Real Estate Development Approach to Oil & Gas in Oklahoma

Noosa Mining & Exploration Investor Conference 2019

brookside-energy.com.au

ASX: BRK

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Corporate & Capital Structure

ASX:BRK	
Share Price Range	A$0.01 – A$0.023
Market Capitalization	**Circa A$11.0m**
FPO's	999,221,875
ASX:BRKOA[1.]	295,140,625
Cash Available[2. 3.]	**Circa A$2.4m**

Asset Level Funding	Facility
Drilling Joint Venture	US$3.5m (US$3.2m drawn)
Leasing Facility	US$4.0m (US$2.8m drawn)

Board of Directors

- Michael Fry (Chairman)
- David Prentice (Managing Director)
- Loren King (NED & Co. Sec.)

1. Listed (ASX:BRKOA) options exercisable at $0.03 per option on or before 31 December 2020
2. Includes ~A$1.6m of liquidity available under the Leasing Facility
3. As at March 31, 2019

12 Month Share Price Performance

Significant Shareholders

Merchant Funds Management	11.3%
Twentieth Century Motor Company	9.0%
Mr Mark James Casey	5.0%

"This is an exciting investment that fits well into the Casey Capital vision as it encompasses both excellent real estate holdings along with growing cash flows as more wells in Oklahoma come on line"
Casey Capital Chairman, Mark Casey

The Anadarko Basin - Great Opportunities for Early Movers

- ✓ Proven Oil & Gas Plays in a World-Class Basin (STACK and SCOOP)

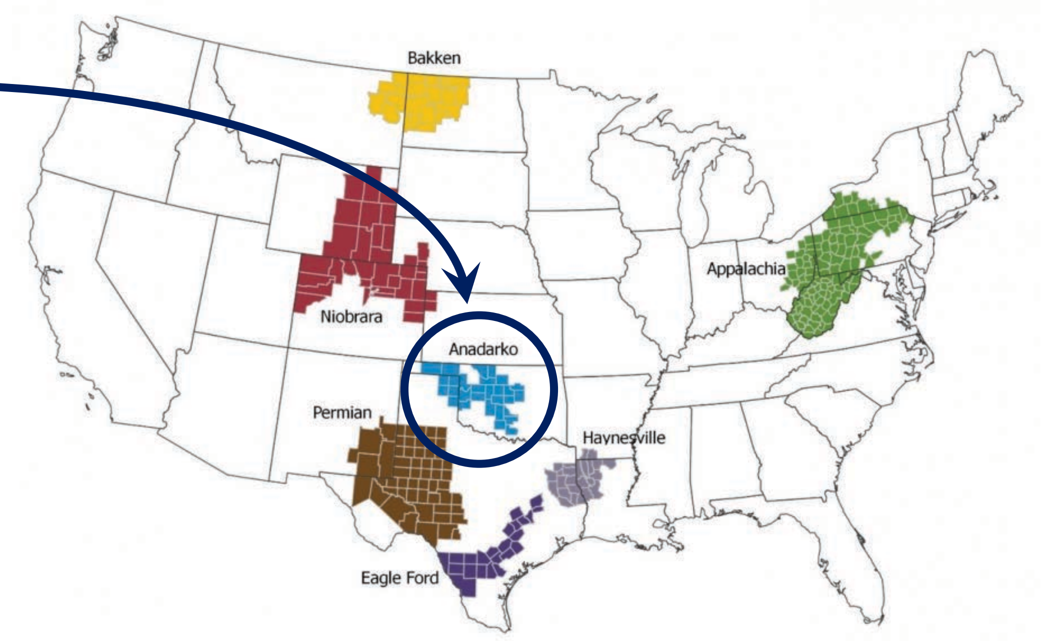
  Already a major oil and gas producer and host to Oklahoma's most productive oil and gas plays

- ✓ Highly Prospective

  World-class source rocks
  Multiple or stacked productive zones
  Under-developed but growing fast

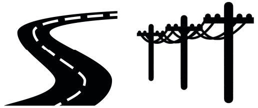
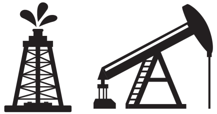
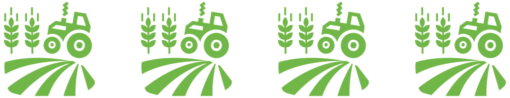
- ✓ Attractive for Investment

