

Windorah Gas Project

Developing a Significant Gas Field in the Cooper Basin



Real Energy Corporation Limited (ASX: RLE)
Energy & Minerals Conference March 2019



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Geological Information

The geological information in this presentation 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.

Windorah Gas Project – Achievements to date

01

4 wells drilled in 927P – all gas discoveries - Close to existing major developments and easy access to major gas pipelines connecting Australian domestic market and LNG hubs

02

Gas Flow Rates – Initial flow of 2 mmcf/d and 2.5 mmcf/d recently completed Tamarama 2 and 3 wells.

03

Agreement for gas processing and Transporting executed with Santos Limited and Beach Energy Limited – Well placed to supply gas to the Eastern Australian gas markets which are short gas and dependent on undeveloped resources

04

Application for Pipeline Licence lodged with Queensland Government Significant Gas Resource – Real Energy's acreage has a certified Estimated Total Mean Gas-In-Place of 13.76 TCF and a Maiden 3C gas resource of 672 BCF

05

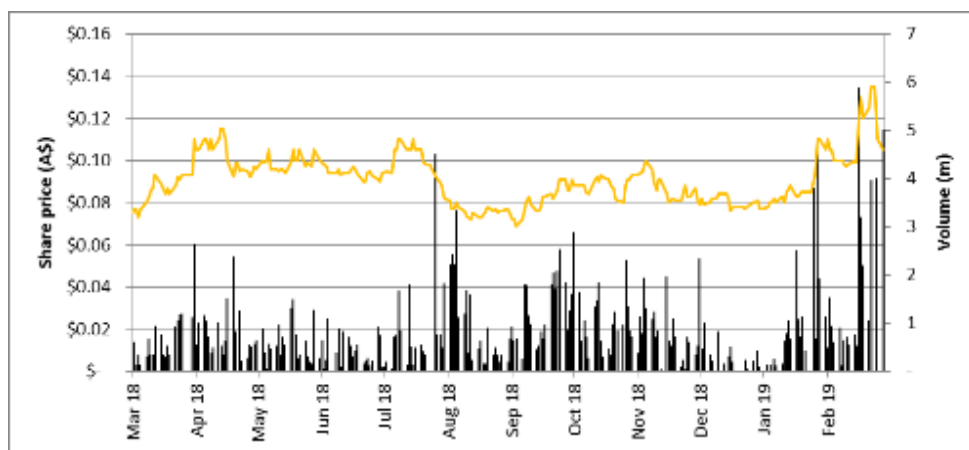
Sales Pathway – MOU with Weston Energy for gas sales and with strong buyer interest from other parties. On track for production in 2019/2020

Corporate Overview

Capital Structure

ASX Code	RLE
Ordinary shares on issue	349,229,086
Share Price	\$ 0.094
Market Capitalisation	\$ 32,827,534
Listed Options RLEOA - 15 April 2019	42,203,737
Listed Options RLEOB - 30 September 2020	38,997,978

Share Performance



Board of Directors

Lan Nguyen

B.Sc (Mining Engineer-Geology), M.Sc (Petroleum Geology). Lan has over 25 years' experience in petroleum exploration, development and production in Australia and internationally. Previously as Managing Director of ASX listed Mosaic Oil, he has transformed the company from a speculative petroleum explorer to a successful petroleum production company.

NON-EXECUTIVE CHAIRMAN

Scott Brown

B.Bus, M. Commerce. Prior to Real Energy, Scott was the CFO of Mosaic Oil, a public Australian company with an extensive range of oil and gas production and exploration permits in Queensland, New Zealand and offshore WA. He is also a non executive director of Kairiki Energy Limited (ASX:KIK) and Shine Metals Limited (ASX:SHI).

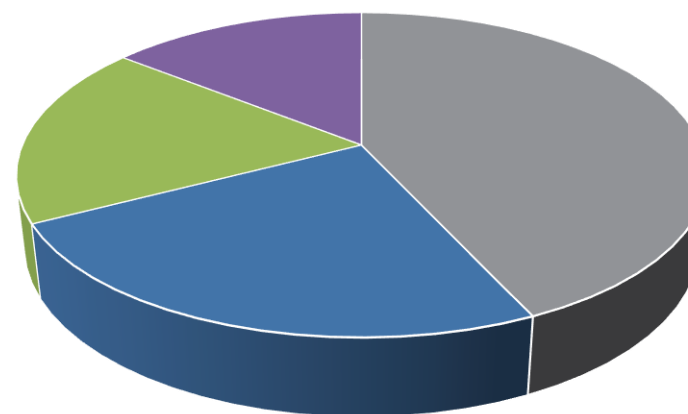
MANAGING DIRECTOR

John Wardman

Mr Wardman is a stockbroker with over 25 years industry experience and special expertise in smaller stocks. For 13 years, John was with a senior advisor with Macquarie Private Wealth and more recently with a boutique Australian wealth management firm. John has an extensive network of contacts and clients.

