Brookside

News Release

7 MARCH 2022

Flames Well Development Accelerated

SWISH HBP Program to be Completed in the First Half of 2022

HIGHLIGHTS

- With the highest oil and gas prices in a decade, Brookside has accelerated its drilling program in the SWISH AOI, with Kenai Rig 18 (the same rig that successfully drilled the Rangers Well) contracted to drill the Flames Well. Rig 18 is mobilising to the Flames Drilling Spacing Unit (**DSU**) this week, with the well expected to spud shortly thereafter
- The Flames Well will be Brookside's longest lateral to date at ~10,000 feet and will be targeting the Woodford Formation, a prolific producer in the SWISH AOI. The nearby Continental Resources, Inc. (NYSE: CLR) operated Courbet Well, a Woodford producer located ~one mile south of the Flames DSU, posted an initial production rate of 1,621 BOE and has produced ~430,000 BOE in just 14 months
- Brookside's Working Interest (**WI**) in the Flames Well is expected to be more than 80%, double its Jewell Well WI, with several well-funded and highly experienced US partners expected to join in the well
- The Flames Well is the final well required under Brookside's three DSU, Held-by-Production (**HBP**) program, a key step in the acreage re-valuation process
- Short-term funding and Options underwriting from CPS Capital Group Pty Ltd (**CPS**) provides the Company with the flexibility to take advantage of the availability of key services to maintain operational momentum and ensure efficient and cost-effective development in a services market that it is tightening very quickly
- Brookside is now fully funded to complete its HBP program with strong positive cashflow from this successful three well program providing capital to enable the Company to unlock value in its large inventory of extremely high quality (high-impact) low risk development wells

Perth, Western Australia – Brookside Energy Limited (**ASX: BRK**) (**OTC Pink: RDFEF**) (**FSE: 8F3**) (**Brookside** or the **Company**) is pleased to provide shareholders and investors with an update on operations from Brookside's third well in the SWISH Area of Interest (**AOI**) in the world-class Anadarko Basin, the high-impact Flames 3-10-1S-3W WXH1 well (**Flames Well**) (Figure 2).

Brookside is pleased to announce that it has taken advantage of an opportunity presented in the Oklahoma rig market and acted quickly to secure the services of Kenai Rig 18 to drill the Flames Well. This is the same rig that successfully drilled the Rangers Well in just 31 days. Brookside has also moved quickly to secure materials and related well services to ensure efficient and timely operations can be maintained in a tightening market for services, materials, and people.

The Flames Well, targeting the Woodford Formation, will be Brookside's longest lateral to date at ~10,000 feet and the longest well with a total measured depth (**TD**) of ~18,300 feet. The Woodford Formation, which is overlain by the Sycamore Formation targeted by the Jewell and Rangers Wells, is a prolific producer in the SWISH. The Flames Well will reach TD ~ one mile to the north of the Continental Resources Courbet Well, a Woodford producer, which came on production with an IP of 1621 BOE and has produced ~430,000 BOE in just 14 months.

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Brookside's WI in the Flames Well is expected to be double to that in the Jewell Well at more than 80%, with the associated doubling in production share and revenue.

The Flames Well is the final well required by Brookside in its initial three well program to secure all three DSUs as Held-by-Production (**HBP**). Following the success of the Jewell Well and the soon to be completed Rangers Well, drilling, and completing the Flames Well is a key step in the acreage re-valuation process and sets the Company up with a large inventory of extremely high quality (high impact) and very low risk development wells.

Importantly, free cashflow generated from the wells drilled in the HBP program will also enable Brookside to accelerate future development plans with additional wells for the second half of 2022.

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

"We are absolutely delighted to announce this major milestone for the Company today.

"The opportunity to move quickly to secure the Kenai Rig, fresh from its success drilling our Rangers Well, means that we will now be in the enviable position of having completed our HBP drilling obligations prior to the end of the first half of 2022, effectively bringing forward cash flow from the Flames Well and delivering this significant production (together with production from the Rangers and Jewell Wells) into the highest oil and gas prices we have seen in almost a decade.

