





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

28 October 2019

Dear Shareholder,

I enclose for your attention the Notice of the Annual General Meeting (AGM) of Real Energy Corporation Limited (Real Energy/ the Company) and invite you to join myself and my fellow Directors on Friday, 29 November 2019 at our office at Level 3, 32 Walker Street, North Sydney NSW at 11am.

The resolutions to be proposed at the forthcoming AGM and their explanatory notes are set out in the Notice of AGM attached to this correspondence. I would encourage all Shareholders to read the Company's Annual Report for the period ending 30 June 2019 (Annual Report 2019) which is available on the Company's website at [www.realenergy.com.au](http://www.realenergy.com.au)

As usual there are resolutions dealing with the remuneration report which is advisory and the election and re-election of directors. Both Mr John Wardman and Mr Peter Mangano are up for re-election and election respectively.

Also the AGM will consider resolutions that will allow directors to receive shares in lieu of cash for some or all of their remuneration. The Company is keen to preserve its cash and minimise cash outflows at this time and is agreed, subject to shareholder approval, with each director to issue shares in lieu of cash for all or some of their remuneration. It should be noted if the resolutions are not passed then the Company will need to pay the amounts of remuneration in cash rather than shares.

Your participation at the AGM is important for the Company, and I would encourage every shareholder to take part in the meeting, either by attending the AGM or (if you are not able to attend) by casting your vote by proxy.

Details of how you can vote, either in person or by proxy, attorney or corporate representative, are set out in the attached notice. Your Board believes that the resolutions to be proposed at the AGM are in the best interests of the Company and its shareholders. Accordingly, the Directors recommend that shareholders vote in favour of the resolutions, as they intend to do in respect of their own beneficial holdings of shares in the Company.

I look forward to welcoming you on 29 November 2019.

Yours faithfully

Dang Lan Nguyen  
Chairman



## How to get there:

### Public transport:

**Real Energy's office is located opposite North Sydney train station. The area is also serviced frequently by buses.**

### Car:

**There are also multiple public car parks located near 32 Walker Street North Sydney, notably on the Pacific Highway in North Sydney.**



## REAL ENERGY CORPORATION LIMITED - NOTICE OF 2019 ANNUAL GENERAL MEETING

Notice is given that the 2019 Annual General Meeting (**Meeting** or **AGM**) of shareholders of Real Energy Corporation Limited (**RLE** or the **Company**) will be held at the Company's office at Level 3, 32 Walker Street, North Sydney, NSW, 2060 on Friday 29 November 2019 at 11:00 AM (Sydney time).

The Explanatory Notes attached to this Notice form part of this Notice of Meeting.

### ORDINARY BUSINESS

#### 1. Financial Report

To receive and consider the Financial Report of the Company and the consolidated entities, and the Reports of the Directors and Auditor thereon for the financial year ended 30 June 2019.

#### 2. Remuneration Report

To consider and, if thought fit, to pass the following as an ordinary resolution:

*"That the Remuneration Report for the financial year ended 30 June 2019, as set out in the Directors' Report section of the Annual Report, be adopted".*

(Note – the vote on this resolution is advisory only and does not bind the Directors or the Company.)

#### 3. Re Election of John Wardman as a Director

To consider and, if thought fit, to pass the following as an ordinary resolution:

*"That Mr John Wardman, who retires by rotation in accordance with clause 39 of the Company's Constitution and being eligible, offers himself for re-election, be re-elected as a director of the Company".*

#### 4. Appointment of Peter Mangano as a Director

To consider and, if thought fit, to pass the following as an ordinary resolution:

*"That Mr Peter Mangano, who in accordance with clause 37 of the Company's Constitution holds office until the close of this AGM, and who is eligible and has consented to so act, be elected as a director of the Company".*

#### 5. Issue of shares to Dang Lan Nguyen

To consider and, if thought fit, to pass the following as an ordinary resolution:

*"That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given to issue shares to Mr Dang Lan Nguyen (or his nominee) in lieu of remuneration payable on the terms and conditions set out in the Explanatory Notes accompanying this Notice of Meeting".*

#### 6. Issue of shares to John Wardman

To consider and, if thought fit, to pass the following as an ordinary resolution:

*"That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given to issue shares to Mr John Wardman (or his nominee) in lieu of remuneration payable on the terms and conditions set out in the Explanatory Notes accompanying this Notice of Meeting".*

### 7. Issue of shares to Peter Mangano

To consider and, if thought fit, to pass the following as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given to issue shares to **Mr Peter Mangano** (or his nominee) in lieu of remuneration payable on the terms and conditions set out in the Explanatory Notes accompanying this Notice of Meeting”.*

### 8. Issue of shares to Scott Brown

To consider and, if thought fit, to pass the following as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given to issue shares to **Mr Scott Brown** (or his nominee) in lieu of remuneration payable on the terms and conditions set out in the Explanatory Notes accompanying this Notice of Meeting”.*

### 9. Authority to issue and allot Shares pursuant to Listing Rule 7.1A

To consider and, if thought fit, to pass the following as a special resolution:

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, approval be given for the issue of such number of shares as is equal to up to 10% of the issued share capital of the Company at the time of the issue, calculated in accordance with the formula prescribed in ASX Listing rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”*

### By Order of the Board

A handwritten signature in blue ink that reads "R Hollands".

Ron Hollands  
Company Secretary  
28 October 2019

## ELIGIBILITY TO VOTE

For the purpose of the Meeting, the Directors have determined that shares will be taken to be held by persons registered as shareholders of the Company as at **7:00 PM (Sydney time) on Wednesday, 27 November 2019**.

## PROXIES

Each shareholder who is entitled to attend and vote at the AGM may appoint not more than two proxies to attend and vote at the AGM on the shareholder's behalf. A proxy need not be a shareholder of the Company and may be either an individual or a body corporate. Where two proxies are appointed by a shareholder, the shareholder may specify the proportion or number of votes which each proxy is entitled to exercise on a poll. If the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise one half of the votes (disregarding fractions) on a poll.

Due to the voting exclusions and requirements referred to in this Notice, if you intend to appoint any Director or other member of the Company's 'key management personnel'<sup>1</sup> (**KMP**) or their closely related parties, **other than the Chairman**, as your proxy, you should direct your proxy how to vote by marking either "For", "Against" or "Abstain" on the Proxy Form for the relevant Item of business. If you do not direct such a proxy how to vote on those Items they will **not** be able to vote an undirected proxy and your vote will not be counted. This does not apply to the Chairman, who is able to vote undirected proxies.

**Direction to Chairman:** *If the Chairman of the Meeting is appointed, or taken to be appointed, as proxy, the shareholder can direct the Chairman of the Meeting to vote for or against or to abstain from voting on a resolution, including **Item 2** (Remuneration Report), by marking the appropriate box opposite each resolution on the Proxy Form. However, if a shareholder appoints the Chairman of the Meeting as proxy and does not direct the Chairman how to vote on the proposed resolutions set out in this Notice, then **the Chairman intends to vote all available undirected proxies in favour of each of the proposed resolutions, including Item 2 (Remuneration Report)** (if a poll is called on the relevant resolution).*

## CORPORATE REPRESENTATIVES

A body corporate which is a shareholder, or the proxy of a shareholder may appoint an individual as its representative to exercise all or any of its powers that it could exercise at the Meeting. The representative should bring to the meeting original documentary evidence of his or her appointment, including any authority under which the appointment is signed.

## VOTING EXCLUSIONS

The Company will disregard any votes cast on the resolutions as follows:

## ITEM 2 REMUNERATION REPORT

A vote must not be cast (in any capacity) on **Item 2**, and the Company will disregard any votes cast on **Item 2**:

- by or on behalf of a KMP whose remuneration is included in the Remuneration Report; or
- by or on behalf of a closely related party<sup>2</sup> (such as close family members and any controlled companies) of a KMP whose remuneration is included in the Remuneration Report.

