

### US Major to Participate in Jewell Acreage

Perth, Western Australia – 29 June 2021 – Brookside Energy Limited (ASX: BRK) (FSE: 8F3) (Brookside or the Company) is pleased to provide shareholders and investors with an update regarding Working Interest participants in the Jewell Drilling Spacing Unit (DSU) in Brookside's SWISH Area of Interest (AOI) in the world-class Anadarko Basin (Figure 1).

#### HIGHLIGHTS

- US major Exxon Mobil Corporation (**ExxonMobil**) has confirmed its participation as a non-operated Working Interest partner in the Jewell DSU
- Brookside expects to retain as much as 87%<sup>1,2</sup> Working Interest in the Jewell DSU, with the Company's subsidiary Black Mesa Energy, LLC (**Black Mesa**) as the operator

US major ExxonMobil, through its subsidiary XTO Energy Inc. (**XTO**), has elected to participate in the Jewell DSU by taking up its 4.5% Working Interest. Additionally, Citation Oil and Gas Corp. (**Citation**), one of the largest private oil and gas companies in the United States, has also elected to take up its 2.3% Working Interest. A further 5.7% Working Interest was taken up by a combination of private equity and smaller private oil and gas firms. Participation in the Jewell DSU includes an equivalent Working Interest in the high-impact Jewell 13-12-1S-3W SXH1 well (**Jewell Well**) plus the opportunity to participate in future wells drilled in this DSU.

Brookside expects to retain as much as a 87% Working Interest in the Jewell DSU, with the Company's subsidiary Black Mesa as the operator.

XTO is a leading oil and natural gas producer in the United States with expertise in developing tight gas, shale gas and unconventional oil resources. XTO or its affiliates operate in all major United States unconventional producing regions and in Western Canada. It has interests in more than 50,000 producing oil and natural gas wells and holds more than eleven million acres with a total resource base of ~33 billion BOE.

Citation is one of the largest privately held independent oil and gas acquisition, development, and production companies in the United States. Citation has interest in ~15,600 wells, over 216 million net BOE of proved reserves, and has net production of ~32,500 BOE per day.

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

"We are delighted by the response of these participants, some of the largest and most experienced oil and gas companies in the world, in electing to participate in the development of the Jewell DSU."

"This is not only a significant vote of confidence in the quality of our acreage in the southern SCOOP but also a very strong endorsement of Black Mesa as operator of the DSU and their technical and operational ability to recover the maximum oil and gas reserves in the most efficient manner possible."

"We are looking forward to working with these new partners and to keeping our shareholders informed as we move closer to completion and the establishment of oil and gas sales."

<sup>1</sup> Subject to the rights of all Working Interest participants to take-up their proportional share of any pooled acreage

<sup>2</sup> ASX listed Stonehorse Energy Limited (ASX: SHE) has Stepped-In as a wellbore only participant in the Jewell 13-12-1S-3W well and has funded 50% of the costs associated with drilling and completing this well to earn its proportionate share of Brookside's Working Interest in this well. Refer to the Company's ASX release 21 February 2021 for further information.



## About the Jewell Well

The Jewell Well is a Black Mesa Energy operated (a controlled subsidiary of Brookside) well that was drilled by Latshaw Drilling Company in Carter County, Oklahoma. The well was drilled as a mid-length horizontal well targeting the Sycamore Formation at a depth of ~7,500 feet. The well was drilled to a total measured depth of ~14,100 feet, with ~7,100 feet of lateral section drilled in the Sycamore formation. The well has been cased with production tubing that will be perforated and treated to allow production of oil and gas.

## Background

The Jewell Well will be the first Company operated well to be drilled and completed in the Jewell DSU in the SWISH AOI. Importantly, this well is the first well in a potential 5-year, 20-plus well development drilling program across the three operated DSU's (Jewell, Flames, Rangers) that the Company controls in the SWISH AOI to develop a conservatively estimated 11,606,000 net BOE Prospective Resource<sup>3</sup> (best estimate, unrisks).