NON-EXECUTIVE DIRECTOR

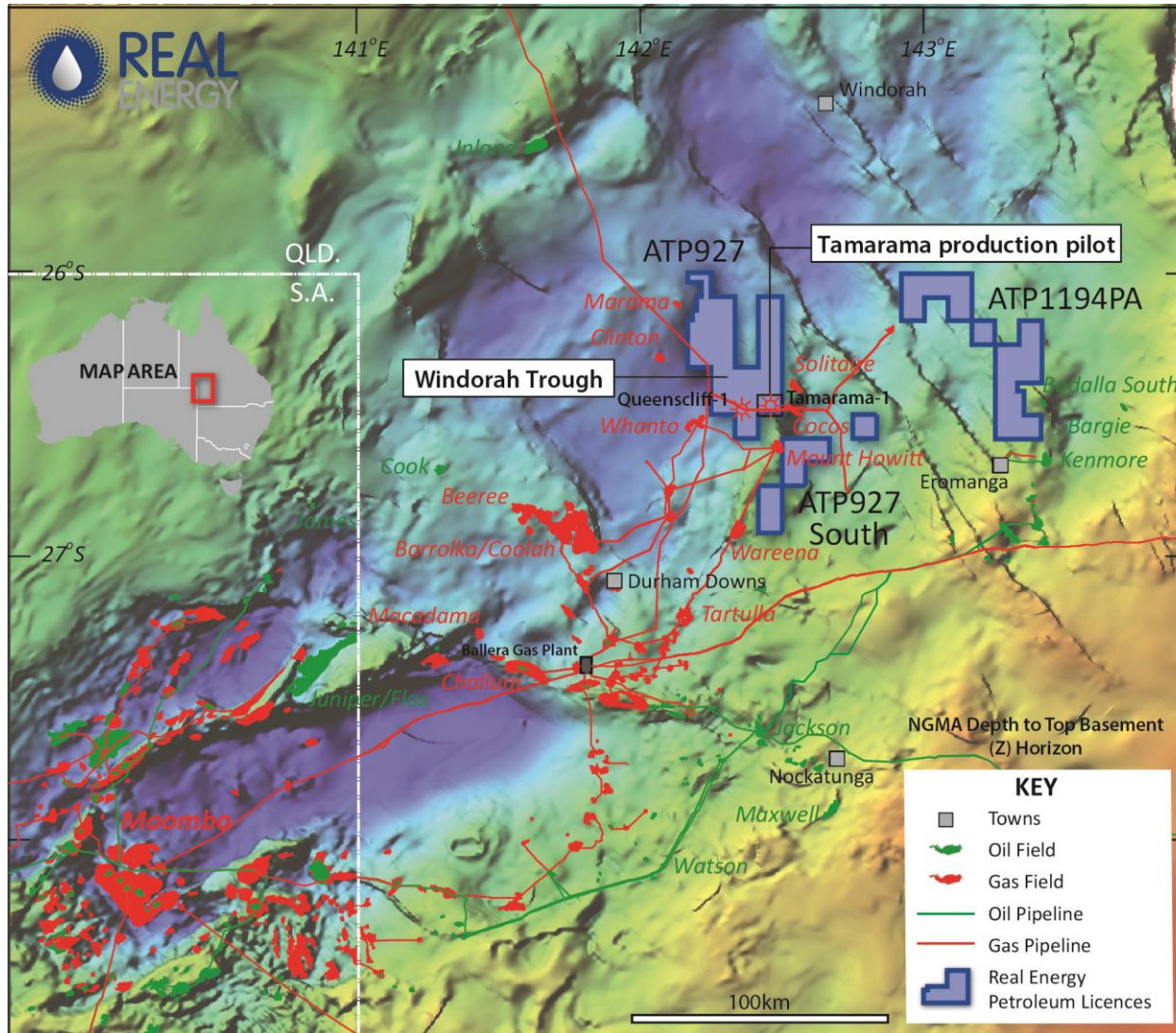
Shareholder Composition



- Other Shareholders
- Institutions and Funds
- Other Top 50 Shareholders
- Directors