However, a person described above may cast a vote on **Item 2** if:

- the person does so as a proxy that specifies how the proxy is to vote (For, Against or Abstain) on **Item 2**; or
- the person is the Chairman of the Meeting and has been appointed as a proxy without being directed how to vote on **Item 2**, and the appointment expressly authorises the Chairman to exercise the proxy even though **Item 2** is connected directly or indirectly with the remuneration of a member of the KMP for the Company; and
- in either case, the vote is not cast on behalf of a person described above.

## ITEM 5 ISSUE OF SHARES TO DANG LAN NGUYEN

Concerning Resolution 5, the company will disregard any votes cast in favour of the resolution by Dang Lan Nguyen or his nominees or an associate of those person. However, the company need not disregard a vote if it is cast:

- as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with

<sup>1</sup> For the full definition of 'key management personnel', please refer to section 9 of the *Corporations Act 2001*.

<sup>2</sup> For the full definition of 'closely related party', please refer to section 9 of the *Corporations Act 2001*.

a direction on the form to vote as the proxy decides.

#### ITEM 6 ISSUE OF SHARES TO JOHN WARDMAN

Concerning Resolution 6, the company will disregard any votes cast in favour of the resolution by John Wardman or his nominees or an associate of those persons. However, the company need not disregard a vote if it is cast:

- as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the form to vote as the proxy decides.

#### ITEM 7 ISSUE OF SHARES TO PETER MANGANO

Concerning Resolution 7, the company will disregard any votes cast in favour of the resolution by Peter Mangano or his nominees or an associate of those persons. However, the company need not disregard a vote if it is cast:

- as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the form to vote as the proxy decides.

#### ITEM 8 ISSUE OF SHARES TO SCOTT BROWN

Concerning Resolution 8, the company will disregard any votes cast in favour of the resolution by Scott Brown or his nominees or an associate of those persons. However, the company need not disregard a vote if it is cast:

- as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the form to vote as the proxy decides.

#### ITEM 9 APPROVAL OF 10% PLACEMENT CAPACITY

The Company will disregard any votes cast in favour on Resolution 9 by any person who may participate in the issue of Equity Securities under this resolution and a person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities,

if the resolution is passed, and any associates of those persons. However, the Company will not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chair acting as proxy (by appointment or by default) for a person who is entitled to vote in accordance with the directions on the proxy form.

There are no other voting exclusions concerning the resolutions put to shareholders.

#### PROXY DEADLINE

A Proxy Form and, if the Proxy Form is not signed by the shareholder, the power of attorney or other authority (if any) under which the Proxy Form is signed (or a certified copy of that power of attorney or other authority), must be received by the Company at least 48 hours before the time for holding the Meeting – that is, **by 11:00 AM (Sydney time) on Wednesday 27 November 2019.**

Documents may be lodged with the Company by:

1. Email to: [investor@realenergy.com.au](mailto:investor@realenergy.com.au);  
or
2. Mail to: Real Energy Corporation Limited  
Level 3, 32 Walker Street  
North Sydney NSW 2060

#### ANNUAL REPORT - ONLINE

Real Energy's Annual Report for the year ended 30 June 2019 is available on the Real Energy website at <http://www.realenergy.com.au>.

#### QUESTIONS FROM SHAREHOLDERS

Shareholders are invited to register questions in advance of the AGM. If you would like further information on Real Energy or would like to ask a question of Real Energy or the Auditor at this AGM, you may submit your questions in writing to the Company. Shareholders may submit written questions to the auditor about their audit report or the conduct of the audit.

Written questions must be received no later than 5 business days before the Meeting day, that is prior to **5:00 PM (Sydney time) on Friday, 22 November 2019.**

## EXPLANATORY NOTES

These Explanatory Notes have been prepared for the information of shareholders regarding the business to be transacted at the 2019 Annual General Meeting of shareholders. The Directors recommend shareholders read these Explanatory Notes in full before making any decision in relation to the resolutions in question.

