

Rapid Payout for STACK Play Wells Creates Long-Term Value

Perth, Western Australia; 21 October 2020 - Brookside Energy Limited (ASX: BRK) (Brookside or the Company) is pleased to provide the following update on the performance of its STACK Play non-operated Working Interest wells (Non-Operated Wells) in the Anadarko Basin, Oklahoma.

Highlights

- The payout¹ profile of the Non-Operated Wells validates Brookside's acreage selection and acquisition process
- 75% of the Non-Operated Wells that have paid out to date did so in 12-months, with an average time to payout of 16-months
- This rapid payout profile creates long-term value with several decades of post payout annuity style stable cashflow and exposure to further upside from higher oil and gas prices
- Brookside's strategy to remain disciplined and target only premium acreage and maintain low entry costs underpins these results
- Our focus on exploitation rather than exploration, and a commitment to high-quality reservoirs, ensures strong rates of return through commodity price cycles
- These Non-Operated Well results provided the catalyst for our pivot to operated drilling in the Company's SWISH AOI
- The Company has now established a twenty well, 5-year, inventory of premium "drill-ready" locations with the opportunity to expand this through further leasing

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

"We are very pleased to provide our shareholders with this update on the performance of our non-operated wells in the STACK Play. Results like this are the foundation for the success of all three pillars of our business. The rapid return of capital invested is one of the most important metrics for us (alongside capital discipline) when we look to make an investment, whether it be in operated drilling, leasehold acquisition and trading or in producing property acquisitions.

We are building good momentum across the business and look forward to keeping our shareholders and investors up to date as we continue to unlock the value in our premium acreage position in the SWISH AOI in the southern part of the SCOOP Play in the Anadarko Basin."

¹ Payout means the point at which 100% of the costs and expenses incurred in connection with the drilling, testing, completing, and equipping a well for production have been recovered from cashflow generated through the production from that well.



Analysis of sales data for Brookside’s Non-Operated Wells (refer to Table 1) shows that 75% of the wells that have achieved payout to date did so within 12-months of first sales with the average time to payout being 16-months. This is a tremendous result given the recent variance in commodity prices.

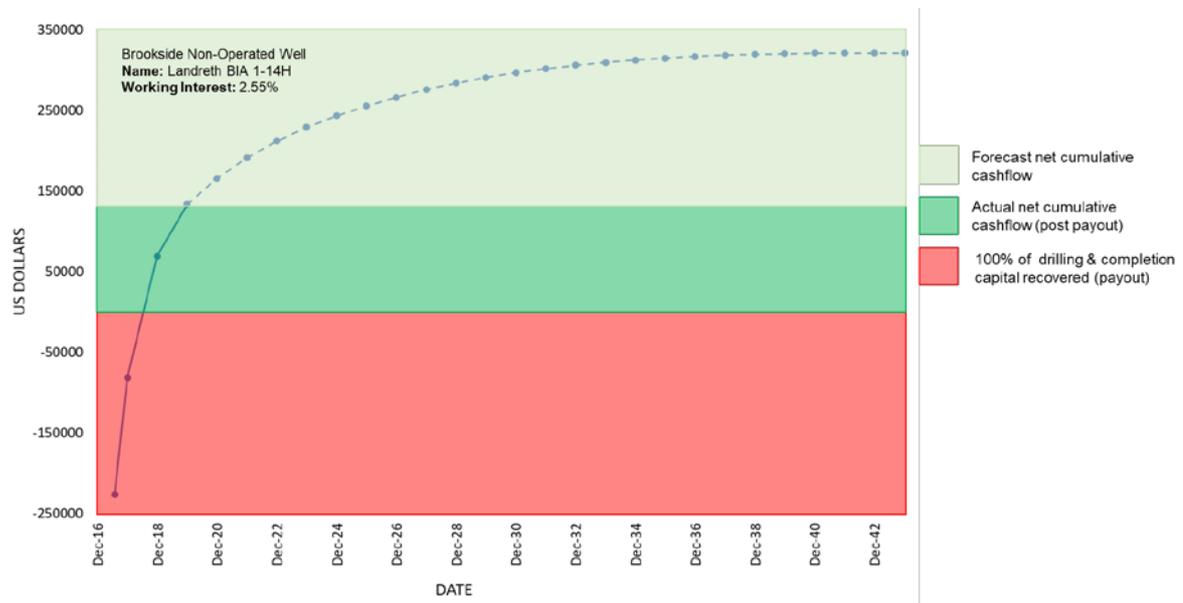


Figure 1: Cumulative cashflow curve showing fast payout for Brookside non-operated well Landreth BIA 1-14H

Furthermore, these results show that focusing on exploitation of premium acreage with low entry costs is a successful strategy that is very robust and can withstand commodity price cyclicality to continuously deliver strong cashflow and high rates of return.

