

STACK Play Wells Acquired Significant Production Increase

Perth, Western Australia – 16 March 2021 – Brookside Energy Limited (ASX: BRK) (Brookside or the **Company**) is pleased to provide shareholders and investors with details of its agreement to purchase the well-bore interests (and associated PDP reserves) that are currently subject to its Drilling Joint Venture¹ in the STACK Play in the world-class Anadarko Basin.

HIGHLIGHTS

- Brookside has successfully concluded negotiations with the parties to the Drilling Joint Venture, to acquire eleven producing wells and the associated PDP reserves in the STACK Play
- This acquisition will deliver an almost four-fold uplift to Brookside's net daily production, with daily production increasing to ~110 net barrels of oil equivalent (**BOE**) post-closing of the acquisition²
- Consideration for this acquisition (~US\$2,000,000) will be satisfied via the issue of 125,000,000 fully paid ordinary Brookside shares which equates to ~US\$8.30 per BOE acquired, a considerable discount to the current Forward Strip Pricing for oil and gas
- This acquisition will deliver additional stable, long life production to the Company at an ideal time in the pricing cycle, making the deal highly accretive to shareholder value with considerable exposure to further upside as the outlook for oil and gas prices continues to improve
- At closing the Drilling Joint Venture will be dissolved and Brookside will acquire 100% of the available Working Interest³ in the relevant wells and the associated PDP reserves

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

"We are absolutely delighted to have successfully concluded these negotiations with Merchant Funds Management to acquire this high-quality low-decline production stream in the STACK Play.

"Merchant was a founding shareholder in Brookside and their commitment to supporting our strategy as both a large shareholder and joint venture partner has enabled us to grow and prosper through what has been one of the most challenging periods for our industry in over 100-years.

"We look forward to their continued support as we enter this next very exciting period of the Company's growth as we kick-off the operated drilling pillar of our business and begin to unlock the very significant value we have built within our SWISH AOI DSUs."

¹ For further information on the Drilling Joint Venture please refer to the Company's ASX announcement dated 25 July 2016.

² The parties have agreed the terms of this acquisition, completion of which will occur promptly after the Company's general meeting of 1 April 2021. Completion and the issue of the Brookside shares as consideration for the acquisition is conditional upon the Company refreshing its capacity under the ASX Listing Rules at that meeting.

³ Subject to Black Mesa Energy's 25% Working Interest Back in After Payout. Note that Black Mesa is a controlled subsidiary of Brookside.



Background:

The acquisition of the Drilling Joint Venture well-bore interests and the associated production from some of the best producing wells in the STACK Play will be instantly accretive to Brookside's balance sheet, bringing the total daily production to ~110 net BOE per day. This low-cost acquisition shows Brookside's dedication to increasing shareholder value via a strict adherence to its three pillar strategy and the ability of the team to deliver on that strategy.

Brookside has extensive technical experience with these wells and a good working relationship with the operators through its current working interest as a partner in the STACK Joint Venture. This goes a long way to de-risking the purchase of producing assets and having a very high confidence that these wells will perform as expected for the long term.

By purchasing this production at ~US\$8.30 per BOE (a considerable discount to current commodity prices), Brookside can instantly benefit from the current commodity pricing with upside exposure to future price increases. Furthermore, with activity increasing in the STACK Play, Brookside will be well placed to participate in any future development of its PUD acreage in this area.