### ITEM 1 – CONSIDER FINANCIAL REPORT

A copy of the Real Energy Annual Report 2019 (**Annual Report**) can be found on the Company's website (<http://www.realenergy.com.au>).

During discussion of this item, there will be an opportunity for shareholders to ask questions about, or comment on, the Annual Report and the management and performance of the Company. Shareholders will also can ask the auditor questions relevant to the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by the Company, and the independence of the auditor in relation to the conduct of the audit.

### ITEM 2 – REMUNERATION REPORT

The Board submits the Remuneration Report to shareholders for consideration and adoption by way of a non-binding resolution as required by the Corporations Act ('Act').

Although the vote on this resolution does not bind the Directors or the Company, the Board respects the views of its shareholders and will take the outcome of the vote into account when considering remuneration policy in the future.

Because of amendments to the Act generally known as the "two strikes rule", shareholders should note that the results of the vote on this item may impact the conduct of next year's AGM.

The Directors encourage shareholders to apply the same level of diligence in relation to this resolution as they do with the binding resolutions.

#### Directors' recommendation:

**The Directors unanimously recommend that shareholders vote in favour of Item 2.**

### ITEM 3 – RE ELECTION OF DIRECTOR: JOHN WARDMAN

Pursuant to clause 39 of the Company's Constitution, Mr John Wardman retires by rotation as a Director of the Company. A summary of Mr Wardman's qualifications and experience is outlined below.

### Mr John Wardman (Non – Executive Director)

*B. Ec. (Macquarie University Sydney)  
Company Directors Course Diploma (University of Sydney Graduate Business School)  
Fellow of the Australian Institute of Company Directors (FAICD)*

Mr John Wardman is highly regarded and respected in the Australian stockbroking and wealth management sector and has over 35 years' experience working in the small resources and energy sectors.

He currently is a Senior Investment Advisor in the wealth management industry and previously spent 13 years with Macquarie Private Wealth, and prior to this Hartleys Limited. John also is the Chairman of the ASX listed, but currently suspended, Shine Metals Limited. His contacts and network are extensive.

John has a direct and indirect interest in 3,000,000 ordinary shares and 1,500,000 options (over ordinary shares) in the company.

#### Directors' recommendation:

**Each of the Directors (excluding Mr Wardman) recommends that shareholders vote in favour of Item 3.**

### ITEM 4 – APPOINTMENT OF DIRECTOR: PETER MANGANO

Pursuant to clause 37 of the Company's Constitution, Mr Mangano holds office until the close of the AGM, but is eligible for election as a Director of the Company. He was appointed as a director on 15 August 2019 to fill casual vacancy and will seek to be elected at this AGM. A summary of Mr Mangano's qualifications and experience is outlined below.

### Mr Peter Mangano (Non – Executive Director)

*B. Com. (University of Tasmania)  
B. Sc (University of Western Australia)  
Citigroup Leadership Program (Harvard University)  
Certified Practising Accountant*

Mr Peter Mangano is highly regarded and respected in the Investment and Fund Management sector and has worked as a Resource Analyst in Funds Management and Investment Research, and Corporate Advisor over the last 30 years in the resources and energy sectors.

He is currently a director of Contango Capital and previously spent 6 years at Colonial First State (CFS). Prior to CFS, Peter spent 12 years at Citigroup, including 8 years as a Managing Director and 6 years as Deputy Head of US Equity Research in New York.



Peter has a direct and indirect interest in nil ordinary shares and nil options (over ordinary shares) in the company.

**Directors' recommendation:**

**Each of the Directors (excluding Mr Mangano) recommends that shareholders vote in favour of Item 4.**

**ITEM 5 TO ITEM 8 – ISSUE OF SHARES IN LIEU OF REMUNERATION**

**Background**

The company has agreements with its Directors, namely Dang Lan Nguyen (or an entity controlled by him), John Wardman (or an entity controlled by him), Peter Mangano (or an entity controlled by him) and Scott Brown (or an entity controlled by him) pursuant to which the Company is obliged to pay remuneration for services provided.

