

# Jewell Well in Production

## Oil and Gas Sales Commenced

Perth, Western Australia – 14 September 2021 – Brookside Energy Limited (ASX: BRK) (FSE: 8F3) (Brookside or the Company) is pleased to provide shareholders and investors with an update on operations on the high-impact Jewell 13-12-1S-3W SXH1 well (**Jewell Well**) located in Brookside's SWISH Area of Interest (**AOI**) in the world-class Anadarko Basin (Figures 1 and 2).

### HIGHLIGHTS

- Commercial production and sales have been established during the early part of the flow-back and stimulation fluid recovery operations
- Flow rates are already approaching the Company's pre-drill base case volume estimates and are increasing in line with our modelled flow-back profile
- Material volumes of oil and gas have already been sold, with oil trucked to a nearby pipeline terminal and gas transported via pipeline to a DCP Midstream gas processing facility
- The Jewell Well is producing premium light sweet crude and liquids rich gas and with unhedged production the Company can take full advantage of the strengthening pricing environment for all three production streams - oil, gas, and natural gas liquids (**NGLs**)
- With commercial production now established, the Jewell 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

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

"Today marks a major milestone in the early life of our Company with our first operated horizontal oil and gas well in the SWISH AOI, successfully turned to sales just 4-months after the well was spudded.

"I'm obviously very proud of everyone involved (consultants, contractors and service companies) and I'm delighted to be able to report these early results from our flagship Jewell Well, but I would like to make special mention of the great people that make up the Black Mesa team, whose years of hard work and diligence have delivered this success.

"Our industry operates around the clock, and we have little time to reflect on this success as we move forward with the Rangers Well, the next well in our potential 5-year, 20-plus well development drilling program, and we look forward to bringing everyone news on that front and importantly the ongoing production performance of the Jewell Well over the coming weeks."



Oil and gas flow rates for the Jewell Well are already approaching the Company's pre-drill base case volume estimates and are increasing in line with its modelled flow-back profile. Even though the Company is still in the early part of flow-back and stimulation fluid recovery, the rate of oil and gas production has already allowed it to commence commercial production and sales with production now turned from temporary facilities to the Company's permanent production facilities on the Jewell Well location.

Material volumes of oil and gas have already been sold into the market with oil trucked to a nearby pipeline terminal and gas transported via pipeline to a DCP Midstream gas processing plant. The combination of premium quality light sweet crude and liquids rich gas production and an unhedged book 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 Jewell 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 numbers as these are achieved.

