

# SWISH AOI Activity Update

Perth, Western Australia – 28 January 2021 – Brookside Energy Limited (ASX: BRK) (Brookside or the **Company**) is pleased to provide shareholders and investors with an activity update for our holdings in the SWISH Area of Interest (AOI) located in the SCOOP play in the world-class Anadarko Basin.

### Highlights

- Additional 80-acres (or approximately 9% of the unit) pooled in Jewell drilling spacing unit (DSU) at low cost
- Sustained production from nearby offsetting wells considerably higher than predicted by Brookside's Jewell well type curve
- Drilling and completion activity increases in SWISH AOI adjacent to the Company's Rangers DSU

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

"The performance of these two offsetting wells and the wells drilled in the general SWISH AOI confirms a material uplift from our conservative pre-drill estimates for the Jewell well.

"This will have a very positive impact on our previously reported 11,606,000 net barrels of oil equivalent (BOE) Prospective Resource for the SWISH AOI and materially increase the value of the well inventory we have established in the SWISH AOI.

"The quality of the reservoirs (Sycamore and Woodford) in the SWISH AOI is world-class and the recent uptick in drilling and completion activity is evidence of the high rates of return that are generated even at today's strip price."

### Background

Brookside is pleased to announce that it has successfully pooled the 80-acres "held by production" (HBP) associated with the Mitchell Well at very low cost. This pooling, which amounts to approximately 9% of the Jewell DSU, also extends to the Jewell well for no additional cost to Brookside. This is a significant add to Brookside's already large controlling working interest in the Jewell DSU.

The Sycamore and Woodford formations continue to deliver outstanding sustained productivity in nearby offsetting wells. In the Sycamore formation the Casillas Operating, LLC. operated Flash 1-8-5MXH well (located ~3-miles west of the Jewell DSU) has produced ~465,000 BOE in approximately 12-months. In the Woodford formation the Continental Resources Inc. operated Courbet 1-27-22XHW well (located ~1-mile southwest of the Jewell DSU) has produced ~258,000 BOE in approximately 9-months.<sup>1</sup>

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<sup>1</sup> Note - Brookside does not hold an interest in the Flash 1-8-5MXH or Courbet 1-27-22XHW wells and these production results are presented for reference only.

