Introduction to Brookside Energy

brookside-energy.com.au

November 2019

Index

ASX: BRK
A PRIVATE INVESTOR'S VIEW

Disclaimer and Disclosure

ASX: BRK
A PRIVATE INVESTOR'S VIEW

BRK "A Private Investor's View" Authors and Associates

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At the time of publishing, the authors (collectively) hold ASX:BRK shares or options and share a "BUY" sentiment.

Any reference to the way the company operates, future growth estimates, speculation for company direction and valuations of the company are the opinions of the authors only.

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The authors strongly advise potential investors to reference company presentations including forward statements to draw their own conclusions or contact the company for further information.

Brookside Energy, it's directors, employees and direct associates have had no input as to the content of this document.

Reasons to Invest in BRK

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- Heavily de-risked as it is ultimately a land play. Land was (for the most part) purchased at the bottom of the cycle.
- Low exposure: Unlike traditional E&P companies, BRK is not tied to massive debt servicing linked to drilling of wells as drilling is undertaken by a 3rd party.
- Low overheads: BRK is a tight ship with very few employees and little ongoing maintenance required.
- Land recently acquired in SWISH location likely to be high grade as sections bordering their locations have proved exceptional.
- Potential for huge upside. Example: Aurora Energy sold for $2.4 Billion with 22,000 acres.
- Top 20 shareholders own a total of ~58% of the company. T20 has also remained relatively unchanged over the past year.

Anadarko Basin, Oklahoma (STACK & SCOOP Plays)

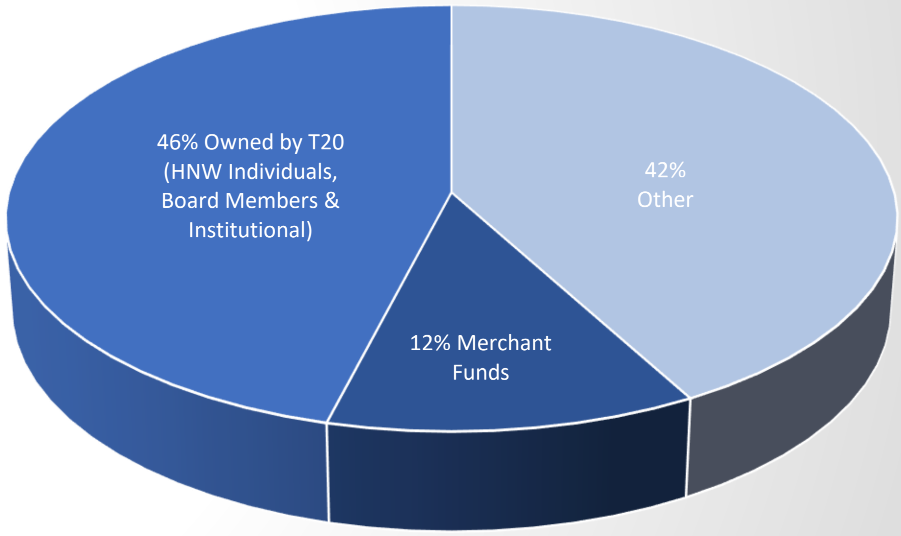
Corporate and Capital Structure

ASX: BRK	
Share Price Range (Last 12 Months)	A$0.010 - A$0.023
Market Capitalization	~A$10m
FPO's	999,221,875
ASX:BRKO[1.]	270,140,625
Director Options[2.]	25,000,000
Cash Available[3.]	US$2.4M
Asset Level Funding	
Drilling Joint Venture (Assumed)	US$3.5m (~US$3.2m drawn)
Leasing Facility (Assumed)	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:BRKO) 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

Significant Shareholders

(as at 31st October 2019)



Top 20 Shareholder Register

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TOP 20 JAN 2019

Position	Holder Name	Holding	% IC	Comment
1	THE TRUST COMPANY (AUSTRALIA) LIMITED	112,500,000	11.31%	
2	THE TWENTIETH CENTURY MOTOR COMPANY PTY LTD <WALKER FAMILY S/F A/C>	57,000,000	5.73%	
3	MR MARK JAMES CASEY	50,265,901	5.05%	
4	GREAT SOUTHERN FLOUR MILLS PTY LTD	33,000,000	3.32%	
5	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	26,325,638	2.65%	
6	STATION NOMINEES PTY LTD <STATION SUPER FUND A/C>	25,000,000	2.51%	
6	MR JONATHAN MARK WILD	25,000,000	2.51%	
7	AUSEPEN PTY LTD <DESKTOP A/C>	20,050,000	2.02%	
8	ASPIRE WEST PTY LTD	20,000,000	2.01%	
9	JKR SUPER PTY LTD <JPR SUPER FUND A/C>	15,000,000	1.51%	
9	MR RICHARD STUART DONGRAY & MRS JOAN DONGRAY <SUPER FUND A/C>	15,000,000	1.51%	
10	DOMAEVO PTY LTD <THE JCS A/C NO 2>	14,314,443	1.44%	
11	DE JONG SUPERANNUATION PTY LTD <THE DEJONG SUPER FUND A/C>	14,258,779	1.43%	
12	MR HOAI NAM PHAM	14,000,000	1.41%	
13	PANDORA PERTH PTY LTD	13,500,000	1.36%	
14	JJ WEALTH FUND PTY LTD <JJ WEALTH FUND FAMILY A/C>	12,000,000	1.21%	Holder Exited
14	MR PAUL SIMON DONGRAY <THE DONGRAY FAMILY NO 2 A/C>	12,000,000	1.21%	
15	SABRELINE PTY LTD <JPR INVESTMENT A/C>	10,000,000	1.01%	
16	MR OWEN JOHN CLARE & MRS ROSALIND MARY CLARE <CLARE SUPER FUND A/C>	9,800,000	0.99%	
17	MR IAN ALASTAIR LEETE & MRS HELEN LEETE <THE LEETE FAMILY S/F A/C>	9,166,667	0.92%	
18	MR RUSSELL JOHN DREDGE & MRS MELINDA JANE DREDGE <JOBE SUPER FUND A/C>	8,937,500	0.90%	
19	MR YAOSHENG ZHANG	8,800,000	0.88%	Holder Exited
20	AET ACF JBS INVESTMENTS <INTERNATIONAL ADVANTAGE FUND>	8,333,333	0.84%	
20	JBS INVESTMENT PARTNERS LP	8,333,333	0.84%	
		542,585,594	54.54%	
	Total Issued Shares	994,821,875	100.00%	

TOP 20 OCT 2019

Position	Holder Name	Holding	% IC	Comment
1	THE TRUST COMPANY (AUSTRALIA) LIMITED	120,500,000	12.06%	+8,000,000
2	GREAT SOUTHERN FLOUR MILLS PTY LTD	90,000,000	9.01%	0
3	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	53,195,221	5.32%	+26,869,583
4	MR MARK JAMES CASEY	50,265,901	5.03%	0
5	MR JONATHAN MARK WILD	25,000,000	2.50%	0
5	STATION NOMINEES PTY LTD <STATION SUPER FUND A/C>	25,000,000	2.50%	0
6	ASPIRE WEST PTY LTD	20,000,000	2.00%	0
7	AUSEPEN PTY LTD <DESKTOP A/C>	19,500,000	1.95%	-550,000
8	DE JONG SUPERANNUATION PTY LTD <THE DEJONG SUPER FUND A/C>	18,000,000	1.80%	+3,741,221
9	DOMAEVO PTY LTD <THE JCS A/C NO 2>	16,214,443	1.62%	+1,900,000
10	JKR SUPER PTY LTD <JPR SUPER FUND A/C>	15,000,000	1.50%	0
10	MR RICHARD STUART DONGRAY & MRS JOAN DONGRAY <SUPER FUND A/C>	15,000,000	1.50%	0
11	MR HOAI NAM PHAM	14,061,434	1.41%	+61,434
12	AVANTEOS INVESTMENTS LIMITED <WARCZAK SUPER FUND A/C>	13,956,702	1.40%	**NEW ENTRY**
13	PANDORA PERTH PTY LTD	13,500,000	1.35%	0
14	MR PAUL SIMON DONGRAY <THE DONGRAY FAMILY NO 2 A/C>	12,000,000	1.20%	0
15	DR DANIEL GEORGE PECHAR & MRS KATRINA JANE PECHAR <PECHAR SUPER FUND A/C>	11,000,000	1.10%	**NEW ENTRY**
16	MR OWEN JOHN CLARE & MRS ROSALIND MARY CLARE <CLARE SUPER FUND A/C>	10,446,555	1.05%	+646,555
17	SABRELINE PTY LTD <JPR INVESTMENT A/C>	10,000,000	1.00%	0
18	MR IAN ALASTAIR LEETE & MRS HELEN LEETE <THE LEETE FAMILY S/F A/C>	9,166,667	0.92%	0
19	MR RUSSELL JOHN DREDGE & MRS MELINDA JANE DREDGE <JOBE SUPER FUND A/C>	8,937,500	0.89%	0
20	MR STEPHEN LAMBERT & MR NIGEL LAMBERT & MRS LITA LAMBERT & MRS LOISE LAMBERT <LAMBERT SUPER FUND A/C>	8,420,555	0.84%	**NEW ENTRY**
		579,164,978	57.96%	
	Total Issued Shares	999,221,875	100.00%	

Advanced Notes & Explanations

Re-birth of Red Fork Energy (RFE) – Now Brookside Energy (BRK)

Brookside's business model has been revamped - This time using a completely different approach based on acreage value appreciation rather than production increase that would be the foundation of the company.

BRK, in combination with it's USA operating partner Black Mesa, acquire high quality oil and gas acreage at the bottom of the cycle. The strategy employs a buy low, sell high concept, which has been successfully repeated by the Black Mesa principles over the past 40 years.

This model of per acre valuation provides the potential for transformational returns for those who can identify early opportunities and secure acreage, benefitting from the increase in value as the play is developed and matures.

The second " string in the bow", is employing a novel funding approach to acreage acquisition and subsequent drilling using an off balance sheet structure which minimises shareholder exposure to equity dilution and the high cost of drilling to develop the acreage.

Additionally, the technical and operational skill set of Black Mesa is a critical component, as it is the engagement of the team who provide the local knowledge and connections that facilitates the project identification, and the ability to execute all components from land acquisition through to operation of drilling programs. The final aspect is the willingness to sell when the acreage uplift in value has occurred.

Past Milestones - 2015-2018

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2015 — Re-Birth of RFE

RFE re-listed as BRK on the 5th of Aug 2015. Lessons learned from Red Fork Energy shaped the BRK business model to include little or no direct drilling spend and substantial indirect funding of lease purchases.
Black Mesa Company is established.

2016 — Leasing & Funding

Initial leasing begins in March 2016 with the acquisition of 100 Net Royalty acres, followed by the acquisition of non-operated working interests in Blaine County (STACK).
Off balance sheet funding mechanism established through Merchant Funds "Stack A" drilling venture and land acquisition venture.

2017 — Progress & SWISH

BRK now Participating in 9 successful wells in STACK and SCOOP regions from commencement of drilling in Oct 2016 through to current with an additional 18 wells in progress.
SWISH acquisition opportunity identified.
Acquisitions continue with BRK exceeding their original target of 1280 acres. Total acres now stand at 1680 acres.

2018 — SWISH

Strategy changed to focus on leasing in the newly identified SWISH location where BRK will have high equity and operatorship in up to 8000 acres. Black Mesa identified SWISH to be prime acreage as this particular area was overlooked by majors due to erroneously assuming all land was already leased. High value target zones in Sycamore and Woodford leased 6-9 months ahead of competition.

2018 — Confirmation

BRK demonstrates and confirms their business model through initial sale of 11 acres for US $28600 per acre representing a multiple of greater than 10-times on the average acquisition cost per acre. In addition, the second acreage sale from within the Company's STACK Play holdings achieves ~80% of the estimated "fully developed" PV10 value per acre.

Present Milestones – 2018

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Company Record

2018

Most recent well to commence production delivers a record initial production rate (IP24) of ~5,400 BOE/day and a 30-day production rate (IP30) of ~4,200 BOE/day.
Initial rate places this well within the top five or six highest producers drilled in the STACK play to date.

Maiden Reserves

2018

Further confirmation of business model with release of Maiden Reserve Report highlighting value created in NPV10 value. NPV10 value of 400 maiden reserve acres alone exceeds BRK's current MC - Combined NPV10 (PDP, PUD and Probable) of US$12.5 million with forecast future net revenues of US$37.75 million.

SWISH Progress

2018

Build-up of SWISH acreage to ~ 1570 acres for ~ 30% equity in 4 – 5 core drilling units which will allow operatorship, force pooling, drilling applications. Additional trading and acquisition of SWISH acreages underway / in progress.

Payout

2018

Landreth BIA 1-14H well achieves payout in just 11-months. Well generated net revenue of US$230,000 in less than 12-months for Brookside's 2.5% Working Interest. Brookside set to receive 75% of future net revenue from this well following the return of drilling and completion capital to the Drilling Joint Venture.

Bullard

2018

Bullard #1-18-07UWHi, well has now produced ~110,000 BOE (65% oil) in less than 3-months.
First three months net revenue from Bullard estimated to be ~US$850,000 (attributable to Brookside's 20.57% Working Interest).
~43% of Bullard drilling and completion capex recovered in just three months.

Future Milestones – 2019 Beyond

(Est. 2020 SPECULATION ONLY)

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2019

SWISH Pooling

Acreage buildup sufficient to enable applications for 3-4 operated operate Drilling and Spacing Units. Pooling to be funded by selling and trading non-core acreage and cash flow from production. BRK to introduce a drilling partner to fund Swish acres, commence production and prove PUD reserves.

2019

Initial SWISH Unit

880 acres of un-drained or underexploited reservoir in the first SWISH development unit. Potential for seven wells in the unit - two Sycamore and five Woodford Shale.
First well expected to spud in late 2019 / early 2020.
Past results in the area have proved exceptional.

Est. 2020

Sell Sell Sell!

Sale of all acreage including the Black Mesa Company as a complete package deal. Ideal scenario would be to sell all leases at an average of $30k USD per acre.

Est. 2020

Who Will Buy?

A large E&P would buy PUD NPV10 at 20-30% discount so as an example, let's take 5000 acres at US$ 30,000 per acre (multiply), subtract costs owing to BRK for land acquisition and costs, give 25% to Black Mesa and the remainder is left to BRK. Subtract 21% tax from the net to BRK then add back 15% BRK share of the Black Mesa sale.

Est. 2020

Happy Holders

Once the sale has been completed, the remaining cash value of BRK is distributed back to holders or reinvested once again into the same model.