"The production and revenue coming from these high impact wells will not only accelerate our future development plans but more importantly their success provides the catalyst for the revaluation of our core-of-the-core acreage position in southern SCOOP."

Commenting on the announcement, CPS Managing Director, Jason Peterson said:

"We are excited about the short-term outlook for Brookside, and this structured loan facility and underwriting agreement ensure that the Company can move quickly to achieve its goals in a very favourable pricing environment.

"The funds provided are non- dilutive, cheaper than an equity raise and provide certainty around the capital structure in the coming months in order to attract potential new investors.

"We have listened to investors and believe this funding structure is what they are looking for. Being the largest shareholder group in Brookside (including myself personally) we look forward to a long supportive association with the Company, a company we have proudly funded since commencement of the Jewell Well development by closely working with and advising management along the path."

Figure 1. Flames DSU multi-well all-weather pad under construction in Carter County, Oklahoma

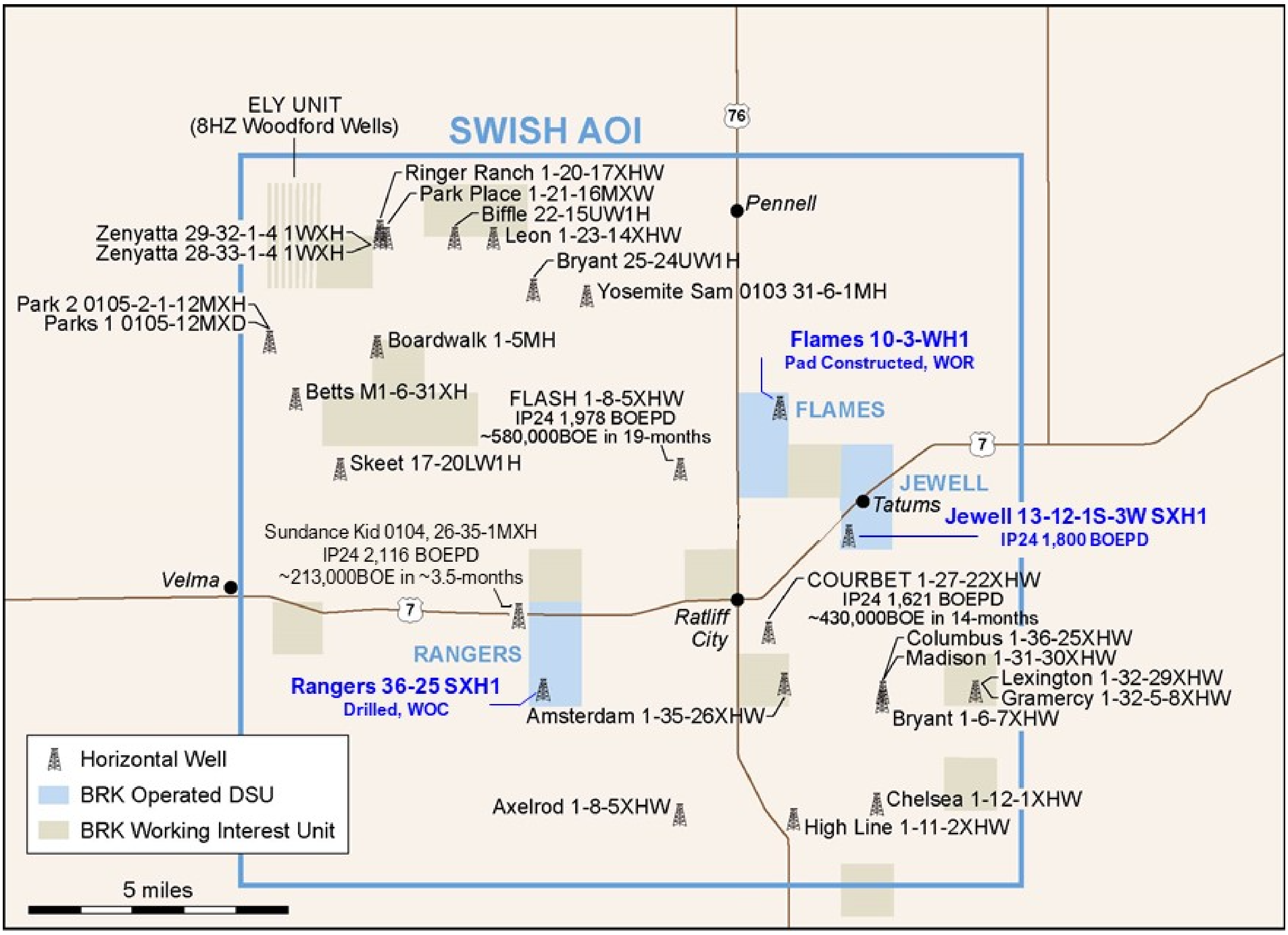

Figure 2. Location map showing the location of the Flames Well and Brookside's three operated SWISH AOI DSU's

Note:

1) The volumes stated in Figure 2 above for wells operated by companies other than Brookside are actual volumes produced, drawn from publicly available information reported by each of those entities.

2) In respect of the wells operated by Brookside (Jewell 13-12-1S-3W SXH1, IP24 1,800 BOEPD), please refer to the Company's ASX release of 11 November 2021 for further information in respect of the flow rate. The Company confirms that it is not aware of any new information or data that materially affects the information included in that release and that all the material assumptions and technical parameters underpinning the estimates in that release continue to apply and have not materially changed.

About the Flames Well

The Flames Well is a Black Mesa Energy, LLC (a controlled subsidiary of Brookside) operated well that will be drilled by Kenai Drilling Company in Carter County, Oklahoma. The well will be drilled as a full-length horizontal well targeting the Woodford Formation at an average depth of ~7,800 feet. The well will be drilled to a projected total measured depth of ~18,300 feet, with ~10,000 feet of lateral section drilled in the Woodford that will subsequently be cased with production tubing to be perforated and treated to allow production of oil and rich gas.

