



REAL ENERGY

Mar 2019 Quarterly Report

HIGHLIGHTS

- **Strong initial flow rates of 2.5 mmscf/day from Tamarama 3.**
- **Strong initial flow rates of 2.0 mmscf/day from Tamarama 2.**
- **Real Energy raised \$5 Million before costs in March Quarter.**
- **Windorah pipeline licence application lodged to connect to Mt Howitt gas facility.**
- **Well funded with cash of \$4.27 Million as at 31 March 2019.**

Real Energy Corporation Limited **ASX: RLE**

Real Energy is gas development company with a focus on the Cooper basin, Australia's most prolific conventional onshore petroleum producing basin. Real Energy has 100% ownership in permits in Queensland being ATP 927P and ATP1194PA.

Real Energy is focusing initially on the Toolachee and Patchawarra formations. These formations are well known throughout the basin as holding and producing gas. Seismic has identified that the Toolachee and Patchawarra formations are significant in parts of our acreage. Subsequent to successful drilling & testing of two exploration wells in 2014, the Company has an Independently Certified 3C Contingent Gas Resources of 672 BCF and a Mean Prospective Gas Resources of 5,483 BCF in the Toolachee and Patchawarra formations within ATP 927P.

Directors

Lan Nguyen – Non Executive Chairman
Scott Brown – Managing Director
John Wardman – Non Executive Director

Corporate Office

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Real Energy Corporation Limited (ASX: RLE and “Real Energy” or “The Company”) is pleased to provide an update to shareholders for the quarter ended 31 March 2019. The Company progressed exploration and development activities at the Windorah Gas Project in the Cooper Basin. Significant progress has been made at Windorah, with successful initial flow tests completed on both the Tamarama 2 and 3 gas wells.

Exploration and Evaluation

During the quarter, Real Energy reported strong initial flow rates of 2.5 mmcf/day from Tamarama 3 and 2.0 mmcf/day from Tamarama 2. The initial flow rates on both wells are very encouraging and provide Real Energy confidence in its revenue generating potential of the field.

Tamarama 2 & 3 were drilled as a 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.



Tamarama 2 well flaring during a flow test



Real Energy will continue to gather data and other reservoir parameters on Tamarama 2 and 3 with the main objective to book a maiden gas reserves for our Windorah Gas Project. Currently the Tamarama-2 and Tamarama 3 wells are shut in as planned. Field Operations at the Windorah Gas Project will recommence in about four weeks and the Company will conduct more extended flow tests then.

Corporate

During the Quarter, cash outflows for the development of the Windorah Gas Project were \$2,313,000. The Company raised \$5 million before costs through the issue of 47,627,367 shares and 15,872,973 options. As at 31 March 2019, Real Energy had \$4.27 million cash at bank, and with cash outflows estimates at \$1,260,000 in the June Quarter, Real Energy is well-funded and has the necessary financial flexibility to unlock significant value in the coming quarters with several company-transforming events pending.

Real Energy has held discussions with a number of potential buyers of the gas from the Windorah Gas Project and expects to secure an offtake agreement in the June Quarter. There is strong interest given the high east coast gas prices in Australia.

Also during the quarter the Company held discussions with respect to debt financing for the pipeline between the Tamarama wells and the Mt Howitt gas gathering facility which is only approximately 14km from the field. As announced earlier this year, Real Energy has applied for a pipeline licence with the Queensland Government and expects this to be approved in the June Quarter.

At the end of the quarter the total number of ordinary fully paid shares on issue was 349,610,036.

Tenement Schedule

Permit	RLE ownership %	Location
ATP927P	100	Cooper Basin, South West Queensland
ATP1194PA	100	Cooper Basin, South West Queensland

Contingent Resources

The estimates of contingent resources are based on the area surrounding the two successful gas wells, Queenscliff-1 and Tamarama-1, located within the exploration permit ATP927P, Windorah Trough, Cooper Basin. Discovery status is based on definition under the SPE/WPC Petroleum Resource Management System (PRMS) 2007. A summary of the gross estimates of contingent gas resources for ATP927P is provided below:

Resources Category	Bcf (Billion Cubic Feet)
1C	77
2C	276
3C	672

Prospective Resources

In addition to the Contingent Resources, the mean gross prospective natural gas resources for ATP927P are:

Resources Category	Bcf (Billion Cubic Feet)
Prospective OGIP Resources	13,761
Prospective Recoverable Gas Resources	5,483

Both Contingent Resources and Unconventional Prospective Resources estimates in ATP927P have been independently certified by DeGolyer and MacNaughton, a leading international petroleum industry consulting firm.



Tamarama 2 well

The geological information in this report 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.



For further information, please contact:

