

Jewell Well Development Wellbore Working Interest Partner Secured

Perth, Western Australia – 21 February 2021 – Brookside Energy Limited (ASX: BRK) (Brookside or the Company) is pleased to provide shareholders and investors with an update on the development of the Jewell 13-12-1S-3W SH1 well¹ (**Jewell Well**) in the Company's SWISH Area of Interest (**SWISH AOI**) in the world-class Anadarko Basin.

Brookside is pleased to announce that it has successfully farmed out a portion of the Jewell Well to fellow ASX listed oil and gas company, Stonehorse Energy Limited (ASX: SHE) (**Stonehorse**). Under the terms of this agreement, Stonehorse has agreed to fund its proportionate share (up to 50% of the available Working Interest) of all costs associated with drilling and completing the Jewell Well to earn its proportionate Working Interest share of this well.

This farmout is limited to the Jewell wellbore only. Brookside will retain 100% of its Working Interest in the acreage in the Jewell DSU (outside the wellbore), its interest in the Flames and Rangers Drilling Spacing Units (**DSUs**) and production from all future wells. Brookside's controlled subsidiary Black Mesa Energy will operate the Jewell Well².

Drilling of the Jewell Well will be transformational for Brookside and the catalyst to unlocking the very significant value in the Company's SWISH AOI acreage, conservatively estimated at 11,606,000 net barrels of oil equivalent (**BOE**) Prospective Resource³ (best estimate, unrisks).

Jewell Well pre-drill development activities are well advanced, and the Company looks forward to providing further updates over the next few weeks as we progress towards spudding of this highly anticipated well.

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

"We are very pleased to welcome Stonehorse as a partner in the Jewell Well. Stonehorse have a strong track record, participating alongside us in our endeavors in the Anadarko Basin, including most recently in the very successful Orion Project Joint Venture and the acquisition and subsequent workover of the Thelma Well.

"Our team on the ground in Oklahoma is moving quickly to advance the spudding of the Jewell Well, including work to prepare the all-weather drill pad and lock in the various service companies. We are all delighted that with funding in place we can now begin to unlock the considerable value that lies within our tier-one SWISH AOI acreage position."

¹ The Jewell Well is in Carter County, Oklahoma within the Brookside controlled Jewell DSU. Black Mesa Energy will be the operator of the well. Working Interests in the Jewell DSU will be subject to the issue of final pooling orders from the Oklahoma Corporation Commission.

² Black Mesa Energy (Brookside 50%) is a controlled subsidiary of Brookside. Black Mesa Energy is entitled to a 25% Working Interest Back-in After Payout in the Jewell DSU.

³ Refer to the Company's ASX release of 17 November 2020 for further information in respect of the prospective resource. There has been no material change to the prospective resource since that release.



Black Mesa Energy Vice President Operations, Lee Francis and Brookside Managing Director David Prentice on the location of the Jewell Well in Carter County, Oklahoma.

Authority:

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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