World Class Location

01

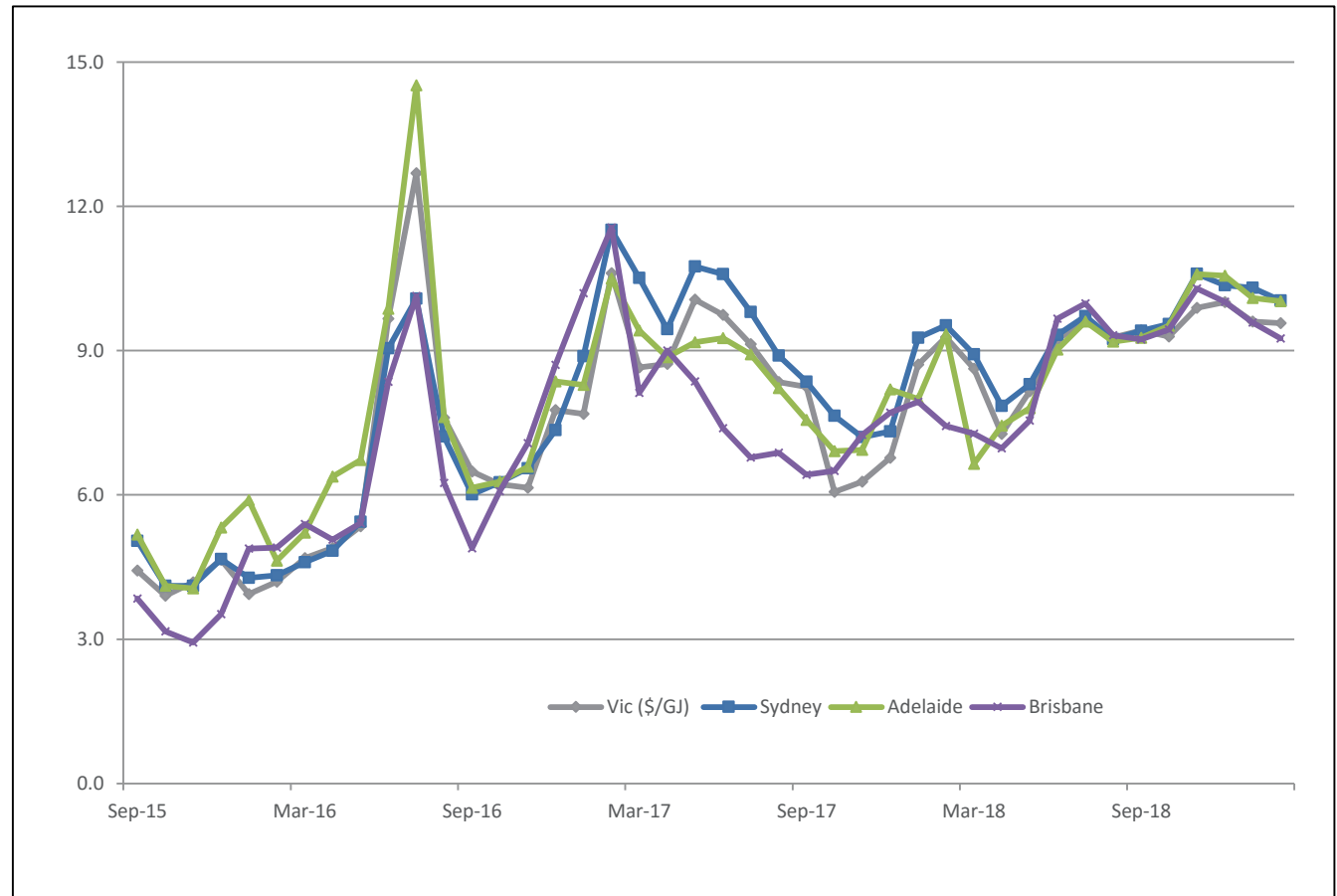


- The Cooper Basin is the premium onshare basin, a major producer of gas, NGLs, condensate and oil in SA & QLD
- Over 6 Tcf of gas and 300 Million BBLS of Oil produced;
- 100% ownership in Queensland permits ATP 927P & ATP 1194PA
- Permits are in close proximity to major energy players with easy access to domestic and export markets
- Close to existing major developments and easy access to gas plants and major gas pipelines connecting to domestic markets and LNG hub

East Coast Gas Crisis

- East Coast gas market still in short supply for the next five years
- Strong and growing gas demand from LNG exporters via Gladstone. LNG spot prices have recently dropped but forecast to increase by end of the year.
- Sydney gas prices have recently been above \$11.00/Gj²
- General trend in gas prices is still up.

