



+13.7 TCF Gas Play in Australia's Premier Onshore Gas Basin



**Real Energy Corporation Limited (ASX: RLE) Investor
ENERGY & BATTERY MINERALS CONFERENCE
March 2018**

An extensive gas portfolio with significant development potential

- ◆ Holds 100% of 2,761km² of permits near infrastructure in the Cooper Basin – Australia's premier onshore gas field
- ◆ **Independent Estimated Total Mean Gas in place of 13.76 TCF** in ATP 927P
- ◆ **Maiden 3C gas resource of 672 BCF** from two discoveries – Tamarama-1 & Queenscliff-1
- ◆ MOU with Santos for gas processing

Near-term value catalysts

- ◆ Tamarama-1 gas well will be on production when flow lines into the SWQJV network are established
- ◆ Current gas resource yet to be contracted
- ◆ MOU for gas sales with Weston Energy and strong interest from gas buyers – key value driver
- ◆ The Company has circa \$8.4M in cash and funded through the pending 2-well drilling program
- ◆ Drilling Tamarama-2 and Tamarama-3 to commence in April 2018

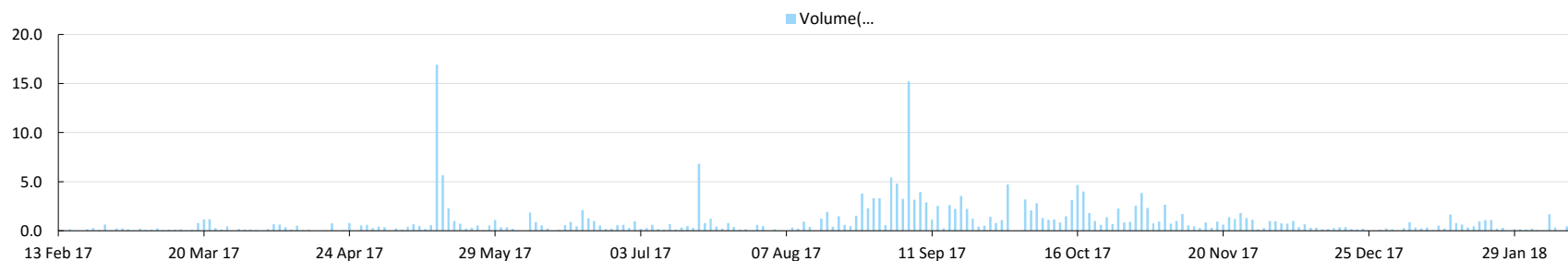
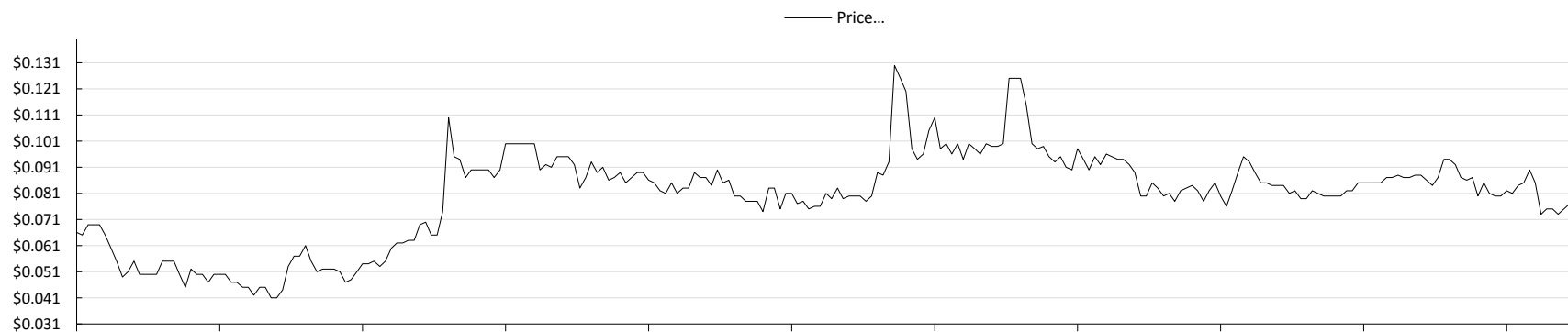
Corporate snapshot



	Number of shares
Shares on issue	255.4m
Market capitalisation @ 0.077	\$19.7m
Cash position ~ (31 Dec 17)	\$8.4m