ASX Announcement

Options Underwriting and Short-Term Funding Facility

The Company is pleased to advise that it has executed an agreement with CPS to underwrite, subject to the terms of an underwriting agreement (**Underwriting Agreement**) a portion of the Company's BRKOB listed options (exercisable at $0.011 on or before 30 June 2022) (**Options**) and to conduct a placement of loan notes for a short-term financing facility of AUD$7,500,000 (**Facility**).[1]

The Facility will comprise loan notes, each note having a face value of AUD$250,000 and a value at maturity (14 July 2022) of AUD$275,000. The loan notes are unsecured, save for a charge over the proceeds received by the Company from the exercise of the Options. Loan note holders will also receive a first right of refusal to sub-underwrite the shortfall Options on the basis set out below.

Subject to the terms of the Underwriting Agreement, CPS has agreed to underwrite any shortfall in the exercise of the Options up to an amount of AUD$9,250,000 (or such higher amount as the parties may agree).[2] The Underwriting Agreement contains customary terms and conditions for an agreement of this type, including rights to terminate in the event of the occurrence of a material adverse event (as detailed in Annexure A). CPS is not a related party of the Company. The Underwriting Agreement contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

The Underwriting Agreement does not affect the ability of any existing Option holder to exercise all or part of their holding, nor does it affect the ability of an existing Option holder to sell all or part of their holding, or for persons to purchase Options on-market.

– ENDS –

Authority:

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

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[1] Under the terms of the mandate CPS and/or it is nominee will receive a management fee of 2% of the total gross proceeds of the Facility plus a placing fee of 4% of the total gross proceeds of the Facility. The parties have also agreed under the terms of the mandate that CPS will receive a monthly corporate advisory fee of $10,000 plus GST for services to be rendered to the Company for a minimum of twelve (12) months from the date of the mandate.

