



Real Energy Corporation Limited

ASX: RLE

Developing Australia's next Tier -1 gas project in the Cooper Basin 1



Real Energy's Windorah Gas Project has
Estimated Total Mean Gas in place 13.76 TCF

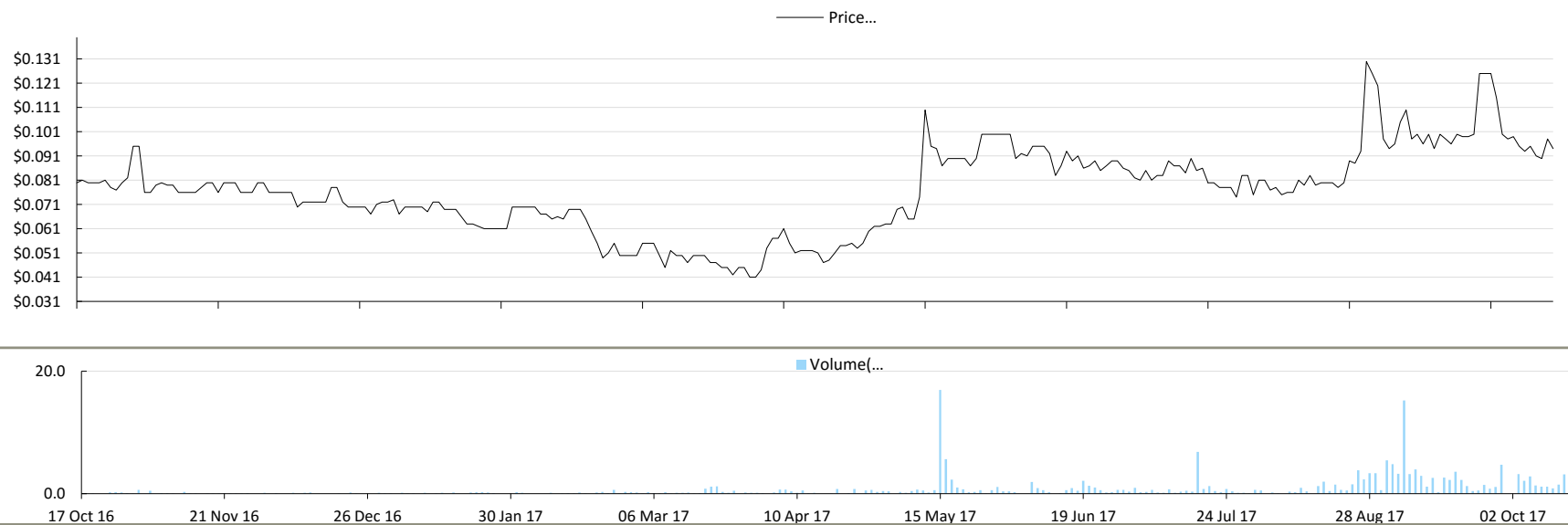
Corporate snapshot



	Number of shares
Existing shares on issue	255.4m
Market capitalisation @ 0.092	\$23.5m
Cash position ~ (Oct 17)	\$9.0m

Major shareholders	% held
Scott Brown	10.30
Lan Nguyen	8.03
Sino Portfolio	6.78
Total:	25.11

The Top 20 own 49.15%
Over 1,700 shareholders



Company overview



A quality gas portfolio:

- RLE controls 100% of 2,761km² in the Cooper Basin – Australia's premier onshore gas field
- Independent Estimated Total Mean Gas in place of **13.76 TCF** in APT927P
- **Maiden 3C gas resource of 672 BCF** from two discoveries – Tamarama-1 & Queenscliff-1
- Pursuing a basin-centred gas play which is extensive over the main permit ATP927P.
- All acreage close to infrastructure.

Solid commercial progress:

- The Company have entered into an MOU with Santos for gas processing
- RLE current resource is yet to be contracted – MOU for gas sales with Weston Energy and very strong interest from gas buyers – key value driver
- The Company has circa \$9M in cash and funded through a 2 well drilling program after raising \$2.34M

Significant optionality across Windorah with multi TCF gas potential

High Rewards :

- Successfully projects can result in significant valuation upside 10 bagger or more
- In Australian context:
- Woodside share price has increased 3,544% against the market 666% since March 1985 (ignoring dividends)
- QGC share price increased 2,875% over 8 years from its IPO – Norm Zillion, a director of Real Energy was founder of QGC and pioneer of Coal Seam Gas.

But comes with risks

- In the history of the oil and gas industry history is 2 out 3 wells drilled are dusters – that is lot of capital to burn;
- Geological, Operational and Commodity risks need to be carefully managed and mitigated as far possible
- So does financial risks – we are very efficient with our use of capital
- Real Energy's objective is maximum the upside while minimising risks.

Experienced Board & Management



Scott Brown, B. Bus, M. Com
Managing Director and Founder

Extensive background in finance and management of public companies and an experienced company director. Formerly CFO of **Mosaic Oil NL**, Director of Objective Corporation, Executive **with Allegiance Mining, Turnbull and Partners** and has also worked for **Ernst Young and KPMG**. Scott was instrumental in putting together a Scheme of Arrangement for AGL Energy Ltd to acquire Mosaic Oil for a consideration of \$142 Million. Currently Scott is a Non Executive Director of Kairiki Energy Ltd.



Lan Nguyen, B. Sc M. Sc
Non Executive Chairman and Founder

A geologist & engineer with an extensive technical & commercial background in the oil & gas sector and the management of public companies. Lan currently provides consulting services to energy & resources companies in Australia & Asia-Pacific region. Formerly an Executive Director & Managing Director of **Mosaic Oil N.L.**, and has also worked for **PetroVietnam**.