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

The Top 20 own 50.8%
Over 1,800 shareholders



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

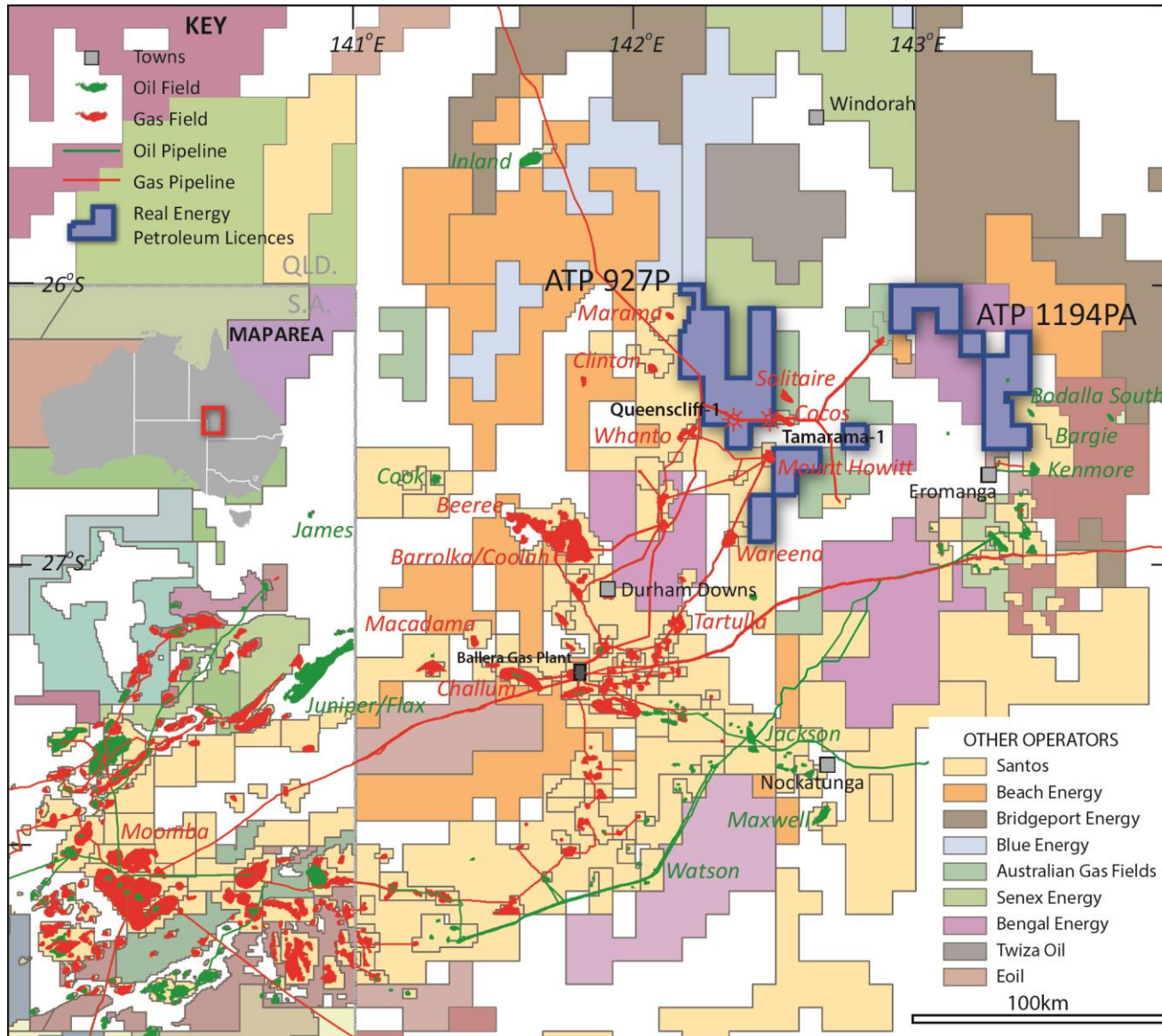
Petroleum geologist with over 30 years industry experience that has included technical and management positions with successful operating and non-operating companies involved in petroleum exploration, development and production projects both within Australia and internationally. From May 2007 he held 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.