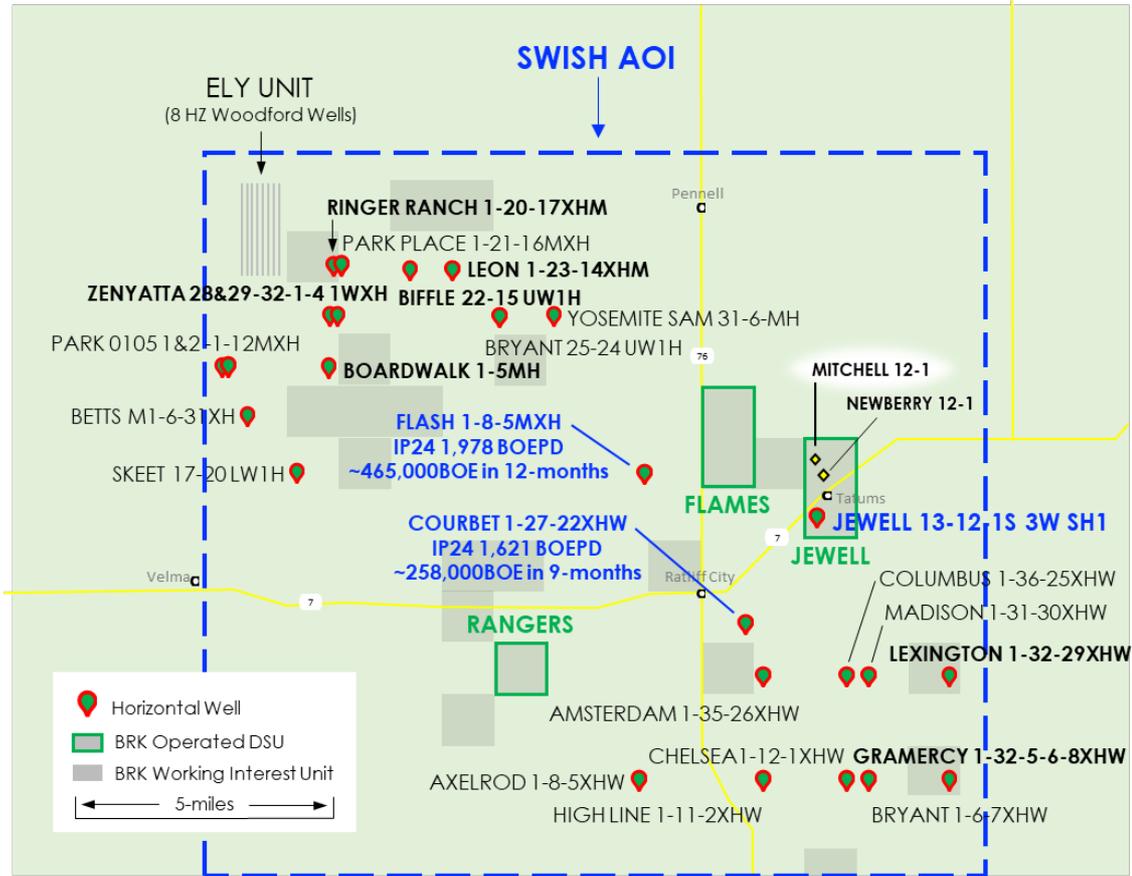


Figure 1: SWISH activity map showing the location of Brookside DSUs

Cumulative oil production for the Flash and Courbet wells compared to the Jewell well oil production type curve are shown in Figures 2 and 3 respectively. As can be seen, Brookside has been very conservative when estimating the potential Jewell well production rate, economics and volume of recoverable resource. The significance of Brookside's conservative approach can not be understated when viewed in the context of the Company's three DSUs in the SWISH AOI and the associated 11,606,000 net BOE Prospective Resource.