Norman Zillman, B. Sc, B. Sc Hons
Non Executive Director

Professional geologist with more than 40 years experience in minerals, petroleum, coal, coal bed methane and geothermal exploration and production in Australia and internationally. Has held senior executive positions with **Crusader Limited, Beach Petroleum, Claremont Petroleum Limited** and was a founder and CEO of **Queensland Gas Company Limited**. He also founded Blue Energy Limited, Hot Rock Limited, Planet Gas Limited and Bandanna Energy Limited.

Highly experienced Board with a track record of success discovering and developing large natural gas fields in Australia



Terry Russell, B.Sc PhD
Exploration Manager

Petroleum geologist with over 30 years industry experience that has included technical and management positions with successful operating and non-operating companies involved in petroleum exploration, development and production projects both within Australia and internationally. From May 2007 he held the position of Exploration Manager for Mosaic Oil NL, until the takeover by AGL in late 2010, during which period the company was actively involved in successful drilling and seismic acquisition projects in Queensland.



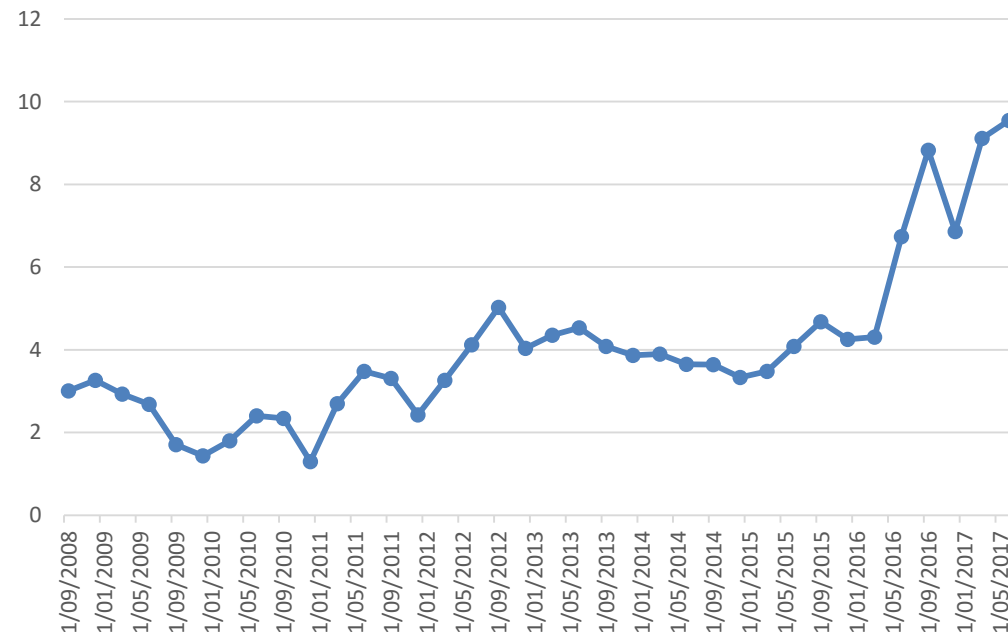
Ray Johnson Jr. BA Chen, MSc Eng. Phd Min Eng.
Reservoir Stimulation Consultant

Dr Ray Johnson, Jr., Principal at Unconventional Reservoir Solutions (www.unconreservoirs.com.au), has been involved with design, execution, and evaluation of reservoir stimulation treatments since 1980 and has a PhD in Mining Engineering relating to pre-drainage of fluids (i.e., gas and water) for coal mining. Prior to moving to Australia in 1998, Ray had 17 years' experience in engineering and management positions throughout the Central US involving fracture stimulation design, execution and evaluation of coals, shales and other naturally fractured reservoirs and in areas encompassing most currently producing US unconventional basins. Ray holds a MSc in Petroleum Engineering from the University of Texas at Austin where his 2000 thesis was one of the first published there on assessing shale gas resources. Ray is currently an Adjunct Associate Professor at the ASP, University of Adelaide and Professor of Well Engineering & Production Technology at the University of Queensland, School of Chemical Engineering.

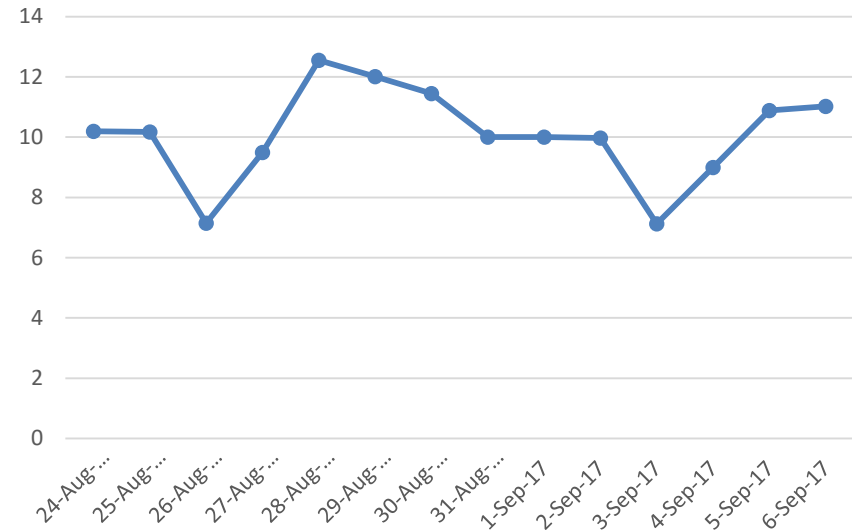
The Opportunity - High East Coast Gas Prices