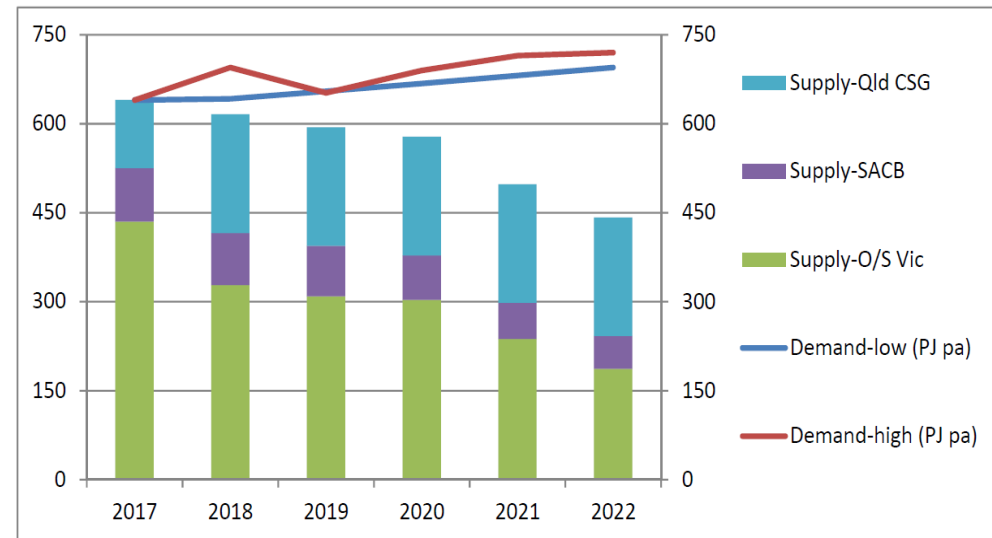
* AEMO 30 January 2019



Source: ACCC
2. Aemp

East Coast Gas Crisis

- Three giant LNG plants on Curtis Island, Queensland with a combined annual production capacity of 25 million tonnes are draining gas from domestic market
- Viability of existing developments is in question and low oil prices are resulting in declining investment in gas exploration and lower production forecasts for both domestic and LNG projects
- Moratoria and regulatory restrictions affecting onshore gas exploration and development in New South Wales, Victoria, and Tasmania



East Coast gas supply and demand (Source: AEMO 29 March 2018)

The large LNG export demand is changing the dynamics of the east coast gas markets. The smaller domestic gas sector is now linked to a more volatile world market for gas, and the size of LNG exports means small gas supply chain disruptions can have large impacts on domestic gas supply and demand in Eastern and south-eastern Australia.