  Favorable fiscal terms
  World-class infrastructure
  Highly competitive service industry

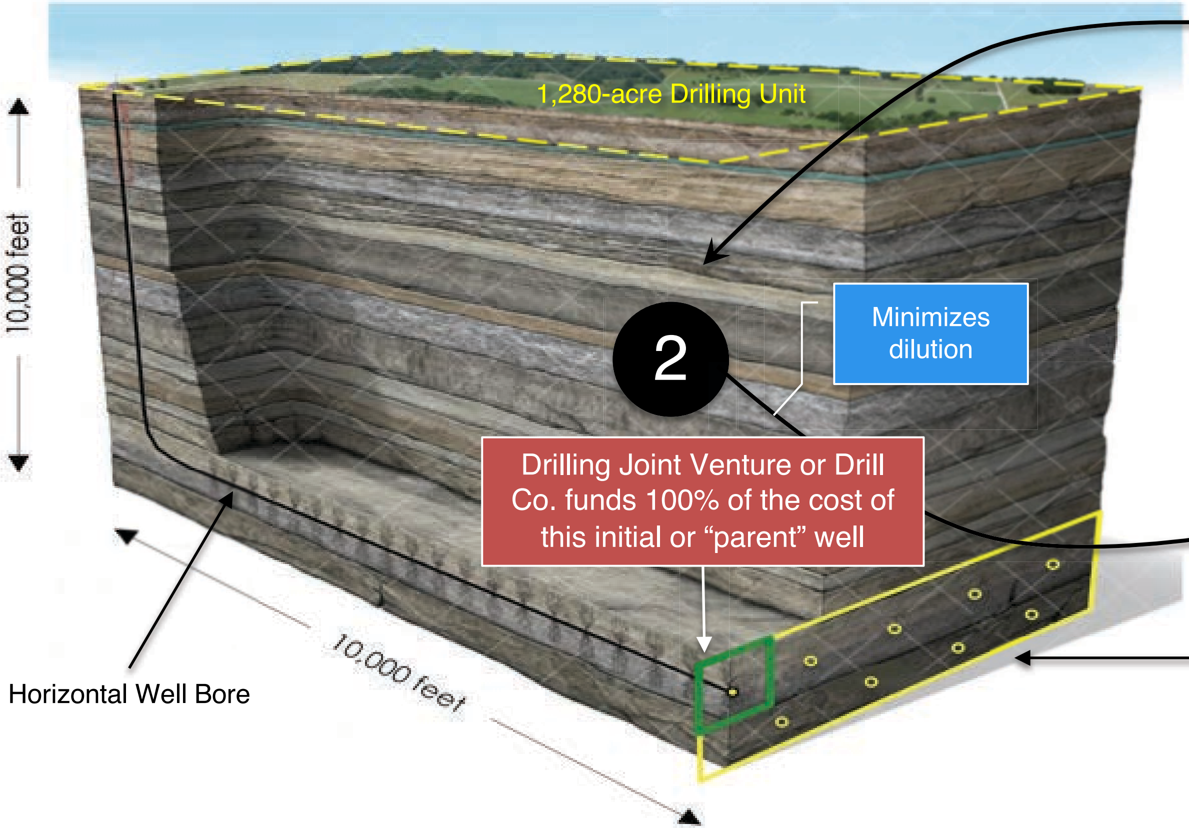


"We understand that the best returns for our shareholders come from the acquisition of undeveloped acreage in the right-place at the right-time"

A Real Estate Development Approach to Oil & Gas in Oklahoma

	Real Estate Developer	Brookside Energy	
Acquire			Acquire
Upgrade			Upgrade
Re-value			Re-value
Monetise			Monetise
Re-invest			Re-invest

Acreage Revaluation in Practice



1 — Buy Low

Brookside "leases" all or a portion of the undeveloped acreage in a Drilling Unit

2 — Minimizes dilution

Drilling Joint Venture or Drill Co. funds 100% of the cost of this initial or "parent" well

3 — Acreage Revaluation "Sell High"

Brookside "books" 100% of the reserves attributable to the Proved Undeveloped Wells in the Unit