[2] CPS and/or its nominee will receive an underwriting fee of 6% of the total gross proceeds of the underwritten amount, plus GST (where applicable). A portion of this fee may be paid to third parties.

Investor Relations, Corporate Access, and Media

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ABOUT BROOKSIDE ENERGY LIMITED

Brookside is an Australian public company listed on the Australian (ASX: BRK), Frankfurt (8F3: FSE) and USA (OTC Pink: RDFEF) stock exchanges. The Company was founded in 2015, to focus on the mid-continent region of the US, where our deep and valued relationships enable us to work with local communities to ensure sustainable growth and value creation through the safe and efficient development of energy assets. Focused on exploitation not exploration, the Company generates shareholder value through a disciplined portfolio approach to the acquisition and development of oil and gas assets and the leasing and development of acreage opportunities. The Company's US subsidiary and manager of operations, Black Mesa, is an experienced mid-continent operator, which identifies opportunities and executes development for Brookside. Our business model effectively assigns risk and provides commercial incentives to maximize value for both parties.
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
BBL	Barrel
BFIT	Before Federal Income Tax
BOE	Barrels of Oil Equivalent
BOEPD	Barrels of Oil Equivalent Per Day
BOPD	Barrels of Oil Per Day
BPD	Barrels Per Day
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.
IP	Initial Production
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: • "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
WI	Working Interest

Annexure A – Options Underwriting Termination Events

1. CPS may terminate its obligations to underwrite the Options under the Underwriting Agreement if:

(a) (**Indices fall**): any of the following indexes closes on any 2 consecutive trading days before the Shortfall Notice Deadline Date (as defined below) 5% or more below its respective level as at the close of business on the business day prior to the date of execution of the Underwriting Agreement:

(i) ASX:
(ii) Dow Jones;
(iii) S&P 500;
(iv) Nasdaq;
(v) Russell 2000;
(vi) FTSE;
(vii) Nikkei; or
(viii) Shanghai SE Comp;

(b) (**Oil Price**): the price of Brent Crude falls below USD$70 per barrel on any 2 consecutive trading days before the Shortfall Notice Deadline Date;

(c) (**Share Price**): the price of ASX: BRK falls below AUD$0.011 per share on any 2 consecutive trading days before the Shortfall Notice Deadline Date;

(d) (**Restriction on issue**): the Company is prevented from issuing the Shares upon the exercise of the underwritten Options the subject of the shortfall within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;

(e) (**Takeovers Panel**): the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt. 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a material adverse effect;

(f) (**Authorisation**): any authorisation which is material to anything referred to in the Underwriting Agreement is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to CPS acting reasonably;

(g) (**Indictable offence**): a director or senior manager of a Relevant Company is charged with an indictable offence, which in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the underwriting; or

(h) (**Termination Events**): subject always to clause 2 below, upon the occurrence of any of the following events:

(i) (**Hostilities**): there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Egypt, Australia, New Zealand, Indonesia, Japan, Russia, Iran, Israel, the United Kingdom, the United States of America, India, Pakistan, the People's Republic of China, or any member of the European Union, other than hostilities involving Libya, Afghanistan, Iraq, Syria, Israel or Lebanon, and the Underwriter believes (on reasonable grounds) that the outbreak or escalation is likely to result in any of the indexes stipulated above falling by the percentage contemplated above;

(ii) (**Default**): default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking which is incapable of remedy or is not remedied by the date valid applications are required to be lodged in accordance with the Underwriting Agreement;

(iii) (**Incorrect or untrue representation**): any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;

(iv) (**Contravention of constitution or Act**): a contravention by the Company or any of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;

(v) (**Adverse change**): an event occurs which gives rise to a Material Adverse Effect in relation to the Company's assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company;

