

18 December 2024

2025 Strategic Focus: Inventory Growth and Targeted Drilling

Perth, Western Australia – Brookside Energy Limited (ASX: BRK) (OTC Pink: RDEF) ("Brookside" or "the Company") is pleased to announce its strategic focus and growth initiatives for 2025. Building on the success of its 2024 operations, the Company is poised for significant growth and value creation in the coming year.

In the last few months of 2024, as we brought our FMDP wells online, we observed a softening in oil prices. The Board is mindful of this trend and anticipates that this price volatility may persist into at least the first half of 2025. This outlook has shaped our forward planning, leading to a strategic focus on building inventory by identifying and acquiring further high-quality drilling locations within the Anadarko Basin and conducting a targeted drilling program rather than moving directly into full field development.

Inventory Growth:

Efforts to expand the Company's inventory of low-cost, high-margin undeveloped drilling locations in the SWISH Play and the broader Anadarko Basin are already underway. Early progress includes work to add a fifth Drilling Spacing Unit (DSU) within the SWISH Play area. This expansion strengthens our ability to replace proved developed reserves and increase our drilling inventory beyond the current four-year plan, a critical step toward sustainable growth for our shareholders. The team has already identified several opportunities to achieve this, and we will continue to leverage our expertise, experience and the significant volume of geological, geophysical, land and reservoir data that has been accumulated in the basin to unlock additional value in underdeveloped areas.

Targeted Drilling Program:

The Company will build on its successful SWISH Play drilling program with three new 10,000-foot lateral horizontal wells planned for 2025. The first well is set to spud in the first quarter, with pre-spud work such as pad selection, surface agreements and other regulatory work already underway. The remaining two wells, planned for the third quarter, will target a new DSU. Further details on this DSU will be shared following completion of the regulatory process.

2025 Outlook:

Net production in 2025 is expected to double compared to pre-FMDP levels and grow by 30% to 40% over the 2024 annual average, driven by the success of the FMDP development and contributions from the 2025 drilling program, particularly in the second half of the year. The projected net capital expenditure (CAPEX) for 2025 is US\$18.3 million (A\$28.7 million), encompassing drilling, completion, and land costs related to spacing and pooling. Additionally, a portion of the 2025 budget is allocated to prospecting, acreage identification, and acquisition activities. EBITDA for 2025 is projected at US\$18.0 million (A\$28.0 million), based on pricing of WTI crude oil at US\$75.00 per barrel and natural gas at US\$2.50 per thousand cubic feet. This aligns with previous forecasts after accounting for revisions to the 2025 drilling program.

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Capital Allocation:

Our capital allocation strategy prioritizes maintaining a CAPEX budget aligned with cash flow to ensure financial flexibility. The 2025 budget for CAPEX, inventory expansion, and G&A expenses will be funded through cash flow and working capital. We remain focused on allocating capital strategically to projects that drive long-term growth while preserving the strength of our balance sheet. Additionally, we are prepared to execute opportunistic share buybacks if we see persistently higher energy prices generating revenue in excess of forecast.

Investor Webinar:

The Company will host a webinar for investors and shareholders on a date to be set early in the new year to present an updated 5-year plan that incorporates the 2025 drilling and inventory growth initiatives along with an updated full field development outlook. Further details will be provided in due course.

Brookside's Managing Director, David Prentice said:

"The strategic initiatives we have outlined for 2025 reflect our ongoing commitment to disciplined growth and value creation. By prioritizing the expansion of our high-quality drilling inventory and executing a targeted drilling program in the SWISH Play, we are positioning ourselves to capitalize on the opportunities within the Anadarko Basin. Our focus on maintaining a robust balance sheet, aligned with our capital allocation strategy, ensures we can pursue these opportunities responsibly while remaining flexible to market conditions. With strong production growth anticipated and additional inventory developments already underway, we are confident in our ability to deliver sustainable returns for our shareholders."

– ENDS –

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 is an Australian public company listed on the Australian (ASX: BRK), and USA (OTC Pink: RDEEF) 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 wholly owned US subsidiary and manager of operations, Black Mesa Energy, LLC (Black Mesa), is led by a team of experienced and dedicated oil and gas professionals with decades of experience in the US onshore oil and gas sector with specific focus on the mid-continent region. Black Mesa works to identify opportunities that meet the Company's investment hurdles and executes the acquisition and subsequent development of these projects.

Brookside Energy Interactive Investor Hub

Engage with us directly by asking questions, watching video summaries, and seeing what other shareholders have to say about this and past announcements at our Information Hub at <https://relait.brookside-energy.com.au/announcement-dashboard>

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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: <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
TVD	True Vertical Depth
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