Cooper-Eromanga – A World Class Location



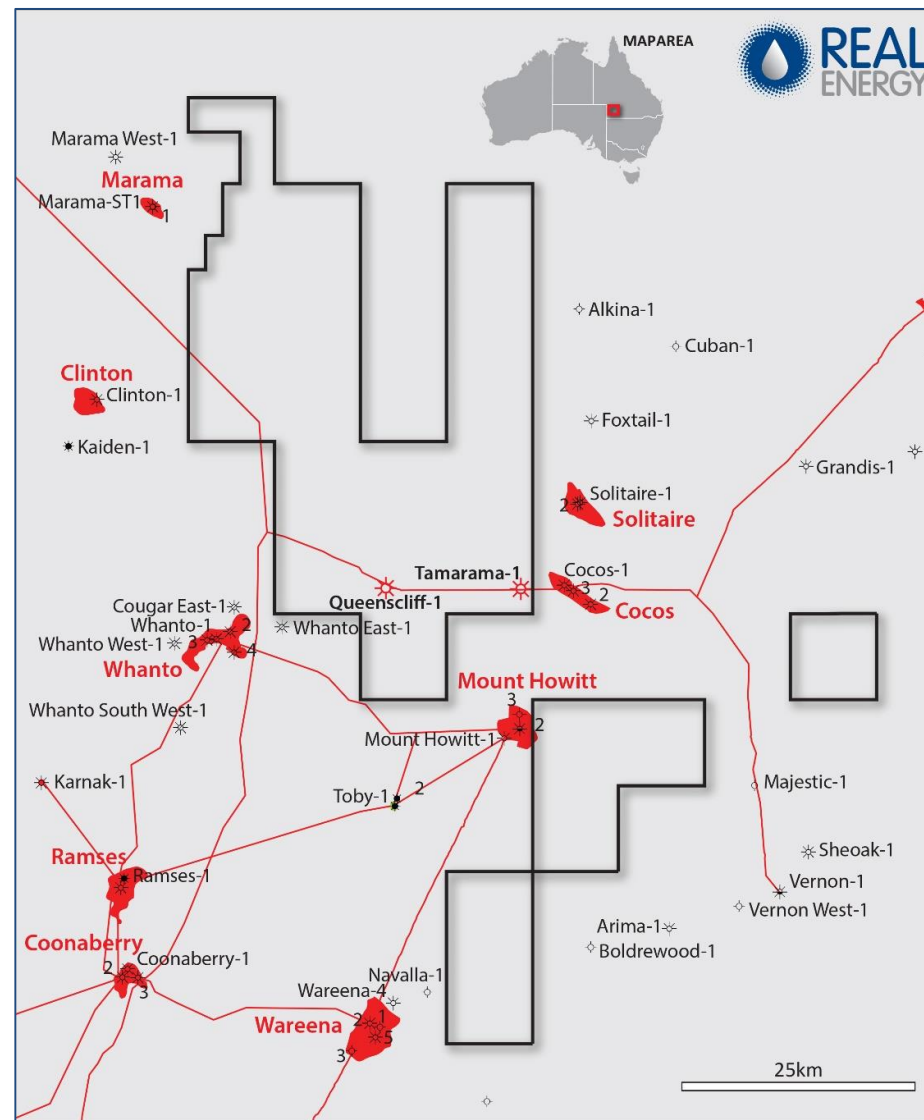
Significant Gas Resource in Place



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

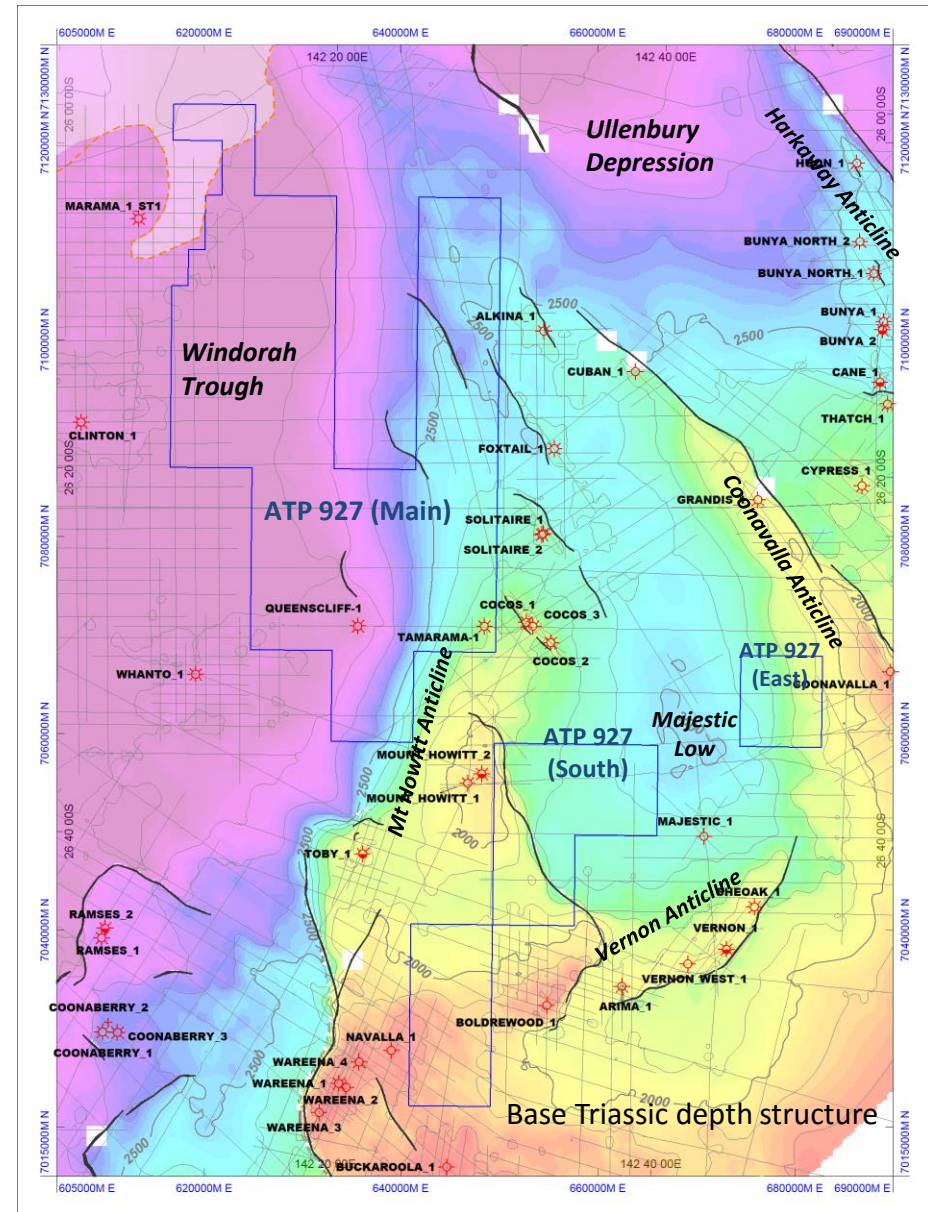
Resource estimates independently made by DeGolyer & MacNaughton



