



Real Energy Corporation Limited  
Level 3, 32 Walker Street North Sydney NSW 2060  
Telephone 02 9955 4008

## R & D Tax Incentive

**Sydney: 23 May 2019:** Cooper Basin focused gas development company, Real Energy Corporation Limited (ASX: RLE) ("Real Energy" or "the Company"), advises that it has received an adverse finding for its R & D tax incentive claims for the years ended 30 June 2014, 2015 and 2016. The Company intends to appeal the findings to the Administrative Appeals Tribunal and seek a determination for the more recent financial years.

The Company has been advised by KPMG in respect to its R & D tax incentive claims and the Company believes it has fully complied with the Industry Research and Development Act (IRDA) 1986 and is confident in the eligibility of the R & D activities of the Windorah Gas Project located in the Cooper Basin, Queensland.

The Company understands that the Federal Government through the Department of Industry and Science and the Australian Taxation Office has in recent years changed its policy in relation to R & D tax incentives making them increasingly more difficult to access. The law however has not been changed in this area. The Company has been paid about \$7.2 Million for the R&D Tax incentive claims for the three years ended 30 June 2016 and has potential unpaid R&D Tax incentive claims of about \$6.5 Million in respect of last 3 years.

Scott Brown, Managing Director of Real Energy said: "Real Energy is very disappointed with this decision and believes it has fully complied with the law and its R & D tax incentive claims are eligible under the law. We have taken a very innovative approach to gas extraction at our Windorah Gas Project which we are confident the field can be commercialised."

"The Federal Government should be supporting companies such as Real Energy, who are stepping forward to provide an innovative solution to help ease the gas crisis on the Australian East Coast. We are determined to overturn this decision and are confident of our position."

Meanwhile we are mobilising equipment to site and we expect to start field operations at the end of the month. While the appeal may take some time, the Company will update the market concerning any developments relating to this matter.

**-ENDS-**

**For further information, please contact:**

Real Energy: Managing Director - Scott Brown +61 2 9955 4008

Released through: Ben Jarvis, Six Degrees Investor Relations: +61 (0) 413 150 448

Or visit the website: [www.realenergy.com.au](http://www.realenergy.com.au)

Twitter: <https://twitter.com/RealEnergyCor>

### **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 a gas 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.