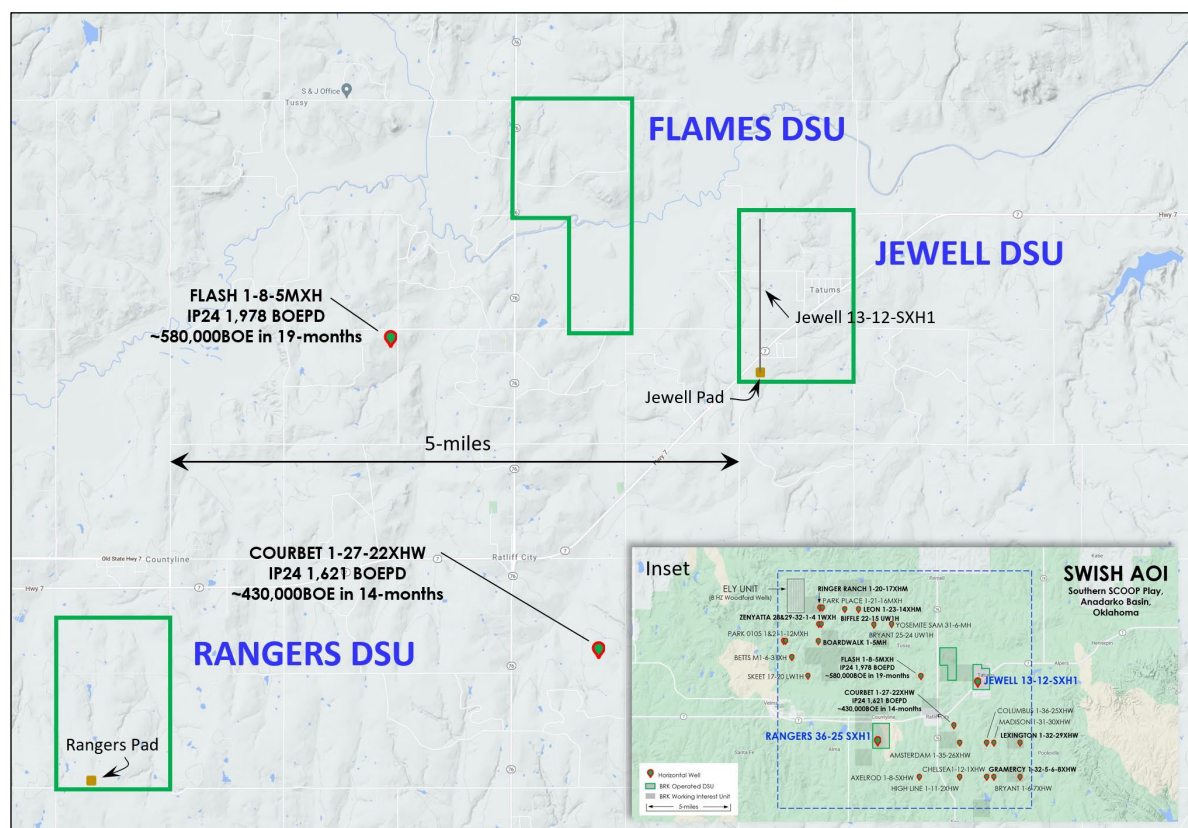


Figure 1. Location map showing Brookside's three operated SWISH AOI DSU's



## Background

Brookside is developing its “core of the core” acreage position in the SWISH AOI located in the highly sought-after Sycamore-Woodford trend in the southern SCOOP Play in the world-class Anadarko Basin. Brookside has embarked on a potential 5-year, 20-plus well development drilling program across its three operated development areas / DSUs (Jewell, Rangers, Flames) that the Company controls in the SWISH AOI to develop a conservatively estimated 11,606,000 net BOE Prospective Resource<sup>1</sup> (best estimate, unrisks).

## Prospective Resources Cautionary Statement

The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Initial wells drilled in the SWISH AOI 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 Continental Resources, Inc. (**Continental**) (NYSE: CLR) 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 3).<sup>2</sup>

Future wells will also target the Woodford formation, which just like the Sycamore formation continues to deliver outstanding sustained productivity in nearby offsetting wells. To date, another Continental operated well, the Courbet 1-27-22XHW well (located ~1-mile southwest of the Jewell DSU) has produced ~430,000 BOE in approximately 14-months.<sup>3</sup> As can be seen in Figure 4, the production rate of the Courbet well is considerably higher than BRK’s conservative estimate for the Jewell Well.

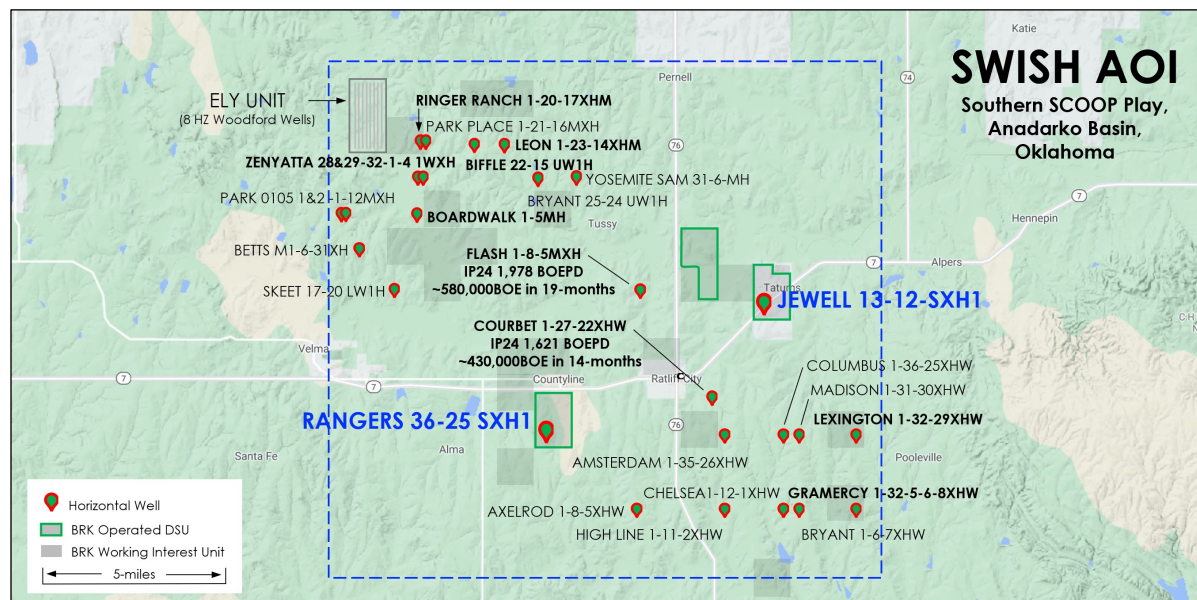


Figure 2. SWISH AOI activity map showing the location of Brookside DSUs

<sup>1</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>2</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>3</sup> Note - Brookside does not hold an interest in the Courbet 1-27-22XHW well and these production results are presented for reference only.

