

Sycamore and Woodford Exceed Expectations Supports re-rating of Brookside's SWISH AOI Acreage

Perth, Western Australia – January 16, 2020 - Brookside Energy Limited (**ASX: BRK**) (**Brookside** or the **Company**) is pleased to update investors about significant initial production results from wells drilled adjacent to the Company's assets in Brookside's SWISH Area of Interest (**SWISH AOI**), in the world-class Anadarko Basin, Oklahoma.

Highlights

- Three new wells¹ have recently come on-line within the SWISH AOI, delivering average IP24's of almost 2,000 barrels of oil equivalent per day (~78% oil) from horizontal wells drilled in the Sycamore formation (Brookside's primary target) and the Woodford formation
- These new wells are all located very close or adjacent to Drilling Spacing Units (DSU's) in which Brookside has acquired a Working Interest (see Figures 1 & 2 below)
- Of particular note are the Flash 1-8-5MXH Sycamore well (IP24 1,978 BOE/day) and Courbet 1-27-22XHW Woodford well (IP24 1,621 BOE/day) which are both located very close to Brookside's operated Jewell Unit in the heart of the SWISH AOI
- The recently drilled and completed Park Place 1-21-16MXH Sycamore well has also delivered very strong productivity (the highest achieved in the area to date) at IP24 2,377 BOE/day (77% oil)

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

"We are once again delighted to highlight the very strong results that are coming from the Sycamore and Woodford formations within our SWISH AOI.

"It is very exciting for us to see these results continuing to emerge, which highlights the quality and consistency of production that the Sycamore and Woodford formations offer in this area.

"This Sycamore-Woodford sub-play in southern SCOOP has gone from a concept (based on results from historical vertical wells and examination of old logs and drill core) to "proof of concept" in a very short time, with strong IP's and sustained production results beating our pre-drill estimates.

"These results will provide support for higher per-acre valuations, based on higher forecast recovered volumes, very strong rates of return and short pay-out profiles at today's oil and gas spot prices. Our strategy of moving early to secure a strong acreage position in this location is being validated by the continuing evidence of strong early production from development wells.

"This is exactly what we anticipated would occur in this area and we believe more activity and better than expected initial production rates will be the catalyst for consolidation and ultimately strong returns for our shareholders."

¹ Note that while these wells are located with the SWISH AOI, Brookside does not hold a Working Interest in these wells and the results are being presented here to highlight the very strong productivity of the Sycamore and Woodford formations in this specific area.