A Private Equity Model in an ASX Listed Vehicle

ASX: BRK

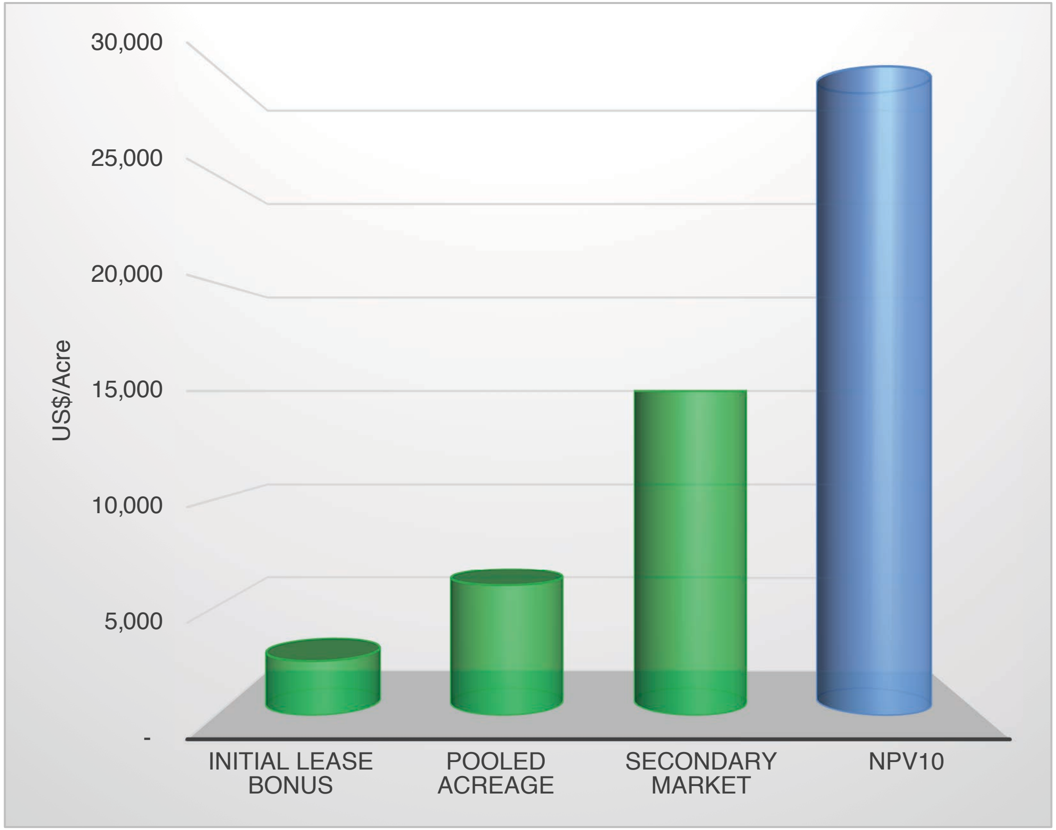
BROOKSIDE BROOKSIDE ENERGY LIMITED ACN 108 787 720	BLACK MESA PRODUCTION	Drillco.
Funds acquisitions, establishes reserves, buys and sells acreage	Identifies acreage and manages acquisitions, supervises drilling and operations (including mitigating risk), rewarded on performance	Funds drilling and completion capital for initial well, takes its share of production revenue

- ✓ Clear allocation of risk
- ✓ Each party highly specialised
- ✓ Highly liquid market for upgraded acreage means Brookside can “cash out” at any time
- ✓ Common model for Private Equity investors in the United States

“The application of this PE model for land, leasing and re-valuation in a publicly traded entity is unique in Australia and provides our shareholders and investors with exposure to a part of the oil and gas business that has a very long history of generating superior returns for investors in the United States”

Successful Pilot Study in the STACK Play

- ✓ Investment of US$1.25m acquired ~400-acres
- ✓ Small non-core acreage sales generated A$2.5m to be re-invested in highly accretive SWISH AOI leasing
- ✓ Booked maiden reserves (3.45MMboe, US$12.5m NPV_{10} and forecast future net revenues of US$37.75m)
- ✓ Business model validated, achieving multiples up to 10-times average undeveloped acreage acquisition costs



Scaling-Up in the SCOOP Play

✓ SWISH AOI (SCOOP Play Southern Core)