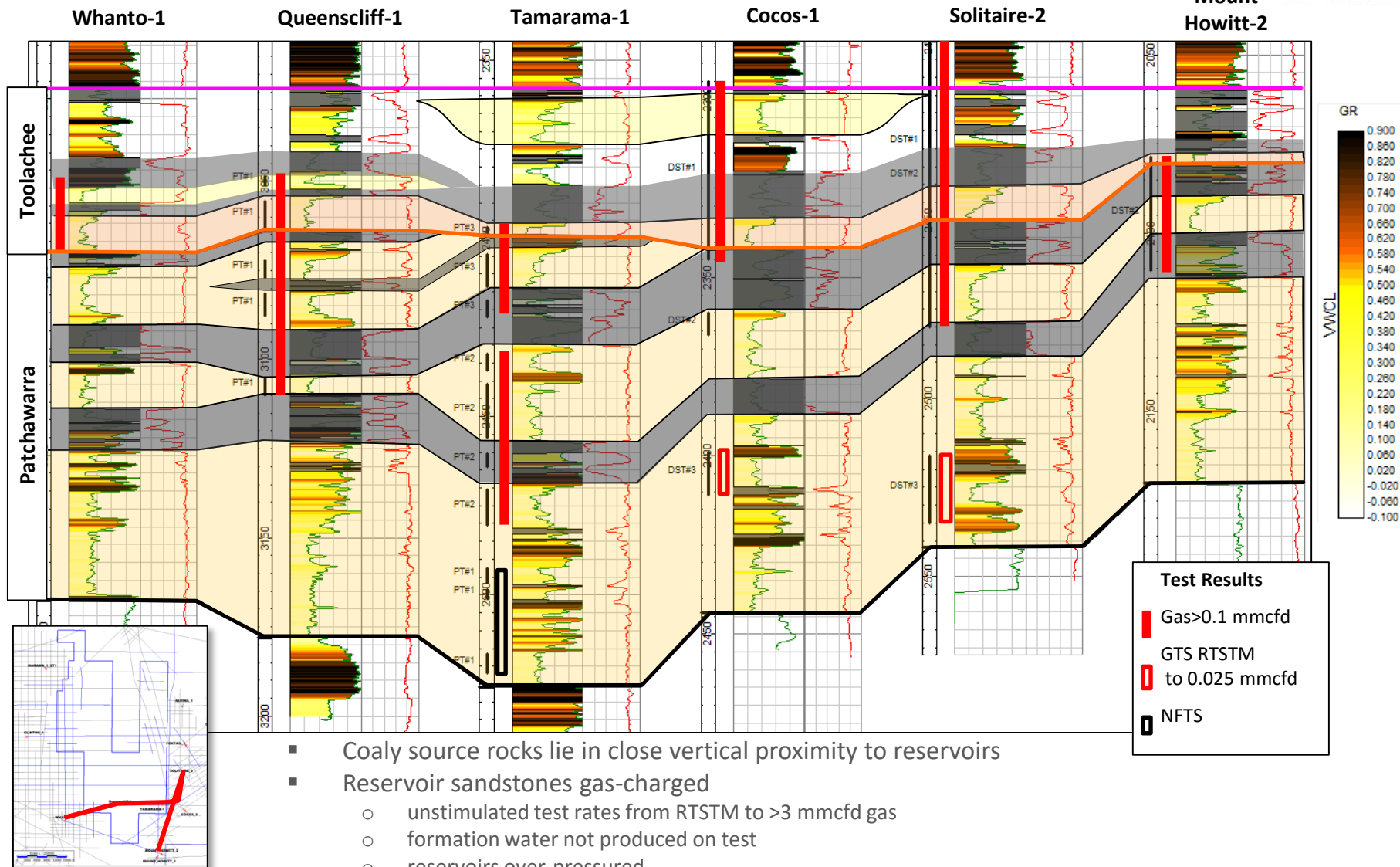
ATP 927: Structural Setting



- ATP 927 Main block overlies the Windorah Trough and west flank of the Mt Howitt anticline
- Windorah Trough contains a thick (c.2500m) Jurassic-Cretaceous Eromanga section, unconformably overlying a Permian-Triassic Cooper Basin section c.660m thick
- Cooper Basin section thins to N-NW & S-SE in response to
 - depositional onlap
 - erosion beneath the base-Eromanga unconformity
- Mt Howitt anticline is a prominent, latest Cretaceous – Early Tertiary structure (i.e., largely post-dates peak hydrocarbon generation)
- ATP 927 South and East blocks overlie the Majestic Low and shallower structural trends flanking the Thargomindah Shelf to the SE.

