

ASX ANNOUNCEMENT

Operations Update

Sydney: 30 July 2019, Cooper Basin focused gas development company, Real Energy Corporation Limited (ASX: RLE) ("Real Energy"), is pleased to provide this operational update on flow testing of the Tamarama gas wells located on the Company's ATP927 permit, Cooper Basin, South West Queensland.

Earlier this year, the Tamarama 2 and Tamarama 3 wells recorded initial flow rates of 2 mmscf/day and 2.5 mmscf/day respectively. In the past month, Real Energy has performed extended flow tests of both wells to confirm the sustainability of these flow rates.



Figure 1: Flow testing operations on Tamarama 2 well

As is normally the case, the extended flow tests recorded rates lower than the initial rates reported and both wells flowed at sustained and continuous rates with Tamarama 2 achieving the more sustainable flow rate of the two wells (See figure 1) with flow rates ranging from 0.4 mmscfd to 1.30 mmscfd recorded, depending on back pressure and choke size settings. Both wells will be put on production once the pipeline between Tamarama and Mt Howitt is built.

Real Energy's Managing Director Scott Brown said: *"While the results from the Tamarama extended flow tests were less than we had hoped for, we can confirm that these wells are indeed future gas producers. As well, we have witnessed significant improvements from the first round of drilling and without doubt, these flow rates prove up our Basin Centred Gas model for Windorah."*

"Our immediate focus is to bring in project partners to fund the pipeline between Tamarama and Mt Howitt together with putting these first wells into production and potentially drilling further wells."

"We are also planning the next phase of drilling with a number of third party operators wanting to earn-in to our acreage. The Windorah Gas Field has a significant gas resource and it has the capacity to generate considerable revenue for Real Energy. This is aided by continuing high gas prices on the East Coast of Australia."

Further assessment will be conducted on both Tamarama wells in the near future. The Tamarama 2 & 3 gas wells 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. Tamarama 2 & 3 have seen a significant improvement in the well performance compared to Tamarama 1. More improvement is likely with future wells especially from an enhanced stimulation process and using different proppant sizes. These extraction techniques will continue to evolve and thus yield better future flow rates. Real Energy has every confidence in the potential of the Windorah Field.

A video of the recent Tamarama 2 flare on extended test is available at www.realenergy.com.au/news or <https://www.youtube.com/channel/UCprnyU7vGxFNup6r0H2MIjg> and images also follow.

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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.



Figure 2: Flare on Tamarama 2 well

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.

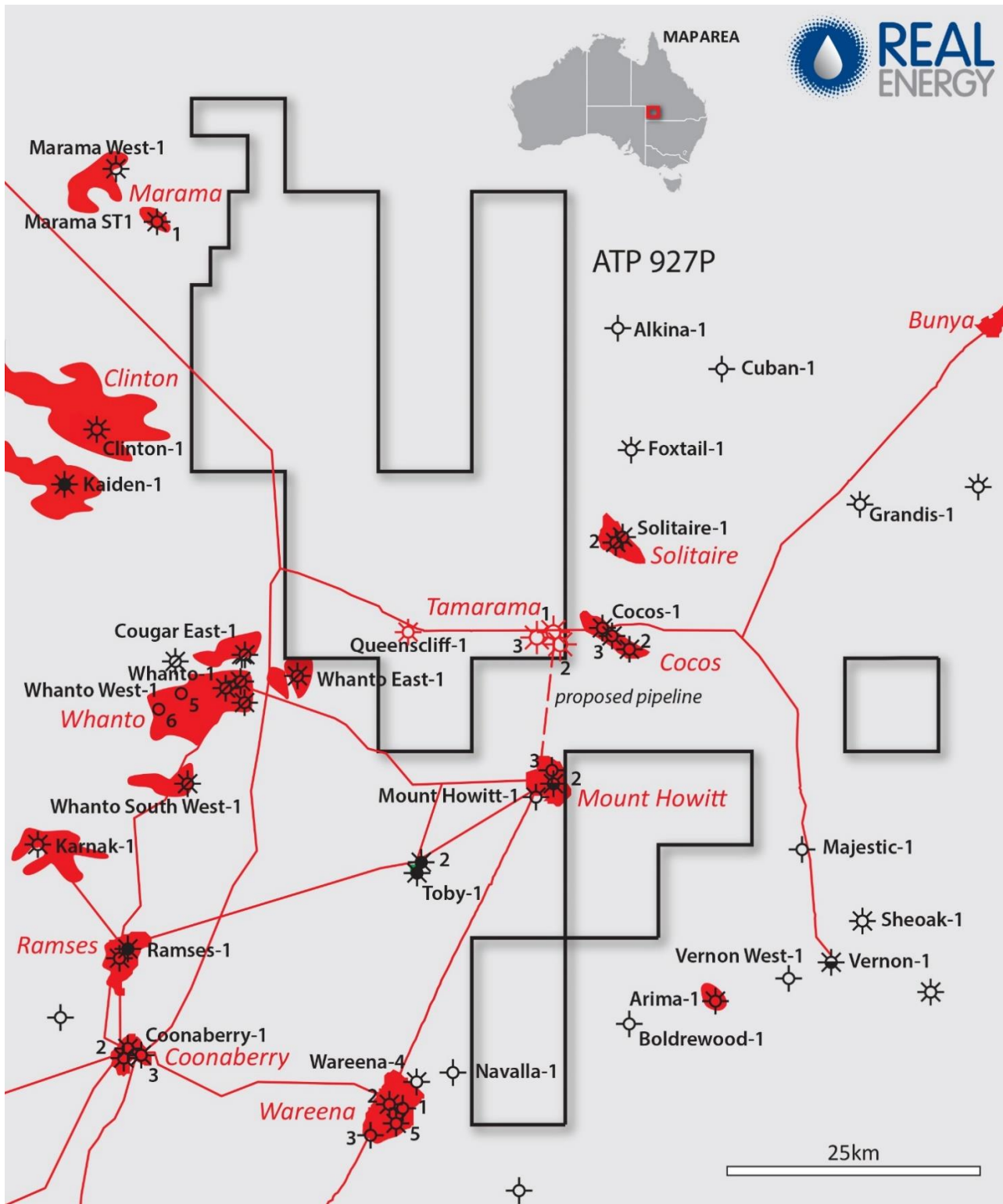


Figure3: Real Energy ATP 927 Permit and surrounding gas infrastructure

Appendix 1

Well Result

Tamarama 2 Well

- 1 Type of well
Petroleum, Gas Well
- 2 Location
14 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 162 metres (true vertical thickness).
In the Toolachee and Patchawarra formations. Net Pay from 90 metre logged interval and 72 metres not logged. Gross pay interval 5 metres in Arrabury – Net Pay 3.8 metres.
- 5 Rock Type
Toolachee and Patchawarra
Sandstone and Coal formations
- 6 Depth
Top Toolachee Formation 2,346.0 mRT / 2,183.8 mSS Thickness 40.25 mTV
Top Patchawarra Formation 23,91.8 mRT / 2,224.0 mSS Thickness 121.7mTV
- 7 Tests
Extended Flow test
- 8 Recoveries
Water/frac fluids
- 9 Choke and Flow Rates
0.4mmcf/d to 1.3 mmcf/d /on choke sizes ranging from 6/64 to 10/64 inch
- 10 Fracture Stimulation stages
3 Stage Fracture Stimulation
- 11 Volumes of Non Hydrocarbon gases
N/A
- 12 Other
N/A