Active leasing and acquisition program underway to secure an operated position in highly sort after Sycamore-Woodford trend

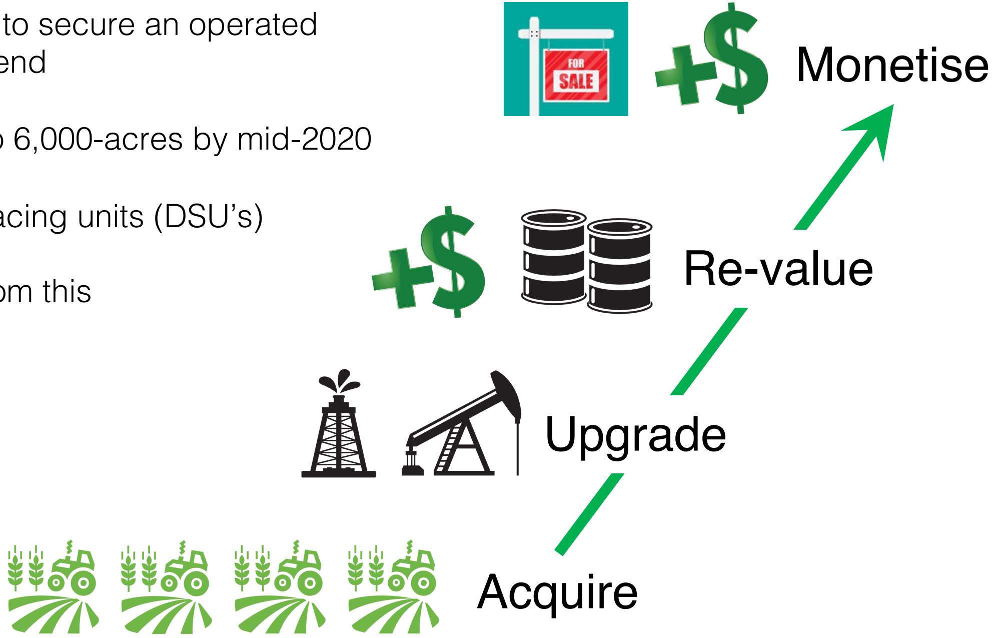
2,000-acre position established, targeting 4,000 to 6,000-acres by mid-2020

Focused toward several core operated drilling spacing units (DSU's)

Opportunity for transformational reserve growth from this operated acreage position

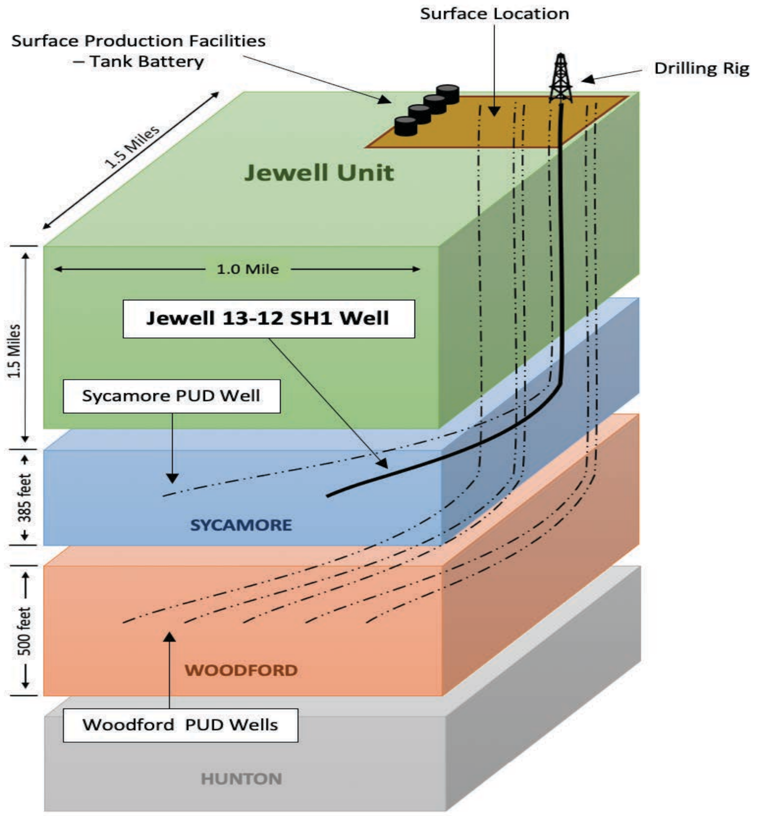
What we don't do!

