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REAL ENERGY ENCOUNTERS GAS PAYS AT TAMARAMA-2

- Toolachee and Patchawarra Formations in Tamarama-2 are gas saturated as predicted
- Logs interpreted combined net pay of 35m over a 90m gross Toolachee-Patchawarra logged interval
- Additional 3.8m of net gas pay in Nappamerri Formation
- Tamarama-2 now cased and suspended for future fracture stimulation
- Drilling of Tamarama-3 to commence in the next few days

Sydney, 3 May 2018: Cooper Basin focused oil & gas exploration company Real Energy Corporation Limited (ASX: RLE) ("Real Energy") is pleased to report gas has been encountered from the drilling of the Tamarama-2 well in the Queensland Cooper-Eromanga Basin ATP 927P.

Preliminary wireline log interpretation, together with mud log gas readings and drill cuttings, have indicated the presence of gas saturated Permian Toolachee and Patchawarra formations section at the Tamarama-2 located approximately 765 metres East-Southeast from Tamarama-1 at the Patchawarra Formation top level. The petrophysical evaluation, using standard 5% porosity cut-off for pay calculation of the Basin Centred Gas Play, indicates the well has encountered combined net pay of 35m true vertical thickness, being 13.85 metres of net sandstone gas pay (from a gross 40.4 metres true vertical thickness) in the Toolachee Formation, and 20.89 metres of net sandstone gas pay (from gross 49.4 metres true vertical thickness) in the upper Patchawarra Formation section which was logged.

For comparison using the same interpretative methodology, Tamarama-1 has 11.5 metres of net sandstone gas pay (from gross of 41.5 metres) in the Toolachee Formation. While wireline logs for the complete Patchawarra Formation section in Tamarama-2 are not available yet, based on the mud log data the net sandstone gas pay in the Patchawarra Formation in Tamarama-2 would be slightly less than in Tamarama-1 due to its thickness (119.5 metres thick vs 126.5 metres thick). Tamarama-2 is situated approximately 27 metres up-dip from Tamarama-1 at the Permian Toolachee and Patchawarra Formations level.

In addition, the well also encountered 3.8 metres of log interpreted net sandstone gas pay (from gross approximately 30 metres) in the Nappamerri Formation. These sandstone units also had gas shows in Tamarama-1, but no gas pay was interpreted due to low reservoir quality.

Since the last report, the well has been drilled to the total depth of 2,581 metres. Electric logs have been recorded from surface casing shoe at 708 metres to 2,454 metres. Due to wellbore conditions, the lower section could not be logged at this time. The well has been cased and cemented to the total depth of 2,581 metres and suspended for fracture stimulation.



Picture of Ensign Rig 964 drilling Tamarama 2

Managing Director of Real Energy Mr Scott Brown commented: “This is a most encouraging result which is consistent with our geological model. The well is located 765m from Tamarama-1, and most, if not all gas sandstone units in the Toolachee and Patchawarra formations section in this well could be easily correlated to those in Tamarama-1. The net pay encountered in Tamarama-2 is very attractive for Real Energy and reinforces our view that the Windorah Gas Field holds considerable unlocked value that we are only just starting to tap. The drill crew is now mobilising to drill Tamarama-3 which is expected to begin in the next few days.”

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Geological Information

The geological information in this announcement 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.

About Real Energy Corporation

Real Energy is an oil and gas exploration and development company with a focus on the Cooper Basin, Australia's most prolific onshore producing petroleum basin. Real Energy has 100% ownership in 2 large permits in Queensland –ATP 927P & ATP1194PA.

Real Energy is focusing initially on the Toolachee and Patchawarra formations. These formations are well-known throughout the basin for holding and producing gas. Seismic interpretation in conjunction with existing petroleum well data has determined that the Toolachee and Patchawarra formations are significant across much of our acreage.