East Coast Wholesale Quarterly Gas Price Since 2008

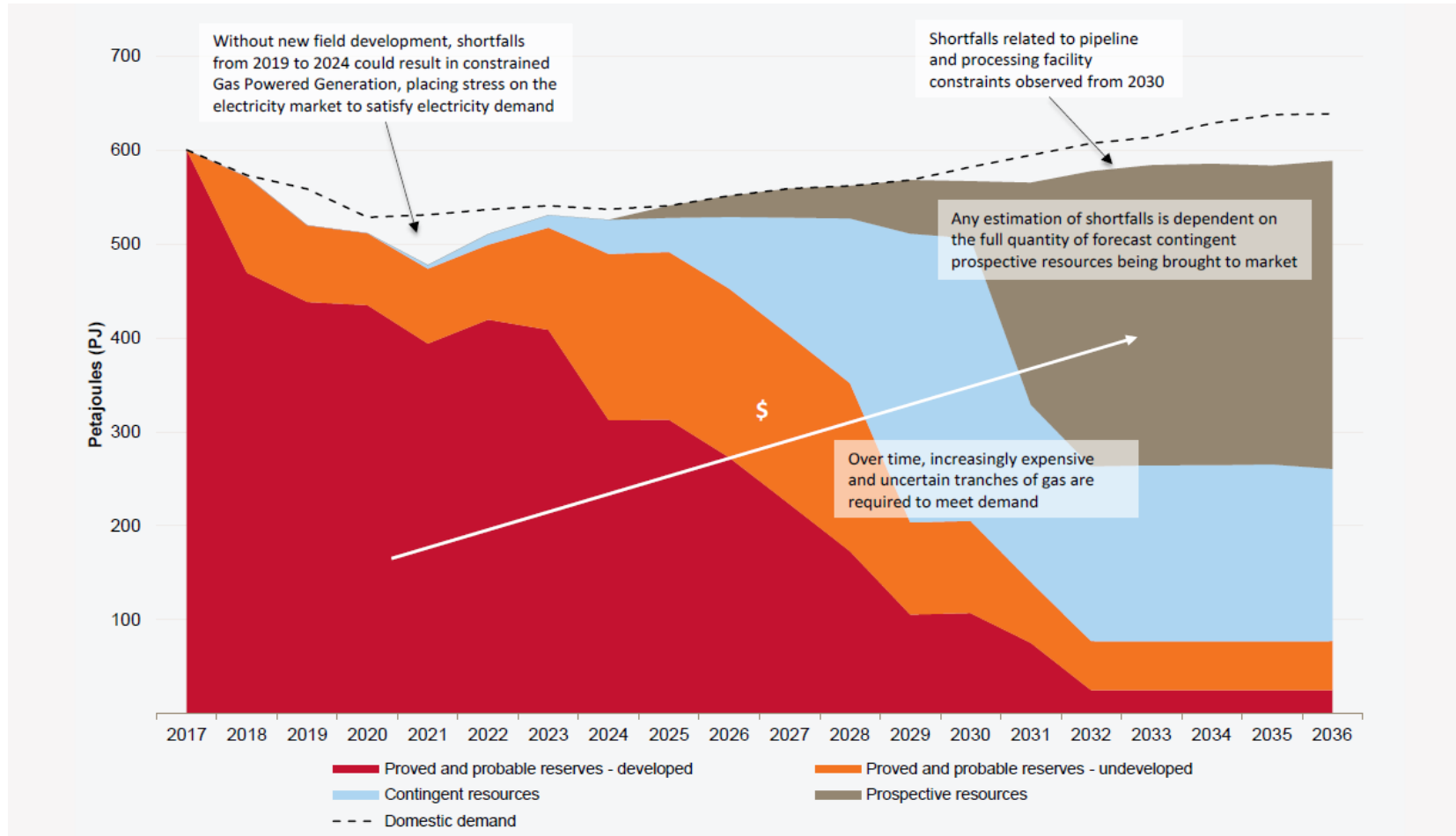


Wholesale Gas Prices over the last month



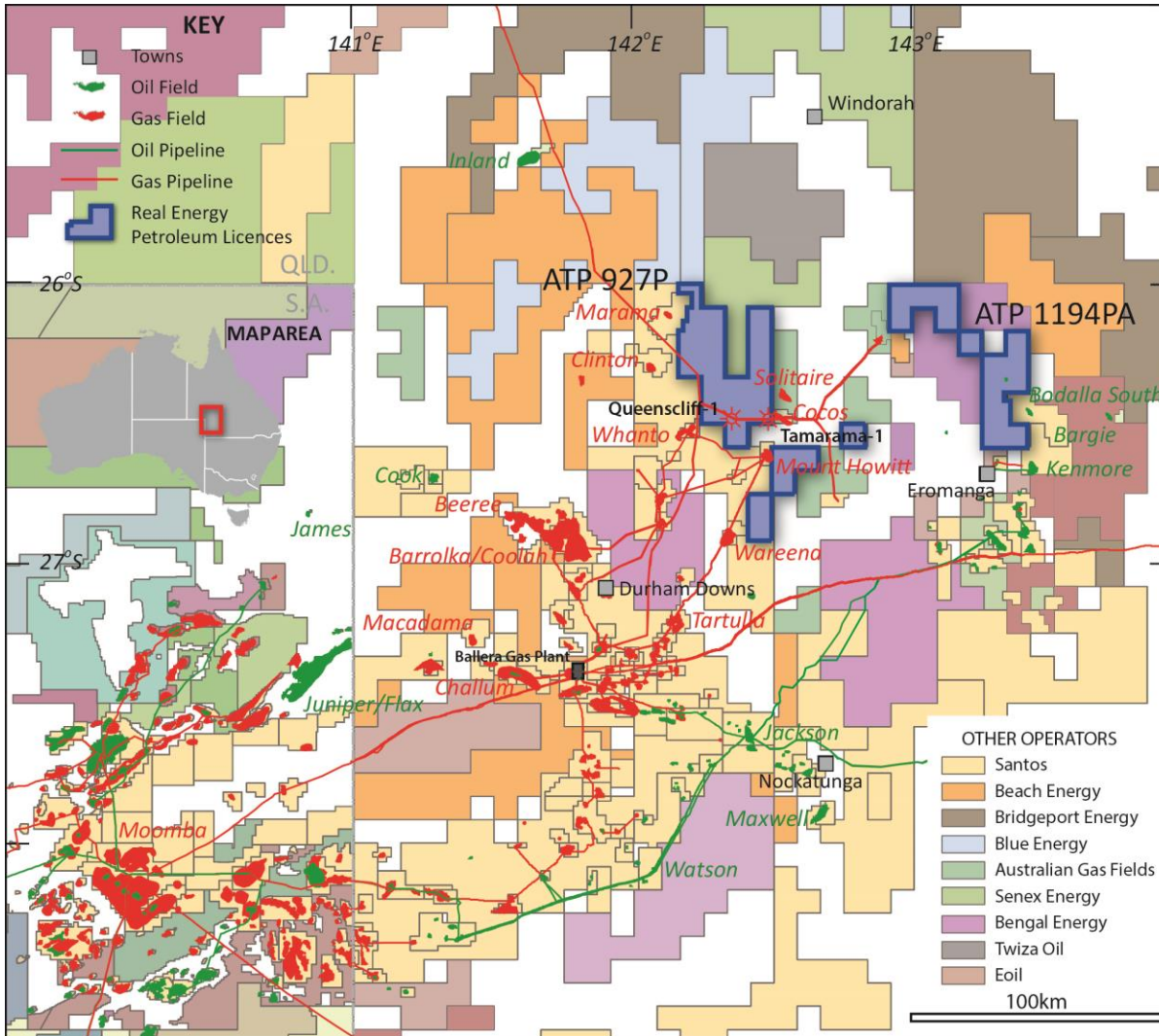
An east coast gas shortage is fast becoming a reality

