



Real Energy Corporation Limited
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Options & Replacement Appendix 3B

Sydney, 11 October 2018: Cooper Basin focused oil & gas company Real Energy Corporation Limited (ASX: RLE) ("Real Energy") advises that it has cancelled 2,808,440 options being 2,458,440 Bonus Options (RLEOA) relating to the top up component of these options and 350,000 Placement Options (RLEOB) and attaches a replacement Appendix 3B (for the Appendix 3B lodged with the ASX on 2 October 2018).

Whilst those options were issued to directors as related entities pursuant to the Bonus & Placement Options issue Prospectus dated 31 August 2018, the Company acknowledges that specific approval pursuant to Listing Rule 10.11 was not sought at the general meeting held on 20 September 2018 for so doing. The Company will seek shareholder approval to issue such options to the directors as related parties at the forthcoming Annual General Meeting (AGM) to be held next month pursuant to ASX Listing Rule 10.11.

The subject Option entitlements were calculated on the same basis as other shareholders, so the directors will not receive any preferential treatment to other shareholders concerning this issue in the event that shareholders subsequently approve the issue thereof. The details of the options cancelled and subject to shareholder approval at the AGM are for Mr Dang Lan Nguyen 1,025,000 Bonus Options¹, Mr Scott Brown for 1,318,440 Bonus Options¹, and Mr John Wardman 115,000 Bonus Options¹ and 350,000 Placement Options.

Mr. Ron Hollands
Company Secretary

¹ Specifically, these options were top up options (as announced 16 August 2018).

+ See chapter 19 for defined terms.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Real Energy Corporation Limited (RLE)

ABN

92 139 792 420

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Placement Options, Broker Options and Bonus Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 22,775,005 Placement Options
7,500,000 Broker Options
39,692,709 Bonus Options |

+ See chapter 19 for defined terms.

3	<p>Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>Placement Options</p> <p>Placement Options were issued to participants in the Company's recent \$3.7M share Placement (as announced 30 July 2018) following the attainment of Shareholder approval (meeting held 20 September 2018).</p> <p>The main terms and conditions of the Placement Options are as follows:</p> <ul style="list-style-type: none"> ➤ Class of security issued: Placement Options with an exercise price of 14 cents per share and an expiry date of 30 September 2020. ➤ 1 Placement Option for every 2 Placement Shares (refer above) issued. ➤ Issue price of Placement Options: Nil consideration. <p>Broker Options</p> <p>Broker Options have been issued to a Broker (Hartley's Limited) who assisted the Company with abovementioned \$3.7M Placement.</p> <p>The main terms and conditions of the Broker Options are as follows:</p> <ul style="list-style-type: none"> ➤ Class of security issued: Broker Options with an exercise price of 12 cents per share and an expiry date of 26 September 2021. ➤ Issue price of Placement Options: Nil consideration. ➤ Issued under LR7.1 <p>Bonus Options (bonus option and top up bonus option)</p> <p>A bonus option was issued primarily to reward existing shareholders for their continued support for the Company and to potentially raise funds for the Company. The bonus option was issued on a pro rata basis, with an entitlement of 1 bonus option for every 10 existing shares held by shareholders at the Record Date.</p> <p>A top-up bonus option issue (being an extra 50% entitlement to the number of Bonus Option issued) was made to a shareholder if the respective shareholder has the same number of shares or increases their net shareholding in the Company from the date of the recent share placement (31 July 2018) to the Record Date.</p> <p>The top up bonus option issue was made from the Company's placement capacity under LR 7.1, the bonus option issue under LR7.2.</p> <p>Full details of the Bonus Options are contained in a Prospectus lodged with the ASX on 31 August 2018.</p> <p>The main terms and conditions of the Bonus Options are as follows:</p>
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+ See chapter 19 for defined terms.