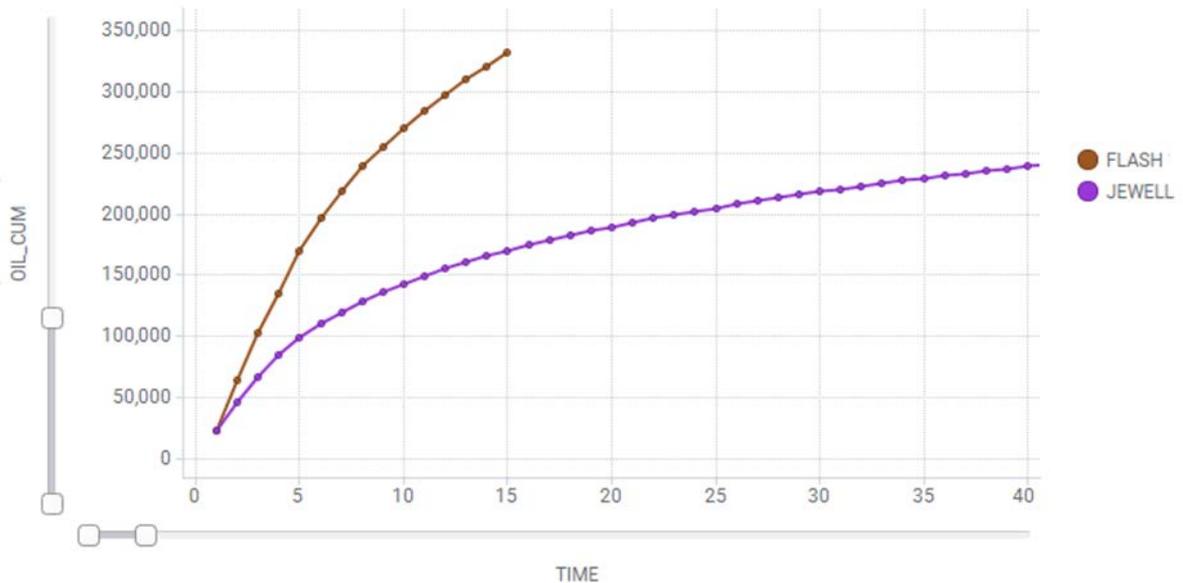


Figure 2: Flash well cumulative oil production (barrels of oil) versus time (month) compared to the Jewell well oil production type curve. Brookside has been very conservative in its production estimate for the Jewell well.

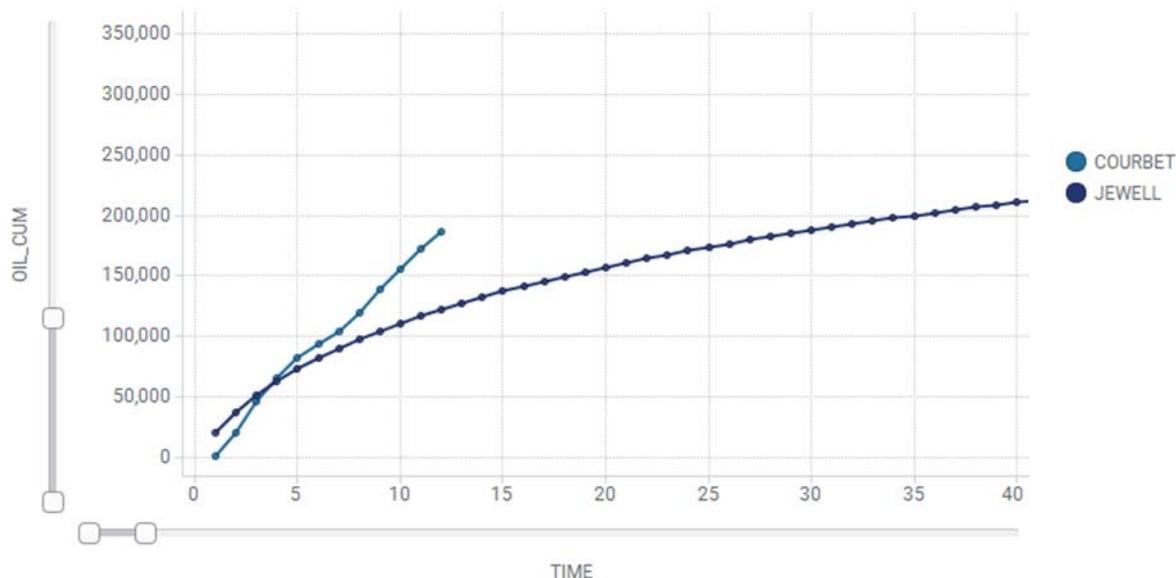


Figure 3: Courbet well cumulative oil production (barrels of oil) versus time (month) compared to the Jewell well oil production type curve. Brookside has been very conservative in its production estimate for the Jewell well.

Activity in the SWISH AOI is again increasing post the decline in activity witnessed during 2020, with Camino Natural Resources LLC permitting a well in the DSU ~1 mile west of the Rangers DSU while Cheyenne Petroleum Company has mobilised a drill rig to a location ~2 miles west of the Rangers DSU.

The latest production numbers and increasing activity in the SWISH AOI, combined with Brookside's conservative approach, are very positive for Brookside's pipeline of 21 wells to be drilled in the next 5 years and the development of the 11,606,000 net BOE Prospective Resource attributable to the Jewell, Flames and Rangers DSUs.

#### 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](mailto:david@brookside-energy.com.au)

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

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

Omar Taheri  
Founder  
SparkPlus  
Tel: +65 8111 7634  
[omar@sparkplus.org](mailto: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.

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 <sub>10</sub>	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"> <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>
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