East Coast gas supply



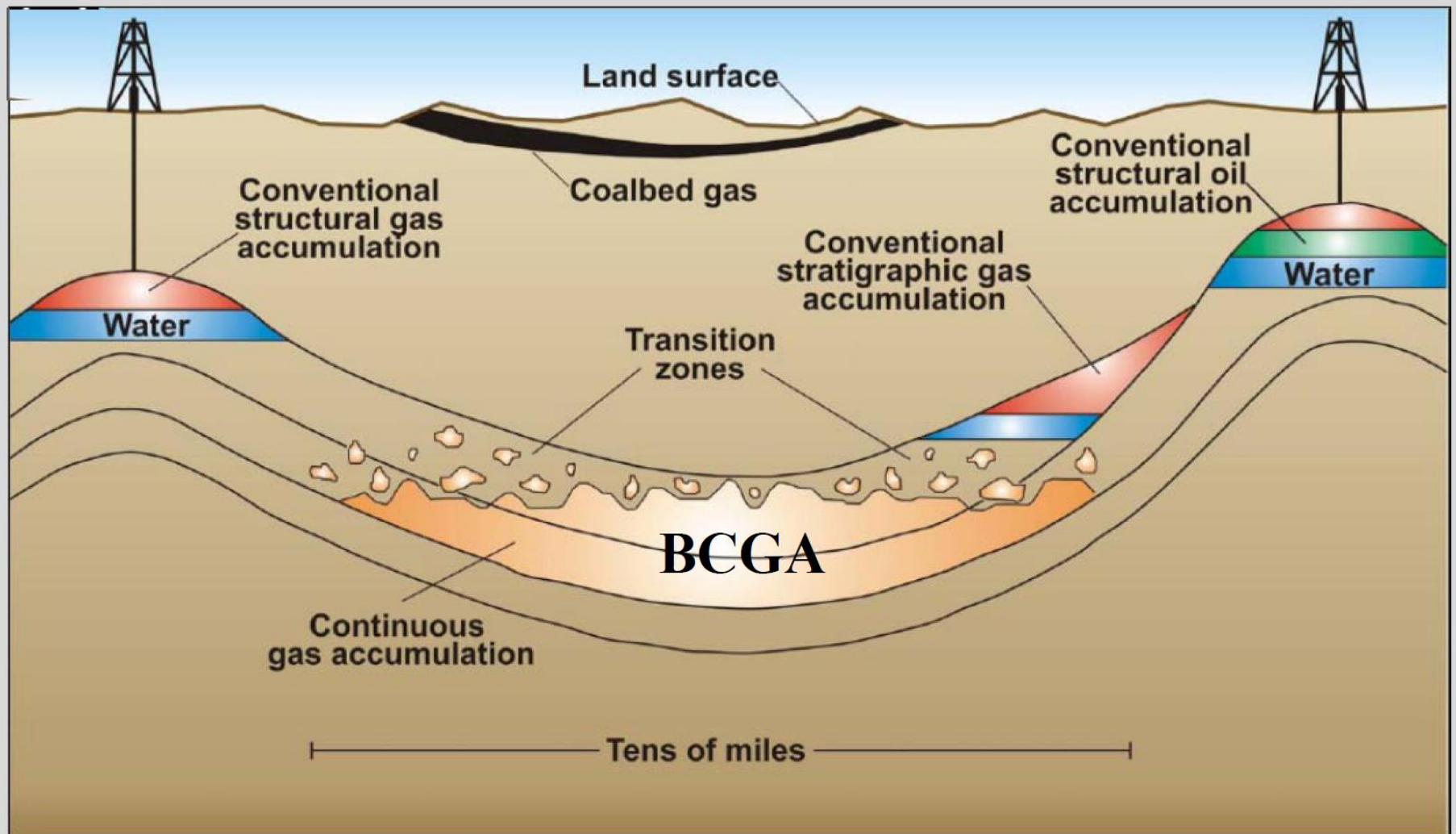
High gas prices on the east coast to remain in place

Cooper-Eromanga – A World Class Location



A 682 000 acre land bank in the Cooper Eromanga Basins

What is a Basin Centred Gas Accumulation?

