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## Reservoir Modelling of Tamarama-3 Well

- **Fracture Stimulation Operations on Tamarama 2 & 3 wells to commence this quarter**
- **Reservoir modelling suggests initial flow rates should exceed 3 MMscf/day in Tamarama-3**

**Sydney, 17 July 2018:** Cooper Basin focused oil & gas exploration company Real Energy Corporation Limited (ASX: RLE) ("Real Energy") is pleased to report that operations are continuing at the Windorah Gas Project in the Cooper Basin with Diagnostic Fracture Injection Test work (DFIT) completed on the Tamarama-3 well.

A Pre-Frac testing program of three (3) diagnostic fracture injection tests (DFITs) were completed on Tamarama-3 to evaluate the permeability and stress. These parameters, along with extensive log data, will be used to optimise the upcoming hydraulic fracture on Tamarama 2 and 3 which is scheduled for this quarter.

The results of the DFITs in non-pay intervals were able to describe the low range of permeability expected in the non-essential intervals and bracket a baseline permeability for the high permeability intervals. The in-situ stress values observed during these DFITs were closely aligned with the stress profiling for the Tamarama area as previously reviewed by an independent 3rd party analysis using Tamarama-1 and offsetting operator data obtained by data collaboration.

Tamarama 2 and 3 are incorporating new well designs to enable enhanced productivity through better alignment between the hydraulic fracture and the wellbore. This "alignment flow technology" has been the result of extensive ongoing research with Prof Raymond Johnson Jr at the University of Queensland to improve hydraulic fracturing designs in this area of the Cooper Basin. By better aligning the wellbore, perforations and the hydraulic fracture with the prevailing stress direction, an optimised hydraulic fracture and enhanced flow should result through implementation of these technologies.

Prof Johnson has now prepared a four-stage hydraulic fracturing design that will maximise coverage over the prospective intervals in Tamarama-3, then a similar process of testing and design will be performed on Tamarama-2 prior to its completion.

Reservoir modelling using the acquired stress and permeability data and enhanced fracturing designs indicate the wells initial production should exceed 3 MMscf/day in Tamarama-3.

**Managing Director of Real Energy Mr Scott Brown commented:** "The reservoir modelling continues the positive news for the Windorah Gas Project. It is very much game on when the flow rates of Tamarama-3 eventuate as per the forecasts under reservoir modelling. It will prove the commerciality of the gas field."

"Hydraulic fracture stimulation work is schedule for this quarter and we are now working with our chosen suppliers to determine firm dates to perform these works."

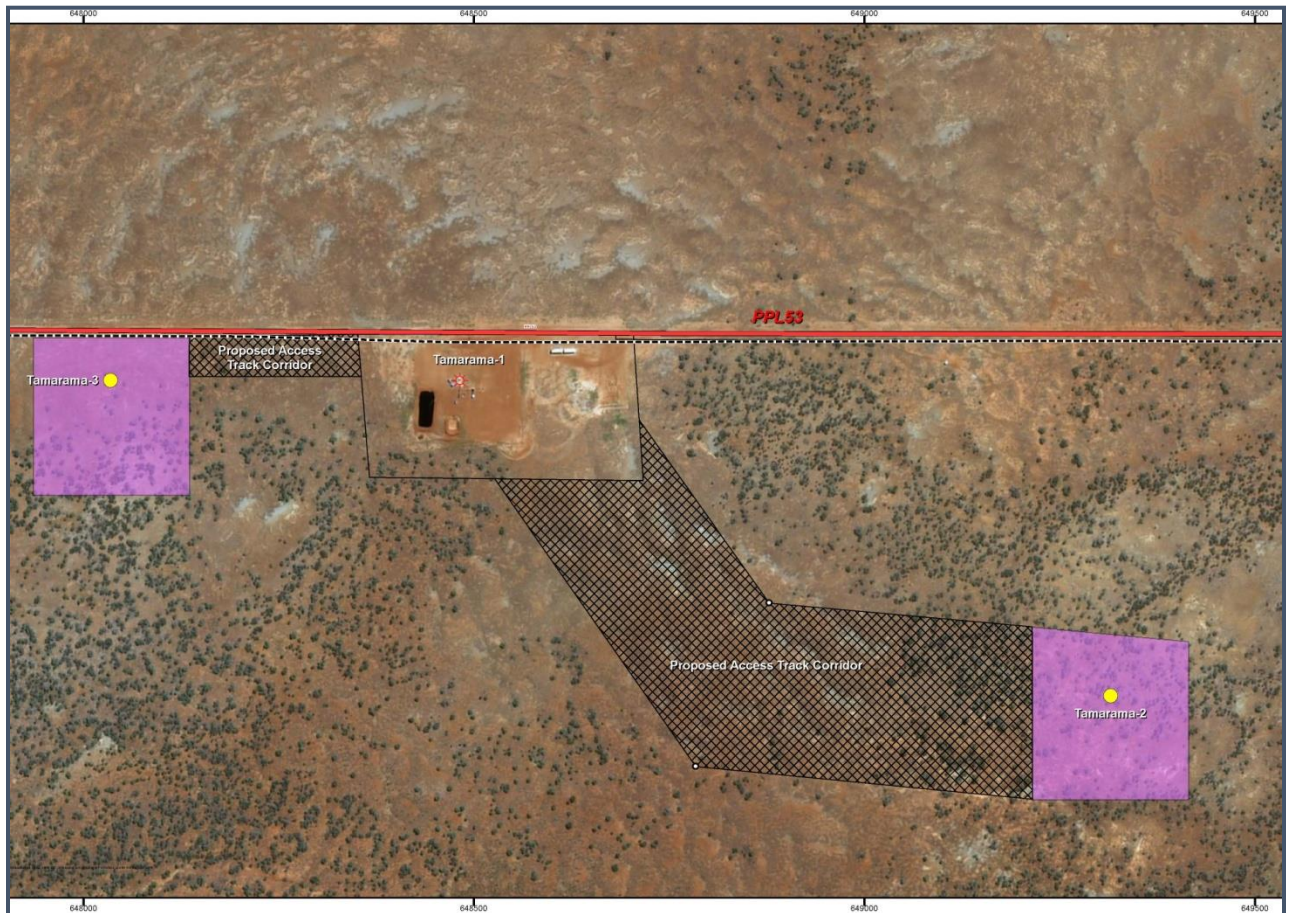
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The surface location of Tamarama-1, Tamarama-2 and Tamarama-3

### 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.