

4 AUGUST 2022

Flames Well in Production

Oil and Gas Sales Commenced, Flames DSU Held by Production

HIGHLIGHTS

- Commercial production of oil and rich gas has commenced during the very early part of the flow-back and stimulation fluid recovery operations on the Flames Well (Brookside ~71.3% Working Interest)
- Daily volumes are increasing as expected and in line with our modelled flow-back profile
- Significant volumes have already been sold, with oil trucked to a nearby pipeline terminal and gas transported via pipeline to a gas processing facility
- The Flames Well is producing premium light sweet crude and liquids rich gas and with unhedged production the Company can take full advantage of the strong pricing environment for all three production streams - oil, gas, and natural gas liquids (NGLs)
- With commercial production now established, the Flames Drilling Spacing Unit (DSU) is classified as Held by Production (HBP), paving the way for the establishment of proved developed and proved undeveloped reserves in this DSU
- Oil and gas sales will continue as flow-back operations continue, and the Company will report an IP24 (peak rate), IP30 and IP90 rates as these are achieved

Perth, Western Australia – Brookside Energy Limited (ASX: BRK) (OTC Pink: RDEFF) (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 1).

Commenting on this announcement, Managing Director, David Prentice said:

"The establishment of commercial production on our Flames Well is a fantastic achievement on its own, but when combined with the now sustained strong production from our other two very successful SWISH AOI wells (Jewell and Rangers) it marks the achievement of a Company making milestone – the finalisation of our HBP program.

"As a team we are delighted to have completed this part of our strategy and we would like to thank our shareholders for their support, the Black Mesa team and all the great people working across all the service companies and consultants who have helped us to reach this point, safely, on budget and with fantastic production outcomes.

"With this done, we now embark on the next part of our strategy, to extract maximum value for the large inventory of proven low-risk, high-return development wells that this HBP program has created."

Brookside Energy Ltd.

ASX BRK ACN 108 787 720

Suite 9 330 Churchill Avenue
Subiaco WA 6008

brookside-energy.com.au

PHONE +61 8 6489 1600

FAX +61 8 6489 1601

EMAIL info@brookside-energy.com.au

Commercial production of oil and rich gas has already commenced during the very early part of the flow-back and stimulation fluid recovery operations on the Flames Well (Brookside ~71.3% Working Interest). Oil and gas flow rates are increasing in line with our modelled flow-back profile. Even though the well is still in the very early part of the flow-back and stimulation fluid recovery process, the rate of oil and rich gas production has already allowed it to commence commercial production and sales.

Significant volumes of oil and rich gas have already been sold into the spot market with oil trucked to a nearby pipeline terminal and gas transported via pipeline to a gas processing plant. The combination of premium quality light sweet crude and liquids rich gas production and an unhedged production allows Brookside to take full advantage of the current strength of oil, gas and NGL prices and all future price upside.

With commercial production now established in the Flames DSU, this unit is classified as HBP. This classification will ultimately enable the Company to book proved developed and proved undeveloped reserves within this DSU. The Company will update the market with IP24 (peak rate), IP 30 and IP 90 production rates as these are achieved.

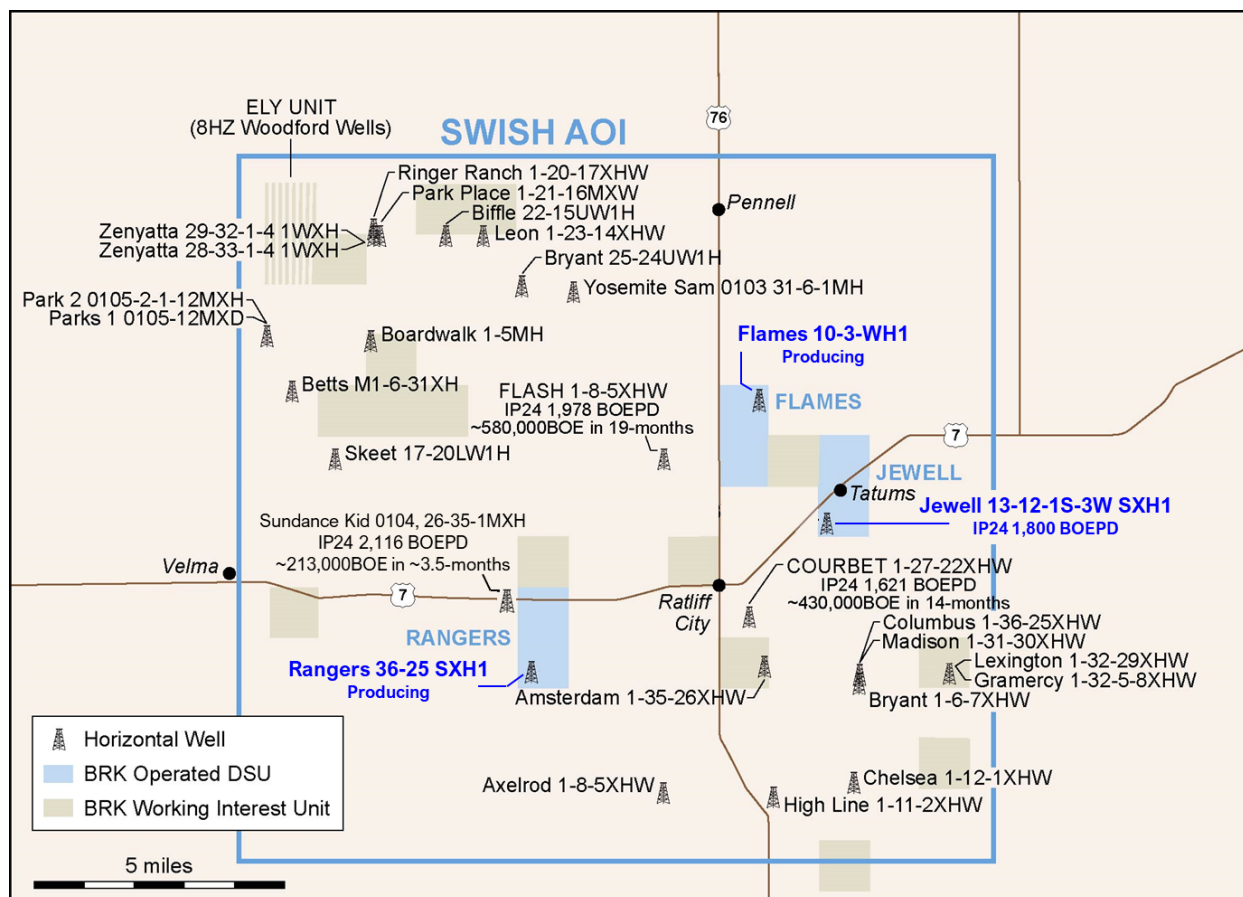


Figure 1. Location map showing the location of the Flames Well and Brookside's three operated SWISH AOI DSU's

Note:

- 1) The volumes stated in Figure 1 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 was drilled by Kenai Drilling Company in Carter County, Oklahoma. The well was drilled as a full-length horizontal well targeting the Woodford Formation at an average depth of ~7,800 feet. The well was drilled to a total measured depth of ~18,140 feet.

– ENDS –

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

Tel: (+61 8) 6489 1600

david@brookside-energy.com.au

Gracjan Lambert

Executive General Manager Commercial

Tel: (+61 8) 6489 1600

gl@brookside-energy.com.au

Investor Relations, Corporate Access, and Media

Spark+

Omar Taheri

+65 8111 7634

omar@sparkplus.org



Hayley Corrigan

+61 421 427 330

hayley@themarketbull.com.au

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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: RDEF) 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: <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 |