- Class of security to be issued: Bonus Options with an exercise price of 12 cents per share and an expiry date of 15 April 2019.
- Issue price of Bonus Options: Nil consideration.
- Date on which the securities traded on “ex” basis: 24 September 2018.
- Record Date: 25 September 2018 (5pm EST).

+ See chapter 19 for defined terms.

4	<p>Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	No
5	Issue price or consideration	There is no consideration payable for the issue of either the Placement Options, Broker Options or Bonus Options.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>The Placement Options were issued to participants in the Company's recent \$3.7M share Placement (as announced 30 July 2018) following the attainment of Shareholder approval (meeting held 20 September 2018).</p> <p>The Broker Options have been issued to a Broker (Hartley's Limited) who assisted the Company with abovementioned \$3.7M Placement.</p> <p>The Bonus Options were issued primarily to reward existing shareholders for their continued support for the Company and to potentially raise funds for the Company.</p>
6a	<p>Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	30 November 2017
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	7,500,000 Broker Options 9,531,684 Bonus Options
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	N/A

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	22,775,005 Placement Options	
6f	Number of +securities issued under an exception in rule 7.2	30,161,025 Bonus Options	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	LR7.1 – 28,209,821 LR 7.1 A – 30,161,004	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	28 September 2018 and 2 October 2018	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		301,610,036 22,775,005 39,692,709	Ordinary class Placement Options Bonus Options

+ See chapter 19 for defined terms.

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		7,500,000	Broker Options
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Pro rata issue (30,161,025 Bonus Options issue only)

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non – renounceable
13	Ratio in which the ⁺ securities will be offered	1 bonus option for every 10 ordinary class shares Held
14	⁺ Class of ⁺ securities to which the offer relates	Ordinary class shares
15	⁺ Record date to determine entitlements	25 September 2018
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	Rounded to the nearest whole option
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A

22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	1 October 2018
29	Date rights trading will end (if applicable)	15 April 2019
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Normal means
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Normal means
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Normal means
33	⁺ Issue date	28 September 2018 and 2 October 2018

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ☒ ⁺Securities described in Part 1 – 39,692,709 Bonus Options and 22,775,005 Placement Options only
- (b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities – N/A

Entities that have ticked box 34(b) – N/A

- 38 Number of +securities for which +quotation is sought 39,692,709 Bonus Options and 22,775,005 Placement Options
- 39 +Class of +securities for which quotation is sought Placement Options
Bonus Options
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state:
• the date from which they do
• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment No,
Placement Options and Bonus Options, if exercised would rank equally with Ordinary Class Shares
- 41 Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security) Reward shareholders and allow the Company to raise funds should the options be exercised.

Number	+Class
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<p>42 Number and ⁺class of all ⁺securities quoted on ASX (<i>including</i> the ⁺securities in clause 38)</p>	<p>301,610,036 22,775,005 39,692,709</p>	<p>Ordinary Class Placement Options Bonus Options</p>
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Quotation agreement

- 1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those ⁺securities should not be granted ⁺quotation.
 - An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the ⁺securities to be quoted under section 1019B of the Corporations Act at the time that we request that the ⁺securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before ⁺quotation of the ⁺securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: _____
Ron Hollands – Secretary

Date: 11 October 2018

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities – N/A

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	229,288,033
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	13 October 2017 – 26,072,003 (approved 30 November 2017 shareholder meeting) 7 August 2018 – 46,250,000 (approved 20 September 2018 shareholder meeting)
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	0
“A”	301,610,036

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	45,241,505
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of ⁺ equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 Note: <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	28 September 2018 - 9,531,684 (Bonus Options) 28 September 2018 - 7,500,000 (Broker Options)
“C”	17,031,684
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	45,241,505
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	17,031,684
Total [“A” x 0.15] – “C”	28,209,821 <i>Note: this is the remaining placement capacity under rule 7.1</i>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	301,610,036
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	30,161,004
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of [†] equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	
“E”	0
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	30,161,004
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	0
Total [“A” x 0.10] – “E”	30,161,004