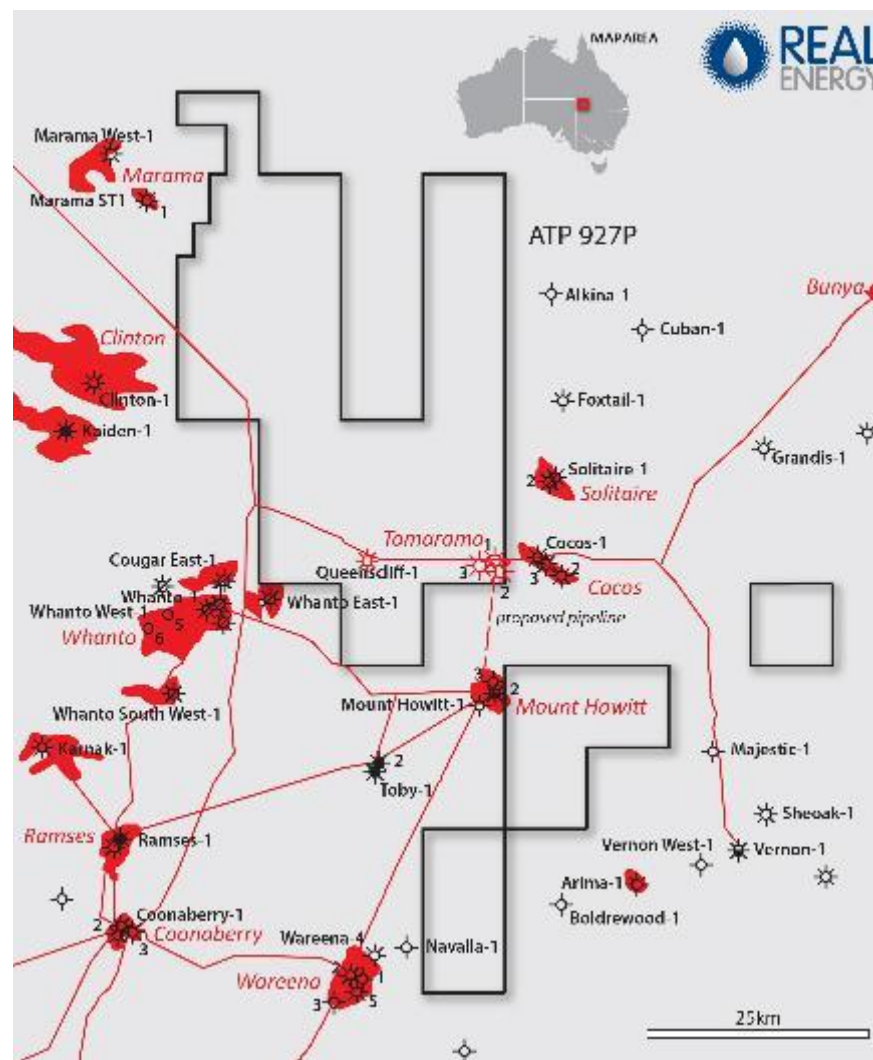
Australian Energy Market Operator, 2017

Basin Centred Gas - Significant Gas Resource

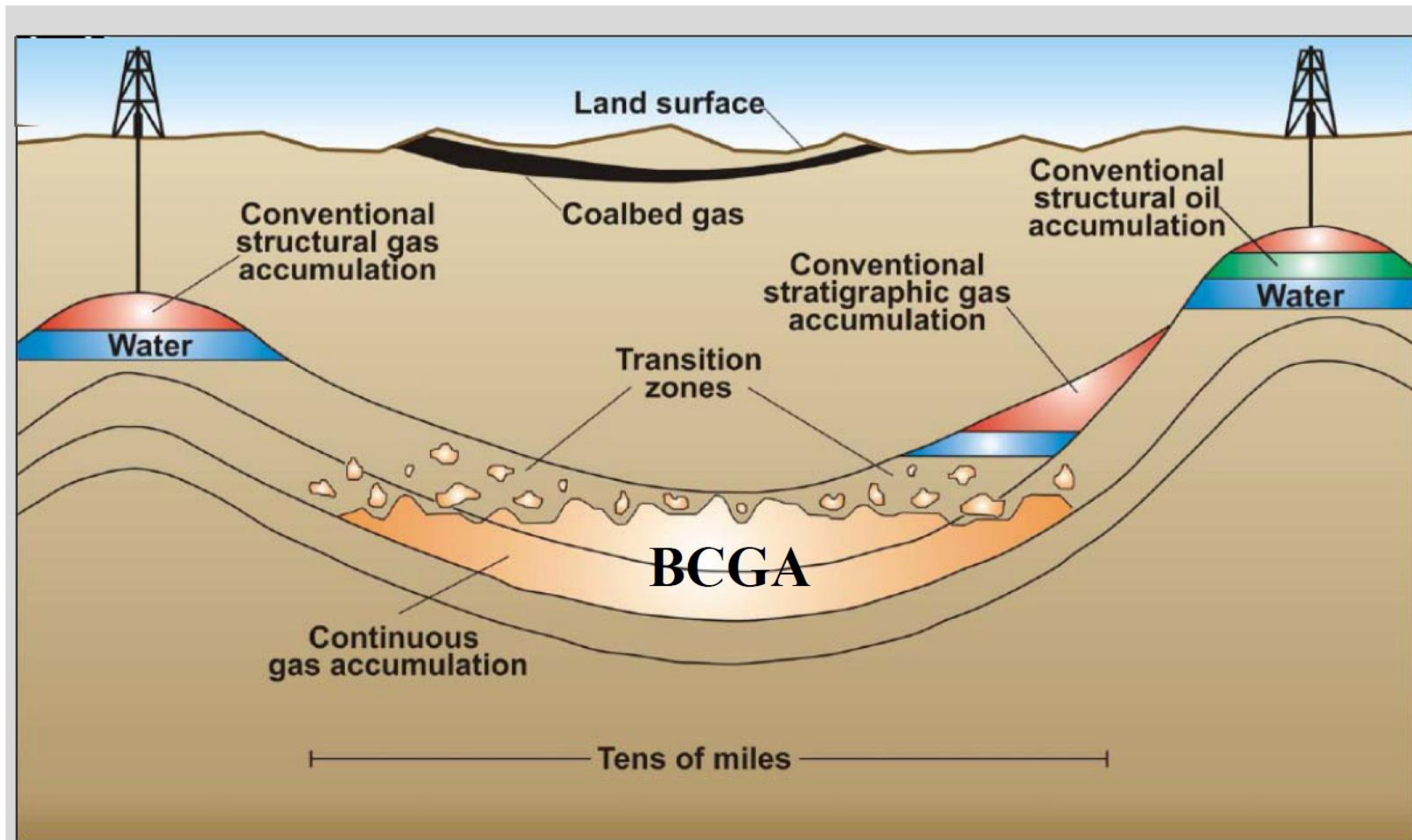
- 2 rounds of drilling – first round – Tamarama 1 & Queenscliff 1 – second round Tamarama 2 and Tamarama 3
- Maiden 3C gas resource of 672 BCF from two discoveries – Tamarama 1 & Queenscliff 1
- Multi-stage frac in Tamarama 2 (3 stages) and Tamarama 3 (4 stages) completed early October
- Tamarama 2 had initial flow rates of 2 mmcf/d – Jan 19
- Tamarama 3 had initial flow rates of 2.5 mmcf/d – Jan 19
- Considerable improvements in Tamarama 2 and Tamarama 3-both conservative and further improvements expected through improved technology

	Volume (BCF)	
Permit	ATP 927P	ATP 1194PA
Prospective OGIP	13,761	-
2C Resources	276	-
3C Resources	672	-

- Estimated Prospective OGIP are Mean Original Gas-In-Place excluding 2C/3C Resources.
- Gas Volumes are expressed in billions of cubic feet (BCF) at standard temperature and pressure bases.
- Resource estimates independently certified by DeGolyer & MacNaughton.