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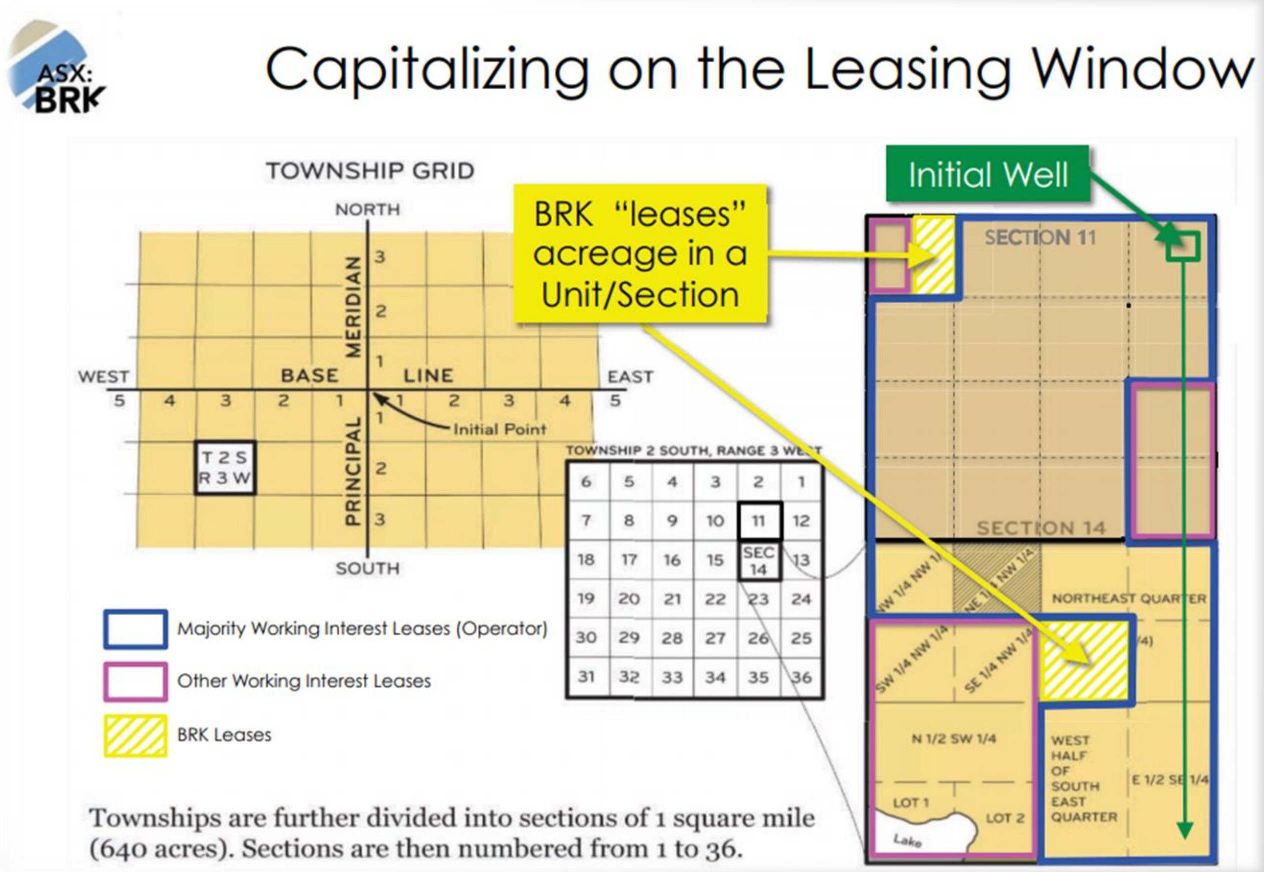
Acreage Asset Revaluation Business Model

In the example to the right, BRK own 40 acres in section 14 and 20 acres in section 11 of the 1280 acre drilling unit. This gives them a 60/1280 or a 4.6875 % gross working interest within the unit.

BRK are responsible for 4.6875 % of the expenses of the unit, but also capture 4.6875 % of the reserves and gross revenues of any well they participate within the unit.

The initial well within the unit once completed will allow BRK to book reserves within the whole unit, even though it may require another 4-6 wells to produce those reserves.

The steps to completion are provided on the next slide.



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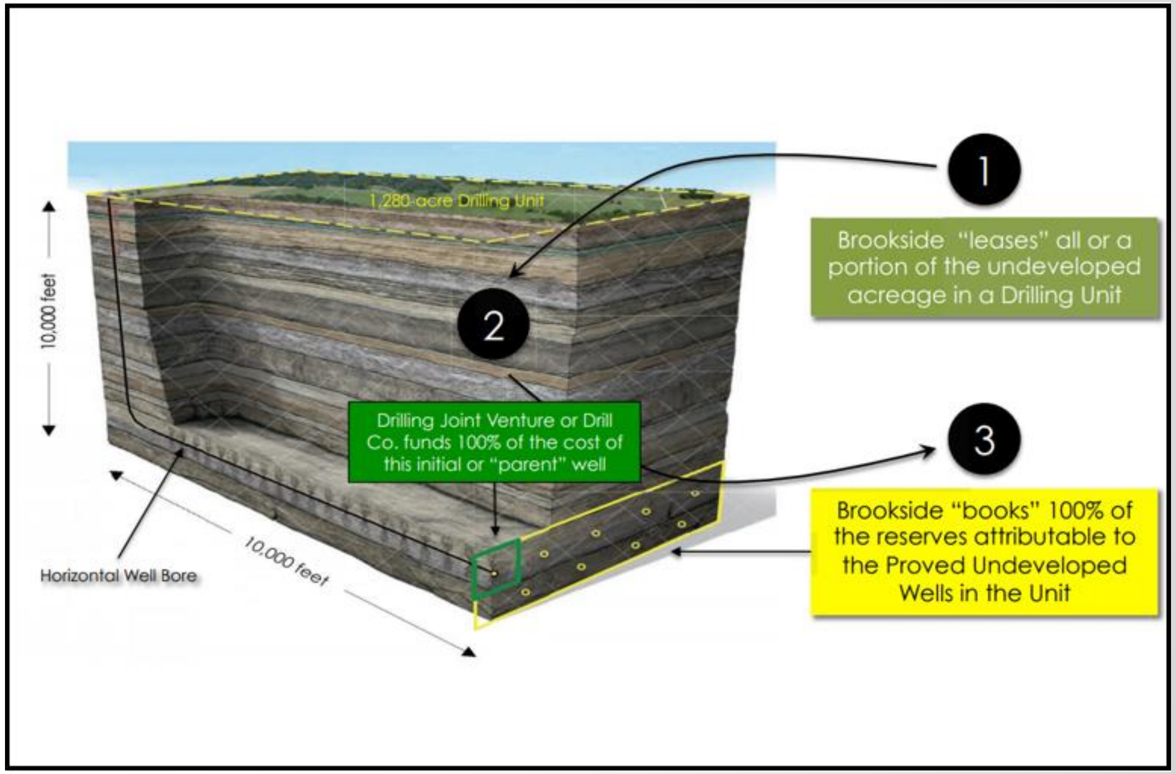
Acreage Asset Revaluation Business Model Steps (continued from previous slide)

1) Brookside leases acres, employing their own capital or through off balance sheet funding, and a drilling unit is formed.
2) The initial well is drilled, funded by the off balance sheet funding.
3) Well is completed and put on production, BRK can book Proved Developed Reserves (PDR) for the well and Proved Undeveloped Reserves (PUD) for the whole block. Any revenue from the well goes back into the off balance sheet drilling facility until well payout, after which BRK has access to net well revenue following the Black Mesa and Merchant back in.
4) The acreage is revalued on the basis of the PUD on a factor of plus 10x and can be sold.



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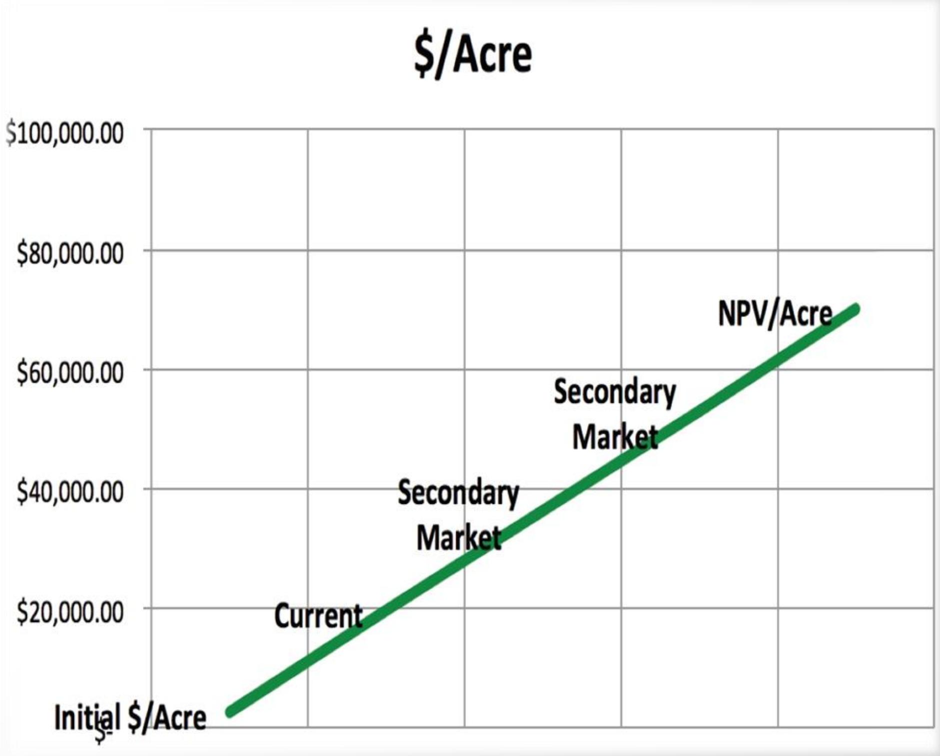
Acreage Asset Revaluation Business Model Steps (continued from previous slide)

Value per acre moves up the curve from the lowest point (the lowest point being whatever BRK is able to negotiate in terms of upfront lease bonus per acre when initially acquiring the undeveloped acreage) all the way up to the "Net Present Value" per acre which is based on the discounted cash flow estimated to flow from the oil and gas reserves per acre.

The ultimate valuation multiple (NPV per acre) is a function of two things, the amount of reserves per acre and the economics of producing those reserves (break even costs and commodity pricing). NPV will increase with higher reserves, lower costs and higher commodity prices.

BRK will be re-rated at different times along this curve, as undeveloped acreage prices increase (as a result of competition, activity in the play and drilling and completion success), when trade-sale $/acre evidence emerges in the secondary market (i.e. the recent US$3.8bn Silver Run/Alta Mesa merger) and finally when larger E&P's are looking to add low-risk Proven Reserves to their balance sheet and are prepared to pay something approaching the Net Present Value per acre.



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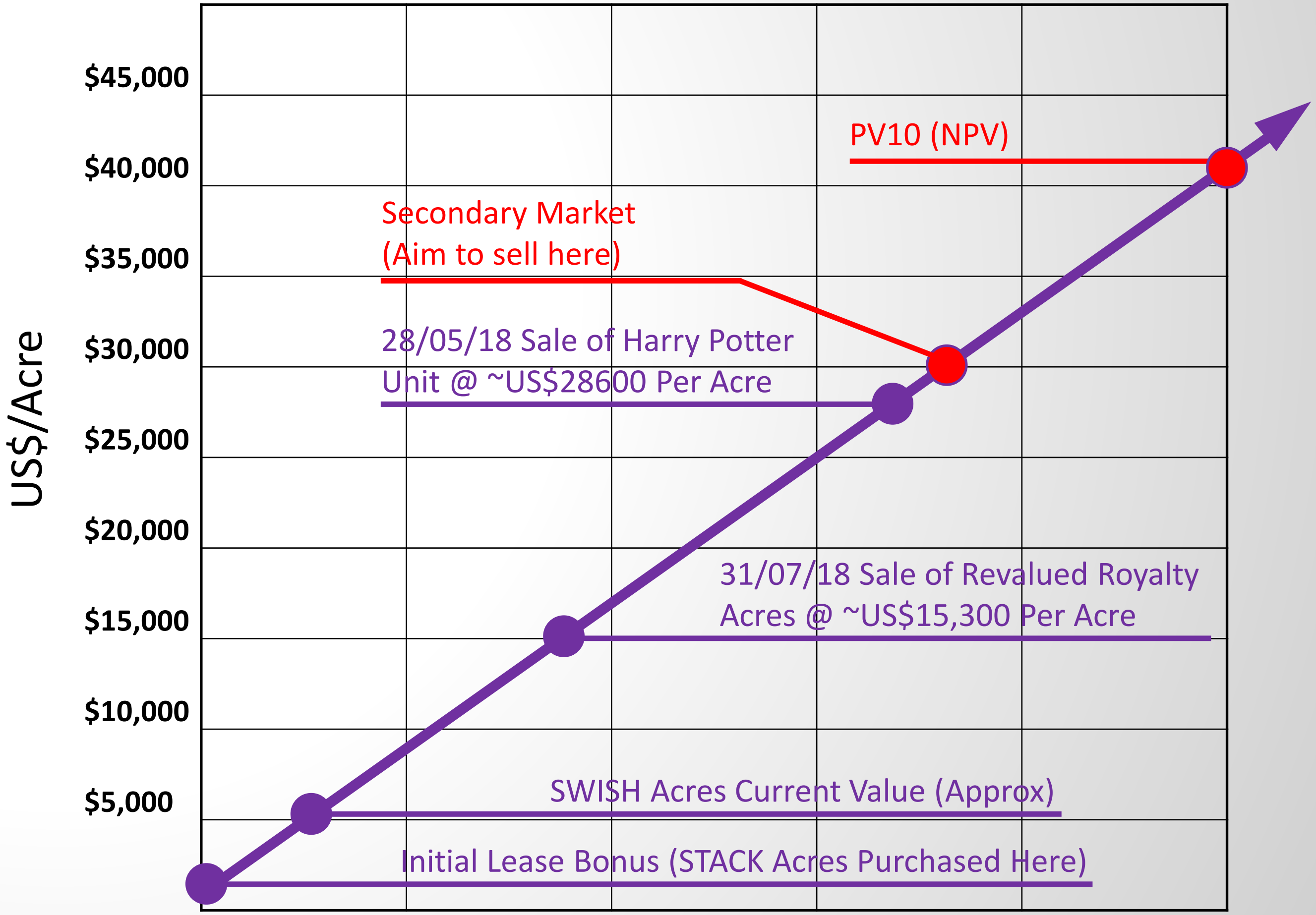
Acreage Asset Revaluation Business Model Steps (continued from previous slide)

BRK have acquired acreages with exceptional economics and low break even costs allowing high value per acre vs the weighted average.

