

# Brookside Energy Ltd

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## Brookside Energy business model backed by productive wells in the Anadarko Basin, USA

Brookside Energy Ltd (ASX:BRK) believes it has established proof of concept for its business model of acquiring, upgrading, revaluing, monetising and re-investing its assets in the Anadarko Basin in Oklahoma, USA.

Much of the activity within the Basin is centred on the Sooner Trend Anadarko Canadian and Kingfisher (STACK) and South Central Oklahoma Oil Province (SCOOP) plays, of which the company leases around 2,000 acres.

Brookside Energy managing director David Prentice said: "Investors can rely on us to build value in the asset base (acreage value and cash flow) and use this as a platform for growth.

"We don't bet on the outcome of a single well or speculate with a large acreage position in a high-risk area where the reservoir quality cannot be evaluated from the available data and doesn't support suitable rates of return in the current pricing environment."

Real estate approach to development

The company' considers its private equity (PE) model a 'real-estate' approach to development.

Essentially, Brookside funds acquisitions, establishes reserves, buys and sells acreage while partner Black Mesa Energy identifies acreage and manages acquisitions, supervises drilling and operations (including mitigating risk), rewarded on performance.

Then Drill Co. funds drilling and completion capital for initial well - taking its share of the production revenue.

Prentice said: "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."

The company is confident that the US\$1.8 million in acreage sales to date have provided proof of concept for its business model.

**Price:** 0.004

**Market Cap:** \$4.01 m

### 1 Year Share Price Graph



### Share Information

**Code:** BRK

**Listing:** ASX

**52 week High Low**  
0.016 0.002

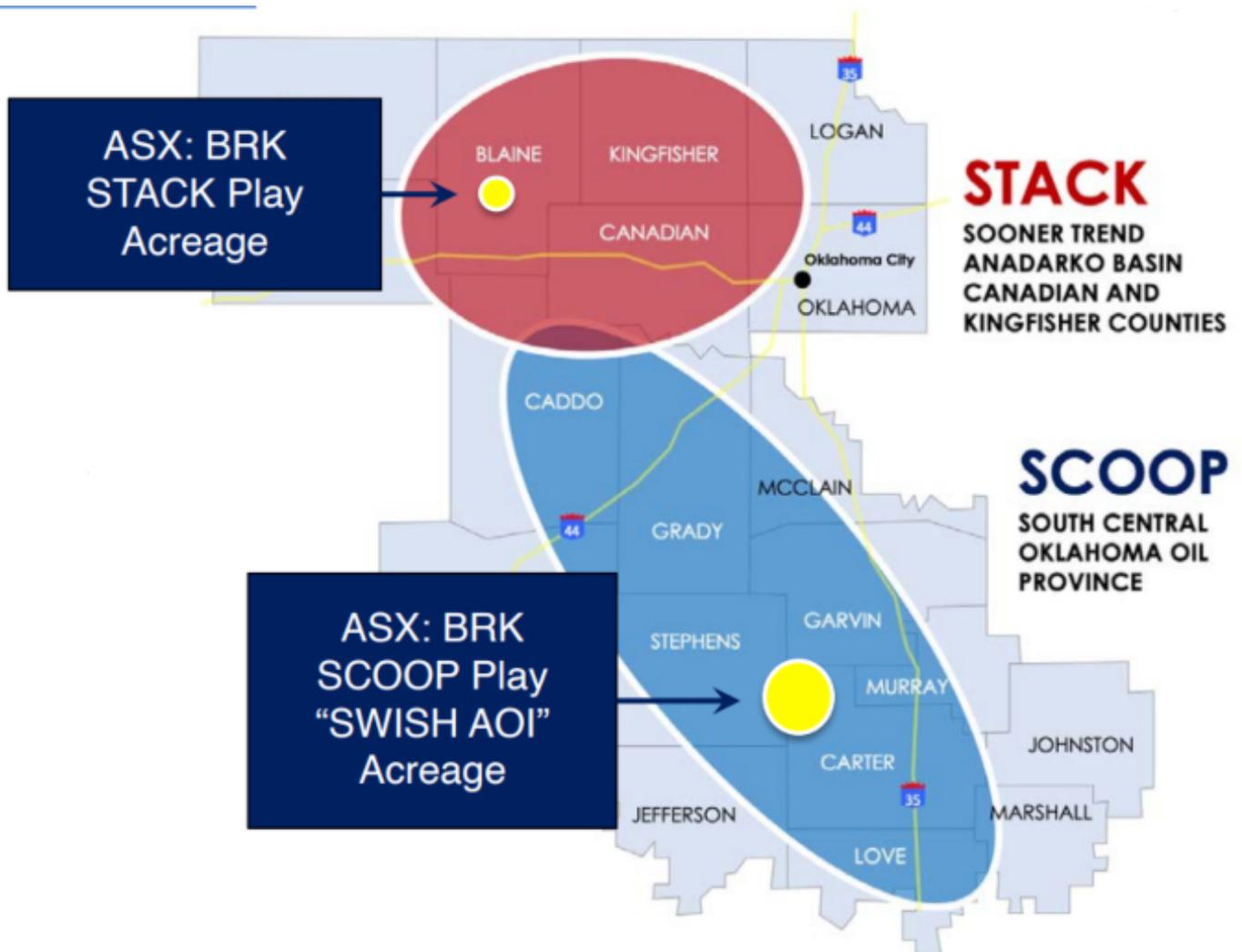
**Sector:** Oil & Gas

**Website:** www.brookside-energy.com.au

### Company Synopsis:

*Brookside Energy Ltd (ASX:BRK) is focused on developing oil and gas plays in the world-class Anadarko Basin.*

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The STACK and SCOOP plays in the Anadarko Basin

**STACK pilot study and scaling up SCOOP**

The company acquired around 400 acres in the STACK Play for US\$1.25 million with maiden reserves of 3.45 million barrels of oil equivalent, US\$12.5 million net present value at 10% and forecast future net revenues of US\$37.75 million.

Brookside intends to grow its lease acreage to 8,000 acres and to date, has generated A\$2.5 million from small non-core acreage sales - which will be re-invested in acreage leasing at the highly accretive, and highly sought-after Sycamore-Woodford trend in southern SCOOP Play (SWISH AOI).

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

The company has a 2,500 acre position established and is targeting a total of 4,000-6,000 acres at SCOOP.

#### Well productivity backs strategy

The next generation of horizontal wells drilled over the last 20 months has provided proof of concept for the productivity of both the Sycamore and Woodford reservoirs of the SWISH AOI.

Brookside reported that the Ely Unit has produced 1,460,000 barrels of oil equivalent (55% liquids) in 7 months (for net revenue of US\$40 million) and the Betts M1-6-31XH well has produced 260,670 barrels of oil equivalent (67% oil) in its first 12 months.

In addition, the Ringer Ranch 1-20-17XHM well has produced about 122,000 barrels of oil in its first three months of production and the Leon 1-23-14XHM well looks set to produce 100,000 barrels of oil in its first three months of production.

Overall this points to higher forecast recovered volumes, strong rates of return, short pay-out periods and ultimately, higher per-acre values for potential resale in future.

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