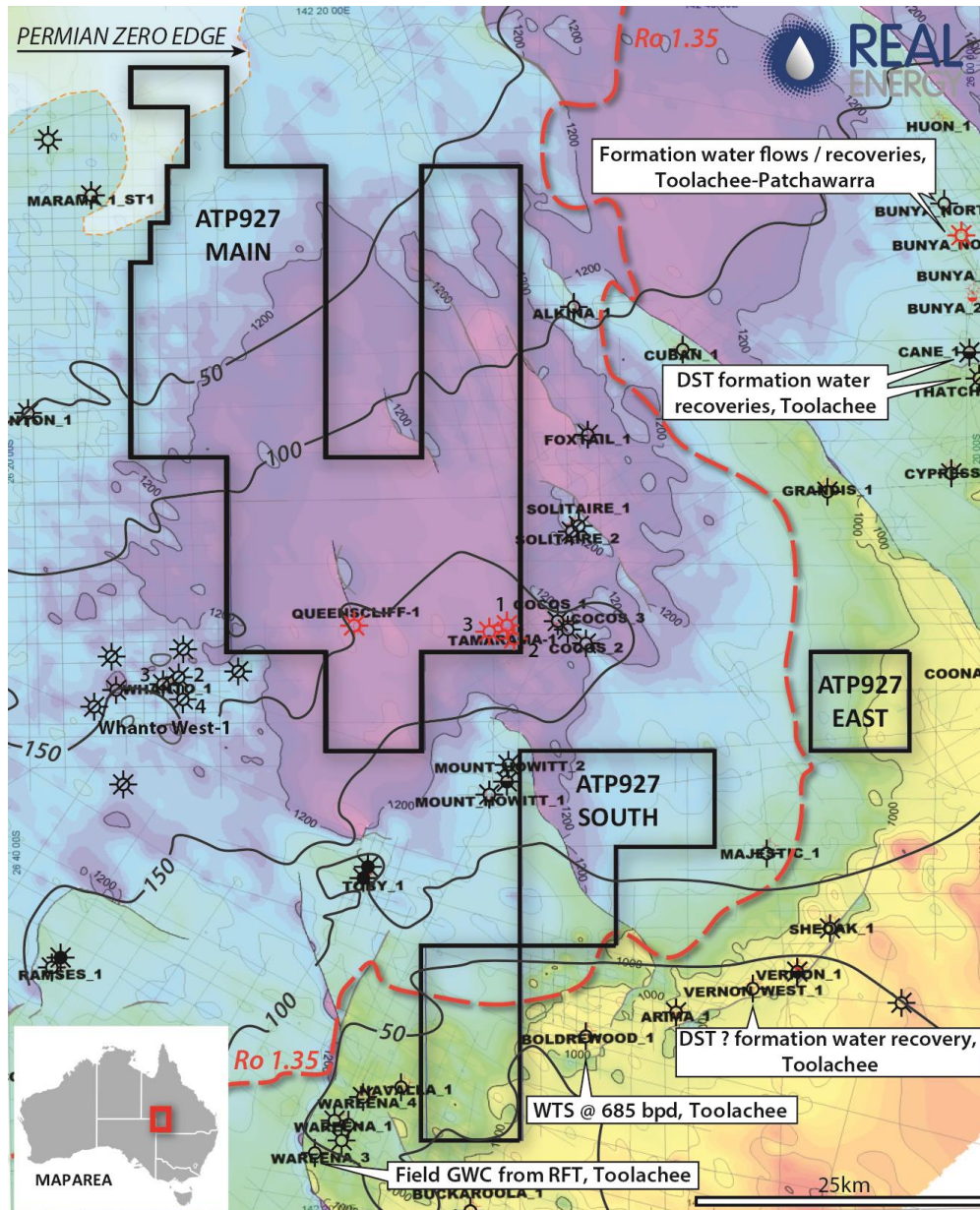


What is Basin Centred Gas ?



From Schenk and Pollastro, 2002

Where is the best part of the Basin Centred Gas play ?



The Windorah Trough is a very large prospective gas resource (In Place OGIP >13.7 Tcf).