In the graph on the right, we can see the acreage sale values generated from the sale of the Harry Potter unit (~11 Acres – BRK's first sale to prove the business model) as well as the Minerals Royalty Acreage (~96 acres – follow up sale). Both sales generated exceptional returns for BRK and demonstrate the quality of acreages held.

The current SWISH valuation indicated in the chart is based on current competitor bids for acreage in the area. Once the SWISH location has been developed & reserves have been proven, one would anticipate the SWISH acreage to revalue much higher up the scale (providing market conditions allow).



NOTE: NPV acreage value could extend higher than shown depending on oil price and demand for proven producing acreage.

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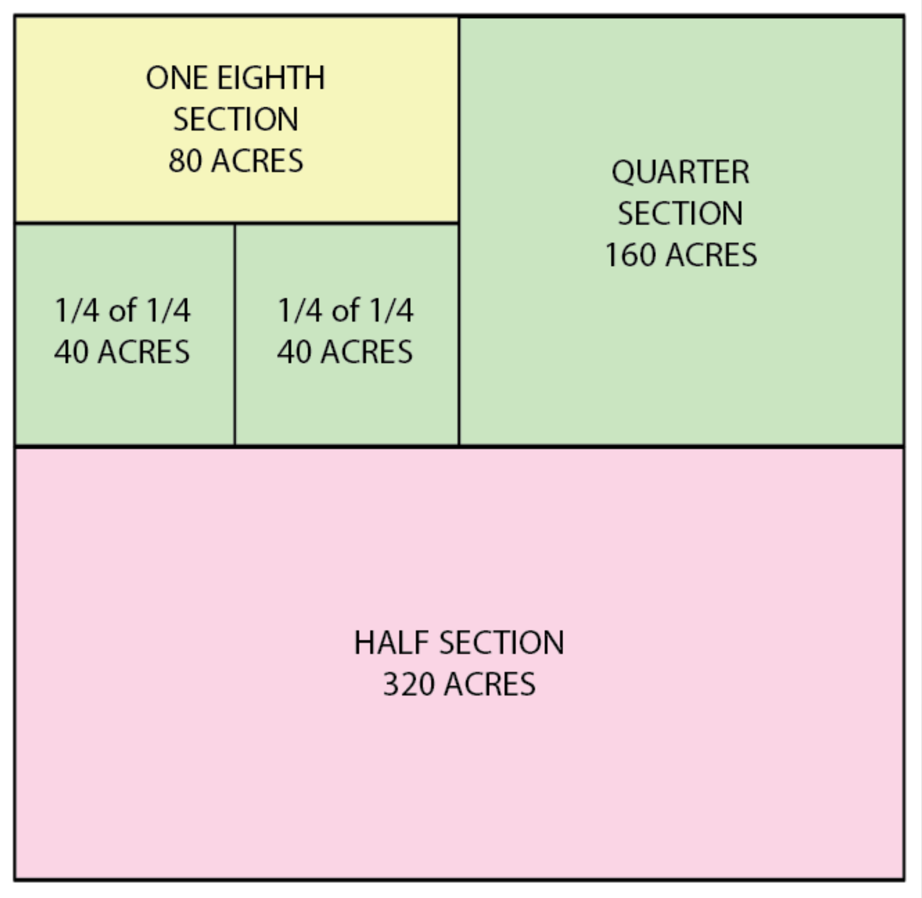
Petroleum Leases In The USA

In the United States, oil and gas rights to a particular parcel may be owned by private individuals, corporations, Indian tribes, or by local, state, or federal governments. Oil and gas rights extend vertically downward from the property line. Unless explicitly separated by a deed, oil and gas rights are owned by the surface landowner. In the US, it is common for surface owners to sell or lease their rights to the underlying mineral rights to third parties, separating the ownership of the surface rights and the mineral rights of specific property.

The majority of the land in the United States is divided into Townships. Townships are six square miles or 36 one square mile sections, each being approximately 640 acres in size. The Townships are further broken down into half sections (approximately 320 acres), quarter sections (approximately 160 acres), eighth section (approximately 80 acres, sixteenth section (approximately 40 acres) and lots (acreage varies).



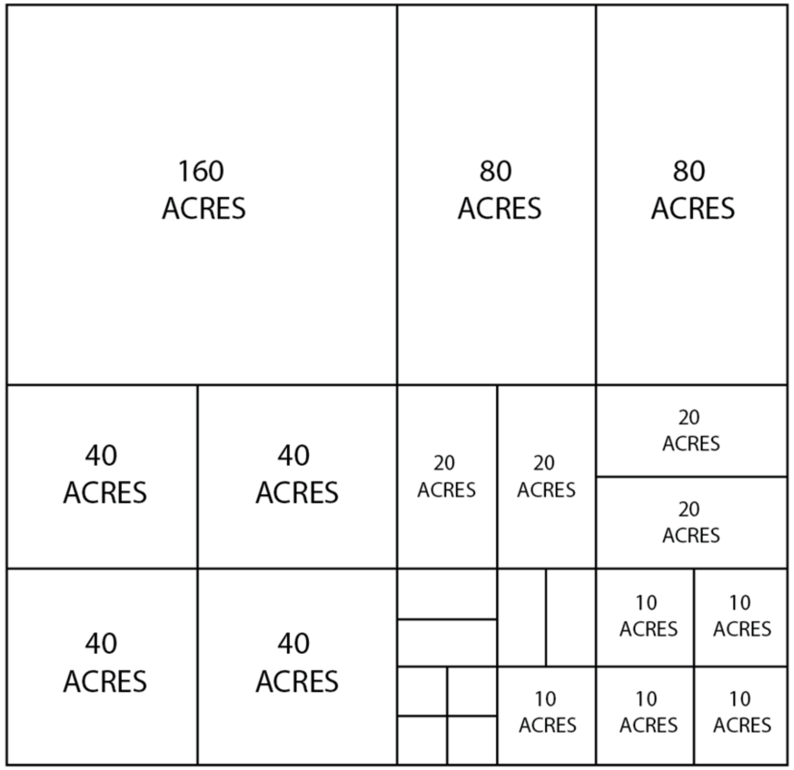
Definitions and further explanations on the next slide.

Advanced Notes & Explanations

Petroleum Leases In The USA (continued from previous slide)

Definitions
Section: The basic unit of the system, a square tract of land one mile by one mile containing 640 acres.
Township: 36 sections arranged in a 6 by 6 system, measuring 6 miles by 6 miles.

Typically, leases are held within either 1 section 640 acre or 2 section 1280 acre drilling units. All the acres are "pooled" within a drilling unit which means all reserves are also allocated to the pool. In areas of previous high density vertical drilling where the subsurface characteristics are well defined, a single, new horizontal well within a drilling unit will allow booking of reserves for the whole unit, with ultimate reserve recovery for the unit being a function of the number of development wells needed.



An acre section and it's subdivision into smaller components.

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Forced Pooling of Acres

Oklahoma law permits only one initial well in a drilling and spacing unit. Owners who want to propose a well must secure the commitment of other owners in the unit. Other owners must either agree to share in the well's expense, or lease or assign their working interest to the proposing owner in exchange for a royalty interest in future production. To propose a well, you would first attempt to reach agreement with all owners to lease their interest or participate with you in paying their proportionate part of the drilling and operating expense. Those who did not want to lease or participate could block the drilling unless there was some method to force them to participate or sell. That is the "forced pooling" process.

Forced pooling causes the proposed operator to search records in the county and other sources to determine all persons with the right to drill and locate them with their correct addresses. The application to pool is filed with OAP and the owners who have not leased are named as respondents, listed on Exhibit A. Notice is mailed and published giving the respondents notice of the time, place and purpose of the hearing, together with the requested pooled formation. At the hearing all persons who have a right to drill may appear and let their interest be known

At the hearing, the Administrative Law Judge (ALJ) will insure the applicant has given the respondents proper notice, mailing and publication. The ALJ will inquire whether the applicant has made a good faith effort to bargain with the respondents prior to filing the pooling application and from testimony set the costs of drilling and completing the well.

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Forced Pooling of Acres (continued from previous slide)

The ALJ will also inquire as to the fair market value of the mineral interests in the unit; that inquiry includes testimony on what was paid for leases in that unit and the eight surrounding units within the last year. Generally, the fair market value of the mineral interest is determined by consideration of open market transactions, impacting oil and gas rights, between willing buyers and willing sellers in the vicinity.

The unleased mineral owners are always entitled to retain the statutory one-eighth royalty, however, the fair market value for royalty often provides for a royalty percentage above the one-eighth. The fair market value consists of a cash bonus and royalty (percentage of revenue share on production). Frequently less cash and more overriding royalty combinations are found to be equivalents and alternates

If any party objects to the pooling application, they will be able to present their case at the hearing and a report will issue recommending the case be granted or denied. That report can be appealed to the Referee who will issue a report recommending the report be approved or overturned or modified. This can also be appealed to the Commission en banc who will then grant or deny the case. Upon issuance of a Pooling Order from a protested application, it can be appealed to the Oklahoma Supreme Court.

Oklahoma's forced pooling process benefits operators, working interest partners, and mineral interest owners. It stimulates a competitive market for development of oil and gas, which results in revenues for investors and royalty owners

Advanced Notes & Explanations

Forced Pooling of Acres (continued from previous slide)

Increased Density

Spacing orders limit initial development to one well per unit. Sometimes after production history is established it is determined that one well will not effectively develop the reserves underlying the unit. Therefore, the law provides that operators may seek to increase the well density in a unit for a particular formation.

In order to obtain this authority an operator or owner of the right to drill in the unit can file an application and give proper notice for this request. Notice is required to be given to all parties in the unit entitled to share in any type of production from the spaced formation and to any operator of a well producing from that formation in any of the adjacent offsets. If the operator in the unit is the operator of an offset producing well, all the working interest owners in such well must also receive mailed notice. All this notice, including the necessary publication notice in a newspaper in the county where the unit is located and in Oklahoma County, is to ensure that any party whose interest might be impacted is aware of the request.

Any increased density order will set forth the allowable for oil production or for gas production and how that is to be shared among the wells. The order will also indicate the designated operator or will indicate any owner of the right to drill in the unit can commence the well. The order will also indicate anyone intending to proceed under the order must do so within one year of the date of the order.

Source. Oklahoma Corporation Commission

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Funding Model

Asset level funding model(s) - Debt structuring:
The funding model(s) BRK is employing is not typical to the Australian oil and gas investor and employs an off-balance sheet funding mechanism for STACK A JV and leasing facility effectively benefiting Brookside Operations.

STACK-A Joint Venture:
BRK teamed up with WA based Merchant Fund's management to form a drilling joint venture called the STACK-A Joint Venture. The investment is US$ 3.5 million and delivers capital at the asset level to fund initial development of Brookside's STACK acreage. The joint venture structure will enable Brookside to grow its exposure to the STACK Play with initial development capital secured off balance sheet. Under this structure, Brookside will not spend any of its own capital to drill a well. BRK Oklahoma will contribute to the STACK-A Joint Venture its non-operated working interest in certain horizontal oil and gas wells to be drilled within BRK Oklahoma's leasehold within the STACK Play. Merchant is to provide up to US$3,500,000 in loan funding to the joint venture to fund BRK Oklahoma's share of drilling and completion costs. All amounts advanced by Merchant to the STACK-A Joint Venture will be repaid in priority out of BRK Oklahoma's net revenue from the Joint Venture Wells, and thereafter the STACK-A Joint Venture will deliver to Merchant a 25% net revenue interest in the Joint Venture Wells. It is important to note that the funding available to BRK though Merchant Funds is NOT debt attributable to BRK.

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Funding Model (continued from previous slide)

STACK-A Joint Venture: (continued from previous slide)
The DJV works where BRK provide the acres and Merchant provide the funds for drilling to the JV. The funds used are paid back to Merchant out of production. After payout, BRK receive 75%, Merchant receive 25%. BRK then give another 25% to Black Mesa. Merchant do not receive any PUD (oil and gas reserves) - all PUD belongs to BRK.
As of the 30th Oct 2019 there will be no further draw down in the facility . The facility funded US $ 4.5 million drilling activity in total. The current outstanding amount is ~ US$ 2.78 million after the facility repaid US$720,000 back to Merchant Funds Management.

Acreage Leasing Facility:
In June 2017, BRK established a land acquisition leasing facility with Tulsa based Oklahoma Energy Consultants, Inc. (OEC) to provide the company with up to US$2.0 million, subsequently increased to US$4 million in March 2018, in funding for Brookside's ongoing leasing activities in the Anadarko Basin Plays in Oklahoma. Maturity of the facility debt has been renewed from December 2019 to December 2020 under the same terms agreed namely, 12% interest rate per annum on amounts outstanding which were US $2.956 million as of 31 Sept 2019.

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Funding Model (continued from previous slide)

Drillco Joint Venture funding:
Similar to the STACK A JV however different terms are applied and agreed between two parties, "DrillCo" deals typically involve a commitment by the investor to fund an agreed share of capital costs to drill and complete wells in exchange for an undivided interest in the portion of the leasehold acreage required to produce from those wells (namely, a "wellbore" interest).

https://www.kirkland.com/publications/article/2015/11/trends-and-issues-with-drillco-transactions

Stonehorse Energy SHE is a drillco JV example agreed on more favorable terms for BRK than the typical example provided above, under the step-in agreement SHE will fund the capital required for drilling and completion in return for only the production WI percentage committed, with no loss to leasehold acreage or PUD.

https://stonehorseenergy.com/

Advanced Notes & Explanations

ASX: BRK
A PRIVATE INVESTOR'S VIEW

Funding Model (continued from previous slide)

Off balance sheet funding mechanism and summary:

Off balance sheet funding mechanisms efficiently fund a significant portion of the land acquisition costs including drilling of the first well within the acreage (drilling unit), books PUD (proved undeveloped) reserves for the drilling unit which then facilitates a revaluation of the acreage by a factor of 10+ times. Company plans divestment sale of the position following revaluation for maximum gain occurs. The funds are then used to repay the drilling costs and other expenses, with the balance being able to be reinvested back into the funding mechanism to facilitate more drilling on other locations and repeating the process cycle.