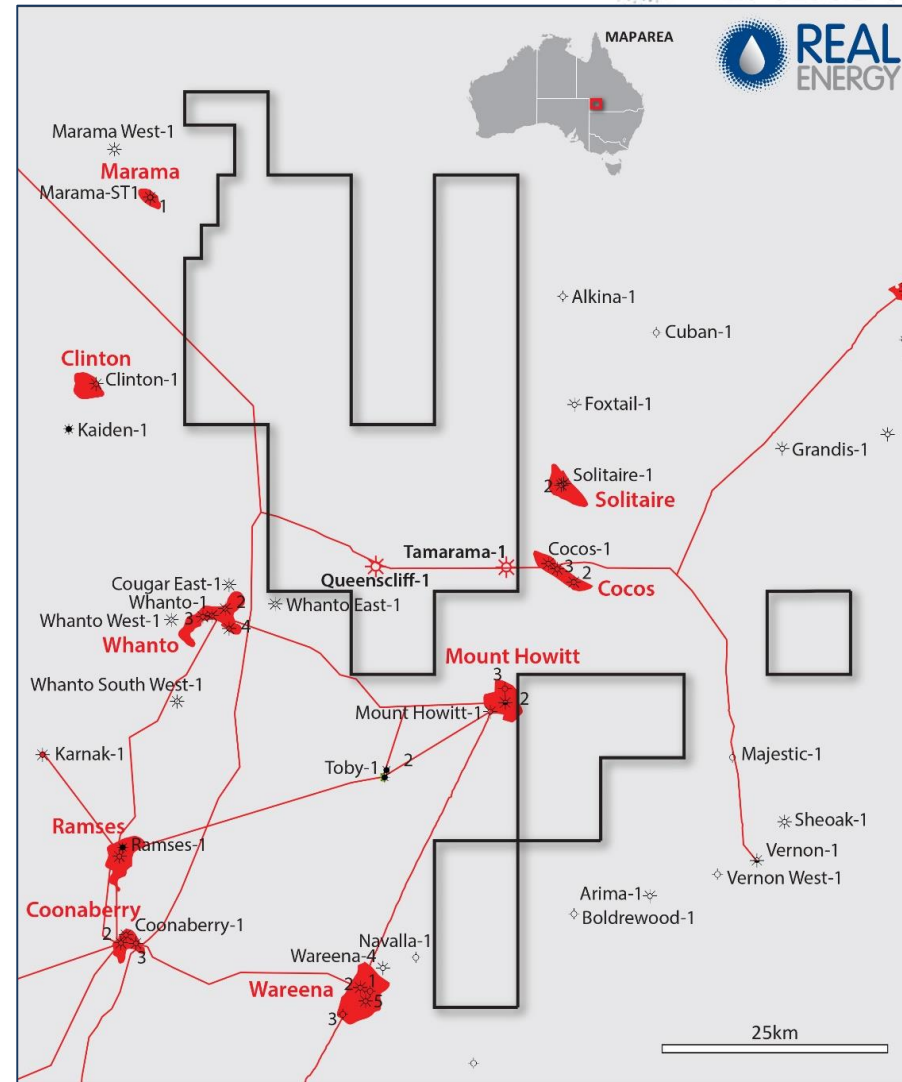


From Schenk and Pollastro, 2002

Exploration confirms Basin Centred Gas Play

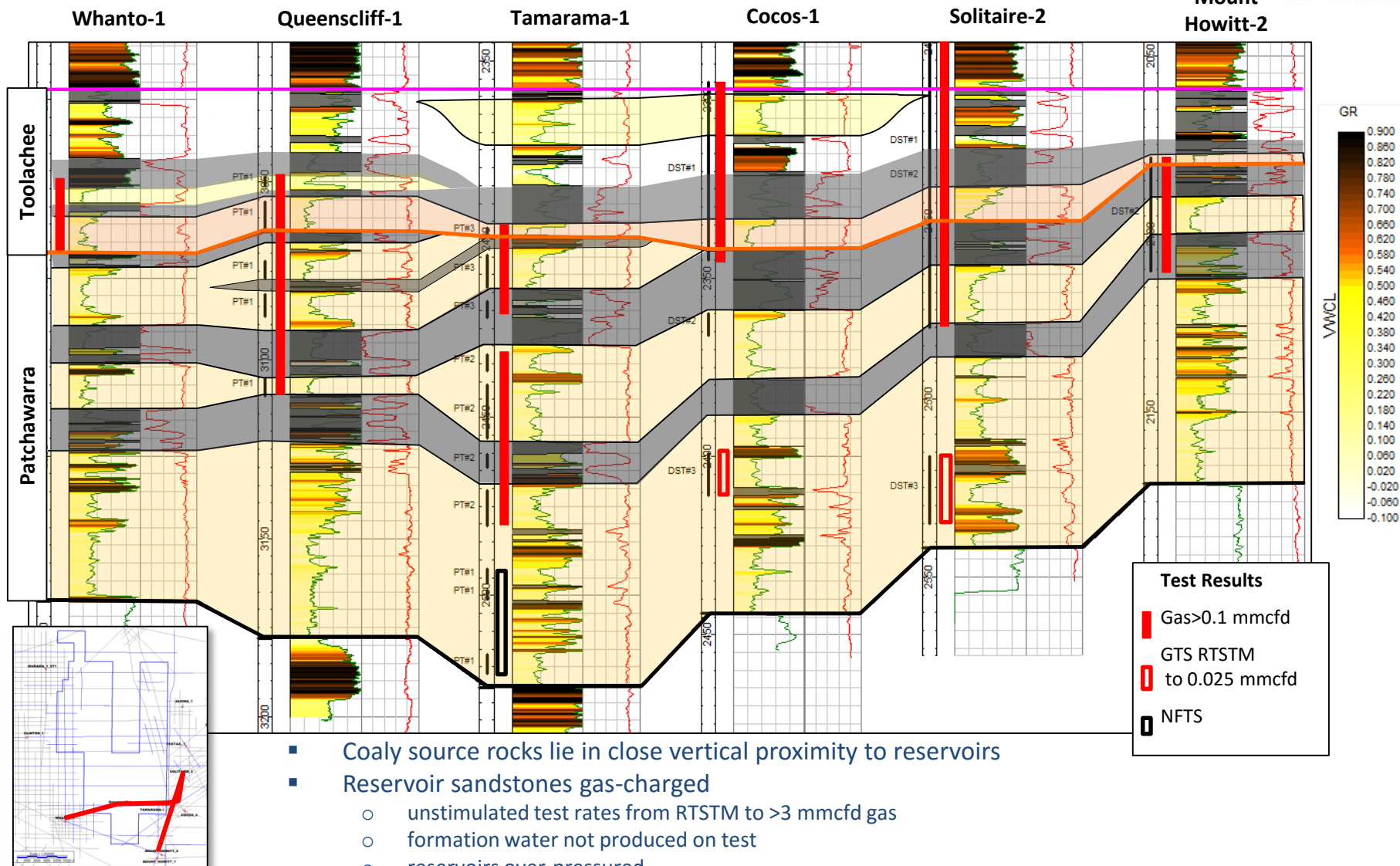


- 2 wells drilled - Tamarama-1 & Queenscliff 1 both gas discoveries with gas flows to surface on tests
- 5 stage frac completed in Tamarama -1 well with gas flowing to surface
- Successfully installed plunger lift into the Tamarama -1 well.
- Santos drilling also confirms Basin Centred Gas play in adjoining acreage
- Improved well performance post work over – variable rates up to 2 mmcf/d.
- RLE is dewatering Tamarama-1 well.
- Planning has now commenced for the drilling of two additional appraisal wells – Tamarama-2 and 3.
- Seeking to contract resource offtake to large commercial gas users



Large gas resource in place

ATP 927 Permian Stratigraphy - log correlation



- Coaly source rocks lie in close vertical proximity to reservoirs
- Reservoir sandstones gas-charged
 - unstimulated test rates from RTSTM to >3 mmcf gas
 - formation water not produced on test
 - reservoirs over-pressured
- Reservoirs at structurally shallower depths on flank of Windorah Trough contain gas on water in conventional structural traps (e.g., Wareena)

Significant Gas Resource in Place



Permit	Area (Km ²)	Estimated petroleum initially in place (Mean BCF)
ATP927P	1,718	13,761
ATP1194 PA	1,043	-
Total:	2,761 (682,257 acres)	13,761

