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TAMARAMA-3 ENCOUNTERS GAS PAYS

- Toolachee and Patchawarra Formations in Tamarama-3 are gas saturated as predicted
- Logs interpreted combined net pay of 59m over a 171m gross Toolachee-Patchawarra section
- Tamarama-3 now cased and suspended for fracture stimulation and flow testing
- Real Energy well placed to unlock significant value from its prospective Cooper Basin acreage

Sydney, 22 May 2018: Cooper Basin focused oil & gas exploration company Real Energy Corporation Limited (ASX: RLE) (“Real Energy”) is pleased to report the drilling results of the Tamarama-3 well in the Queensland Cooper-Eromanga Basin ATP 927P.



Picture of Ensign Rig 964 on location

Preliminary wireline log interpretation, together with mud log gas readings and drill cuttings indicate the presence of gas saturated Permian Toolachee and Patchawarra formations at the Tamarama-3 located approximately 520 metres West-Northwest 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 a combined net pay of 58.9m true vertical thickness, being 11.6 metres of net sandstone gas pay (from a gross 41 metres true vertical thickness) in the Toolachee Formation, and 47.3 metres of net sandstone gas pay (from gross 130.5 metres true vertical thickness) in the Patchawarra Formation.

The gross and net pay thickness encountered in Tamarama-3 are similar to those in Tamarama-1. The gas shows in the Nappamerri Formation, as previously reported, were in a thin sandstone unit with log interpreted net gas pay of less than 1 metre.

The well has now been cased and cemented to the total depth of 2,634 metres and suspended for fracture stimulation.

Managing Director of Real Energy Mr Scott Brown commented: “This is an excellent result which is consistent with our geological model and aligns with the pre drilling predictions.

The well is located 520m 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.

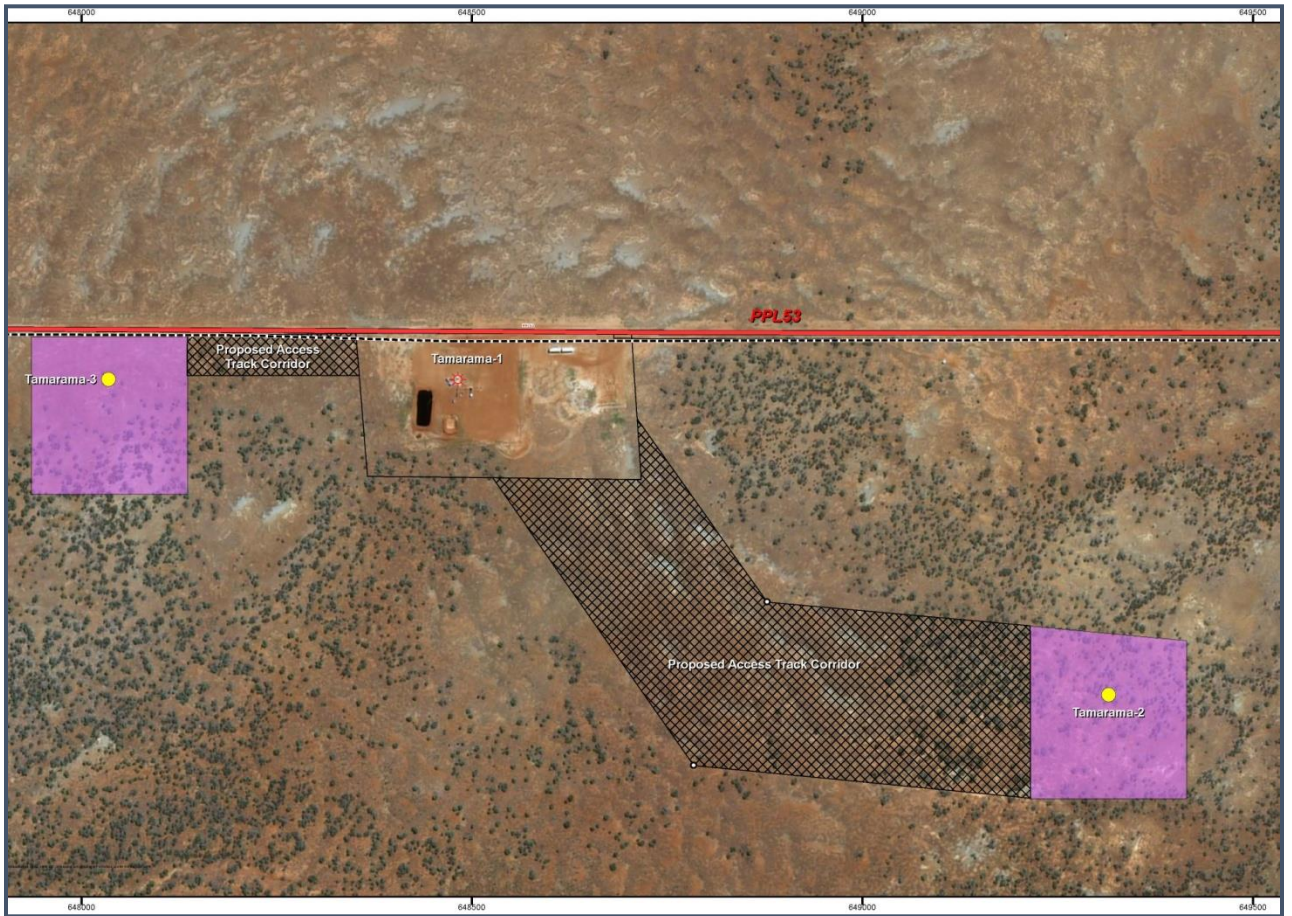
Real Energy has a significant gas resource. The net pay encountered in both Tamarama-2 and now Tamarama-3 is very attractive for Real Energy and again reinforces our view that the Windorah Gas Field holds considerable unlocked value that we are only just starting to tap.”

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The surface location of Tamarama-1, Tamarama-2 and Tamarama-3

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.