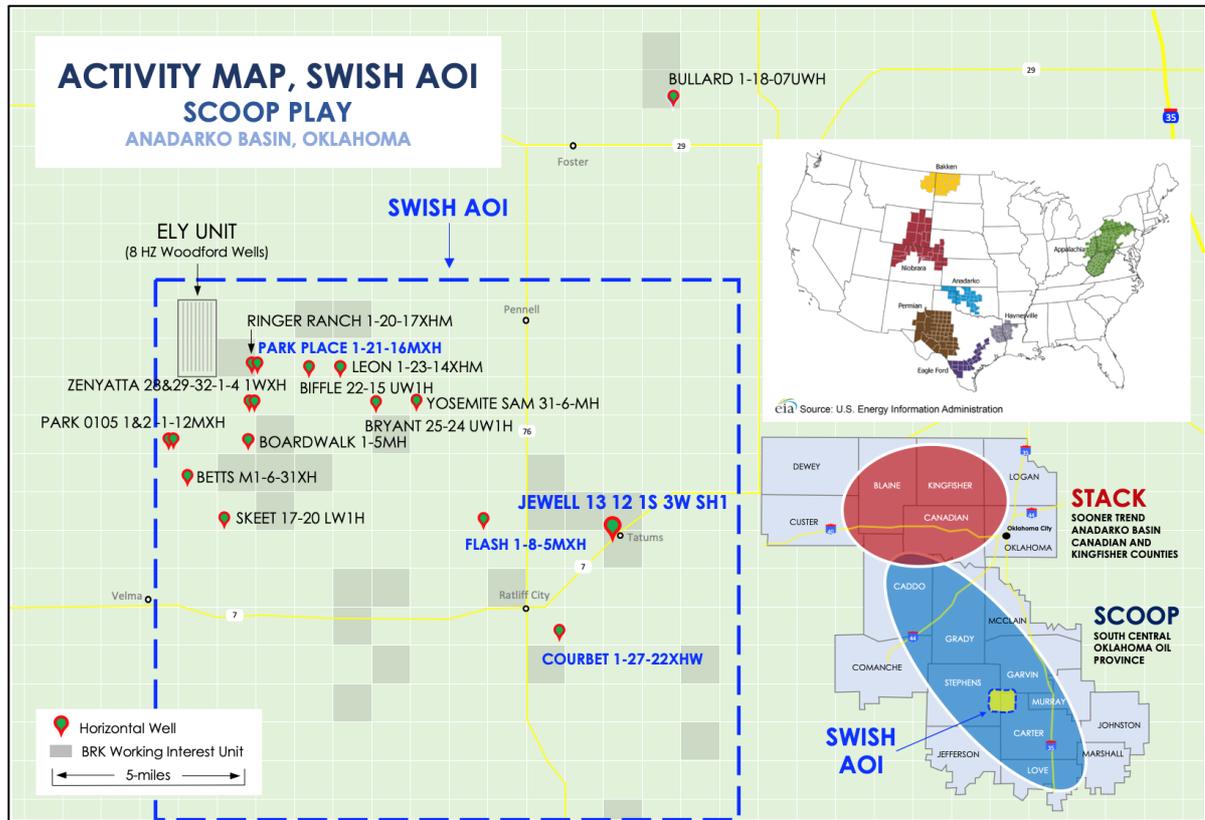


Figure 1. Activity Map, SWISH AOI, SCOOP Play

Well Name	STATUS	IP24 BOEPD	FORMATION	BRK WI
BETTS M1-6-31XH	PRODUCING	1,612	SYCAMORE	
BIFFLE 22-15 UW1H	FLOWING BACK		WOODFORD	✓
BOARDWALK 1-5MH	PRODUCING	1,617	SYCAMORE	✓
BRYANT 25-24 UW1H	FLOWING BACK		WOODFORD	
COURBET 1-27-22XHW	PRODUCING	1,621	WOODFORD	
ELY UNIT - ENCAN	PRODUCING		WOODFORD	
FLASH 1-8-5MXH	PRODUCING	1,978	SYCAMORE	
JEWELL 13 12 1S 3W SH1	SPACED & POOLED		SYCAMORE	✓
LEON 1-23-14XHM	PRODUCING	1,945	SYCAMORE	✓
PARK 0105 1-1-12MXH	DRILLING		SYCAMORE	
PARK 0105 2-1-12MXH	DRILLING		SYCAMORE	
PARK PLACE 1-21-16MXH	PRODUCING	2,377	SYCAMORE	
RINGER RANCH 1-20-17XHM	PRODUCING	2,067	SYCAMORE	✓
SKEET 17-20 LW1H	PRODUCING	895	WOODFORD	
YOSEMITE SAM 31-6-MH	WAITING ON COMPLETION		SYCAMORE	
ZENYATTA 28-33-1-4 1WXH	PRODUCING	850	WOODFORD	✓
ZENYATTA 29-32-1-4 1WXH	PRODUCING	1,105	WOODFORD	
BULLARD 1-18-07UWH	PRODUCING	1,828	WOODFORD	✓

Note: BULLARD 1-18-07UWH is a Woodford well located ~5-miles north of the SWISH AOI

Figure 2. Drilling and Completion Activity, SWISH AOI, SCOOP Play



Activity within Brookside's SWISH AOI (the Sycamore-Woodford trend) in the SCOOP Play has continued to increase, in contrast to the falling rig count and generally reduced levels of activity elsewhere in the oil and gas sector in Oklahoma, and in the Anadarko Basin.

The Sycamore-Woodford sub-play in southern SCOOP has gone from a concept (based on results from historical vertical wells and examination of old logs and drill core) to "proof of concept" in a very short time. Brookside, through the good work and diligence of its partner and manager of US operations, Black Mesa Energy, LLC, (**Black Mesa**) was able to secure a strategic holding in this area early in the cycle and at a modest cost, when acreage values had not yet begun to move higher.

The strong initial production results are above our internal pre-drill estimates and look likely to support higher per acre valuations in the future as more wells are drilled and reserves are booked.

Outside of the strong IP's that have been reported, we are also starting to see some very encouraging sustained production results from the area. The Continental Resources, Inc. (NYSE: CLR) operated Betts M1-6-31XH well (Sycamore formation) has produced ~235,000 barrels of oil equivalent (67% oil) in 11-months and the Casillas Operating, LLC. operated Flash1-8-5MXH well (Sycamore formation) has produced ~123,000 barrels of oil equivalent (80% oil) in approximately 3-months.

We are also seeing encouragement from recently drilled and completed Woodford wells in the SWISH AOI and these look likely to support or improve on the results from Encana Corporation's (NYSE: ECA) Ely Unit (eight Woodford horizontal wells drilled in a single DSU) (see Figure 1. above) which was brought on-line progressively from mid-2018 and looks set to produce 1,900,000 barrels of oil and 40 Bcf of gas (on a Unit basis) over its life.

All of this new production data, combined with the geological and reservoir engineering work completed by Black Mesa prior to the commencement of our leasing campaign, provides us with the confidence to move forward quickly with the Jewell unit, our first operated well, and to continue our acreage high-grading, trading, and spacing and pooling activities to optimise the value of our portfolio.

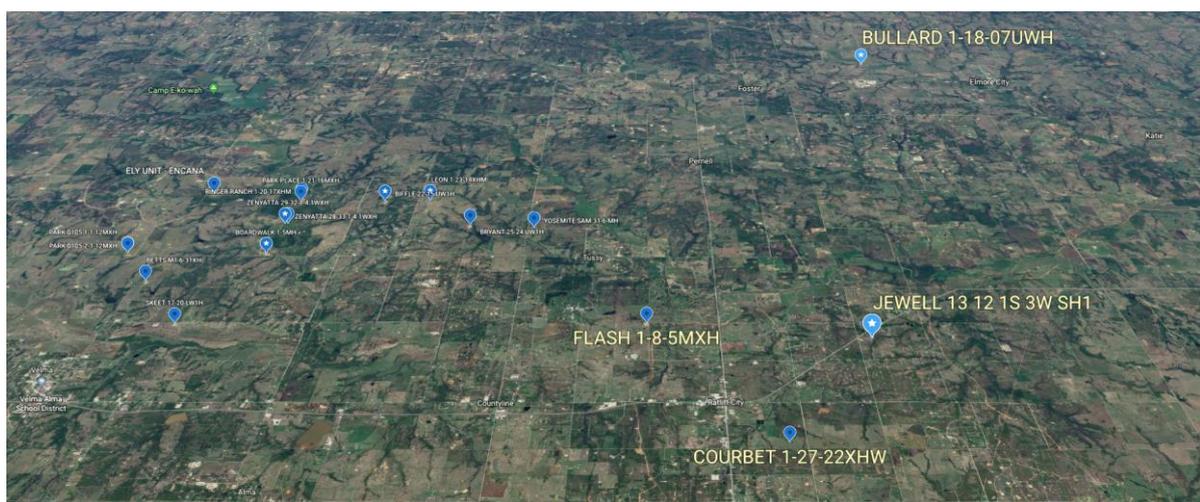


Figure 3. 3D Google Earth Image showing the Jewell Unit with the Courbet well in the foreground and Flash well to the west looking north to the Bullard Unit.



Background

Brookside Energy is a 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, 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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For further information, contact:

David Prentice
Managing Director
Brookside Energy Limited
Tel: (+61 8) 6489 1600
david@brookside-energy.com.au

Media: Paul Ryan
Director
Citadel-MAGNUS
Tel: (+61 8) 6160 4900
pryan@citadelmagnus.com



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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 ENERGY, LLC

Black Mesa Energy, LLC is a Tulsa-based oil & gas exploration and production company focused on profitable development of petroleum properties located in the Mid-Continent oil province of the United States. Our lean and highly specialized technical and operations team is committed to providing attractive returns for our investors and shareholders by generating and drilling high quality oil and gas prospects. The founders of Black Mesa have worked together for over 30 years at companies they previously founded, including Medallion Petroleum, InterCoast Energy and Brighton Energy. Over the course of their careers, the Black Mesa team has drilled hundreds of horizontal wells and thousands of vertical wells in numerous mid-continent oil and gas basins. In addition to the financial backing from the Black Mesa shareholders, Black Mesa partners with outside investors on larger-scale projects by offering non-operated direct working interest participation.

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 or DSU	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%.
NRI	Net Revenue Interest
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 "proved 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