This funding model basically allows the company to be involved in a drilling program of a magnitude much greater than would ordinarily be available to a microcap stock. The down side is that any cash flow from production is initially directed back to the drilling facility to pay back the drilling and completion costs, which mean BRK will not have access to the production cash flow until well payout which is typically up to 2 years. Therefore, there will be some ongoing need to fund additional land acquisition outside the leasing facility and the albeit small, corporate costs.

https://www.investopedia.com/articles/investing/071513/understanding-offbalance-sheet-financing.asp

Advanced Notes & Explanations

Validation of the Business Model

The validation of the acreage revaluation business model occurred in May 2018, when BRK's 11 acres within the Harry Potter Unit were sold for an average of US$28,600 per acre vs a purchase cost of ~ US$ 2500 per acre. The initial position was acquired as undeveloped acreage, when drilled by Marathon with the successful HR Potter 1511 # 1-3-34XH, allowed PUD reserves to be attributable to the unit, which facilitated a 10 X revaluation of the acreage. As per the business model, this revalued acreage was then sold prior to the instigation of full field development of the unit.

Further validation occurred in July 2018 with the sale of ~96.5 Mineral Royalty acres from BRK's STACK play. The acreage package was sold for US$1,475,000 (~US$15,300 per acre for a mix of partially developed and undeveloped acreage). This price per acre represented ~80% of the estimated "fully developed" PV10 value per acre.

Advanced Notes & Explanations

The SWISH Project

The focus of the company has shifted from scattered small non operated working interests in Blaine County, to a larger, concentrated operated position in the SCOOP predominately in Stephens County Oklahoma which the company has called the SWISH project, being an acronym of Sycamore and Woodford shale In the Southern Half of SCOOP.
Black Mesa has identified an Area of Interest (35000 acres) at the junction of Stephens , Carter and Garvin Counties. The aim was to establish a net operated 8000 acres within at least 10 drilling units which vary in size from 320 to 1280 acres. The target Sycamore Limestone and Woodford Shale reservoirs are successfully being exploited within and around the AOI by companies like Newfield Exploration and Continental Resources.
The Black Mesa team recognised in 2017 that there was a sweet spot of unleased land in the SCOOP section of Oklahoma at the junction of Stephens, Carter and Garvin counties. The area had been overlooked because it appeared that it was already leased out (which is was for historical production) but in fact, the highly prospective Sycamore and Woodford formations were largely unleased. The company began leasing in late 2017 and continued to mid-2018 without much competition. An explosion of competitive leasing especially from Continental Resources in Stephens County, and Echo in Carter County since the middle of 2018, has made direct leasing for BRK much more difficult and expensive.
As of 31st Oct 2019, BRK has an acreage position of ~2500 acres in Stephens & Carter counties, ~305 acres in Garvin County and 430 acres in Blaine County.

Advanced Notes & Explanations

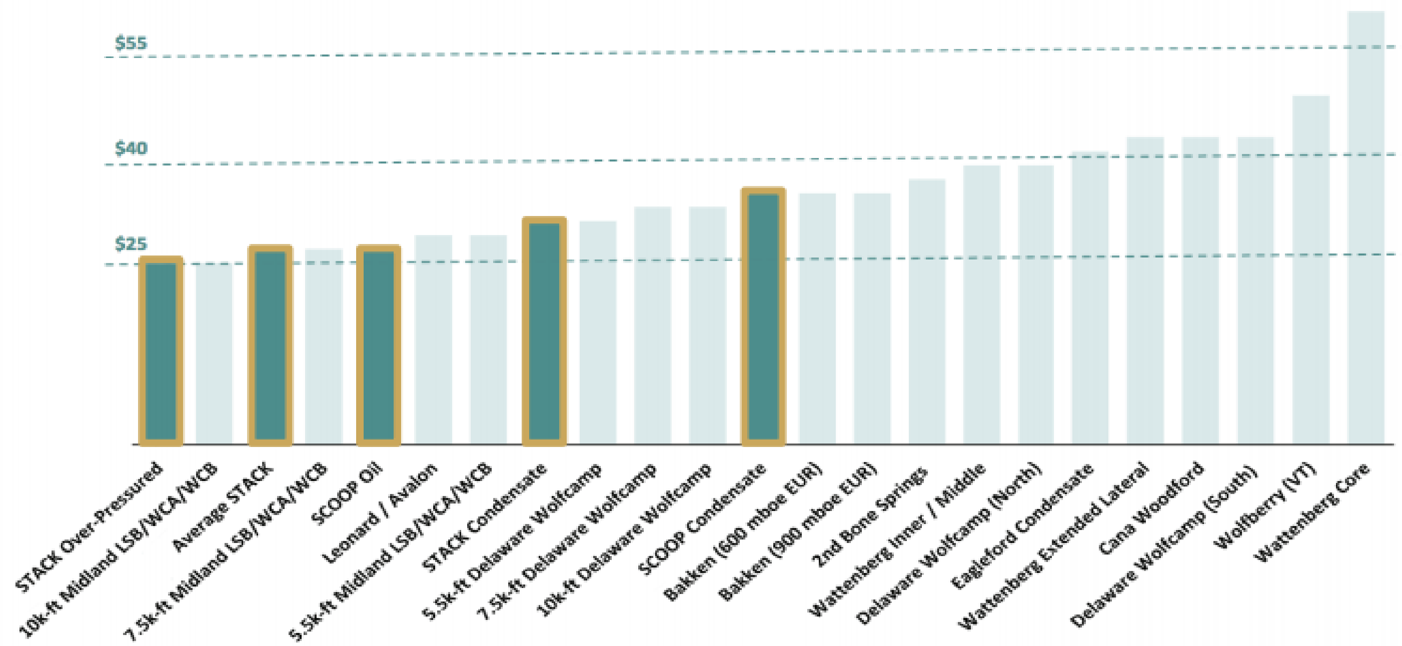
Breakeven Prices – STACK/SCOOP (Highlighted)

As per the illustration to the right (as taken from NYSE: NFX Investor presentation, analysts reports) breakeven prices in the STACK & SCOOP locations have proved to be exceptional even when compared to some of the most prolific basins.

BRK have reported breakeven for their Anadarko shale prospects at between $US29 & US$43 a barrel – refer STOCKHEAD article below:

https://stockhead.com.au/energy/can-the-asxs-american-frackers-survive-us50/

Based on the reported breakeven prices, BRK's land assets are well positioned to achieve maximum return for investors.



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

Advanced Notes & Explanations

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DrillCo or Drilling Partnership

To prove up, (prove reserves) the SWISH acreage will require an initial well within each drilling unit BRK operates. Each well will cost in the order of US $6-10 million per well to drill and complete for production. BRK will not fund these wells but will bring a drilling company or enter into a drilling partnership which will fund the well. This mechanism will allow BRK to avoid the $40-50 million cost to prove up the acreage to PUD status. The DrillCo is engaged through a wellbore only contract, whereby it fully funds BRK's portion of the drilling and development costs of the well, in return for 100% of BRK's entitlement to the Proved Developed Reserves (PDP) and revenue generated by the well. BRK book their entitlement to PUD reserves within the drilling unit and capture the uplift in value of the acreage, which it is then able to sell , ideally at 10 x or greater multiple.

A list of companies can be found here:
https://sprioilgas.com/list-top-oil-and-gas-private-equity-firms/

Advanced Notes & Explanations

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Selling the Company

The natural buyers of the SWISH acreage once the initial well in each drilling unit has been drilled and the land value has significantly appreciated, will be the larger independents and majors like Continental Resources, Newfield, or private equity firms whose business model is based on purchasing development land . These companies have the incentive to purchase the acres because they will buy them at a 20%-30% discount to the NPV10 of the PUD reserves. They will then be able to book these reserves at the full NPV10 value and have an immediate value accretive transaction which bolsters their PUD reserves at a discount. A true win-win transaction for both buyers and sellers. As per the Back In Agreement with BLACK MESA, it is entitled to 25% of the net transaction proceeds, after Brookside recovers its land acquisition and other costs. It is the current intention of BRK, to distribute, the majority, if not all, the net proceeds of the SWISH acreage sale, and its holding in BLACK MESA back to shareholders.

Advanced Notes & Explanations

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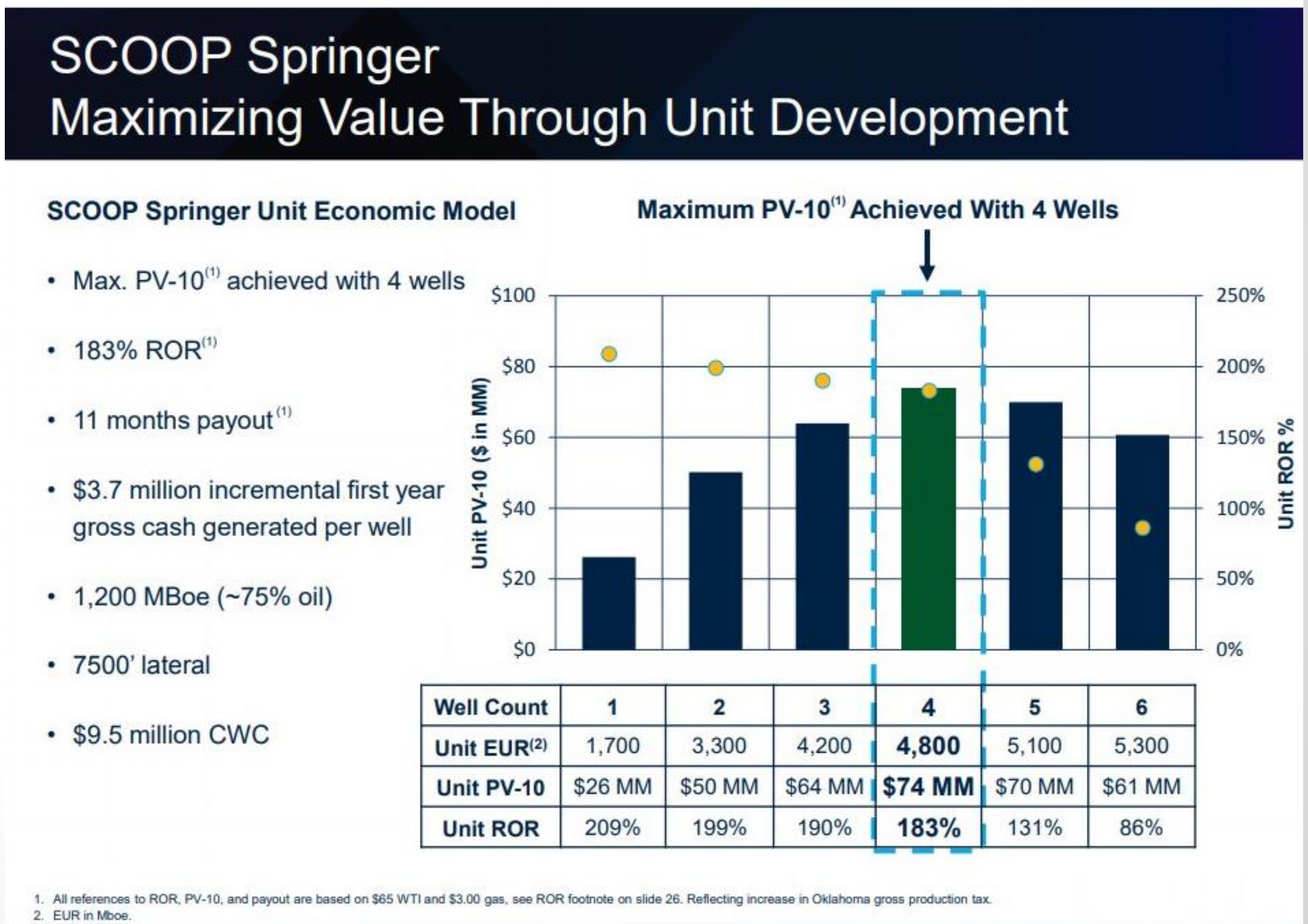
Selling the Company (continued from previous slide)

The image to the right was taken from Continental's May 2018 investor update. It shows the NPV10 they were expecting from their Springer project, just north of the SWISH location and highlights the value possible from the same Woodford and Sycamore formations.

Note, the price of oil at that time was US$ 65 for WTI but regardless, it is a compelling graphic showing NPV10 of US $74 million in a 1280 acre unit, giving a US$ 57,812 per acre value.
From here, we can speculate as to the value of the SWISH acreage.



Well Count	1	2	3	4	5	6
Unit EUR[2]	1,700	3,300	4,200	**4,800**	5,100	5,300
Unit PV-10	$26 MM	$50 MM	$64 MM	**$74 MM**	$70 MM	$61 MM
Unit ROR	209%	199%	190%	**183%**	131%	86%

Advanced Notes & Explanations

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Hypothetical Gross Valuation of Land Assets (Speculative Only)

The table to the right shows a speculative gross SP value of ~12c with options excluded and ~9c with options included. These figures are based on the SWISH, STACK & SCOOP acreages ultimately all being valued at US$30,000 per acre. As BRK have achieved close to US$30,000 (US$28,600) per acre in earlier divestments for smaller parcels of land in STACK/SCOOP areas, this figure may be achievable for the SWISH acreage also once reserves and flow rates have been proven.

A downloadable link to the excel worksheet is provided below:
Valuation Calculator Link

The table is considered speculative only as the title of this slide suggests and does not take into account factors such as debt owing, taxes, changing stock market / oil market conditions and various other factors. The authors strongly advise potential investors to reference company presentations including forward statements to draw their own conclusions or contact the company for further information.

