created the opportunity to establish a high Working Interest (operated position) in at least four high-grade development units within the SWISH AOI.



Operated Position Secured - Platform for Company Making Reserve Growth

Last week we announced that we have secured operations and majority interest in our first high-grade development unit within the SWISH AOI, the Jewell Unit. The pre-requisite regulatory applications have been approved by the Oklahoma Corporation Commission (OCC) for this development unit, surface location rights for the initial or parent well have been acquired and surveying and staking operations have been completed, with this well expected to spud late in the first half of 2019.

The successful drilling and production testing of this well 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 the SWISH AOI.

2019 - Reserve Growth, Increased Acreage Values and Cashflow

So, at the end of the first quarter of 2019 we are in the enviable position of having two very strong pillars to our business.

Firstly, we are on the cusp of kicking-off development with our first very high impact "operated" well in the Jewell Unit within the SWISH AOI; we have positioned ourselves in this area to grow our operated position with potential for several more operated development units, more operated wells and a large number of very high value proved undeveloped locations; and.

We have the significant opportunity that has started to emerge from the large inventory of high-quality low-risk proved undeveloped locations we have delineated within our STACK Play. Three of these high value infill projects are slated for 2019, providing Brookside with the opportunity to participate in this low-risk development and receive the benefit of the resultant cash flow.

2019 will be another transformational year for Brookside and we look forward to keeping our shareholders informed as we continue to achieve our milestones throughout the year.

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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

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|---------------------------|---|
| 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 | <p>These reserve categories are totalled up by the measures 1P, 2P, and 3P, which are inclusive of all reserves types:</p> <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 |