The Jewell Well will be targeting one of two primary producing formations in the SWISH AOI, the Sycamore formation. The Sycamore formation continues to deliver outstanding sustained productivity in nearby offsetting wells. To date, the Casillas Operating, LLC. operated Flash 1-8-5MXH well (located ~3-miles west of the Jewell DSU) has produced ~580,000 BOE in approximately 19-months, considerably higher than Brookside's conservative estimate for the Jewell Well (see Figure 2).<sup>4</sup>

Future wells in the Jewell DSU will also target the Woodford formation, which just like the Sycamore formation continues to deliver outstanding sustained productivity in nearby offsetting wells. To date, the Continental Resources Inc. operated Courbet 1-27-22XHW well (located ~1-mile southwest of the Jewell DSU) has produced ~430,000 BOE in approximately 14-months.<sup>5</sup> As can be seen in Figure 3, the production rate of the Courbet well is considerably higher than BRK's conservative estimate for the Jewell Well.

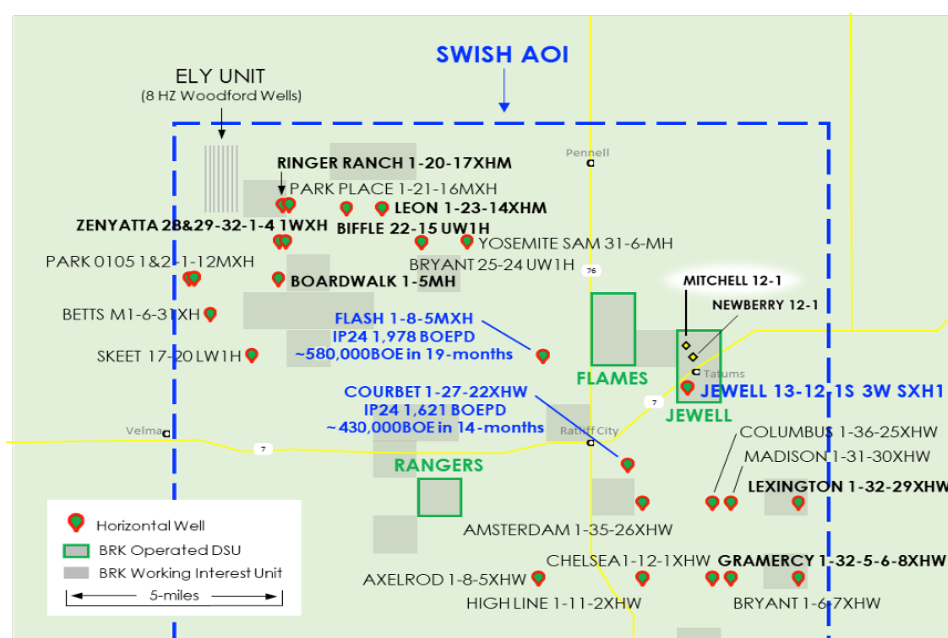


Figure 1: SWISH activity map showing the location of Brookside DSUs

<sup>3</sup>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.

<sup>4</sup> Note - Brookside does not hold an interest in the Flash 1-8-5MXH well and these production results are presented for reference only.