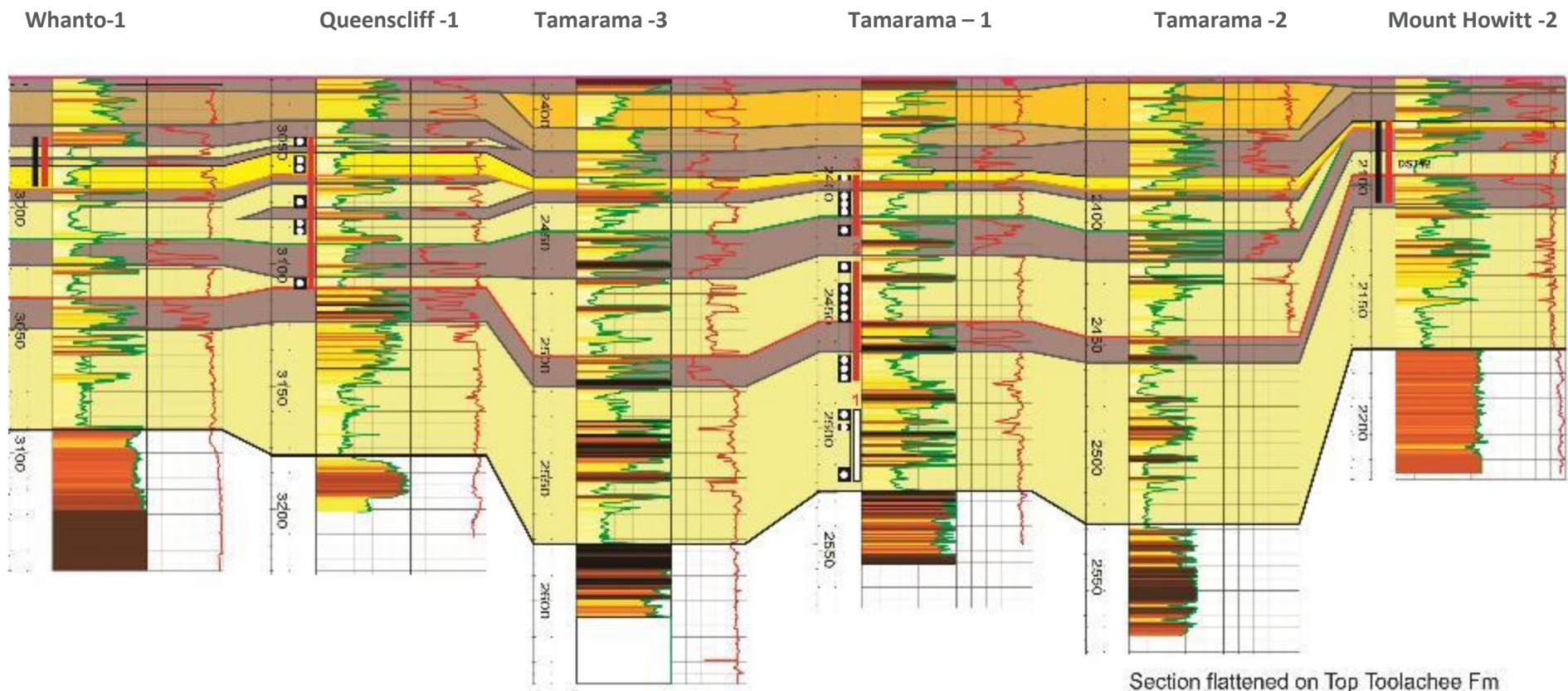
Colour fill shows structure at top Permian at the time of peak hydrocarbon generation and expulsion – purple is deep, yellows are shallow.

The contours represent thickness of the Permian section
– thickest in central area, thinning to North and South

The Ro 1.35 contour line represents thermal maturity of the Permian coaly source rocks. The best part of the play lies within ATP927.

