

### NEWS RELEASE

November 28, 2019

Perth, Western Australia – November 28, 2019 - Brookside Energy Limited (**ASX: BRK**) (**Brookside** or the **Company**) notes today's announcement by Stonehorse Energy Limited (**ASX:SHE**) (**Stonehorse**) regarding the performance of the Bullard #1-18-07-UWH well and is pleased to provide the following further disclosure.

- The Bullard well is a Woodford Shale producer located in the core of the southern part of the SCOOP Play in the Anadarko Basin in Oklahoma. The well is operated by Rimrock Resource Operating, LLC
- Brookside has retained a 5.20% non-operated Working Interest in this well and a 20.81% Working Interest in the undeveloped acreage in the associated Drilling Spacing Unit (**DSU**)
- Consequently (and consistent with the Company's land and leasing focussed strategy), Brookside retains its full 20.81% Working Interest in the proved undeveloped locations within this DSU
- The outstanding performance of the Bullard Well (set to achieve pay-out<sup>1</sup> in less than two years on realised pricing of US\$58/Bbl and US\$1.61/Mcf) highlights the quality of the reservoir and the significant reserve potential that is created when the performance of the initial or parent well in a DSU is in-line with or exceeds our pre-drill estimates
- The Woodford Shale (the world-class silica rich source rock for the hydrocarbons in the Anadarko Basin) is currently being exploited successfully by many of the tier-one operators that are active in the SCOOP Play
- The Woodford Shale is also the "secondary target" (behind the Sycamore Formation) for wells drilled within Brookside's SWISH AOI acreage

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

"We are delighted to provide this further update on the performance of the Bullard well. The well's productivity to date has been remarkable, delivering significant and important cashflow to the business at a time when we were investing heavily in new leases in the SWISH AOI and ultimately providing the catalyst for significant additional proved undeveloped reserves in this DSU.

"This is another great example of the flexibility that our business model provides – enabling us to take advantage of some early cashflow, then monetising the well bore interest while retaining full exposure to the proved undeveloped reserves.

"In addition to the stunning results we are seeing from the Sycamore in the SWISH AOI, we are now also starting to see some early data emerge from Woodford wells drilled recently in the AOI. Early indications from these wells are positive and we are looking forward to providing further updates over the coming weeks and months."

<sup>1</sup> Pay-out defined as the point at which all of the costs of drilling, completing and operating the well have been recovered from the proceeds of sales generated from production (net of royalties and severance taxes).



## **Background**

Brookside Energy Limited 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 Energy, 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.

**- ENDS -**

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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 specialised 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

<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 <b>Drilling Spacing Unit</b> 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 communitises 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>IP</b>	Initial Production; the rate of initial flow from a well. Initial production rates are reported as 24-hour, 30-day, 60-day, and 90-day initial production rate periods.
<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>NRI</b>	Net Revenue Interest
<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