ESTIMATED (APPROXIMATE) FIGURES ONLY	
STACK ACRES	430
~ $USD / Acre (SPECULATION ONLY)	$30,000
Calculated Value $USD	$12,900,000
SCOOP ACRES	300
~ $USD / Acre (SPECULATION ONLY)	$30,000
Calculated Value $USD	$9,000,000
SWISH ACRES	2200
~ $USD / Acre (SPECULATION ONLY)	$30,000
Calculated Value $USD	$66,000,000
Total Calculated Value $USD	$87,900,000
Total Calculated Value in $AUD (x1.45 as at Nov 2019)	$127,455,000
Total Shares on Issue	999,221,875
Calculated Share Price (Total Calculated Value in AUD Divided by Shares on Issue)	$0.1276
Total Options on Issue (Exp DEC 2020)	295,140,625
Total Shares on Issue	999,221,875
Total	1,294,362,500
Calculated Share Price (Total Calculated Value in AUD Divided by Shares on Issue including Options)	$0.0985

Advanced Notes & Explanations

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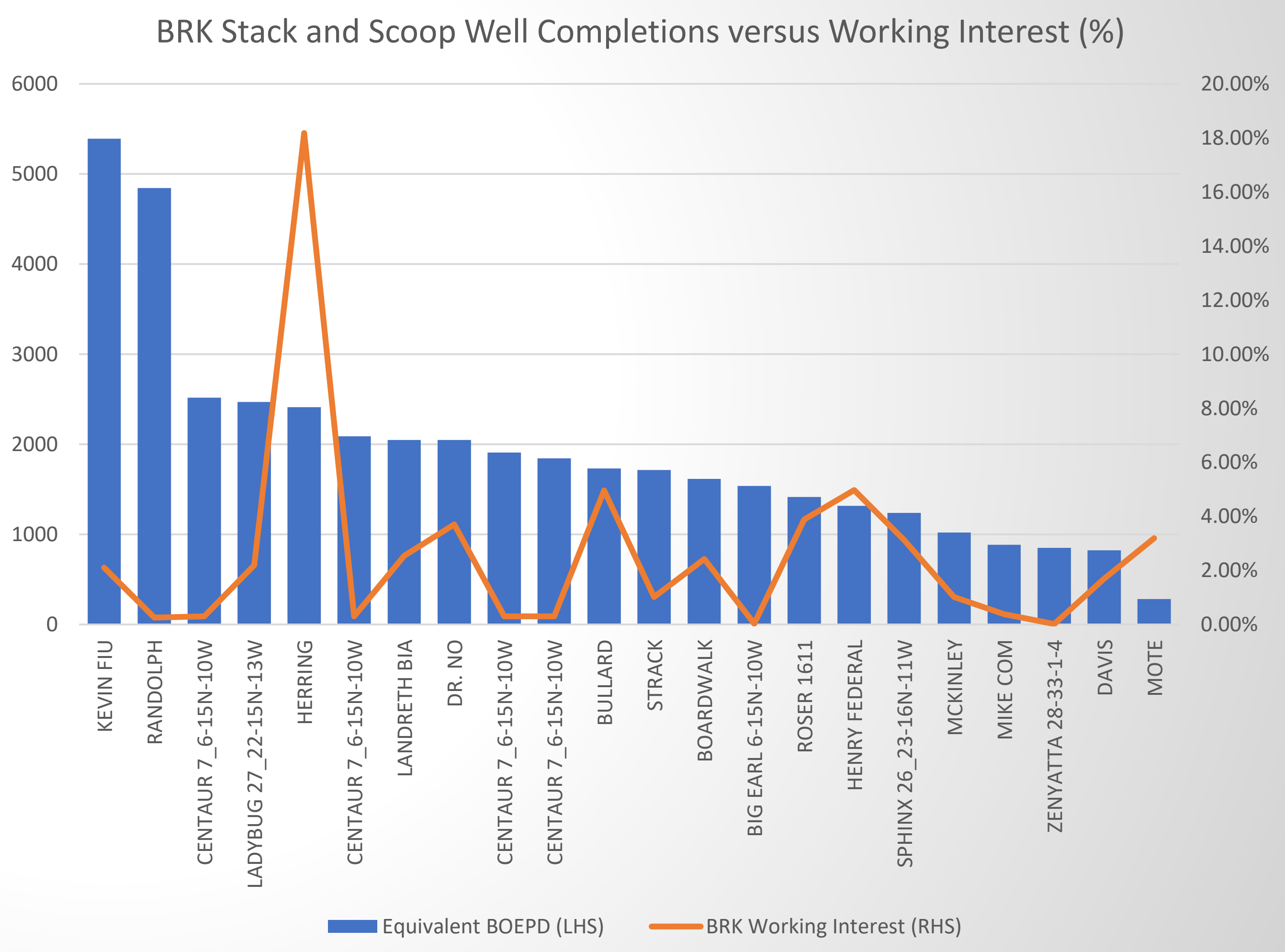
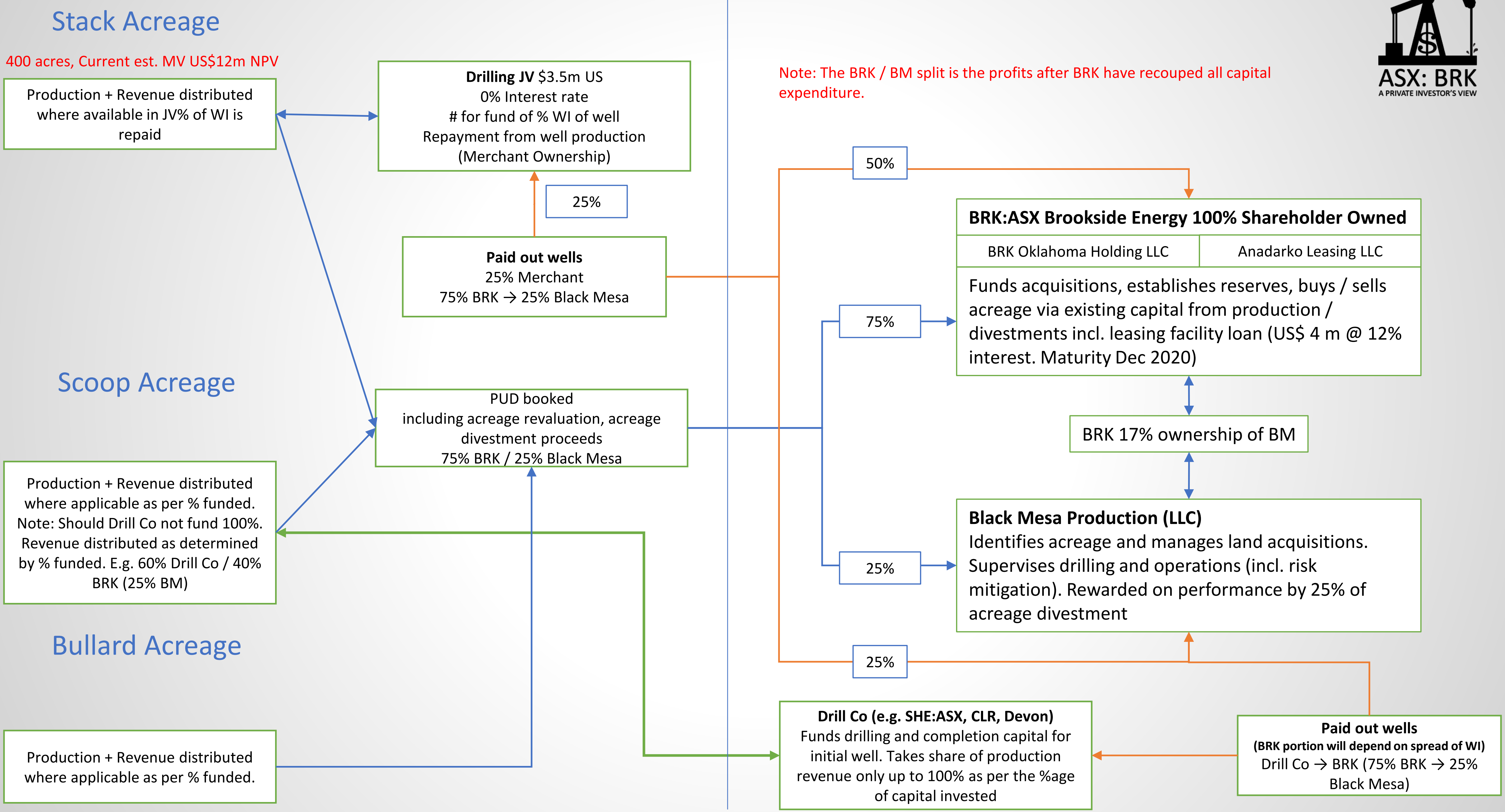
Well Results

Well Name	Operator	WI	Status	Results BOEPD
KEVIN FIU	CONTINENTAL RESOURCES INC	2.1%	Producing	5392
RANDOLPH	CONTINENTAL RESOURCES INC	0.3%	Producing	4845
CENTAUR	DEVON ENERGY PRODUCTION CO LP	0.3%	Producing	2519
LADYBUG	DEVON ENERGY PRODUCTION CO LP	2.2%	Producing	2469
HERRING	TRIUMPH ENERGY PARTNERS LLC	18.2%	Producing	2412
CENTAUR	DEVON ENERGY PRODUCTION CO LP	0.3%	Producing	2091
LANDRETH	MARATHON OIL COMPANY	2.6%	Producing	2050
DR. NO	TRIUMPH ENERGY PARTNERS LLC	3.7%	Producing	2047
CENTAUR	DEVON ENERGY PRODUCTION CO LP	0.3%	Producing	1910
CENTAUR	DEVON ENERGY PRODUCTION CO LP	0.3%	Producing	1844
BULLARD	RIMROCK RESOURCE OPERATING LLC	5.0%	Producing	1731
STRACK	MARATHON OIL COMPANY	1.0%	Producing	1714
BOARDWALK	CASILLAS OPERATING LLC	2.4%	Producing	1617
BIG EARL	DEVON ENERGY PRODUCTION CO LP	0.0%	Producing	1540
ROSER	MARATHON OIL COMPANY	3.9%	Producing	1416
HENRY FEDERAL	CONTINENTAL RESOURCES INC	4.97%	Producing	1319
SPHINX	DEVON ENERGY PRODUCTION CO LP	3.1%	Producing	1239
MCKINLEY	CONTINENTAL RESOURCES INC	1.0%	Producing	1023
MIKE COM	CIMAREX ENERGY CO	0.4%	Producing	885
ZENYATTA	ROAN RESOURCES LLC	0.0%	Producing	850
DAVIS	TRIUMPH ENERGY PARTNERS LLC	1.7%	Producing	825
MOTE	RIMROCK RESOURCE OPERATING LLC	3.2%	Producing	285



Areas of Interest (US$)

Corporate Structure



ASX: BRK
A PRIVATE INVESTOR'S VIEW

Brookside Energy Valuation Model

ASX: BRK
A PRIVATE INVESTOR'S VIEW

Summary

Current Price	0.009	**Breakup Value cps**	0.0321	**Market Cap**	8,992,997	**Currency**	AUD
Shares on Issue	999,221,875	**Prem / Disc to SP**	257%	**AUD USD FX Rate**	**0.69**	**Year End**	December
Options on Issue	250,140,625						

Per share data	2015	2016	2017	2018	H2019
Shareprice	0.008	0.011	0.012	0.011	0.009
Revenue Per Share	0.000	0.000	0.000	0.001	0.001
Free Cashflow	(1,046,833)	(4,049,439)	(4,783,311)	(2,663,116)	(743,690)
FCF per share	(0.001)	(0.004)	(0.005)	(0.003)	(0.001)
Return on Sale of Assets	0%	0%	0%	64%	93%
Net Debt / Equity	0%	0%	63%	44%	54%

Acreage Valuation	Acres	Est. Price (USD)	USD Value	AUD Value
STACK	430	21,000	9,030,000	
SCOOP	305	21,000	6,405,000	
SWISH	2,200	7,500	16,500,000	
		BM Divestment Proceeds (25% less 17% BRK shareholding)	(6,626,513)	
		USD Asset Value	25,308,488	36,541,276
		Less Net Debt (AUD)		(4,439,396)
		AUD Breakup Value		32,101,880

P&L	2015	2016	2017	2018	H2019
Revenue	29,693	6,010	30,809	909,987	1,167,704
Expenses	(2,270,689)	(416,004)	(1,020,391)	(1,541,101)	(553,151)
EBITDA	(2,240,996)	(409,994)	(989,582)	(631,114)	614,553
Amortisation/Depreciation	-	-	-	-	(178,538)
EBIT	(2,240,996)	(409,994)	(989,582)	(631,114)	436,015
Interest on financing	-	-	(105,969)	(586,666)	(280,293)
Profit before Tax	(2,240,996)	(409,994)	(1,095,551)	(1,217,780)	155,722
Taxation	-	-	-	-	-
Other comprehensive income	-	(43,805)	(247,322)	1,117,179	71,835
Net Profit After Tax	(2,240,996)	(453,799)	(1,342,873)	(100,601)	227,557
Transferred to Reserves	(2,240,996)	(409,994)	(1,095,551)	(1,217,780)	155,722

Cashflow	2015	2016	2017	2018	H2019
Receipts from customers	-	-	-	98,000	995,733
Payments to suppliers and employees	(185,359)	(603,651)	(711,356)	(850,534)	(380,189)
Interest Received	7,424	6,010	1,789	1,183	96
Settlement of DOCA	(737,892)	-	-	-	-
Operating Cashflow	**(915,827)**	**(597,641)**	**(709,567)**	**(751,351)**	**615,640**
Expansion capex	(131,006)	(3,451,798)	(4,073,744)	(3,988,879)	(1,661,954)
Asset disposal	-	-	-	2,077,114	302,624
Investing Cashflow	**(131,006)**	**(3,451,798)**	**(4,073,744)**	**(1,911,765)**	**(1,359,330)**
Proceeds from shares and options	2,903,229	2,180,857	1,858,934	2,914,095	9,981
Proceeds / payments - borrowings	-	200,000	2,716,901	743,519	200,000
Financing cashflow	**2,903,229**	**2,380,857**	**4,575,835**	**3,657,614**	**209,981**
Cash at beginning period	-	1,858,994	256,857	51,854	1,193,306
Effect of exchange rate on cash	2,598	66,445	2,473	146,954	44,820
Cash at end of period	**1,858,994**	**256,857**	**51,854**	**1,193,306**	**704,417**

Balance Sheet	2015	2016	2017	2018	H2019
Current Assets	-	-	-	-	-
Non-Current Assets	-	3,781,810	8,000,948	11,364,484	12,649,418
Total Assets	-	3,781,810	8,000,948	11,364,484	12,649,418
Net Working Capital	505	(227,235)	(347,574)	(47,414)	(54,146)
Net Debt	1,858,994	56,857	(2,970,890)	(3,451,532)	(4,439,396)
Share Capital	218,405,878	220,586,610	222,355,544	225,354,557	225,407,357
Accumulated Reserves	1,948,231	1,929,426	2,327,095	3,728,916	3,810,732
Accumulated Losses	(218,494,610)	(218,904,604)	(220,000,155)	(221,217,935)	(221,062,213)
Total Capital	1,859,499	3,611,432	4,682,484	7,865,538	8,155,876
Balance Test	1,859,499	3,611,432	4,682,484	7,865,538	8,155,876

Brookside Energy Valuation Model

ASX: BRK
A PRIVATE INVESTOR'S VIEW

Corporate Structure

Corporate Details	
Stock Code	**BRK**
Official Listing Date	**31-Oct-15**
Fiscal year	December
GICS Indusry Group	Energy
Share Price	0.01

