

### Consolidating High-Grade Position in the SCOOP Play

Focused on Core Operated Development Units within the SWISH AOI

**Perth, Western Australia – July 5, 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 Area of Interest (AOI) in the world-class Anadarko Basin, Oklahoma.

#### Highlights

- Continued successful execution of the land and leasing strategy, as holdings in SWISH AOI reach ~ 2,000 acres
- Trading and high-grading activity is consolidating Brookside's holdings to a number of core operated development units or drilling spacing units ("DSUs")
- Third party drilling, completion and leasehold acquisition activity within the SWISH AOI continues to ramp-up, with top-tier operators Encana Corp. (NYSE:ECA) (Encana) and Continental Resources, Inc. (NYSE:CLR) (Continental) both active
- As a result of this activity, Brookside also has an interest in a number of non-operated DSUs with five of these at various stages from drilling, awaiting completion, to producing

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

"We are delighted to achieve another milestone in the scaling-up of our 'land and leasing' business model in the world-class Anadarko Basin plays in Oklahoma.

"We have now grown our operated position within the SWISH AOI to approximately 2,000-acres, meaning we are well on our way to reaching our targeted acre position in the SCOOP Play.

"Our team on the ground in Oklahoma is continuing to execute our strategy through an active trading and high-grading program that will see us accumulate a series of core DSU's in what is now a very active and highly sought after part of the SCOOP Play in Oklahoma.

"This is an exciting opportunity for Brookside, and a clear demonstration of our ability to successfully replicate and scale up the land and leasing model we have piloted in the STACK Play.

"We have already grown our SWISH AOI position to five times that of our STACK position, where late last year we booked our maiden reserves of oil and gas with an NPV of US\$12.5 million or ~US\$30,000 per acre."



## **Background**

Brookside's leasehold acquisition activity in the SWISH AOI (located in the world-class SCOOP Play) in the Anadarko Basin continues to deliver results.

Recent acquisitions have now delivered a ~2,000-acre position in the core of the SWISH AOI, bringing the Company's overall position to approximately 2700 acres. The Company's partner and manager of US operations, Black Mesa Ltd, is continuing to build on this position with trading and high-grading activity, as we now direct our attention to establishing operations in a number of core operated DSUs.

In addition to this leasing and acquisition activity, the Company is witnessing a sustained increase in the level of activity from other significant players in the SWISH AOI, including top-tier operators Encana and Continental, as well as a number of private equity funded operators that are also active in the area.

Of particular note is the Encana operated Ely Unit (eight horizontal wells within a single 1,280-acre DSU) that has been producing since mid-2018, with the wells achieving an average IP24 in excess of 1,000 Boe per day. In addition, there are currently two wells (one drilling and one set to spud) that are located within three miles of the Company's Jewell Unit, which is Brookside's first high-grade, operated DSU in the SWISH AOI.

Brookside's recent acquisition activity has also resulted in the Company establishing a non-operated Working Interest in a number of DSU's outside of our core operated units. These five wells are at various stages from drilling, to waiting on completion, to producing. The Company will provide further details and updates on these wells as information becomes available.

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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 or DSU</b>	Development Unit or drilling 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