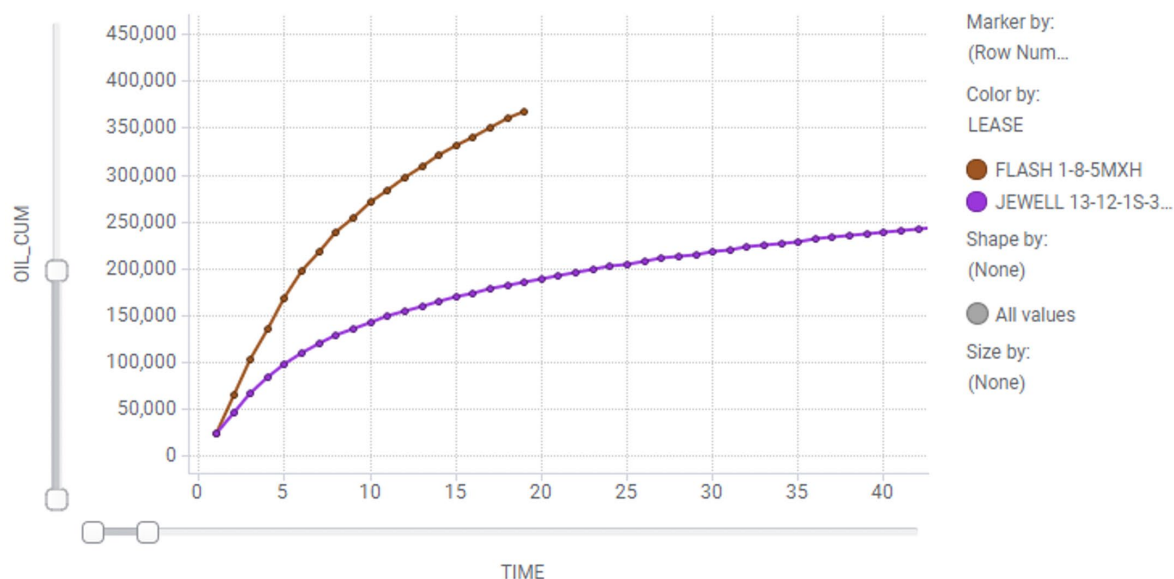


Figure 3: Flash Well cumulative oil production to date (barrels of oil) versus time (month) compared to the Jewell Well oil production type curve. Brookside has been very conservative in its production estimate for the Jewell Well producing from the Sycamore formation.

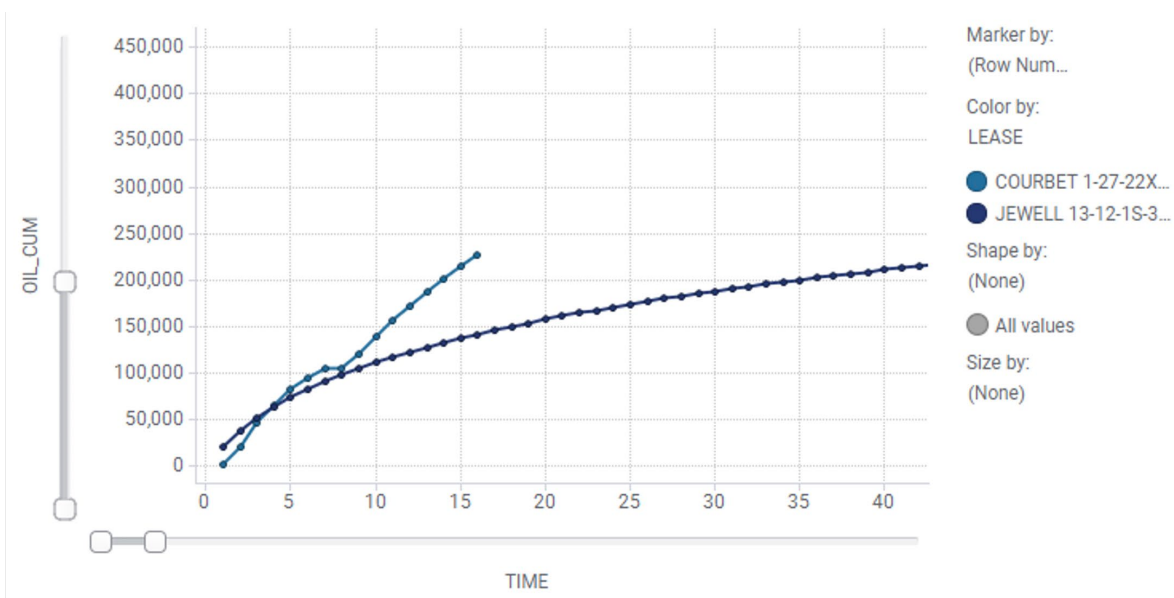


Figure 4: Courbet Well cumulative oil production to date (barrels of oil) versus time (month) compared to the Jewell Well oil production type curve. Brookside has been very conservative in its production estimate for the Jewell Well producing from the Woodford formation.

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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 "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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |