

Pooling Order Issued for Jewell Unit

First Operated DSU Successfully Established in SWISH AOI

Perth, Western Australia – July 25, 2019 - Brookside Energy Limited (**ASX: BRK**) (**Brookside** or the **Company**) is pleased to provide an update on activities within the Company's SWISH Area of Interest (**SWISH AOI**) in the world-class Anadarko Basin, Oklahoma.

Highlights

- Oklahoma Corporation Commission (**OCC**) issues pooling order for Brookside's first operated drilling spacing unit (**DSU**) (**Jewell Unit**) within the SWISH AOI in the SCOOP Play
- Successful pooling of the Jewell Unit is the first step on the path towards a successful production test of the Sycamore formation in this DSU, which is expected to be a catalyst for a material increase in the per-acre value of the Company's acreage within the SWISH AOI
- The Jewell Unit is the first DSU to be successfully pooled by Black Mesa Production, LLC (**Black Mesa**) on behalf of Brookside as part of the Company's ongoing transition to operator in the world-class Anadarko Basin Plays
- Jewell Unit established as an 880-acre DSU for the exploitation of the Sycamore, Woodford and Hunton formations
- Brookside anticipates that it will acquire in excess of 95% of the Jewell Unit via this pooling order (the Company has currently leased approximately 47% of the available acres in this DSU)
- This development is part of Brookside's "Real Estate Development" approach to creating value in the Anadarko Basin – by accumulating prospective acreage, establishing oil and gas reserves and monetising by selling revalued acreage or generating production revenue

Brookside's leasehold acquisition and development activity in the SWISH AOI in the Anadarko Basin continues to expand, with the Company pleased to advise that the OCC has now issued a pooling order for its first operated DSU (the Jewell Unit) within the SWISH AOI in the SCOOP Play.

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

"The successful pooling of our first operated DSU is another significant milestone in the development of the Company, as we continue to transition to operator in the Anadarko Basin.

"Results from drilling and completion activity by third party operators active in the SWISH AOI continue to support our view that building a material operated position in this area will be transformational for Brookside, both in terms of reserves and acreage value.

"As operator of this acreage, we are absolutely focused on the successful execution of our strategy as we move from acreage acquisition, to upgrading via the drill bit, to revaluation and ultimately, to monetisation.

"This is a very exciting time for us, and we very much look forward to keeping investors updated as we move through the next phase of development of the Jewell DSU."



The OCC has confirmed the establishment of an 880-acre DSU for the exploitation of the Sycamore, Woodford and Hunton formations. These formations are currently being successfully developed by several of the tier-one operators operating in and around Brookside's SWISH AOI, in the highly sought-after Sycamore-Woodford trend in the SCOOP Play.

The Company anticipates that it will acquire in excess of 95% of the Jewell Unit via this pooling order. The Company has currently leased approximately 47% of the available acres in this DSU. Importantly, Black Mesa has been designated operator of this DSU, which is the first of a number of DSU's where the Company is looking to secure operations and a majority Working Interest.

The successful pooling of the Jewell Unit is the first step on the path toward a successful production test of the Sycamore formation in this DSU, which is expected to be a catalyst for a material increase in the per-acre value of the Company's acreage within the SWISH AOI.

Background

Brookside Energy is an Perth-based ASX listed company that generates shareholder value by developing oil and gas plays in the world-class Anadarko Basin.

The Anadarko Basin is a proven Tier One oil and gas development province with significant existing oil and gas gathering and transportation infrastructure, a competitive and highly experienced oil and gas service sector, and a favourable regulatory environment.

Brookside is executing a "Real Estate Development" approach to acquiring prospective acreage in the Anadarko Basin and adding value to it by consolidating leases and proving up oil and gas reserves. The Company then has the option of selling the revalued acreage or maintaining a producing interest.

This model is commonly used by private equity investors in the sector, and has been successfully piloted by Brookside in the northern Anadarko Basin's STACK Play.

Brookside's US partner and manager of operations, Black Mesa LLC is an experienced mid-continent operator, which identifies opportunities and executes development under a commercial agreement with Brookside. The business model effectively assigns risk and provides commercial incentives to maximise value for both parties.

The Company is now set to scale-up its activities and asset base significantly with its operated-interests in the SWISH AOI.

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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
DSU - Development Unit or Drilling Spacing Unit	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.
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%.
OCC	Oklahoma Corporation Commission
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