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

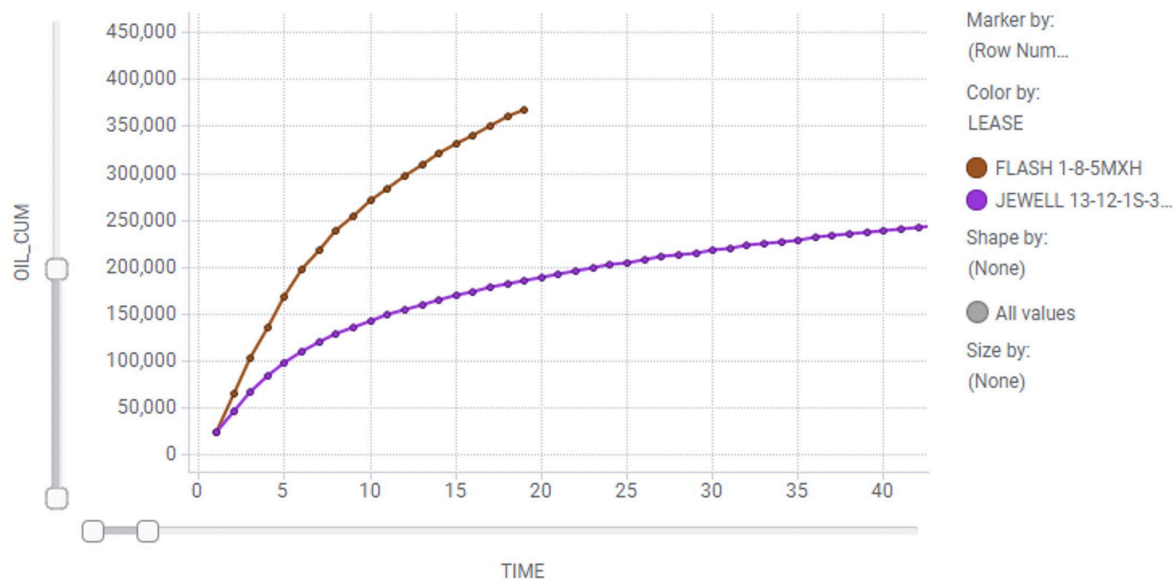


Figure 2: Flash Well cumulative oil production to date (barrels of oil) versus time (month) compared to the Jewell Well oil production type curve. Brookside has been very conservative in its production estimate for the Jewell Well producing from the Sycamore formation.

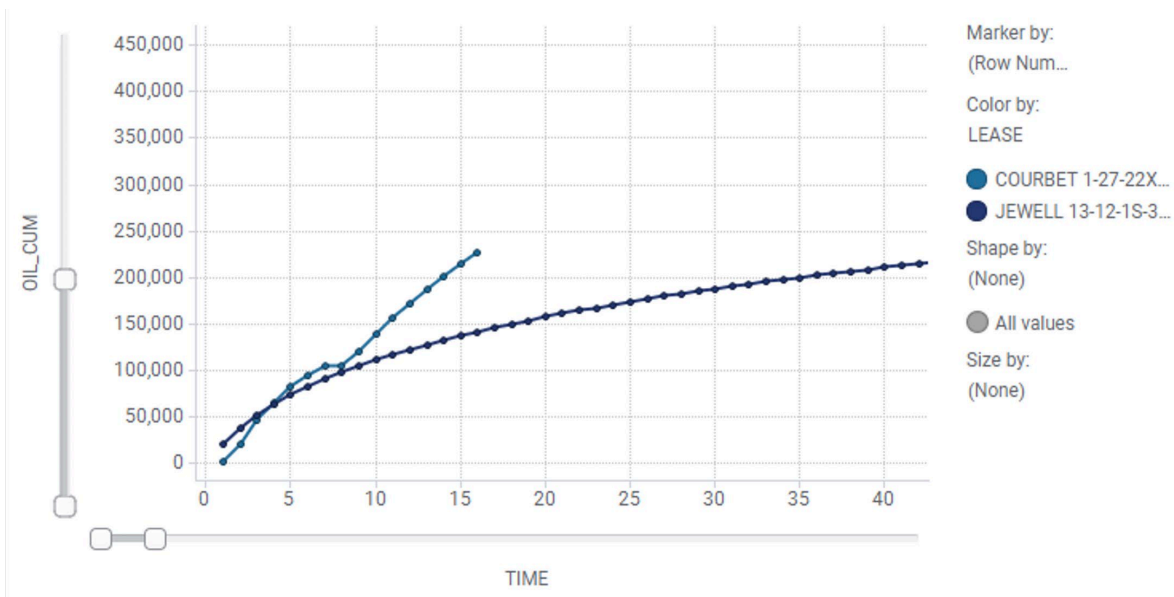


Figure 3: Courbet Well cumulative oil production to date (barrels of oil) versus time (month) compared to the Jewell Well oil production type curve. Brookside has been very conservative in its production estimate for the Jewell Well producing from the Woodford formation.

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**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, and Frankfurt 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
BBL	Barrel
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 "proved 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

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