Mr Scott Brown

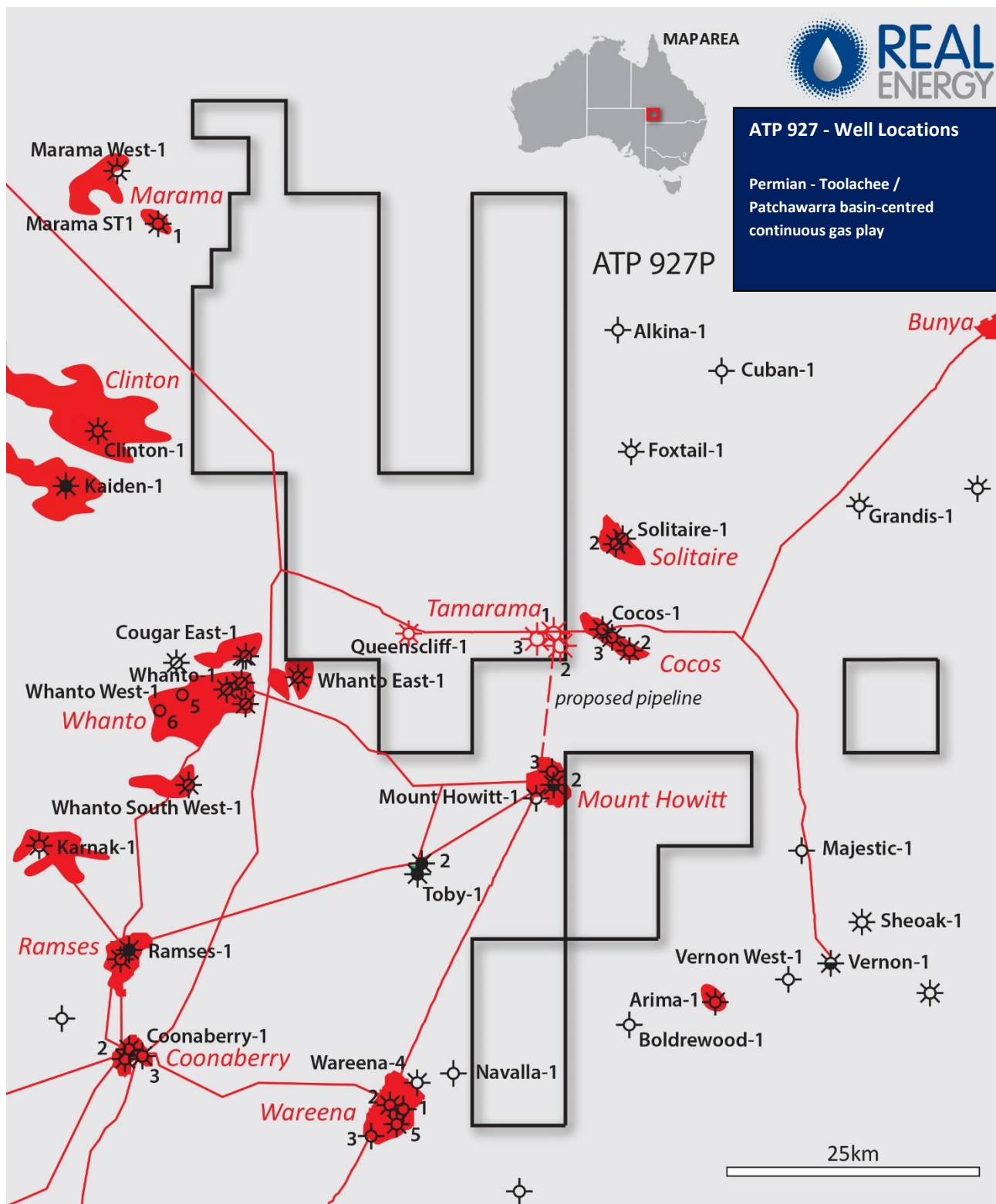
Managing Director

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Or visit our website at www.realenergy.com.au

On our website you can register for email alerts.

Real Energy Petroleum Permits Map



Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Real Energy Corporation Limited

ABN

92 139 792 420

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(129)	(376)
(e) administration and corporate costs	(291)	(999)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	49
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (GST Refunds)	-	-
1.9 Net cash from / (used in) operating activities	(411)	(1,326)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment	-	-	-
(b) tenements (see item 10)	-	-	-
(c) investments	-	-	-
(d) other exploration assets	(2,313)	(6,519)	
2.2 Proceeds from the disposal of:			
(a) property, plant and equipment	-	-	-
(b) tenements (see item 10)	-	-	-
(c) investments	-	-	-
(d) other non-current assets	-	-	-
2.3 Cash flows from loans to other entities	-	-	-
2.4 Dividends received (see note 3)	-	-	-
2.5 Other (provide details if material)	-	-	-
2.6 Net cash from / (used in) investing activities	(2,313)	(6,519)	

3. Cash flows from financing activities			
3.1 Proceeds from issues of shares	5,001	8,701	
3.2 Proceeds from issue of convertible notes	-	-	-
3.3 Proceeds from exercise of share options	-	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(319)	(553)	
3.5 Proceeds from borrowings	-	-	-
3.6 Repayment of borrowings	-	-	-
3.7 Transaction costs related to loans and borrowings	-	-	-
3.8 Dividends paid	-	-	-
3.9 Other (provide details if material)	-	-	-
3.10 Net cash from / (used in) financing activities	4,682	8,148	

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,314	3,969
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(411)	(1,326)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,313)	(6,519)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,682	8,148
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,272	4,272

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	635	612
5.2	Call deposits	3,637	1,702
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,272	2,314

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	127
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payment of Director fees/Salaries and consultant fees

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	750	750
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Unsecured loan provided by a related party of a director. The interest of 10% is payable on the outstanding balance.

9. Estimated cash outflows for next quarter		\$A'000			
9.1	Exploration and evaluation				950
9.2	Development				-
9.3	Production				-
9.4	Staff costs				130
9.5	Administration and corporate costs				180
9.6	Other (provide details if material)				-
9.7	Total estimated cash outflows				1,260
10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
 Director/~~Company secretary~~
 Print name: Scott Brown

Date: 30/4/2019

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to

disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.