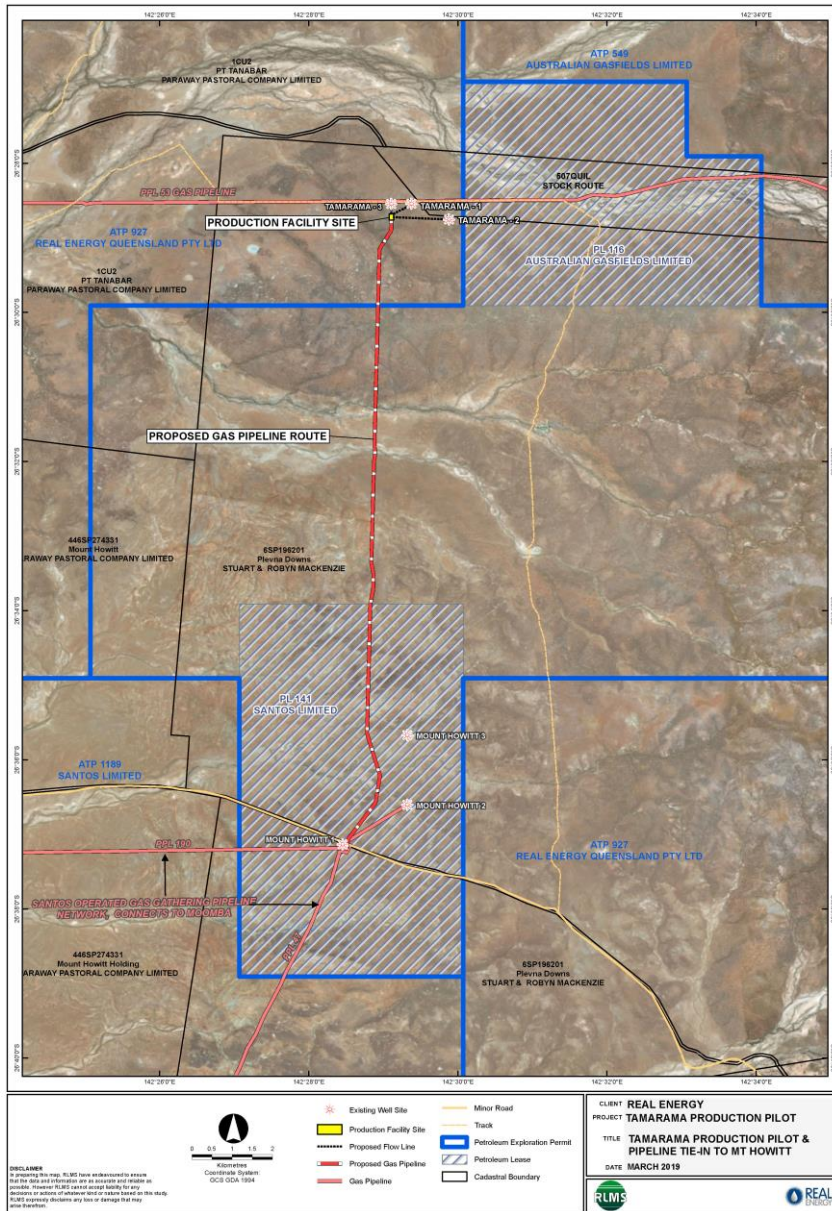
ATP 927 Permian Stratigraphy - log correlation

Toolachee & Patchawarra formations contain significant sandstone reservoirs which are gas charged and laterally extensive



Pathway to Production

- Real energy has significantly de-risked the play and are on track to become a producer
- Real Energy signed a Tie-in and Processing with Santos and Beach Energy so gas will be transported and processed at Moomba
- An application for pipeline licence has been lodged between the Tamarama area and Mt Howitt
- Alignment flow technology incorporating new well designs to enable enhanced productivity through better alignment between the hydraulic fracture and the wellbore
- Tamarama 2 & Tamarama 3 drilled as deviated wells at 30 degree slope



Potential Pathway to Production – Proposed Field Development Program

05

PHASE 01	PHASE 02	PHASE 03
PILOT PRODUCTION	STAGE 1 DEVELOPMENT	STAGE 2 DEVELOPMENT
<ul style="list-style-type: none">▪ 3 Tamarama wells drilled and completed▪ Design and engineering of surface facilities and flow lines connecting Mt Howitt▪ Initial pilot production from Tamarama 1, 2 & 3	<ul style="list-style-type: none">▪ Drilling and development of six more wells near Tamarama▪ Conservative production target of 20 TJ/d	<ul style="list-style-type: none">▪ Full field development of ATP 927 as a tier one gas project – project target of 100 TJ/d▪ Real Energy's objective is to certify 3P (Proven, Probable and Possible) reserves in excess of 2 TCF

Windorah Gas Project

- Potential Gas Sale Agreements (GSA) – STRONG BUYER INTEREST!
- Award of gas pipeline licence by Queensland Government
- Potential Debt financing of the Pipeline
- Potential Upgrade of Resources /Reserves
- Tie into existing gas gathering and processing system only 14km away, subject to funding and approvals

Industry

- Ongoing gas supply shortfall in the Australian east coast gas market dramatically improves Windorah Gas Projects attractiveness
- Farm in and M & A opportunities in the gas market

Real Energy has multiple operational and industry catalysts in the coming months

Investment Summary

01

World Class Location in Cooper Basin - Close to existing major developments and easy access to major gas pipelines connecting Australian domestic market and LNG hubs

02

'Stronger for Longer' East Coast Gas Crisis – Well placed to supply gas to the Eastern Australian gas markets which are short gas and dependent on undeveloped resources

03

Significant Gas Resource – Real Energy's acreage has a certified Estimated Total Mean Gas-In-Place of 13.76 TCF and a Maiden 3C gas resource of 672 BCF – targeting reserves certification by 2nd Quarter CY2019

04

Flow back - Gas Flow Rates – Good initial flow backs of recently completed Tamarama 2 and 3 wells

05

Sales Pathway – Close to tie-in to major gas pipelines, strong buyer interest with agreement executed with Santos and Weston Energy, targeting production in 2019/2020



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