Borrowing Costs	
Interest on lease facility	12%

Exchange Rate (AUD/USD)	0.6926	0.7306	0.7236	0.78	0.7058	0.6926
Change in Exchange Rate			0.97%	-7.23%	10.51%	1.91%

	Actual				
Capital Strucutre	**2015**	**2016**	**2017**	**2018**	**2019**
Shares on Issue	400,000,000	625,000,000	790,000,000	994,821,875	999,221,875
Options on Issue	187,499,924	250,000,000	460,000,000	70,000,000	225,140,625
Unlisted Options			25,000,000	25,000,000	25,000,000
Options Valuation Reserve	1,948,231.00	1,973,231	2,618,222	2,902,864	2,912,845
Issued Capital	218,405,878	220,586,610	222,355,544	225,354,557	225,407,357

Balance Sheet

Balance Sheet	2015	2016	2017	2018	H2019
Assets					
Current Assets					
Cash and cash equivalents	1,858,994	256,857	51,854	1,193,306	*704,417*
Trade and other receivables	69,881	33,017	24,366	24,337	*17,552*
Total Current Assets	**1,928,875**	**289,874**	**76,220**	**1,217,643**	***721,969***
Non-Current Assets					
Other Receivables			12,820	-	
Production Assets	-	-	-	-	*124,986*
Investments	-	1,951,077	1,994,614	972,484	*1,336,773*
Exploration and evaluation	-	1,830,733	5,993,514	10,392,000	*11,187,659*
Total Non-Current Assets	-	**3,781,810**	8,000,948	11,364,484	*12,649,418*
Total Assets	**1,928,875**	**4,071,684**	**8,077,168**	**12,582,127**	***13,371,387***
Liabilities					
Trade and other payables	69,376	260,252	371,940	71,751	*71,698*
Borrowings		200,000	-	4,644,838	*5,143,813*
Total Current Liabilites	**69,376**	**460,252**	**371,940**	**4,716,589**	***5,215,511***
Non-Current Liabilities					
Borrowings			3,022,744	-	-
Total Non-Current Liabilities			**3,022,744**	-	-
Total Liabilities	**69,376**	**460,252**	**3,394,684**	**4,716,589**	***5,215,511***
Net Assets	**1,859,499**	**3,611,432**	**4,682,484**	**7,865,538**	***8,155,876***
Equity					
Issued Capital	218,405,878	220,586,610	222,355,544	225,354,557	*225,407,357*
Reserves	1,948,231	1,929,426	2,327,095	3,728,916	*3,810,732*
Acculated Losses	(218,494,610)	(218,904,604)	(220,000,155)	(221,217,935)	*(221,062,213)*
Total Equity	**1,859,499**	**3,611,432**	**4,682,484**	**7,865,538**	***8,155,876***

Brookside Energy Valuation Model

ASX: BRK
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Income Statement

Income Statement	2015	2016	2017	2018	H2019
	Actual				
Revenue					
Royalty Revenue				98,000	*1,021,718*
Gain on disposal of Asset				810,804	*145,890*
Interest Revenue	7,424	6,010	1,789	1,183	*96*
SHE StepIn	-	-	-	-	-
Other Revenue	22,269	-	29,020	-	
Total Revenue	**29,693**	**6,010**	**30,809**	**909,987**	***1,167,704***
Expenses					
Amortisation, depreciation, depletion and rehabilitation expense					*(178,538)*
Other expenses	(182,012)	(166,715)	(273,000)	(329,917)	*(124,762)*
Director and Employee related expenses	(110,000)	(225,000)	(254,167)	(260,000)	*(130,000)*
Interest on Financing	-	-	(105,969)	(586,666)	*(280,293)*
Consultant fees	(158,907)	(96,557)	(94,390)	(87,205)	*(14,078)*
Compliance and registry expenses	(128,106)	(164,138)	(163,606)	(173,332)	*(118,139)*
Adminstrator expenses	-				
Production costs	-				*(98,617)*
Writeoff of fixed assets	(4,149)	-	-	-	
Writeoff of assets not collectable	(33,067)	-	-	-	
Residual administration writeoffs	387,191	20,025	-	-	
Project expense impairment/ reversal of impairment	(131,006)	131,006	-	-	
Share based payments expense	(1,913,231)	(24,875)	(179,991)	(346,242)	*(52,800)*
Gain/(loss) on foreign exchange movement	2,598	110,250	(55,237)	(344,405)	*(14,755)*
Total Expenses	**(2,270,689)**	**(416,004)**	**(1,126,360)**	**(2,127,767)**	***(1,011,982)***
Loss before income tax expense	**(2,240,996)**	**(409,994)**	**(1,095,551)**	**(1,217,780)**	***155,722***
Tax expense	-	-	-	-	-
Net loss for the year from continuing operations	**(2,240,996)**	**(409,994)**	**(1,095,551)**	**(1,217,780)**	***155,722***
Discontinued operations					
Net loss for the year from discontinued operations	-	-	-	-	-
Net loss for the year	**(2,240,996)**	**(409,994)**	**(1,095,551)**	**(1,217,780)**	***155,722***
Other comprehensive income					
Foreign exchange gain/(loss) reclassified to profit and loss	-	(43,805)	(247,322)	1,117,179	*71,835*
Other comprehensive loss for the year net of taxes	**(2,240,996)**	**(453,799)**	**(1,342,873)**	**(100,601)**	***227,557***
Total comprehesive gain/(loss) for the year	**(2,240,996)**	**(453,799)**	**(1,342,873)**	**(100,601)**	***227,557***
Earnings/(loss) Per Share					
Basic and diluted loss per share (cents)	(0.01)	(0.00)	(0.00)	(0.00)	*0.00*

Cashflow

Cashflow Statement	2015	2016	2017	2018	H2019
	Actual				
Cashflows Used in Operating Activities					
Receipts from customers	-			98,000	995,733
Payments to suppliers and employees	(185,359)	(603,651)	(711,356)	(850,534)	(380,189)
Interest Received	7,424	6,010	1,789	1,183	96
Settlement of DOCA	(737,892)	-	-	-	-
Net cash provided from operating activities	(915,827)	(597,641)	(709,567)	(751,351)	615,640
Cashflows from Investing Activities					
Payments for investments	(131,006)	(1,621,065)	(329,480)	-	-
Proceeds from sales of investment	-	-	-	2,077,114	302,624
Payments for exploration activities	-	(827,429)	-	-	(1,661,954)
Payments for development activities	-	-	-	-	-
Payments for property, plant and equipment	-	-	-	-	-
Other (movement in cash held by BM)	-	-	-	-	-
Payments for acquisition of oil and gas properties	-	(1,003,304)	(3,744,264)	(3,988,879)	-
Net cash (used in) investing activities	(131,006)	(3,451,798)	(4,073,744)	(1,911,765)	(1,359,330)
Cashflows from Financing Activities					
Proceeds from issue of shares and options	3,134,979	2,300,125	1,980,000	3,155,655	9,981
Transaction costs on issue of shares	(231,750)	(119,268)	(121,066)	(241,560)	-
Payments of borrowings	-	-	-	-	-
Proceeds from borrowings	-	200,000	2,716,901	743,519	200,000
Borrowing costs, including capitalised finance fees	-	-	-	-	
Net cash provided by financing activities	2,903,229	2,380,857	4,575,835	3,657,614	209,981
Net increase (decrease) in cash and cash equivalents	1,856,396	(1,668,582)	(207,476)	994,498	(533,709)
Cash at beginning period	-	1,858,994	256,857	51,854	1,193,306
Effect of exchange rate on cash	2,598	66,445	2,473	146,954	44,820
Cash at end of period	**1,858,994**	**256,857**	**51,854**	**1,193,306**	**704,417**
Operational cashflow	(915,827)	(597,641)	(709,567)	(751,351)	615,640
Expansion capex	(131,006)	(3,451,798)	(4,073,744)	(3,988,879)	(1,661,954)
Fixed asset disposal	-	-	-	2,077,114	302,624
Free cashflow	**(1,046,833)**	**(4,049,439)**	**(4,783,311)**	**(2,663,116)**	**(743,690)**

Brookside Energy Valuation Model

ASX: BRK
A PRIVATE INVESTOR'S VIEW

Changes in Equity

Changes in Equity	Issued Capital	Accumulated Losses	Share Based Payment Reserve	Foreign Currency Translation Reserve	Total
2015					
Opening Balance	215,487,649	(216,253,614)			(765,965)
Loss for Period		(2,240,996)			(2,240,996)
Shares issued during the period	3,149,979				3,149,979
Options issued during the period			1,948,231		1,948,231
Capital raising costs	(231,750)				(231,750)
Balance at 31 December 2015	**218,405,878**	**(218,494,610)**	**1,948,231**	**-**	**1,859,499**
2016					
Loss for Period		(409,994)			(409,994)
Other comprehensive loss				(43,805)	(43,805)
Shares issued during the period	2,300,000				2,300,000
Options issued during the period			25,000		25,000
Capital raising costs	(119,268)				(119,268)
Balance at 31 December 2016	**220,586,610**	**(218,904,604)**	**1,973,231**	**(43,805)**	**3,611,432**
2017					
Loss for Period		(1,095,551)		(247,322)	(1,342,873)
Other comprehensive loss					-
Shares issued during the period	1,980,000				1,980,000
Options issued during the period			644,991		644,991
Capital raising costs	(211,066)				(211,066)
Balance at 31 December 2017	**222,355,544**	**(220,000,155)**	**2,618,222**	**(291,127)**	**4,682,484**
2018					
Loss for Period		(1,217,780)			(1,217,780)
Other comprehensive loss				1,117,179	1,117,179
Shares issued during the period	3,160,000				3,160,000
Shares issued in lieu of services	108,350				108,350
Options issued during the period			284,642		284,642
Capital raising costs	(269,337)				(269,337)
Balance at 31 December 2018	**225,354,557**	**(221,217,935)**	**2,902,864**	**826,052**	**7,865,538**
2019					
Loss for Period		155,722			155,722
Other comprehensive loss				71,835	71,835
Shares issued during the period					-
Shares issued in lieu of services	52,800				52,800
Options issued during the period			9,981		9,981
Capital raising costs			.		-
Balance at 31 December 2018	**225,407,357**	**(221,062,213)**	**2,912,845**	**897,887**	**8,155,876**

Other Assets

	Actual			
Black Mesa	**2015**	**2016**	**2017**	**2018**
Opening Balance	-	-	1,951,077	1,994,614
Black Mesa LLC - EarnIn	131,006	617,745	184,615	-
RA Minerals Royalty Rights Acquisition (as cost)		1,202,326	-	(1,177,111)
Foreign Currency Translation on movement			(141,078)	154,981
Impairment	(131,006)	131,006	-	-
Closing Balance	**-**	**1,951,077**	**1,994,614**	**972,484**

Exploration and Evaluation	2015	2016	2017	2018
Opening Balance		-	1,830,733	5,993,514
Anadarko Basin Leasehold Acquisition				4,849,094
Stack JV			375,000	-
Foreign Currency transaction movement			(132,376)	(450,608)
Stack Project (acquisition costs)		1,830,733	3,920,157	-
Closing Balance		**1,830,733**	**5,993,514**	**10,392,000**

Brookside Energy Valuation Model

Borrowings

Interest Rate 12%

USD Borrowings	2015	2016	2017	2018
Opening Balance	-	-	-	2,372,928
Oklahoma Energy LLC	-	-	2,289,739	
Interest Accrued on Borrowings	-	-	83,188	414,069
Closing Balance	-	-	2,372,928	2,786,996
AUDUSD	-	-	0.79	0.71

USD Borrowings	2015	2016	2017	2018
Opening Balance	-	-	-	3,022,744
Oklahoma Energy LLC	-	-	2,916,775	743,519
Interest Accrued on Borrowings	-	-	105,969	586,666
Foreign Currency Translation	-	-	-	291,909
Closing Balance	-	-	3,022,744	4,644,838
AUD Borrowings				
Opening Balance	-	-	200,000	-
Cicero Advisory Services	-	200,000	(200,000)	-
Interest Accrued	-	-	-	-
Closing Balance	-	200,000	-	-
Total Borrowings	**-**	**200,000**	**3,022,744**	**4,644,838**

Current Acreage Valuation (Estimated)

Location	Acres	Est. Price (USD)	Current Value (USD)	Current Value AUD
STACK	430	21,000	9,030,000	13,037,828
SCOOP	305	21,000	6,405,000	9,247,762
SWISH	2200	7,500	16,500,000	23,823,275
			31,935,000	46,108,865
			Payable to BM	10,000,000
			Total To BRK	**36,108,865**

Note: This number will be revised down to recoup BRK sunk costs to that point. This includes leasehold costs as well as drilling costs.

Advanced Notes & Explanations

Stonehorse Energy

Stonehorse Energy is an example of a DrillCo. In fact, it can be considered the primary Drillco for BRK and has been established to be the main funder of BRK drilling projects in Oklahoma. Despite the very close relationship between the two companies, they are separate entities with different board, management personnel and individual offices.

HISTORY

The relationship started in 2016, when the principle behind SHE, Robert Gardner was introduced to David Prentice. Gardner was looking for oil and gas assets to be acquired by Nicklore, (NIO) a company he was Chairman of and major shareholder. (for further information on the background see https://stonehorseenergy.com/, http://lonestarenergy.com.au/, http://www.nickelorelimited.com.au)

Every year since 2016, BRK have been undertaking broker, investor and shareholder tours to Oklahoma to give a first hand overview of the operations and meet the Black Mesa executives and personnel who operate on the ground on behalf of BRK. Gardner joined the 2017 tour where he developed an understanding of the BRK business model and decided that he wanted to become involved on the well bore funding / cashflow side of the model.

SHE initially proposed a capital raise of up to A$8 million in late 2017 , but it wasn't until April 2019 that the minimum A$4.66 million was raised after changing brokers from Pac Partners to Red Leaf - relisting on the ASX occurred in August 2019.

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Advanced Notes & Explanations

Stonehorse Energy (continued from previous slide)

THE MODEL

The BRK business model of acquiring undeveloped land, increasing the value of the acreage through drilling, initiating production and establishing Proved Developed Producing Reserves (PDP) and proved Undeveloped Reserves (PUD) via third party funding is a common practice in the United States (especially amongst private equity firms) but unknown in Australia. BRK use their funds to initially acquire the acreage, and then use third party funders, through joint venturing or through Drill Co's to fund the drilling, completion and commencing production costs. SHE is the third party funder that is crucial to the BRK model. There can be a few variations to the model, but the basic structure is once production has been established, the funder (SHE) receives all the cash flow and proved reserves until depletion from their equity participation in the well . It has equity only in the well bore, but no equity in the acreage. BRK retains 100% of the PUD reserves and receives the benefit of the increase in value due to the establishment of the PUD reserve. In essence, there are two distinct value creators: the cash flow component, which is what SHE are after, and the land revaluation, which is what BRK are after.

