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Tamarama 3 Reports Initial Flow Rate of 2.5 mmcf/day

- **Flow rate gives confidence of Tamarama 3's commerciality**
- **Windorah pipeline licence application lodged to connect to Mt Howitt gas facility**
- **Video of initial flow posted on Company's website**

Sydney: 29 January 2019, Cooper Basin focused oil & gas company, Real Energy Corporation Limited (ASX:RLE) ("Real Energy"), is pleased to provide shareholders with an update on the Tamarama 3 well located on the Company's ATP927 permit, Cooper Basin, South West Queensland.

A flow rate of 2.5 mmcf/d was recorded from an initial flow test conducted on 26 January 2019 using a 24/64 choke size. See Picture on next page and a video of the initial flare has been posted at <http://www.realenergy.com.au/news-reports/news.html>

This result is particularly encouraging given the previous successful flow test of Tamarama 2 (announced last week) which gives Real Energy confidence in the commerciality of the project and its revenue generating potential.

Real Energy will continue to gather data and other reservoir parameters on Tamarama 2 and 3 with the main objective being to book a maiden gas reserves for our Windorah Gas Project.

Tamarama 2 & 3 were drilled as follow up wells from the initial discovery well of Tamarama 1, with a changed deviated wellbore design with optimal stress orientation for more efficient fracture stimulation. These extraction techniques will continue to evolve with further improvements expected.

Lodgement of Pipeline Application

Real energy also advises that following the successful flow test on Tamarama 2, it has lodged an application for a pipeline licence between its Tamarama wells and the Mt Howitt gas gathering facility operated by Santos Limited (ASX: STO).

The proposed pipeline will transport raw gas from the Tamarama wells to the Mt Howitt facility which is only ~14km from the field. If granted by the Queensland Government, the pipeline licence will allow Real Energy to build a pipeline on the proposed route to commercialise its Tamarama wells.

As previously advised, Real Energy has executed a Tie-In Agreement and Gas Process Services Agreement with the Joint Venture owners, Santos and Beach Energy Limited (ASX: BPT) (ASX Announcement 15 October 2018).

The proposed pipeline route was determined in consultation with the local landowner and Boonthamurra

people to minimise any impact to culturally significant sites. The Company looks forward to providing further updates on the application process in due course.



Picture of the flare from the initial testing of Tamarama 3

Commentary

Commenting on the successful initial flow test of Tamarama 3, Real Energy's Managing Director, Scott Brown, said:

"This is an excellent result for Tamarama 3 and we believe this well will be a future gas producer. With this result, we have well and truly proven up the Basin Centred Gas model and the results of these two wells bode well for future wells. We have large gas field and together with high East Coast gas prices we have the potential to generate significant revenues."

"Based on these flow rates, we have acted quickly in lodging the pipeline application which if approved, means we can tie into an existing gas gathering and processing system only 14 kilometres away. The pieces are now rapidly falling into place."

"Real Energy is on track to convert a large Contingent Resources of 2C & 3C into reserves and then start to deliver sustainable production from what is potentially a very large gas project in the heart of a proven Australian energy province, the Cooper Basin."

For further information, please contact:

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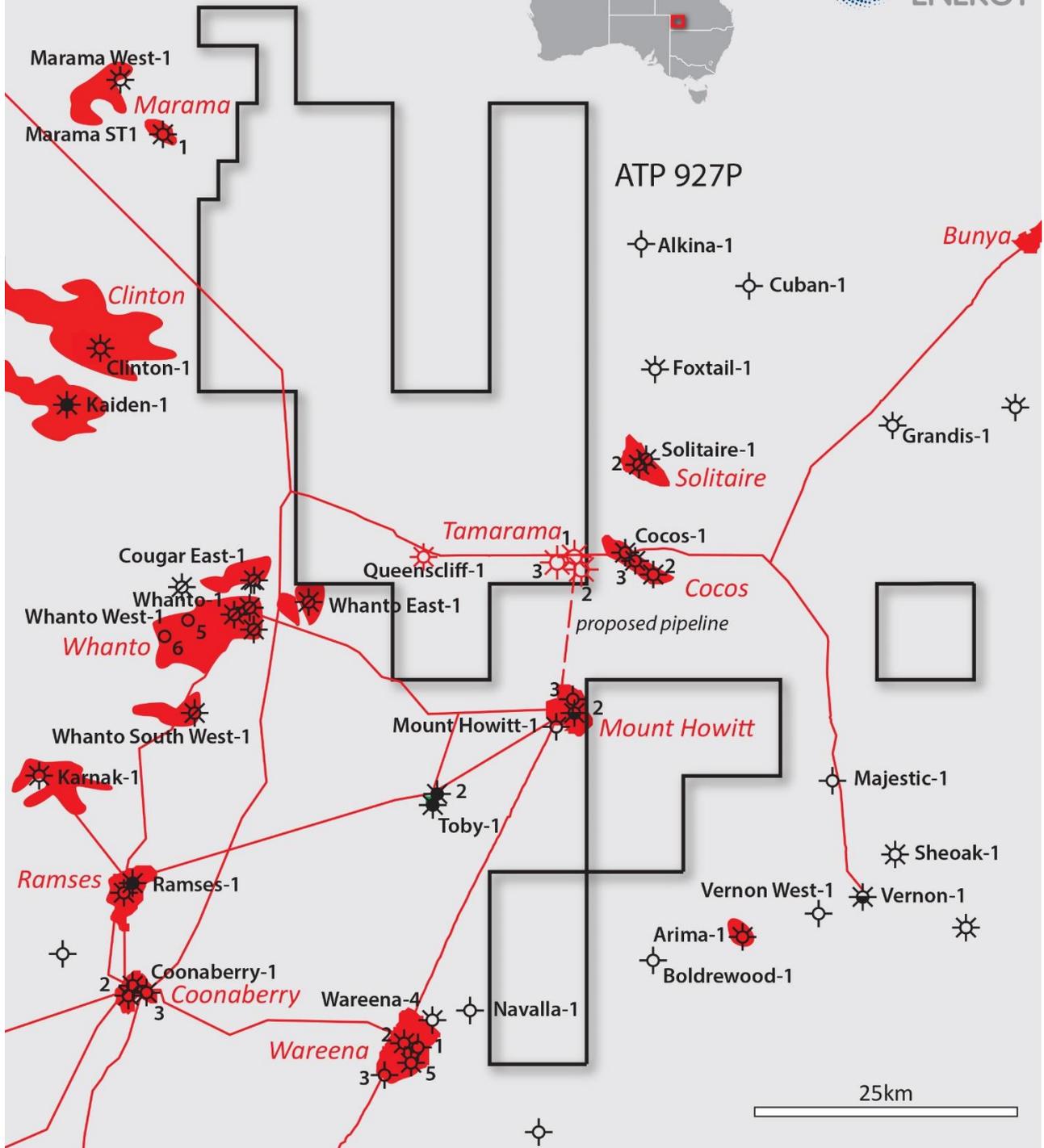
Geological Information

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.



Appendix 1

Well Result

Tamarama 3 Well	
1	Type of well Petroleum, Gas Well
2	Location 13 Kms North of Mt Howitt in South West Queensland, Australia see map
3	Working Interest 100%
4	Gross and Net Pay Gross pay interval is 171.5 metres (true vertical thickness). In the Toolachee and Patchawarra formations. Net Pay 58.9 metres (true vertical thickness)
5	Rock Type Toolachee and Patchawarra Sandstone and Coal formations
6	Depth Top Toolachee Formation 2,387 mRT / 2,230.1 mSS Thickness 41.0 mTV Top Patchawarra Formation 2433.0 mRT / 2,271.1 mSS Thickness 130.1 mTV
7	Tests Initial flow test
8	Recoveries Water/frac fluids
9	Initial Flow Rates and Choke size 2.5 mmcf/d on an 24/64 inch choke
10	Fracture Stimulation stages 4 Stage Fracture Stimulation
11	Volumes of Non Hydrocarbon gases N/A
12	Other N/A