Contingent Gas Resources	BCF
2C	276
3C	672

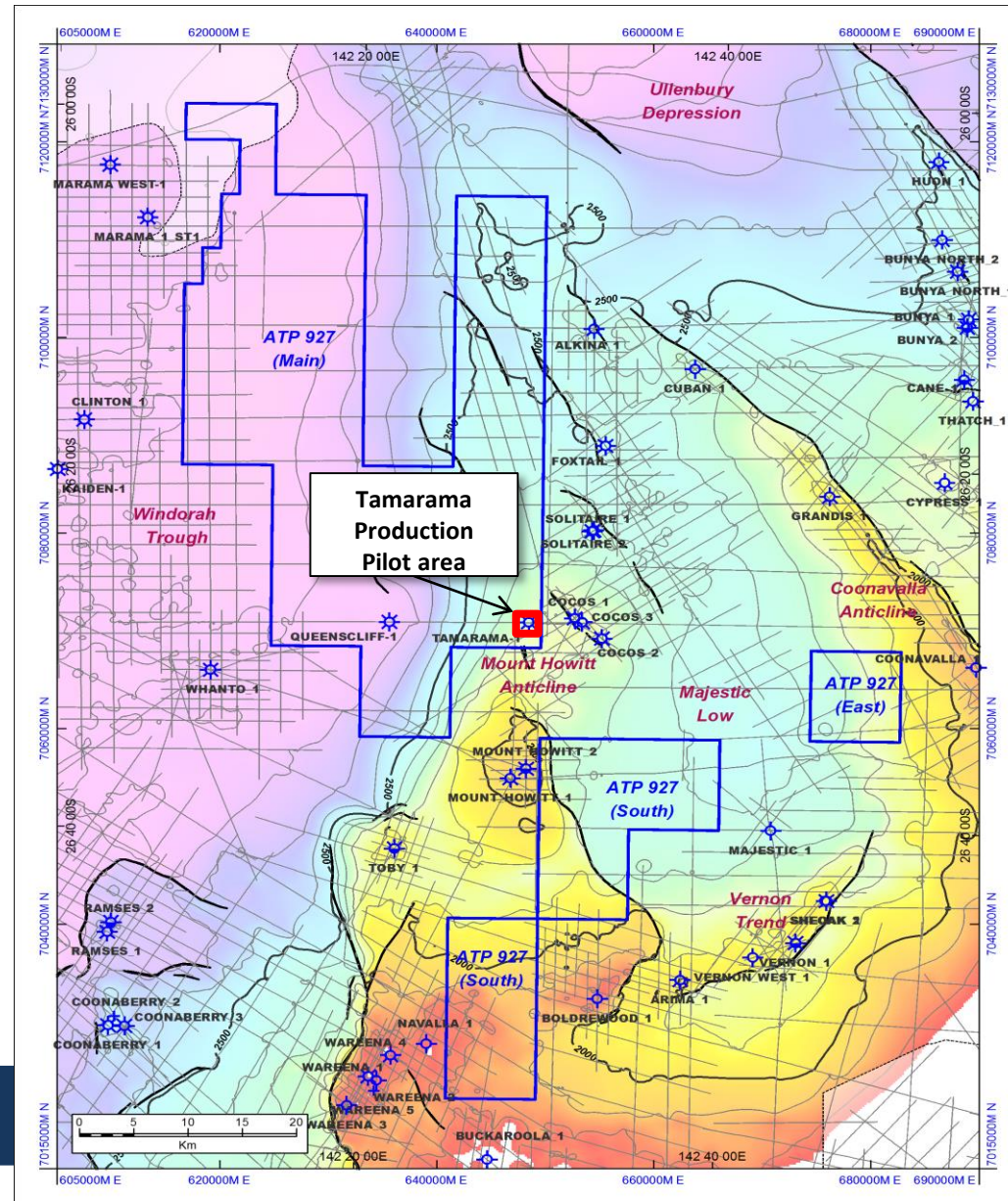


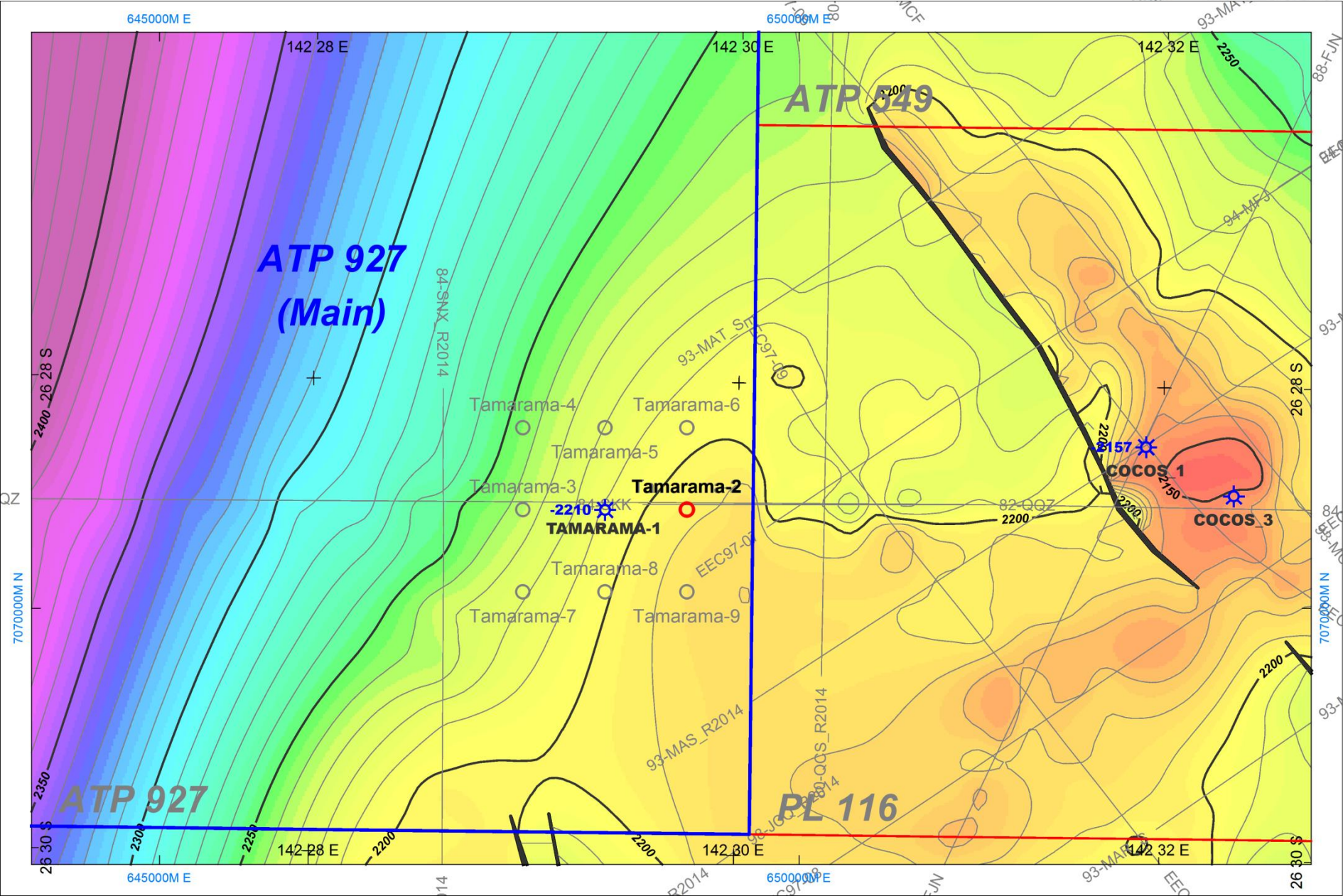
Tamarama Appraisal and Development



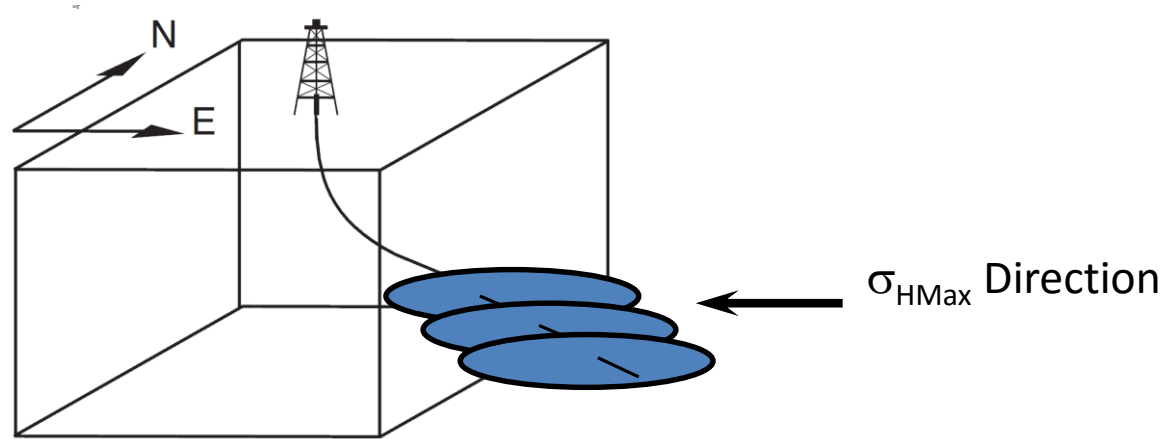
- Drill, complete & fracture stimulate eight development wells targeting 1C contingent resources
- Tamarama-2 to 9 wells are sited on 80-acre spacings centred on Tamarama-1 (refer following slide)
- Tamarama-2 to 9 wells are sited on 80-acre spacings centred on Tamarama-1 (refer following slide)