(vi) (**Significant change**): a "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;

(vii) (**Public statements**): without the prior approval of CPS a public statement is made by the Company in relation to the underwriting other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;

(viii) (**Misleading information**): any information supplied at any time by the Company or any person on its behalf to CPS in respect of any aspect of the underwriting or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;

(ix) (**Official Quotation qualified**): other than has been disclosed to CPS, the official quotation is qualified or conditional other than as set out in the Underwriting Agreement;

(x) (**Change in Act or policy**): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement;

(xi) (**Prescribed Occurrence**): a Prescribed Occurrence occurs, other than with the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed);

(xii) (**Suspension of debt payments**): the Company suspends payment of its debts generally;

(xiii) (**Event of Insolvency**): an event of insolvency occurs in respect of a Relevant Company;

(xiv) (**Judgment against a Relevant Company**): a judgment in an amount exceeding $50,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;

(xv) (**Litigation**): litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any Relevant Company of a material nature;

(xvi) (**Board and senior management composition**): there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Shares upon the exercise of the underwritten Options without the prior written consent of CPS (such consent not to be unreasonably withheld or delayed);

(xvii) (**Change in shareholdings**): there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the underwriting) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;

(xviii) (**Timetable**): there is a delay in any specified date in the timetable contained in the Underwriting Agreement which is greater than 5 business days;

(xix) (**Force Majeure**): a Force Majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;

(xx) (**Certain resolutions passed**): a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of CPS;

(xxi) (**Capital Structure**): any Relevant Company materially alters its capital structure;

(xxii) (**Breach of Material Contracts**): any material contracts a Relevant Company has entered into are terminated or substantially modified as a result of a default or breach by the Relevant Company;

(xxiii) (**Investigation**): ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the underwriting, or publicly foreshadows that it may do so; or

(xxiv) (**Market Conditions**): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

2. The events listed in clause 1(h) do not entitle CPS to exercise its rights to terminate the underwriting unless, in the reasonable opinion of CPS reached in good faith, it has or is likely to have, or those events together have, or could reasonably be expected to have, a Material Adverse Effect or could give rise to a material liability of the Underwriter under the Corporations Act.

3. For the purpose of this Annexure A:

(a) "**Material Adverse Effect**" means:

(i) a material adverse effect on the Offer or on the subsequent market for the underwritten Options (including, without limitation, a material adverse effect on a decision of an investor to invest in underwritten Options); or

(ii) a material adverse effect on the underwriting or on the subsequent market for the underwritten Options (including, without limitation, a material adverse effect on a decision of an investor to invest in underwritten Options); or

(iii) a material adverse effect on the condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its subsidiaries taken as a whole.

(b) "**Prescribed Occurrence**" means:

(i) a Relevant Company converting all or any of its shares into a larger or smaller number of shares;

(ii) a Relevant Company resolving to reduce its share capital in any way;

(iii) a Relevant Company:

(A) Entering into a buy-back agreement or;

(B) Resolving to approve the terms of a buy-back agreement under Section 257D or 257E of the Corporations Act;

(iv) a Relevant Company issuing, or agreeing to issue, convertible notes;

(v) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;

(vi) a Relevant Company charging, or agreeing to charge, the whole, or a substantial part, of its business or property;

(vii) a Relevant Company resolving that it be wound up;

(viii) the appointment of a liquidator or provisional liquidator of a Relevant Company;

(ix) the making of an order by a court for the winding up of a Relevant Company;

(x) an administrator of a Relevant Company, being appointed under Section 436A, 436B or 436C of the Corporations Act;

(xi) a Relevant Company executing a deed of company arrangement; or

(xii) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company.

(c) "**Relevant Company**" means the Company or any of its subsidiaries.

(d) "**Shortfall Notice Deadline Date**" means within 3 business days after the Closing Date or any other date agreed in writing between the parties as the date by which the Company must give CPS written notice of the number of Options CPS is required to underwrite.