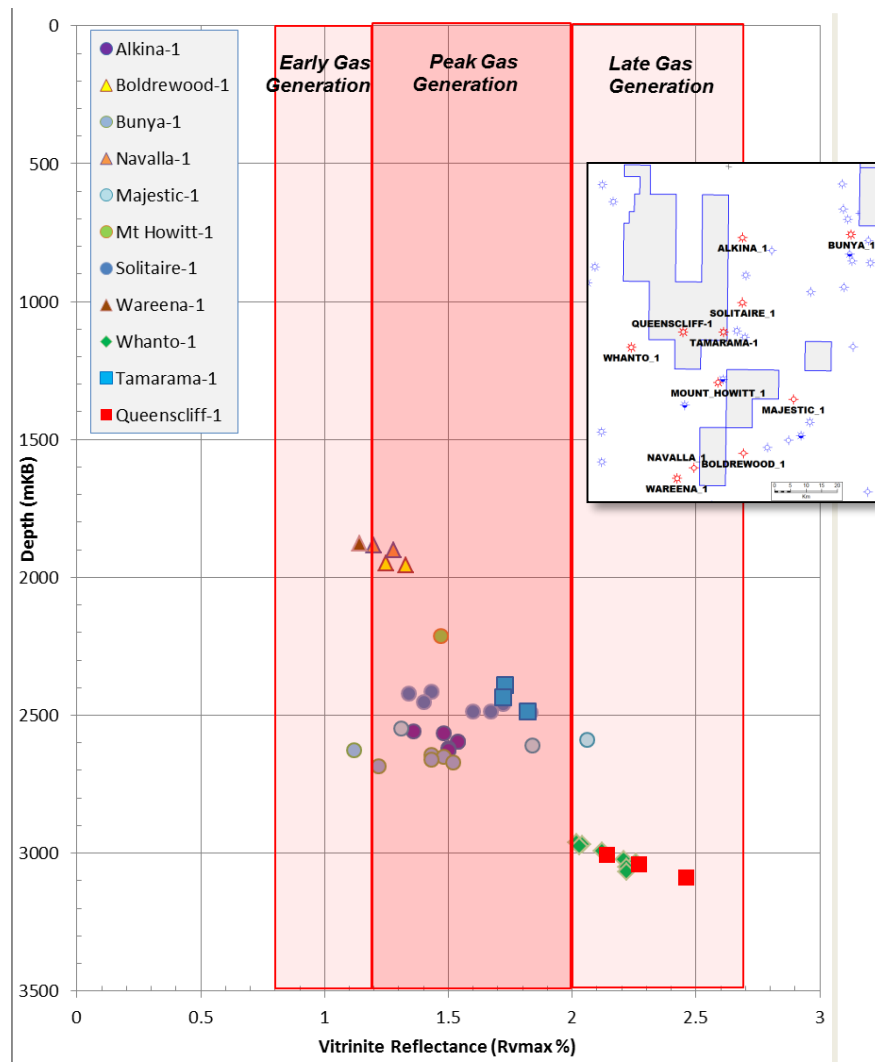


ATP 927 Permian Stratigraphy - log correlation



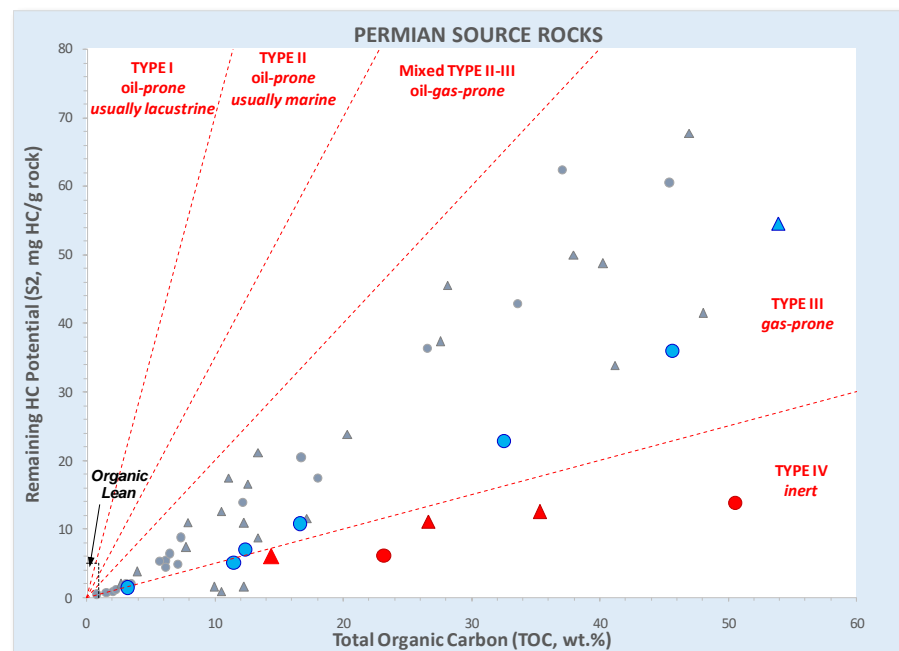
- Coaly source rocks lie in close vertical proximity to reservoirs
- Reservoir sandstones gas-charged
 - unstimulated test rates from RTSTM to >3 mmcf gas
 - formation water not produced on test
 - reservoirs over-pressured
- Reservoirs at structurally shallower depths on flank of Windorah Trough contain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

Presence of Mature Gas-prone Source Rocks



The VRmax v Depth plot gas generation zones are as per Dembicki (2009) for gas-prone source rocks.