LEASE	PLAY	FIRST PRODUCTION	WELLBORE PAYOUT	PAYOUT MONTHS
LANDRETH BIA 1-14H	STACK	30-Jul-17	31/07/2018	12
MIKE COM 1H-0706X	STACK	14-Nov-17	30/06/2020	31
KEVIN FIU 1-20-17XH	STACK	13-Apr-18	30/06/2020	26
RANDOLPH 1-34-27XHM	STACK	03-Jul-18	31/07/2019	12
CENTAUR 7-6-15N-10W 4HX	STACK	18-Jun-19	30/06/2020	12
CENTAUR 7-6-15N-10W 5HX	STACK	18-Jun-19	30/06/2020	12
CENTAUR 7-6-15N-10W 2HX	STACK	26-Jun-19	30/06/2020	12
CENTAUR 7-6-15N-10W 3HX	STACK	26-Jun-19	30/06/2020	12

Table 1: Brookside Non-Operated Wells Payout Period To Date

Consistent application of this strategy led Brookside to acquire its premium acreage position in the highly sought-after Sycamore-Woodford trend in southern SCOOP and ultimately resulted in the successful acquisition of three operated drilling spacing units (DSUs) in the SWISH AOI.

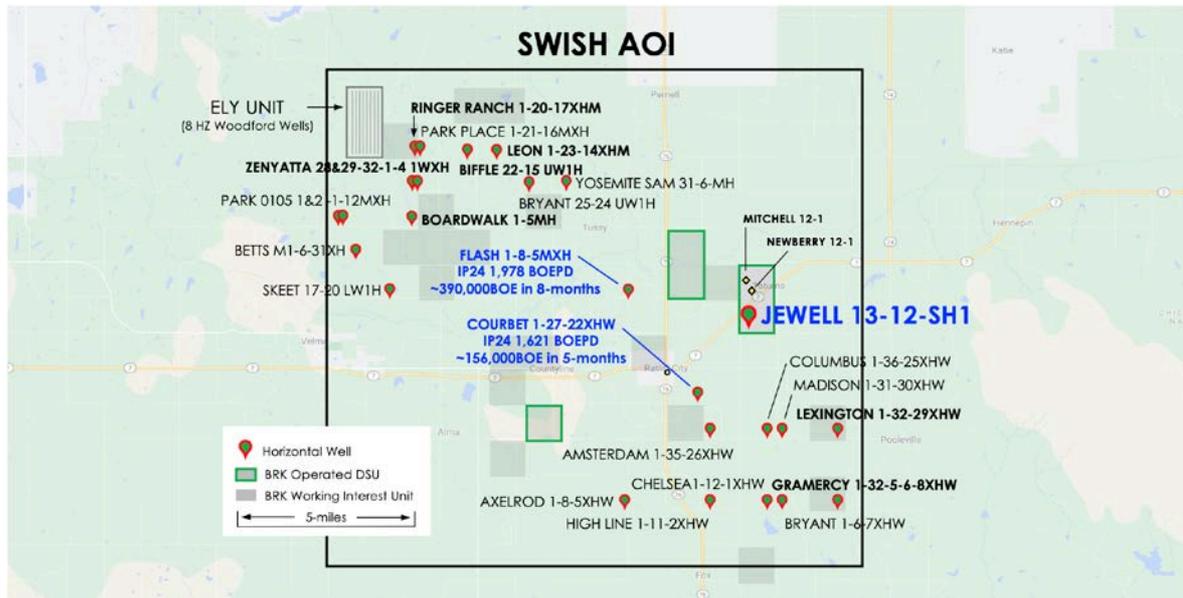


Figure 2: SWISH AOI Activity Map

The Jewell, Flames and Rangers DSU's are located in the core of this trend (see Figure 2 above).

Brookside estimates that in excess of US\$250 million of new capital has been invested in the SWISH AOI in just the last three years. The majority of this capital (lease acquisition, drilling and completion and associated development expenses) was deployed by tier-one independents that remain active in the area despite recent pricing volatility.

The success achieved by these operators in this area, combined with the payout results we have achieved to date from our Non-Operated Wells provided the catalyst for our pivot to operated drilling in the SWISH AOI.

Brookside has now identified twenty premium "drill-ready" locations in these DSU's alone, with the opportunity to expand this position through further leasing and build on what is already an impressive 5-year drilling inventory.

– ENDS –

Authority:

This announcement has been authorised for release by the Board of Directors of Brookside Energy Limited

For further information, contact:

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

Gracjan Lambert
Executive General Manager Commercial
Brookside Energy Limited
Tel: (+61 8) 6489 1600
gl@brookside-energy.com.au

Sarah Lenard
Partner
Advisir, Investor & Media Relations
Tel: (+61 4) 32 332 905
sarah.lenard@advisir.com.au

Omar Taheri
Founder
SparkPlus
Tel: +65 8111 7634
omar@sparkplus.org



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ABOUT BROOKSIDE ENERGY LIMITED

Brookside Energy is a Perth-based ASX listed company that generates shareholder value by developing oil and gas plays in the United States, specifically the Anadarko Basin in Oklahoma. 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. The Company is now set to scale-up its activities and asset base significantly with its operated- interests in the SWISH AOI.

Web <http://brookside-energy.com.au>

ABOUT BLACK MESA ENERGY, LLC

Black Mesa Energy, a Brookside Energy controlled subsidiary, 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.

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