Wildcatting
Assume drilling risk
Land speculation



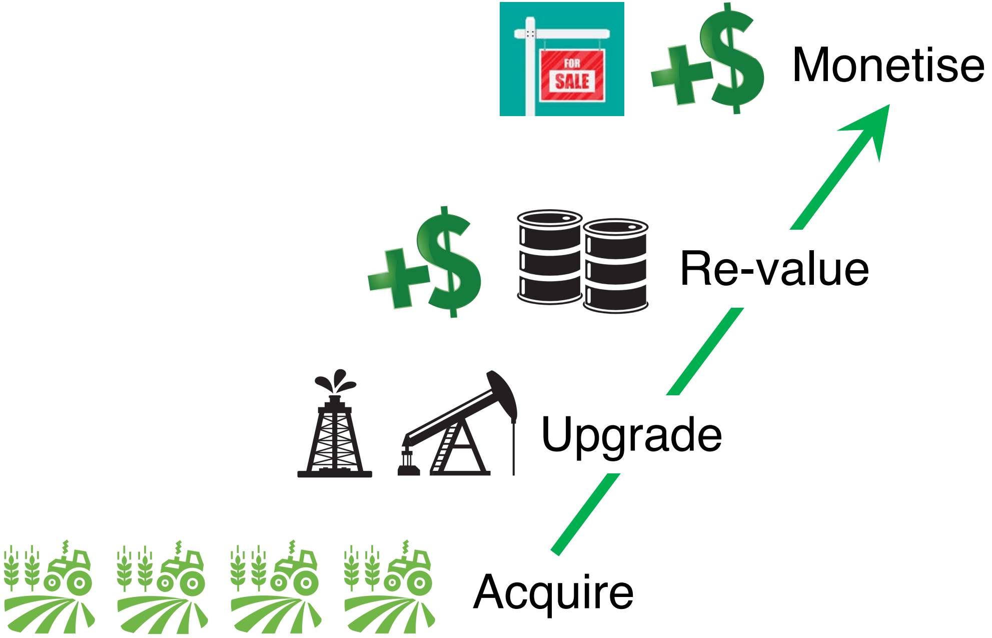
First Operated DSU in the SWISH AOI

- ✓ Jewell 13-12 SH1 well will establish six proved undeveloped locations within this single DSU
- ✓ Catalyst for a material increase in Brookside's Proved Undeveloped Reserves
- ✓ Key to unlocking SWISH AOI upside as per-acre values move up the curve



Why Should You Invest In Brookside Energy

- ✓ Proven Oil & Gas Plays in a World-Class Basin
- ✓ Tier One Investment Environment
  - Infrastructure, services, regulatory
- ✓ Real Estate Development Approach
  - Land, Leasing and acreage revaluation model
- ✓ Private Equity Investment Model
  - Effective risk management
  - Right development partners
- ✓ Business Strategy is Proven
  - Successful STACK Play pilot
  - Reserves upgrades and acreage sales
  - Ability to monetise at any time
- ✓ Ready for Further Growth
  - Growing SWISH AOI acreage in the SCOOP play
  - Jewel Well spud in 2019

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Appendix

1. Anadarko Basin Acronyms
2. Corporate Structure
3. Black Mesa Production, LLC
4. Single Well Breakeven Prices
5. Notes
6. Glossary