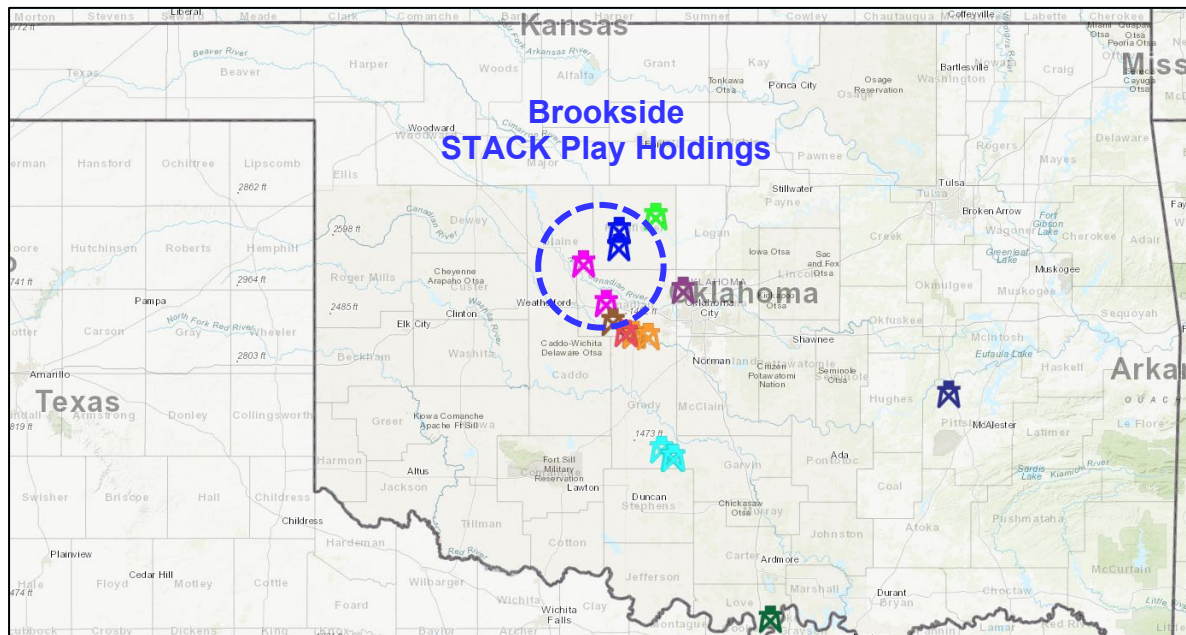


Figure 1. Map of Oklahoma showing currently active rigs

At closing the Drilling Joint Venture will be dissolved and Brookside will acquire 100% of the available Working Interest in the relevant wells (see Table 1. below) and the associated PDP reserves.



Well Name	Working Interest	Operator
DAVIS 1-8-1611MH	1.17%	Triumph Energy, LLC
DR NO 1-17-20 1611MHX	3.79%	Triumph Energy, LLC
HERRING 1-33 1513MH	18.18%	Triumph Energy, LLC
KEVIN FIU 1-20-17XH	2.02%	Continental Resources, Inc.
LADYBUG 27 22-15N-13W 1HX	2.15%	Devon Energy Corp.
LANDRETH BIA 1-14H	2.40%	Marathon Oil Co.
MIKE COM 1H-0706X	0.38%	Cimarex Energy, Co.
MOTE 1-26-23UWH	3.20%	Rimrock Resource Operating, LLC
ROSER 1611 1-3-34MXH	3.73%	Marathon Oil Co.
SPHINX 26 23-16N-11W-1XH	2.89%	Devon Energy Corp.
STRACK 1-2-11XH	1.02%	Marathon Oil Co.

Table 1. Acquisition Wells

Authority:

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

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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.

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.
Force Pooled	The Oklahoma Corporation Commission is authorized to establish well spacing and drilling units covering any common source of supply of hydrocarbons, or any prospective common source of supply. Once the unit is established, the Commission can force pool the interests of all the owners who own interests in that unit and who have not voluntarily joined in the development of that unit.
MBOE	1,000 barrels of oil equivalent
Mcf	1,000 cubic feet
MMBOE	1,000,000 barrels of oil equivalent
NPV ₁₀	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
Prospective Resource	Prospective Resources are those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations.
PUD	Proved Undeveloped Reserves
Reserve Categories	These reserve categories are totalled up by the measures 1P, 2P, and 3P, which are inclusive of all reserve 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 "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