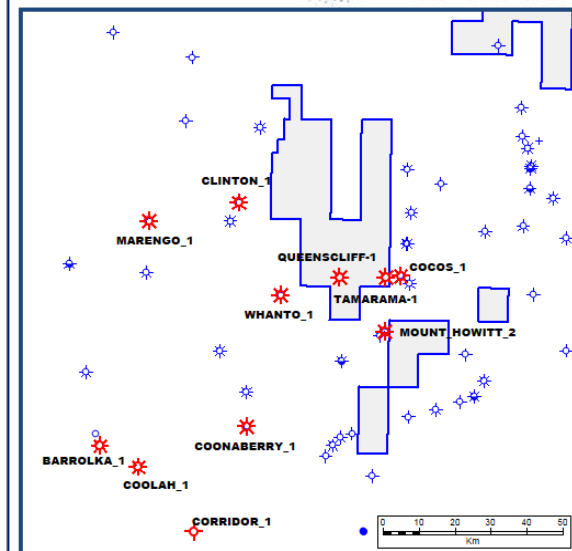
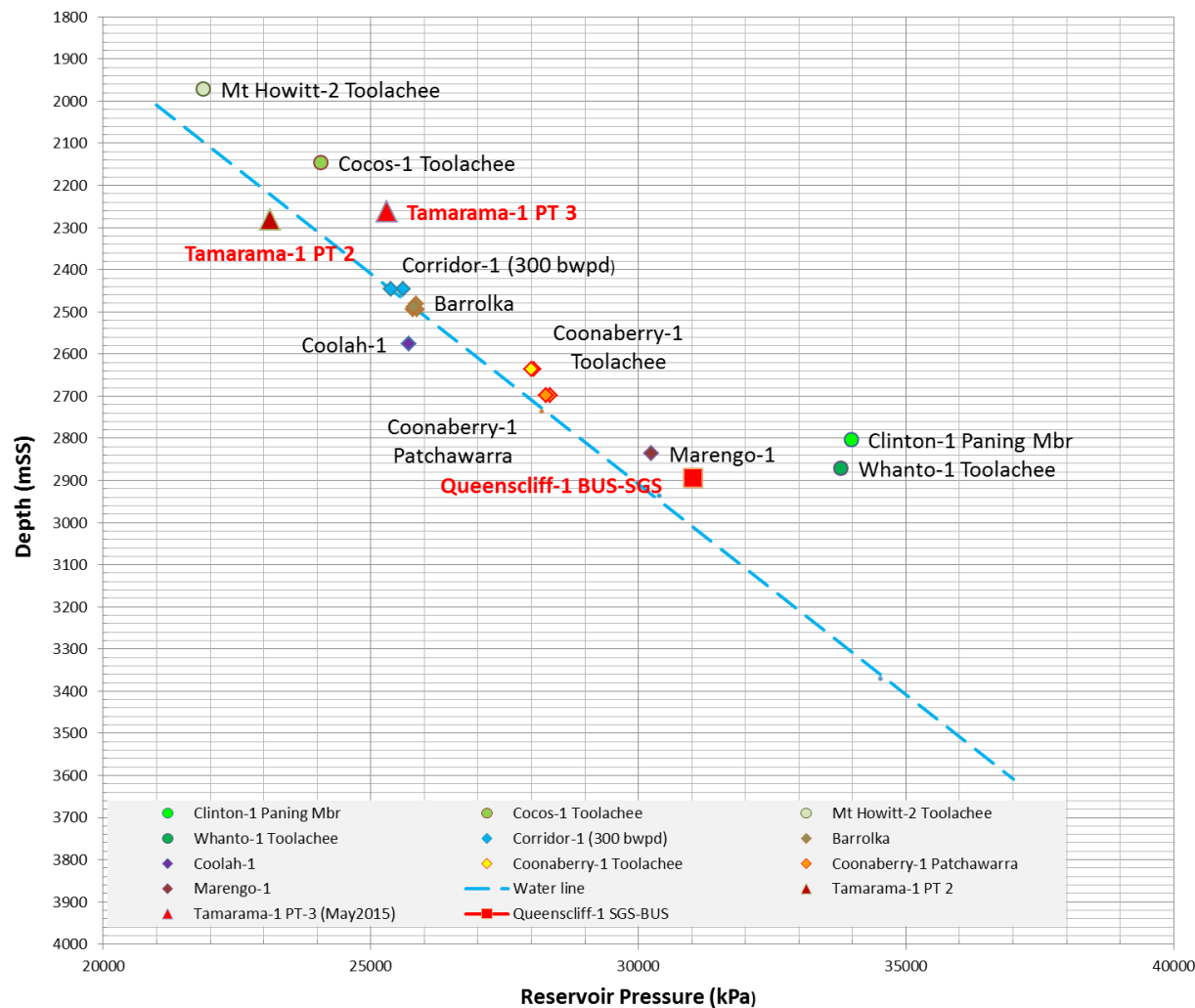
- Permian Toolachee (Δ) & Patchawarra (o) coaly source rocks are widespread in ATP 927 area:
- Typically contain Type III kerogens
- Peak Gas and Late Gas maturity
- Tamarama-1 (blue) & Queenscliff-1 (red) exhibit high levels of maturity