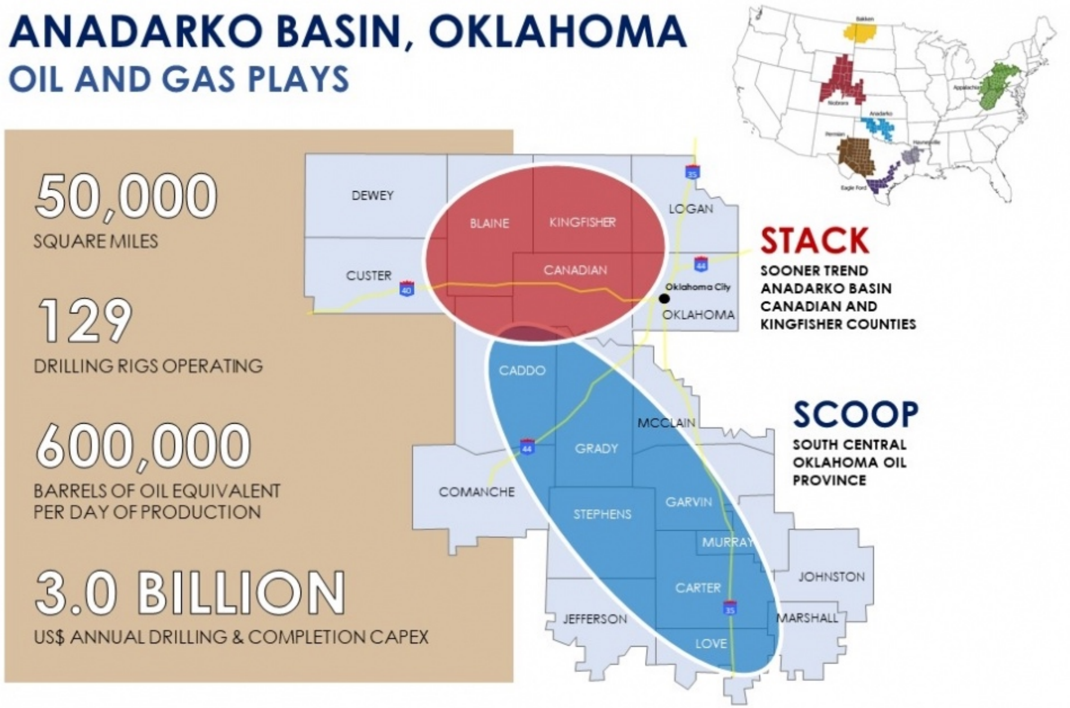
Anadarko Basin Acronyms

- ✓ **SCOOP**
  South Central Oklahoma Oil Province

- ✓ **STACK**
  Sooner Trend, Anadarko Basin, Canadian & Kingfisher Counties

  - These two acronyms represent Oklahoma's most productive oil and natural gas plays
  - Unique formations with multiple zones allow producers to bring more oil and natural gas to the surface
  - These two plays rival some of the US's most reliable and lucrative areas – including the Permian Basin in Texas and the Marcellus Appalachian Basin in the Northeast

- ✓ **SWISH**
  Sycamore & Woodford in the South Half
  - Brookside's project name for its leasing AOI in the SCOOP Play (Woodford-Sycamore oil and gas trend)



Brookside Energy Ltd. Corporate Structure

ASX:BRK
Brookside Energy Limited

100%	17%	100%
BRK Oklahoma Holdings, LLC	**Black Mesa Production, LLC**	**Anadarko Leasing, LLC**
Leasehold and Producing Properties	Partner & Manager of US Operations	Leasehold and Producing Properties

