

ASX ANNOUNCEMENT

Windorah Gas Pipeline Licence Granted

Sydney: 25 June 2019, Cooper Basin focused gas development company, Real Energy Corporation Limited (ASX: RLE) ("Real Energy"), is pleased to advise that the Queensland Government has granted a pipeline licence between the Tamarama producing wells located on the Company's ATP927 permit, Cooper Basin, South West Queensland, and the Mount Howitt facility operated by Santos Limited (ASX: STO) (*See figures 1 & 2 that follow*).

The pipeline licence is for a term of 30 years and can be renewed as required. The gas pipeline will allow raw gas to be produced and transported firstly to the Mount Howitt facility and then into the gas processing and transport infrastructure owned by Santos Limited and Beach Energy Limited (ASX: BPT). Real Energy executed a gas processing and transporting agreement with Santos and Beach Energy last year.

These agreements, together with this pipeline licence, now allow for the potential commercialisation of gas from the three Tamarama gas wells, and indeed future wells, at Real Energy's 100%-owned Windorah Gas Project.

An independent petroleum engineering report by DeGolyer and MacNaughton has assessed that the 3C gas resource of the Windorah Project is 672 Billion cubic feet (Bcf) of gas at standard temperate and pressure bases – see ASX Announcement dated 21 July 2015 – Real Energy Upgrades Gas Resource in Cooper Basin. Also see Annual Reports of 2015, 2016, 2017 & 2018. The estimates of contingent resources are based on the area surrounding Queenclyff-1 & Tamarama-1, located within the exploration permit ATP 927P. Discovery status is based on definition under the SPE/WPC Petroleum Resource Management System (PRMS) 2007.

Comment

Real Energy's Managing Director Scott Brown said: "Securing this permit is a critical step forward for Real Energy and provides a pathway to commercialise our significant gas resource. It essentially means we can commence construction of the pipeline. This permit greatly assists gas offtake negotiations and our ongoing discussions with debt financiers for pipeline construction. We continue to move this project forward and we will advise shareholders of further developments as they arise."

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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 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.