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Advanced Notes & Explanations

ASX: BRK
A PRIVATE INVESTOR'S VIEW

Stonehorse Energy (continued from previous slide)

THE EXAMPLE

BRK own 50 % of a 1280 acre drilling unit or (640 net acres) and it will cost US 10 million to drill, complete and commence production. The predrill estimates are that the well will prove a 10 million barrel reserve within the drilling block, of which 2 Million barrels will be PDP and 8 million barrels will be PUD. It is estimated that a further 4 wells will be required to access the 8 million PUD reserve. SHE fund all of the BRK equity in the well and therefore have to spend US$ 5 million as their share.

The well is successful , produces initially at 1500 BOEPD and meets the predrill estimations for the reserves.

SHE are entitled to 50% of the PDP (or 1 million barrels) and 50% of the production (750BOEPD) until all the economic hydrocarbons are produced (which could take 15 years depending on the decline curve). SHE has no equity in the 640 acre land position and therefore is not entitled to any of the PUD reserve. BRK in this instance receive no income from production, but are entitled to 50% of the PUD, or 4 million barrels as they retain full ownership of their equity in the land. BRK are free to realize the value by selling their equity in the 640 acres which does not affect SHE as they keep their ownership in the well no matter who owns the acreage.

The new owners of the 640 acres can realize value of the PUD by participating in the 4 further wells to access the 8 million barrel PUD. SHE do not participate in these wells as they have no ownership in the acres.

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Advanced Notes & Explanations

ASX: BRK
A PRIVATE INVESTOR'S VIEW

Stonehorse Energy (continued from previous slide)

THE BENEFITS TO SHE

Why would a company like SHE want to participate as the funder in this type of model?

There are a number of benefits for the funder. Firstly, all their investment goes to the drilling of the well. SHE have no land acquisition or lease holding costs, no need for legal costs in winning operations for drilling units and significantly, no lead time delays. Projects presented to SHE are drill ready so the investment to income gap can be as short as it takes to drill the well and place it on production. The ability to recycle capital is accelerated due to this type of funding structure.

SHE can operate with a very small staff and keep corporate costs very low as it doesn't need the multiple layers of geologist, geoscientists, land men needed to identify, technically analyze and work up the drilling units and prospects.

THE BENEFITS TO BRK

The main benefit is obvious. With a drilling funder BRK are free from the major expense of drilling the well. This means less capital needed to fund operations, which in itself means less dilution of the equity base through capital raisings. A significant degree of isolation from the oil/ gas price cycle as production income is not a primary goal.

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Advanced Notes & Explanations

ASX: BRK
A PRIVATE INVESTOR'S VIEW

Stonehorse Energy (continued from previous slide)

THE RELATIONSHIP SO FAR

SHE have access to production drilling development prospects through a step in arrangement with BRK to essentially take over the drilling commitments from BRK. The BRK drilling inventory is generated by it's operating company in the USA , Black Mesa. The deal allows BRK to present opportunities to SHE, who have the right to , but not the obligation to take up the right to step in for BRK. Once they agree to step in, all the BRK well drilling financial commitments, including the requirement to allocate a 25% portion of the step in WI of the well to Black Mesa once the well achieves payout are passed on to SHE.

The prospectus SHE lodged as part of the capital raise stated SHE will purchase all the issued capital of Lone Star Energy which included interests in 2 producing fields, and the step in agreement with BRK, whereby SHE had the right to participate in the drilling of a number of STACK A JV wells (including the Henry Federal 31-8-5 XH at 5.23% WI), and the Bullard #1-18/7H in the SCOOP play (20.57% WI)..It also stated that BRK will present SHE with further opportunities, as yet undefined with time. At the lodging of the SHE prospectus in late 2017, no wells have yet been drilled.

Due to the delay in closing the capital raise till Mid 2019, both the Bullard and Henry Federal wells had been drilled been drilled and placed on production, Bullard in August 2018 and Henry Federal in May 2019, prior to the relisting of SHE. This presented a situation where BRK had self funded, and received significant production revenue, primarily from the Bullard well, raising the obvious question. How can SHE step in for BRK to fund the drilling of wells, after they had been drilled and in the case of the Bullard effectively, paid for itself over the intervening 12 month period?

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Advanced Notes & Explanations

Stonehorse Energy (continued from previous slide)

THE RELATIONSHIP SO FAR - continued

The Authorities For Expenditure(AFE's), basically the agreed pre drill budget for the BRK share of the Bullard and Henry Federal wells were approximately A$ 2.8 and $0.9 million respectively, the SHE step in for all the BRK WI would have cost approximately A$3.7 million. Both wells were highly productive and had IP24 flow rates of 1828 BOEPD and 1319 BOEPD.
On the 24/10/2019, SHE announced it would part step in for the Bullard and Henry Federal wells at 15.6% and 2.3% equity levels for a consideration of Us$1,150,000. The net production attributable to SHE from this transaction is in the order of 100-120 BOEPD.

THE FUTURE

It must be appreciated that SHE was basically established to be the Australian version of a Drillco to fund the BRK drilling program. Though independent companies, they rely on each other in a symbiotic relationship, and that is expected to grow further with time. Now that SHE has satisfied it's listing obligations, it is free to continue pursuing it's business plan of stepping in to opportunities presented to it by BRK. Post settling the first acquisition, it retains ~ A$ 1 million and has production cash flow. The company was very keen to participate in the Jewell well, and would be expected to do so, pursuant to raising capital.

https://stonehorseenergy.com/

Advanced Notes & Explanations

ASX: BRK
A PRIVATE INVESTOR'S VIEW

Black Mesa & Brookside Energy Relationship

Black Mesa is Brookside's operator and partner in the United States. It is a privately held oil and gas exploration company with headquarters in Tulsa, Oklahoma. Its principles have been establishing, building and selling oil and gas companies for the last 40 years. It was founded with the aim to identify, acquire and develop oil and gas opportunities in the Mid Continent of the USA.

The relationship is more than just a working one, BRK has funded 30% of $3.126 million start-up capital for Black Mesa, in combination with an experienced sophisticated investor group based out of Tulsa, whom have contributed 70% over a three year term beginning December 2015. Both parties completed their earn in obligations with BRK's final capital contribution of US$253,000 in the first quarter of 2019 resulting in BRK owning a 17% stake, the Tulsa group 35% and the Black Mesa executive team owning the remaining 48%. Black Mesa operates all aspects of BRK's USA business and earns 25% of BRK's equity position after payout or sale on a property by property basis.

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

Advanced Notes & Explanations

ASX: BRK
A PRIVATE INVESTOR'S VIEW

Black Mesa & Brookside Energy Relationship (continued from previous slide)

The relationship between Black Mesa and Brookside is fundamental to BRK's success in the USA. There has been previous working relationship between David Prentice and Bill Warnock as described in the following extract from STOCKHEAD:

"Oklahoma oil and gas land play Brookside Energy didn't accidentally stumble over the region where it wants to make a fortune — it was led there by a very experienced team.
Brookside (ASX:BRK) is in the business of buying oil and gas leases in Oklahoma's STACK and SCOOP areas cheaply, undertake some renovating in the form of defining reserves, and then sell them off when prices are high.
STACK and SCOOP have been described as the two hottest areas for development within the 130,000 sq km Anardarko Basin — one of the most productive oil and gas regions in the United States.
Managing director David Prentice says part of the reason Brookside was able to pick leases up for rock bottom prices from early 2016 was due to the experience of US partner Black Mesa."
"The team on the ground at Black Mesa are Oklahoma natives and have many decades experience in the Anadarko Basin, so they are very familiar with the land and leasing environment there." he told Stockhead.

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Advanced Notes & Explanations

ASX: BRK
A PRIVATE INVESTOR'S VIEW

Black Mesa & Brookside Energy Relationship (continued from previous slide)

"The team at Black Mesa is led by Bill Warnock, a man who did accidentally stumble into the oil leasing game in 1985 when he launched a company called Medallion Petroleum. He then thought oil prices couldn't fall much further & now was the time to buy - they did have further to fall, but not before Medallion had sold a property with oil reserves. The money from that sale kept them afloat through challenging years while peers became mired in debt.

In 2013, Mr Warnock was one of the top minds that Mr Prentice chased down to sit on the board of the forerunner of Brookside, ASX-listed Red Fork Energy.

Ten years later oil prices had plunged from $US112 a barrel in mid-2014 to $US42 in August 2015.

Mr Prentice says it was at that point when they decided to start Brookside, back-door list it into Red Fork, and launch Black Mesa as a US start-up."

"The relationship with Bill in particular led to the establishment of Black Mesa and through that he was able to bring a team of guys he'd worked with over decades to build a team." Mr Prentice said.

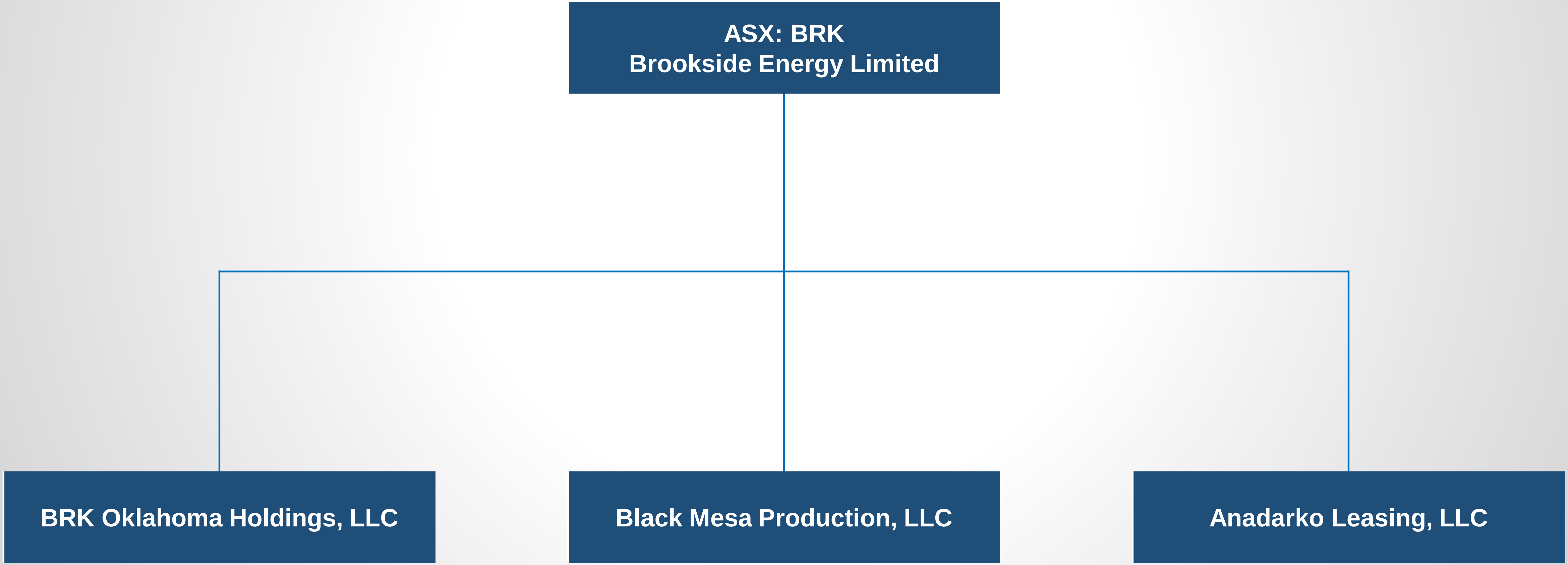
"That's a team of people who have worked together for several decades and done half a dozen start ups similar to Black Mesa.

"The nice thing for Brookside is that they bring together the full suite of oil and gas exploration and production professionals, everyone from reservoir engineering to landmen, operations, accounting, and geology." Stockhead

Advanced Notes & Explanations

ASX: BRK
A PRIVATE INVESTOR'S VIEW

Black Mesa & Brookside Energy Relationship (continued from previous slide)



Advanced Notes & Explanations

BLACK MESA - The Jewel in the Brookside Crown

It could be said that the BRK / BM relationship, and the operating structure developed, is the core reason why the group will ultimately succeed. The quality, experience and dedication to the cause by management are arguably the most critical components to success. Excellent management, properly incentivised, can turn a company with ordinary assets into an exceptional company, whereas terrible management can turn great assets into a pile of excrement.

Firstly and foremost, the Red Fork experience has moulded David Prentice's core belief's as to how best to structure operations to limit shareholder exposure to the commodity cycle, production risk, equity dilution and corporate costs. Not only has this been achieved , but the operating agreement with Black Mesa has also aligned the interests of the common shareholders with the executives of the group (primarily the BM team) which will facilitate a successful outcome for everyone involved over the next 2-3 years.

What is not apparent at first glance is how / why the BRK / BM relationship and it's structure, is primed for the eventual success of the business.

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Advanced Notes & Explanations

ASX: BRK
A PRIVATE INVESTOR'S VIEW

BLACK MESA - The Jewel in the Brookside Crown (continued from previous slide)

Brookside as a company has just three people on the payroll, operates from the Cicero office in Subiaco, WA, and pays Cicero ~$114,000 exclusive of GST for office rent, company secretarial and accounting services. The MD gets paid a base salary of $180,000 including directors fees, and the total company payroll including NED fees is $260,000 - total running costs excluding interest on finance ($586,666 capitalised) were $850,534 for the 2018 financial year. (This company is run on the smell of an oily rag).
Black Mesa is a private company based in Tulsa, Oklahoma. It was established by David Prentice and local Tulsa oilmen, many of whom were on the Red Fork payroll previously and now operates on behalf of BRK on the ground in the USA. BLACK MESA is owned ~50% by the executive team, ~33 % by the Tulsa Equity Group and ~17 % by BRK. Initial start up equity funding for the company was $US3.126 which was provided on a pro-rata basis by BRK and the Tulsa group. BRK paid it's last component earlier in 2019 for a total investment of US$1,000,000. The rest of the funding was provided by the Tulsa Equity group. The BM executive team earn their 50% via "sweat" equity and their cash remuneration paid by Black Mesa is approximately 50% of the going market rate. These guys are not doing this for the cash salary.