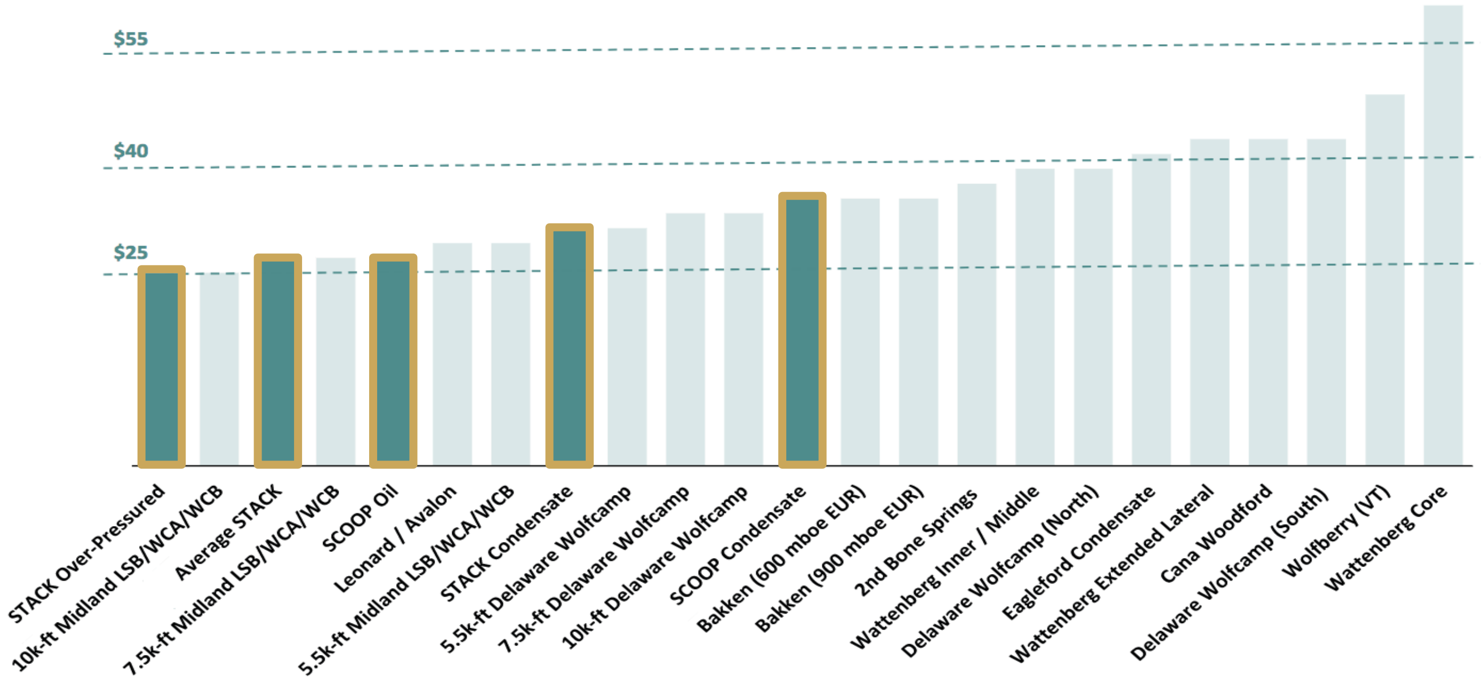
Black Mesa Production, LLC

- ✓ Traditional "Oil Man's" deal, commonly used "Peer to Peer" style of investment provides alignment with Brookside shareholders
- ✓ Industry-style 25% Back-In After Payout, insures team remains focused on Return-on-Investment
- ✓ Black Mesa only rewarded after Brookside's investment is recovered
- ✓ In excess of 90% of capital deployed is invested directly in securing leasehold and drilling and completing wells

Note: 25% Back-In After Payout on a property by property basis (Working Interest thereafter)

Black Mesa Production, LLC		
Reservoir Engineering		
Bill Warnock	43yrs	Exxon, Crystal Oil, Medallion Production and Brighton Energy
John Schumer	18yrs	Schlumberger and QEP
Land		
Chris Girouard	35yrs	Texas Oil & Gas, Essex Exploration, Medallion Production, Brighton Energy and Red Fork Energy
Morgan Caywood	11yrs	Ensley Properties and Frontier Land
Operations		
Lee Francis	46yrs	Continental Pipeline, Williams Co.'s, Medallion, Brighton Energy, Cimarron Engineering, CEI Petroleum & Red Fork Energy
Geology		
James Eddleman	12yrs	Comanche Exploration and QEP

Single Well Breakeven Prices



Note: Assumes 10% IRR, based on flat oil price of US$50/Bbl and gas price of US$3/Mcf
Source: NYSE:NFX Investor Presentation, analysts reports

Notes

i. Anadarko Leasing Facility. Anadarko Leasing, LLC is a wholly owned subsidiary of Brookside, incorporated solely for the purpose of acquiring Working Interest leasehold acreage in the Anadarko Basin Plays in Oklahoma on behalf of Brookside and pursuant to the Drilling Program Agreement between BRK Oklahoma and Black Mesa. The agreement between Anadarko Leasing (Borrower) and OEC is for a US$4,000,000 facility (to be drawn at the Borrowers discretion in tranches of at least US$250,000). The facility will mature on 31 December 2019 and the Borrower is permitted to repay the Facility in whole or in part at any time without penalty. Amounts drawn under the facility will be secured only by the Borrowers interest in future Working Interest leasehold acreage that is acquired by the Borrower pursuant to and subject to the terms of the Drilling Program Agreement between the Borrower and Black Mesa. The facility shall bear interest at a rate per annum equal to 12% (payable quarterly in arrears on drawn amounts). There are no other fees or charges payable by the Borrower for this facility and there is no asset level or other equity burden associated with the facility. Amounts drawn by the Borrower under the facility shall be used to fund leasing in the Anadarko Basin Plays in Oklahoma and for general working capital, and general corporate purposes.