Overpressure - Pressure vs Depth Windorah



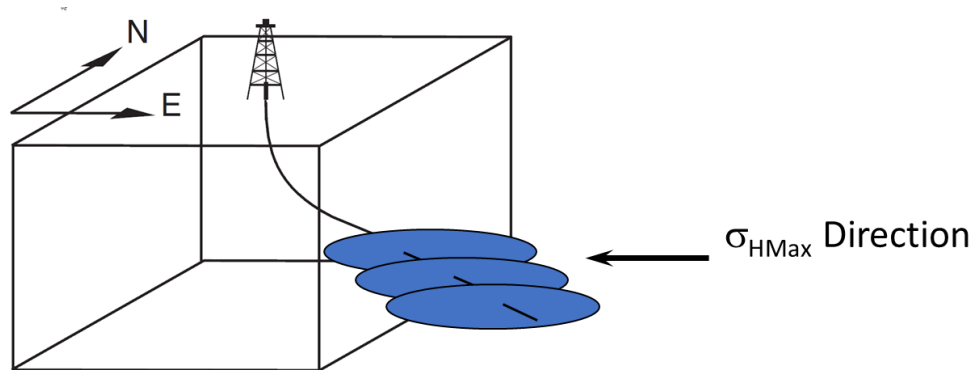
ATP 927 area - Pressure Data



- The available data supports the occurrence of over-pressure in Permian reservoirs in Windorah Trough wells,
- a phenomenon commonly associated with basin-centred gas systems.

NB: Tamarama-1 PT2 from PBU test with incomplete build-up so pressures are underestimated

Well Design – Windorah Gas Project



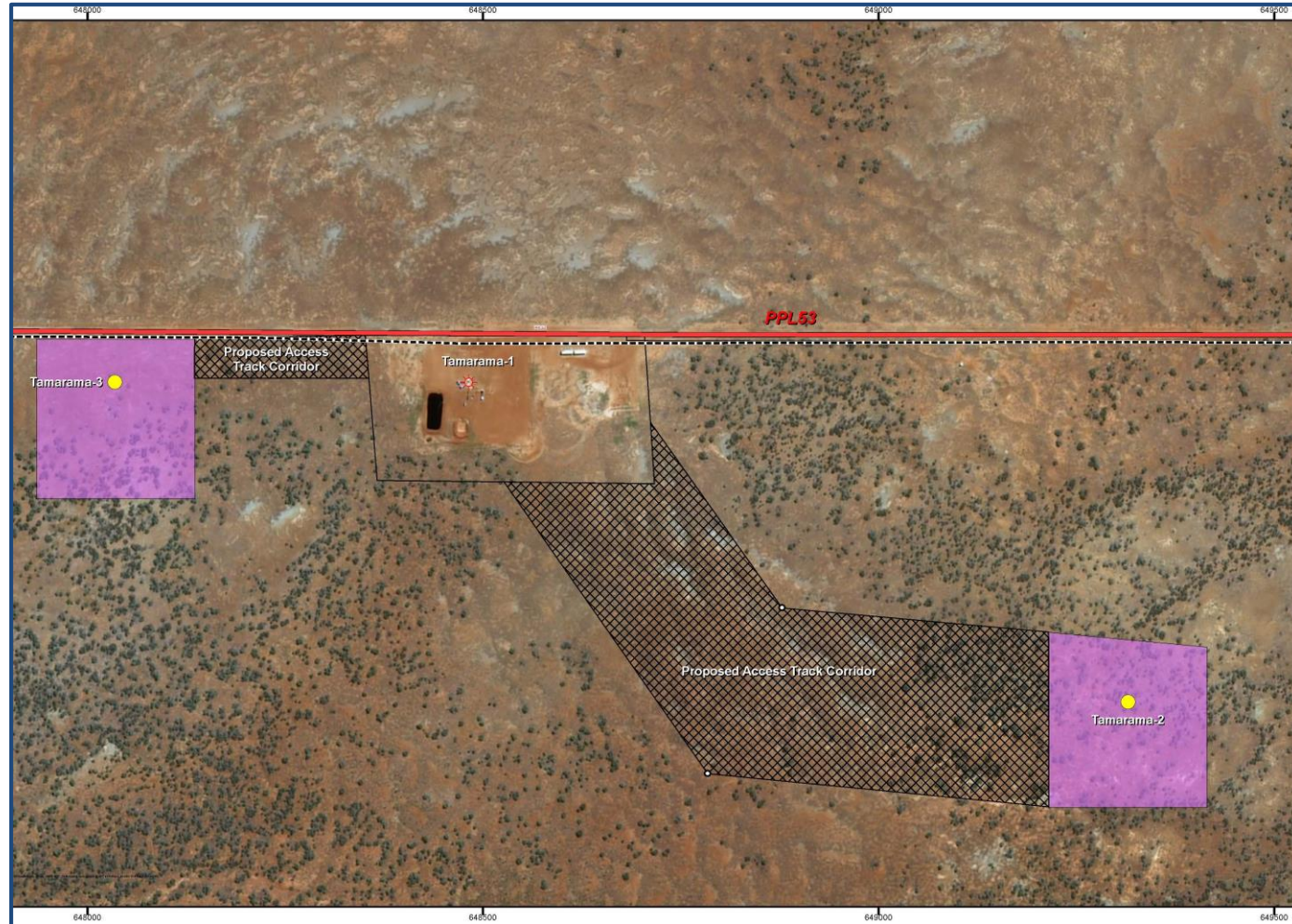
Well trajectory (\angle) $< 60^\circ$ from vertical