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Advanced Notes & Explanations

ASX: BRK
A PRIVATE INVESTOR'S VIEW

BLACK MESA - The Jewel in the Brookside Crown (continued from previous slide)

It is this structure that provides the incentive for the BM executives and the operating relationship which drives all towards a successful outcome.
It is important to understand that Black Mesa was set up to primarily run BRK operations. The "deal" set up by David Prentice ensures BM run a tight ship. BM source the opportunity and present it to BRK. Every project that BRK agree to participate is fully funded by BRK but operated by BM. The consideration BM receive for sourcing the opportunity and operating is a 25% WI share of the BRK equity in the project, however they only receive this after the project has paid out and BRK has recouped it's costs from either sale or production. (includes land leasing and acquisition, legal and drilling costs).
This is significant as it incentivises BM to the keep costs down, because if there is any cost blow out, it will extend the period that will take for BRK recoup it's funds, and effectively lower the value of BM's share of the project. The efficiency of the BM operation is highlighted by the fact that of the $3.126 million start up capital raised, there still is approximately US$2 million in the BM bank account. As the BRK portfolio of producing assets increases with each well drilled and paid out, there is a corresponding percentage increase in the value and cash- flow within BM.

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Advanced Notes & Explanations

ASX: BRK
A PRIVATE INVESTOR'S VIEW

BLACK MESA - The Jewel in the Brookside Crown (continued from previous slide)

There are a number of fundamental benefits for both BRK shareholders and BM executives in the operating structure established. The fact that BRK have a team of highly experienced locally based professionals who run the full gambit of operations, are not on the BRK payroll and therefore significantly decrease corporate costs for BRK is an obvious benefit. The fact that there is an arrangement where the BM executives earn their sweat equity in BM, rather than BRK and therefore don't dilute BRK shareholders equity is also highly advantageous, as is the fact that BM doesn't earn it's WI position until after BRK has recouped it's cost. Another plus for BRK is the fact that they own 17% of BM, so they benefit directly and indirectly from BM success, a double dip!

For the BM team, despite the fact that their salaries are way below market, these 7 guys end up owning 50% equity in a company that has no "real" direct funding requirement on their part. They have a carried 25% WI position in all of the BRK assets. BRK pay all costs associated with each project (excluding BM corporate costs) which also means their 50% interest should not need to be diluted. BM become self funding as each of the producing wells pays out and BM access their portion of the cashflow.

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Advanced Notes & Explanations

ASX: BRK
A PRIVATE INVESTOR'S VIEW

BLACK MESA - The Jewel in the Brookside Crown (continued from previous slide)

They only way the BM executives succeed is if BM succeeds and the only way that happens is if BRK succeeds. The BM executives only make money if their equity in BM rises substantially and because BM is an unlisted company with no intention to list, the only way they monetise their ownership in BM is if the assets are sold and the proceeds are distributed to the BM shareholders or BM is sold. For that reason, the 'end game' is almost certainly a sale of the assets, with or without the corporate shell. This will almost certainly happen parallel with the sale of the BRK assets.
Without knowing the equity split amongst the BM executives the best guess is they all have the same share of the 50% or 1/7th. What would the minimum target be for each person? If it was US$2 million, that would imply a target sale value of US$ 14 million for their 50% of BM, which would imply a value of US$ 28 million for BM at sale or US $84 million for BRK, plus 17% of US$28 million (BRK share of BM or ~US$4.8 million) or ~ US$90 million.
The BM executives have all built and sold many companies before. Bill Warnock has done it 6 times - he previously founded Medallion Petroleum in 1985, MGM Gas Marketing in 1987, Inter-Coast Oil and Gas in 1992, KCS Medallion Resources in 1996, Arapahoe Marketing in 1997 and Brighton Energy in 2006.

The BM professionals are in the game to make money and are certainly incentivised to do so based on the structure above.

Advanced Notes & Explanations

ASX: BRK
A PRIVATE INVESTOR'S VIEW

Summary of Announcements and Achievements

Dec 2015: Brookside subsidiary BRK Oklahoma acquires a 15% interest in United States focused energy start-up Black Mesa Production LLC. Black Mesa management is a group of accomplished oil and gas professionals across key disciplines of land, finance, operations and reservoir engineering. Utilizing Black Mesa's experience and knowledge, BRK is now well positioned to progress to land acquisition. https://bit.ly/2Ulaf2F

Mar 2016: Brookside acquires 100 acres of oil and gas royalties in the world class Stack Meramec Play. This acquisition represents the first step in the strategy to build an acreage portfolio with excellent reservoir qualities. https://bit.ly/2FO8vM7

Apr 2016: First extended reach horizontal well (Ike 1-20-17XH) drilled within Brookside's RA Minerals Royalty Acreage (with no operating expenses or capital required from Brookside). Continental Resources became the operator of the well which targeted the 450ft thick Meramec formation with excellent reservoir qualities. https://bit.ly/2sPHfUE

May 2016: Brookside acquires an additional 50 acres (leasehold) in the core of the Stack Play. https://bit.ly/2TdNIo3

Jul 2016: Brookside secures US$3,500,000 drilling Joint Venture partner agrees to fund Brookside's interest in up to ten STACK wells allowing for more rapid advancements. The Joint venture structure will enable Brookside to grow its exposure to the STACK Play with initial development capital secured off balance sheet. Success with this Joint Venture provided Brookside with access to a pipeline of capital for future development in the STACK Play. https://bit.ly/2B439Ii

Aug 2016: Brookside's STACK leasehold acreage count more than triples to ~160 acres (up from the previously announced 50 acres). Brookside also Secured Non-Operated Working Interests in six (extended lateral) horizontal wells in the core of the STACK Play with potential for exposure to between 48 and 60 (extended lateral) horizontal wells in a full field development scenario. https://bit.ly/2B4bbRz

Sept 2016: Brookside's holdings in the core of the STACK Play expanded to ~300 acres. STACK acreage is now well down the path to supporting the Company's initial target of 10 Mmboe3 in proved reserves. https://bit.ly/2MzLvkn

Oct 2016: BRK Oklahoma secures an additional ~100 acres (non-operated working interest leasehold) within the highly productive over-pressured volatile oil window of the STACK Play in Blaine County, Oklahoma. Total holdings in the STACK Play now stand at ~400 acres, all located within the core of the Stack play. https://bit.ly/2ScmaCa

Announcements

ASX: BRK
A PRIVATE INVESTOR'S VIEW

Summary of Announcements and Achievements (continued from previous slide)

Nov 2016: First horizontal well (Strack 1-2-11XH) drilled within Brookside's STACK Play leasehold acreage in Blaine County, Oklahoma. Marathon Oil operates the (extended reach) well which targeted the Meramec formation in the core of the world class STACK Play. https://bit.ly/2WcFvlY

Jan 2017: Brookside now participating in five wells in the core of the STACK Play. Total holdings in the STACK Play approaching ~500 acres comprised of approximately 400 acres (non-operated working interest leasehold) and an additional ~100 acres (mineral royalty) acquired in the RA Minerals Royalty Acreage. https://bit.ly/2S0nus3

Feb 2017: Significant increase in drilling and completion activity across Brookside's STACK holdings. Brookside is now participating in twelve horizontal wells in the core of the world-class STACK Play with working interests ranging from 1-9%. https://bit.ly/2B50Sgl

May 2017: First well delivers Initial Production rate of 1,784 BOE/day (77 per cent oil). The well produced 33,000 BOE in its first 30-days on-line (76 per cent oil). Commercial outcome delivers proof of concept and supports significant future value creation via PDP and PUD oil and gas reserves. https://bit.ly/2TaSOkR

May 2017: Thirteen wells now active across non-operated Working Interest and Mineral Royalty acreage in Oklahoma. Maiden STACK Play well begins flowing to sales. Two more wells completed for production. https://bit.ly/2Wi8TaC

Jun 2017: Anadarko Basin (STACK and SCOOP) holdings increased by 40% through ongoing leasing activity. Brookside's STACK and SCOOP holdings now total in excess of 700 acres. https://bit.ly/2FPPIjf

Jun 2017: Anadarko Leasing executes an agreement with Tulsa based Oklahoma Energy Consultants, Inc. (OEC) to provide Anadarko Leasing with up to US$2.0 million in funding for Brookside's ongoing leasing activities and brings the total amount of funding secured to US$5.5 million. https://bit.ly/2AYmMlh

Jul 2017: Well count up 30% to seventeen active wells across non-operated Working Interest and Mineral Royalty acreage in Oklahoma. https://bit.ly/2RS35pN

Jul 2017: Surge in leasing success delivers a another ~40% increase in total holdings. STACK and SCOOP holdings increased to ~1,000 acres. https://bit.ly/2Hwgpet

Sept 2017: Brookside experiences further leasing success as Working Interest leasehold acres reaches the company's initial target of ~1,280 acres. https://bit.ly/2DzNNgI

Announcements

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Summary of Announcements and Achievements (continued from previous slide)

Nov 2017: Working Interest leasehold acres now stand at ~1,680 acres up 30% from the previously announced initial target of 1,280 acres. https://bit.ly/2Dyf42O

Jan 2018: The total well count now stands at twenty seven, spread across the Company's non-operated Working Interest and Mineral Royalty acreage in the Anadarko Basin Plays. The most recent three wells achieved IP24's above 2,000 Boe/day (~33% oil), with one well achieving a Company record ~3,500 Boe/day. https://bit.ly/2FXB7BM

Feb 2018: Net production running at ~300 BOE per day. Expected to generate net cash flow of ~US$2,000,000 over the following 12 months. 100% of the net cash flow is made available to fund drilling and completion costs associated with the next series of 'initial wells' within the acreage. https://bit.ly/2DyfFBA

Mar 2018: Brookside's total holdings in the world-class Anadarko Basin increase to ~2,100 acres (a 17% increase in less than two-months). https://bit.ly/2B4pmWZ

April 2018: Brookside secures additional funding to expand and accelerate its leasing and acquisition activities. An ~8,000 acre 'operated position' in ten drilling units already identified within an Area of Interest. Potential to generate an additional >US$135million in Proved Undeveloped (PUD) reserve value for Brookside. https://bit.ly/2B16doI

May 2018: Brookside completes strategic divestment to validate/prove it's business model. Acreage divestment achieves US$28,600 per acre, representing a multiple of greater than 10-times on the average acquisition cost per acre. https://bit.ly/2sNNXup

May 2018: Brookside achieves a record ~5400BOE initial production rate from one of it's wells. https://bit.ly/2HxHKNy

Jul 2018: Second acreage sale from within the Company's STACK Play holdings generates US$1,475,000 in proceeds. Price per acre achieved represents ~80% of the estimated "fully developed" PV10 value per acre. Sale provides further validation of the Company's acreage revaluation business model. https://bit.ly/2CLi9ed

Sept 2018: Landreth BIA 1-14H well achieves payout in just 11-months. Well generates net revenue of US$230,000 in less than 12-months for Brookside's 2.5% Working Interest. https://bit.ly/2FPSQMh

Dec 2018: Maiden Reserve report released. Net oil and gas reserves of 3.45 MMboe attributable to ~20% of Brookside's total Anadarko Basin holdings. Combined NPV10 (PDP, PUD and Probable) of US$12.5 million with forecast future net revenues of US$37.75 million. https://bit.ly/2Ry02id

Announcements

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Summary of Announcements and Achievements (continued from previous slide)

Feb 2019: SWISH AOI leasing campaign delivers Brookside a potential ~6000 acre position. https://bit.ly/32AnQ9V

March 2019: Brookside now acquired 45% of the available acres in it's first operated high grade development unit in the SWISH AOI – Jewell Unit. https://bit.ly/2KaXvbY

April 2019: Brookside participates in four well infill unit with Devon Energy Corp – Centaur Unit. https://bit.ly/2X2jRle

July 2019: Holdings in the SWISH AOI increase to 2000 acres. https://bit.ly/2CxlgXF

July 2019: Pooling order issued for Jewell unit. First operated DSU now underway. https://bit.ly/2pQVdrR

August 2019: Continental Resources operated Henry Federal successfully drilled, completed and turned to sales (BRK 7.27% WI). Well achieves 1319 BOE IP24 @ 65% oil. https://bit.ly/34LEJQv

October 2019: Stonehorse Energy agrees to purchase working interests in Bullard and Henry Federal wells. Brookside receives $1,150,000USD in proceeds from the sale. https://bit.ly/2ruYhKt

October 2019: Brookside increases total position in the SCOOP play to 2500 acres. Strategic trading of acreages nets BRK $720,000USD. https://bit.ly/2NB6xkY

November 2019: 2,600 BOE / day Average IP30 from STACK Play Wells. Centaur Project Wells deliver strong results. https://bit.ly/2KI1wVA

November 2019: Next Sycamore well delivers stunning result - IP24 1945 BOE @ 79% oil. https://bit.ly/2rmnZ3Z

Video Interviews

Video Interviews

July 2017 – Brookside Energy Episode 1
https://www.youtube.com/watch?v=-j7zgZDfak4&feature=youtu.be

July 2017 – Brookside Energy Episode 2
https://www.youtube.com/watch?v=4aRIVDFh9M8&feature=youtu.be

May 2018 – MD David Prentice Interview with Proactive Investors Australia.
https://youtu.be/Y84QWxCJ47Y

July 2018 – MD David Prentice interviewed at Noosa Mining Conference by Kitco New.
https://youtu.be/0ck2NbbclXI

August 2018 – MD David Prentice discusses the $1.475M Proceeds from sale of Acreage
https://youtu.be/QuftboNQ8mk

September 2018 – MD David Prentice discusses first payout in 11 months
https://youtu.be/LxpBH9fOtRs

October 2018 – BRK takes on Casey Capital as Substantial Shareholder as Oklahoma wells come online
https://youtu.be/Alioz1xmeQg

December 2018 – Results of Maiden Oil and Gas Reserve
https://youtu.be/9NoJEfh3zQU

January 2019 – MD Q&A Interview with Proactive Investors – Company Update
https://youtu.be/51D9lTMGBzE

February 2019 – Transformational Reserve Growth with Proactive Investors
https://youtu.be/91-pYYqtdiI

Video Interviews

Video Interviews

April 19 - MD David Prentice talks about first development drilling in SCOOP
https://www.youtube.com/watch?v=JTDc1DEllAU

July 19 - MD David Prentice on increasing activity in SWISH AOI
https://www.youtube.com/watch?v=ZqsQgUtwSX0

Oct 2019 - MD David Prentice talks to Proactive about its "Real Estate Development Approach"
https://www.youtube.com/watch?v=asHNSztC42Y

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