Potential game changer





Well Design – Windorah Gas Project

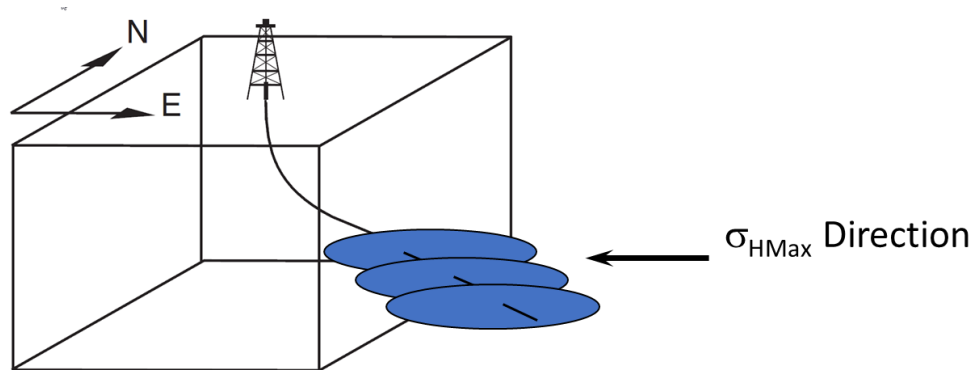


Well trajectory ($\angle$) $< 60^\circ$ from vertical

- Future pilot production wells will be drilled as deviated
- Well path to be oriented within $0-30^\circ$ of the maximum stress direction for optimum fracture stimulation efficiency and gas production rates

Potential game changer

Well Design – Windorah Gas Project



Well trajectory ($\angle$) $< 60^\circ$ from vertical

- Poor production in Australia resulting from successful North American style of drilling in σ_{hmin} direction
- Past deviated drilling and frac operations have exhibited:
 - High initiation pressures near-wellbore tortuosity (i.e., pressure loss, frac fluid shear, proppant holdup)
 - Wellbore failures
 - Not unexpected from Australian strike-slip to reverse stress regimes
- By orienting wells within $0-30^\circ$ from σ_{HMax} direction will result in:
 - Improved aspect of reservoir
 - Improve hydraulic fracture height containment
 - Reduced initiation near-wellbore tortuosity (i.e., pressure loss, frac fluid shear, proppant holdup)

Why invest in Real Energy



- 💧 One of the best exposures to the East Coast Gas thematic
- 💧 Potential near term production with MOU in place with Santos for gas processing
- 💧 Low valuation
- 💧 One of the largest gas resource uncontracted on the east coast - Independent Estimated Total Mean Gas in place of 13.76 TCF in APT927P
- 💧 Cash position – RLE has circa \$9.0M
- 💧 No Debt

Developing a Tier 1 gas resource

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Geological Information

The geological information in this presentation relating to geological information and resources is based on information compiled by Mr Lan Nguyen, who is a Member of Petroleum Exploration Society of Australia, the American Association of Petroleum Geologist, and the Society of the Petroleum Engineers and has sufficient experience to qualify as a Competent Person. Mr Nguyen consents to the inclusion of the matters based on his information in the form and context in which they appear. The information related to the results of drilled petroleum wells has been sourced from the publicly available well completion reports.

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East Coast Gas Developers Comparison



	Real Energy RLE	Blue Energy BUL	Comet Ridge COI	Strike Energy STX	Galilee Energy GLL
Date Listed	Dec-13	Oct-94	Apr-04	Aug-04	Feb-96
Capital Raised (net of costs) M\$	28	131	99	132	60
Accumulated Profits/(Losses) M\$	1	(74)	(68)	(81)	(47)
Number of Shares on issue	255.36	1141.9	617.7	1094.6	152
Price as at close 20.10.17 \$	0.092	0.15	0.205	0.068	0.17
Mkt Cap \$M	23.49	171.29	126.63	74.43	25.84
Cash \$M	9	2.5	6	13.1	6
EV \$M	14.49	168.79	120.63	61.33	19.84

Source : Asx announcements of the respective Companies.

Notes

1. Cash position reported position as at 30 June 2017 adjusted for announced equity issues
2. The Cooper and Surat/Bowen basins are well established gas production areas. Galilee Basin has no commercial gas production.
3. The BUL and COI have additional projects in different basins
4. For comparison purposes Continent Resources reported in BCF has been converted to PJs at a rate of 1.055Pjs to a BCF

Developing a Tier 1 gas resource

East Coast Gas Developers



	Real Energy RLE	Blue Energy BUL	Comet Ridge COI	Strike Energy STX	Galilee Energy GLL
Basin for main Project	Cooper	Bowen	Bowen	Cooper	Galilee
Type of Play for Main Project	Basin Centred Gas	CSG	CSG	CSG	CSG
Target Formations	Sandstone	Coal Seam	Coal Seam	Coal Seam	Coal Seam
Net Equity Share in main project	100%	100%	40%	67%	100%
Sales Pipeline within 50kms of Project	Yes	Yes	Yes	Yes	No
Gas Plant owed or agreement with third party for processing	Yes	No	No	No	No
Announced Gas Sales Agreements or MOU with customers in place	Yes	No	No	Yes	No
Gas Reserves/Resources PJs					
2P	-	71	30		
3P	-	298	219		
2C	291	984	452	164	2,508
3C	709	3,942	3,221	238	5,314
Price per GJ (2C) in ground	0.050	0.172	0.267	0.374	0.008
Price per GJ (3C) in ground	0.020	0.043	0.037	0.258	0.004

Developing a Tier 1 gas resource