- 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 $0-45^\circ$ 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)

2 Well Program - Tamarama 2 & 3



- Tamarama-2 & 3 drilling will commence in the next several weeks
- Tamarama-1, 2 & 3 will be connected to flow lines and expected to be producers
- Tamarama-1 well performance is progressively improving. Variable rates up to 2 mmcf/d during flow periods



Tamarama-2 and 3 well site locations



Image: Tamarama-2 well site



Image: Tamarama- 3 well site

A 682,000 acre land bank in the prolific Cooper Eromanga Basins

Field development program



Pilot production

- ◆ Appraisal drill and fracing Tamarama-2 and Tamarama-3
- ◆ Design and engineering of surface facilities & flow lines
- ◆ Initial pilot production from Tamarama 1, 2 & 3

Stage 1 development:

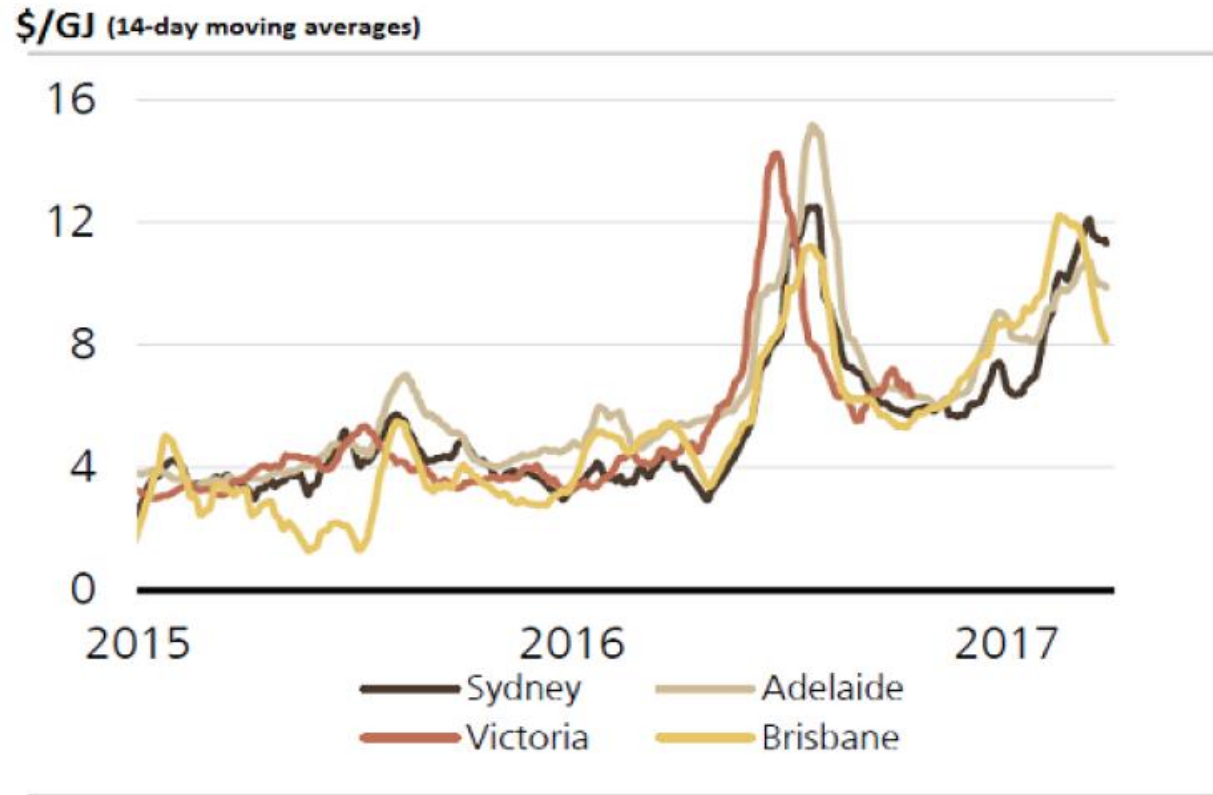
- ◆ Drilling & development of 6 more wells near Tamarama
- ◆ Conservative production target of 20Tj/d

Stage 2 development

- ◆ Full field development of ATP927 as a tier one gas project – project target of 100Tj/d
- ◆ Real Energy's objective is to certify 3P (Proven, Probable and Possible) reserves in **excess of 2 Trillion Cubic Feet (TCF) of Gas.**

- ◆ East Coast gas market is still in short supply for the next 5 years
- ◆ There is strong and growing gas demand from LNG exporters
- ◆ Gas prices forecast to remain between \$8.00 and \$12.00/Gj

East coast spot gas prices since 2015



Source: AEMO/UBS

Developing a Tier 1 gas resource

A Compelling Value Proposition



- One of the best exposures to the East Coast Gas thematic
- Potential near-term production with MOU in place with Santos for gas processing
- One of the largest uncontracted gas resources on the east coast - Independent Estimated Total Mean Gas in place of 13.76 TCF in APT927P
- Will funded with \$8.4M to unlock significant value from drilling of Tamarama-2 and Tamarama-3 wells
- An active field development program now in place - multiple near-term value catalysts
- Unchallenging market capitalisation



Image: Tamarama-1 gas metre and flaring

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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Image: Tamarama-1 flaring