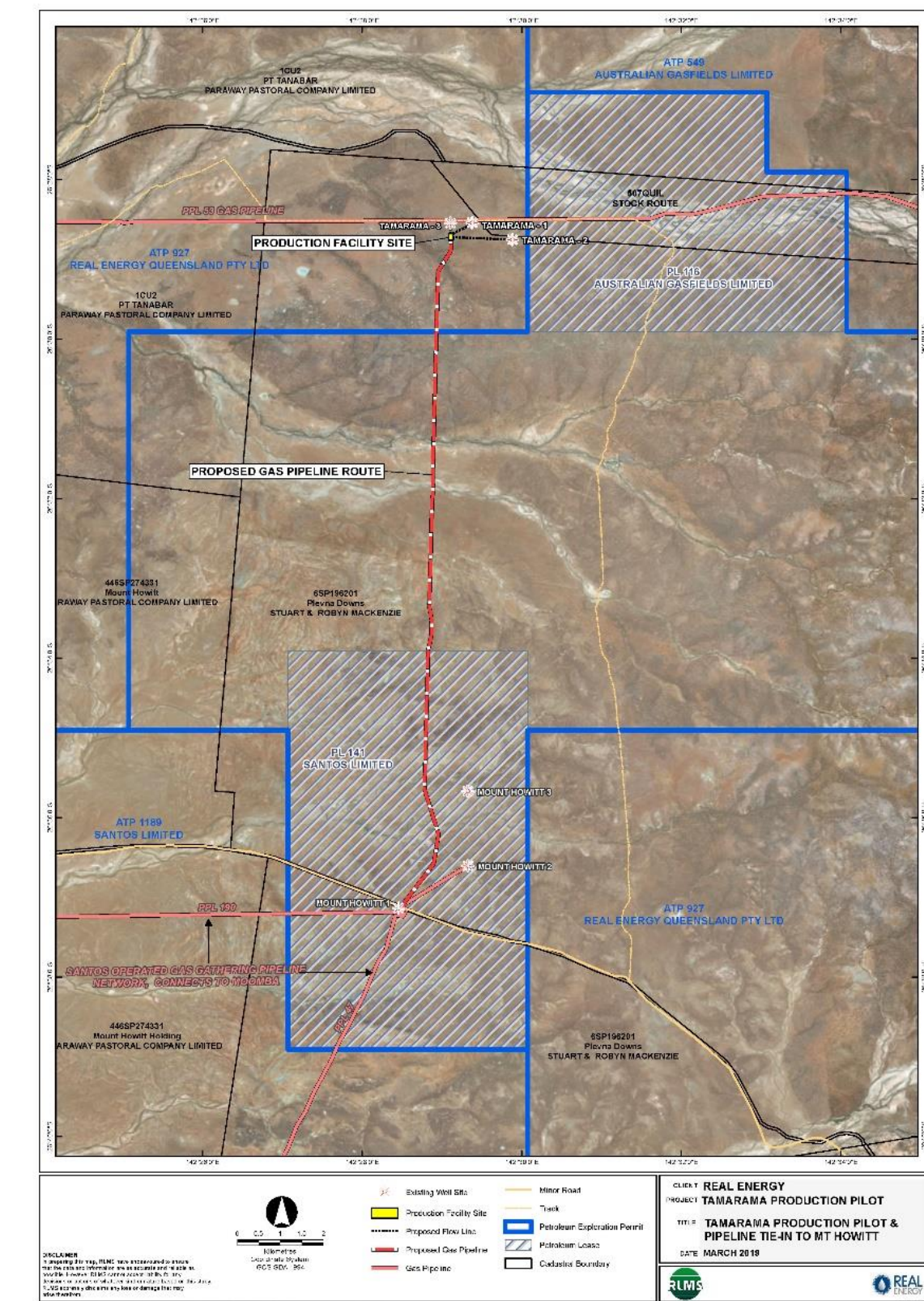


Figure 1: Proposed pipeline route to Mount Howitt from the Tamarama Field (red dotted line)

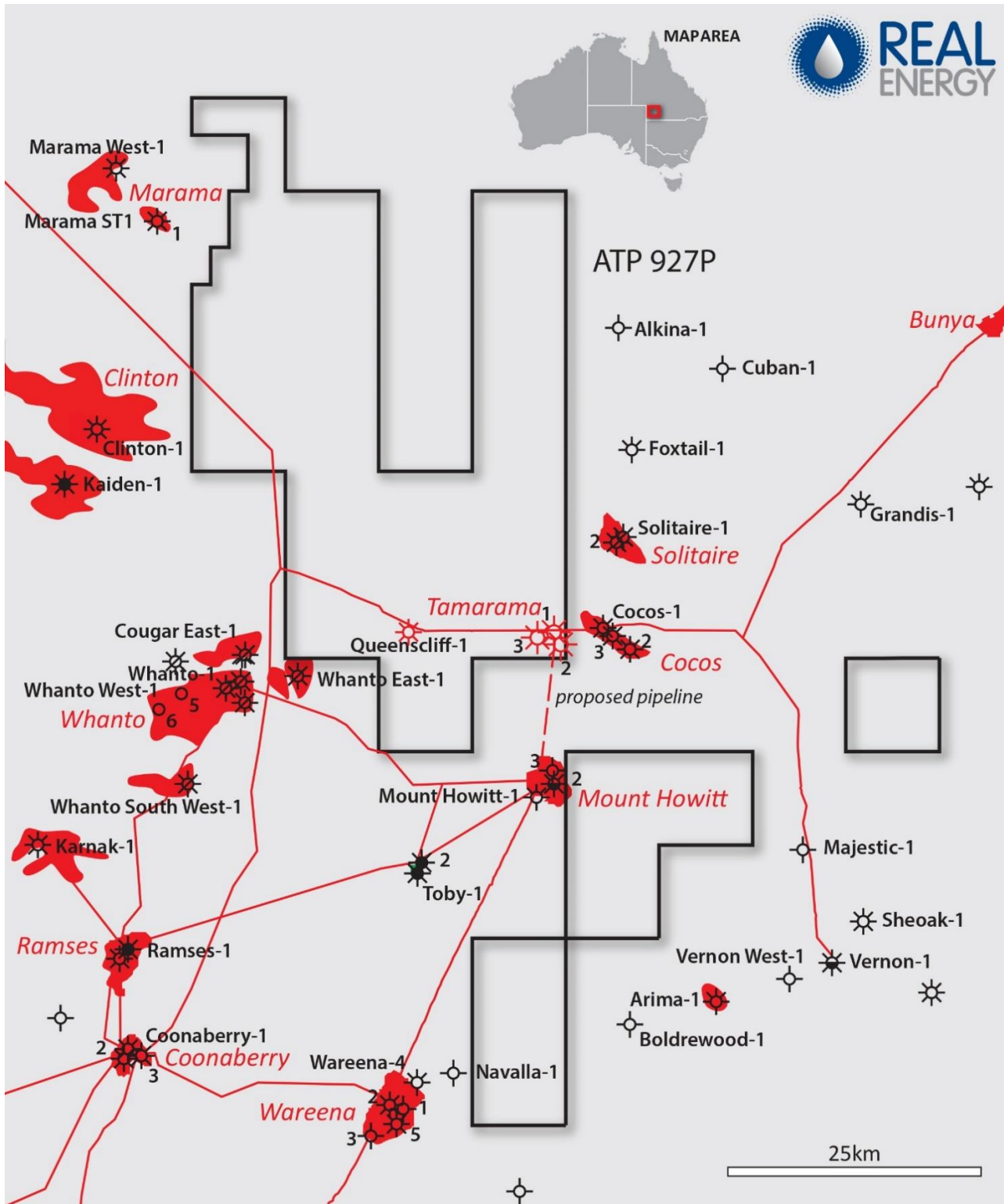


Figure 2: Real Energy ATP 927 Permit and surrounding gas infrastructure