ii. STACK-A Drilling Joint venture. BRK Oklahoma will contribute it's non-operated working interest in the Joint Venture Wells and STACK-A Joint Venture Pty Ltd will provide US$3,500,000 in loan funding to the joint venture (Cash Contribution) to fund BRK Oklahoma's share of the drilling and completion costs of the Joint Venture Wells. The Joint Venture will fund (from the Cash Contribution) 100% of BRK Oklahoma's share of the cost to drill and complete the Joint Venture Wells. All amounts advanced by STACK-A Joint Venture Pty Ltd to the STACK-A Drilling Joint Venture will be repaid in priority out of BRK Oklahoma's net revenue from the Joint Venture Wells, and thereafter the STACK-A Drilling Joint Venture will deliver to STACK-A Joint Venture Pty Ltd (or it's nominee) a 25% net revenue interest in the Joint Venture Wells.

i. Note the following regarding the operation of the agreements between BRK Oklahoma Holdings, LLC (**BRK Oklahoma**) (wholly owned subsidiary of Brookside) and it's partner and manager of US operations Black Mesa Production, LLC (**Black Mesa**). In relation to acquisition or drilling proposals introduced by Black Mesa to BRK Oklahoma in the three year period commencing in calendar year 2015 and continuing until 31 December 2018, and pursuant to the Acquisition Program Agreement (**APA**) and the Drilling Program Agreement (**DPA**) (each agreement being between Black Mesa and BRK Oklahoma), the Company's wholly-owned subsidiary BRK Oklahoma has agreed to commit US$10 million to either: an acquisition or acquisitions (pursuant to the APA); or a drilling program or programs (pursuant to the DPA); or a combination of an acquisition or acquisitions and drilling program or programs. Under the APA, Black Mesa may notify BRK Oklahoma of an acquisition proposal; and BRK Oklahoma has the right to approve or reject proposals presented to it by Black Mesa. A project acquired pursuant to the terms of the APA is subject to Black Mesa's 18.75% (working interest) back-in after payout. Under the DPA, Black Mesa will notify BRK Oklahoma of geographic areas that Black Mesa considers to be appropriate in which to establish production of oil, gas and/or other hydrocarbons. Black Mesa will provide a proposal to BRK Oklahoma prior to commencement of any drilling or similar operation. No activities will occur under a proposal made to BRK Oklahoma without BRK Oklahoma's prior acceptance of the proposal. A project acquired pursuant to the terms of the DPA is subject to Black Mesa's 25% (working interest) back-in after payout. These agreements (the APA and the DPA), together with the Operating Agreement (announced on 7 December 2015) provide BRK Oklahoma with flexibility to raise capital that may be required for any approved acquisitions and/or drilling proposals from a wide range of sources. Under the terms of the Operating Agreement (pursuant to which BRK Oklahoma acquired a 15% interest in Black Mesa) BRK Oklahoma has funded its share (US$937,800) of a general and administration budget for Black Mesa.

Glossary

APO WI	After pay out working interest
AFIT	After Federal Income Tax
AOI	Area of Interest
Bbl	An oilfield barrel, a volume of 42 US gallons
BFIT	Before Federal Income Tax
BOE	Barrels of Oil Equivalent
COPAS	Council of Petroleum Accountants Societies
Development Unit	Development Unit or 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.
Mboe	1,000 barrels of oil equivalent
Mcf	1,000 cubic feet
MMboe	1,000,000 barrel of oil equivalent
NPV_{10}	The net present value of future net revenue, before income taxes and using a discount rate of 10%.
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 as specified in Appendix 1.
PUD	Proved Undeveloped Reserves
Reserve Categories	These reserve categories are totalled up by the measures 1P, 2P, and 3P, which are inclusive of all reserves types: • "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	**S**ooner **T**rend **A**nadarko Basin **C**anadian and **K**ingfisher Counties – oil and gas play in the Anadarko Basin Oklahoma
SCOOP	**S**outh **C**entral **O**klahoma **O**il **P**rovince - 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