Subject to Shareholder approval for Resolutions 5 to 8 being received, the Board has determined, and each Director has agreed, that the Company will issue Shares in lieu of remuneration for the period 1 August 2019 to 31 December 2019.

**If any Resolution (of Resolutions 5 to 8) are not passed by shareholders, the Company will pay cash remuneration for services provided.**

The company proposes that a 4.5 month VWAP (for the period 1 August 2019 to 15 December 2019) be used when issuing shares that are the subject of Resolutions 5 to 8.

**Monthly remuneration agreed to be taken in shares by each Director (amounts below include GST)**

Director	\$	Role
Dang Lan Nguyen	\$4,125	Non Executive Chairman
John Wardman	\$2,750	Non Executive Director
Peter Mangano	\$2,750	Non Executive Director
Scott Brown	\$5,500	Managing Director

It is considered that the issue of shares to the Directors, in lieu of cash remuneration, is a cost effective and efficient way to preserve the Company's current cash reserves.

Note that voting exclusions apply to Resolutions 5 to 8, the terms of which are set out in this Notice.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on these Resolutions.

The Chairman intends to exercise all undirected proxies in favour of Resolutions 5 to 8.

**The number of Shares to be issued and issue prices**

The estimated number of Shares to be issued is 2,475,000, calculated by dividing Remuneration of \$74,250 by the specified VWAP<sup>3</sup>. Refer Appendix 1 for details of Remuneration payable and estimated shares to be issued. Appendix 1 sets out the total remuneration agreed by each respective Director to be paid in shares (in lieu of cash) and the estimated number of shares to be issued.

Shares will be issued within 1 month of this meeting. The ordinary class shares, proposed to be issued under this resolution, will be the same terms as all other issued ordinary class shares. No funds will be raised by the issue of any shares under this resolution.

**Current interest in securities**

Refer Appendix 2 attached.

**Potential for dilution**

Refer Appendix 3 attached.

**Corporations Act considerations**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provisions; or
- (b) prior Shareholder approval is obtained to the giving of the financial benefit.

A 'related party' for the purposes of the Corporations Act is defined widely and includes a director/associated entities, of the public company. A 'financial benefit' for the purposes of the Corporations Act is defined widely and includes a director/associated entities, of the public company receiving money or being issued shares.

<sup>3</sup> Assumes VWAP for period of \$0.03 per share. The Company proposes that a 4.5 month VWAP (for the period 1 August 2019 to 31 December 2019) be used. Shares will be issued within 1 month of this meeting.

It is the view of the Directors that the exceptions set out in Section 211 of the Corporations Act (reasonable remuneration) applies as the issues of shares (in lieu of fees/remuneration) for the already agreed terms of each Director's and the Managing Director's remuneration.

Accordingly, the Directors are not seeking Shareholder approval under Section 208 of the Corporations Act for Resolutions 5 to 8.

**Directors' recommendation:**

**The Directors unanimously recommend that shareholders vote in favour of items 5 to 8.**

**ITEM 9 – APPROVAL OF 10% PLACEMENT CAPACITY**

ASX Listing Rule 7.1A provides eligible companies (which includes the Company) the ability to raise an additional 10% of issued capital by way of placements over a 12 month period. This is in addition to a company's ability to issue up to 15% of its issued capital in a 12 month period without Shareholder approval. The number of Shares which may be issued by a company under Listing Rule 7.1A is calculated in accordance with the following formula:

**(A x D) - E**

where

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid ordinary shares that became fully paid in the 12 months;
- plus the number of fully paid ordinary shares issued in the 12 months with the approval of Shareholders under Listing Rule 7.1 or Listing Rule 7.4;
- less the number of fully paid ordinary shares cancelled in the 12 months.

**D** is 10%.

**E** is the number of shares issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or Listing Rule 7.4.

The Directors are seeking approval to have the additional capacity to issue a number of shares representing 10% of the issued share capital of the Company pursuant to Listing Rule 7.1A. ("**10% placement facility**").

While the Company does not have any immediate plans to issue shares, purposes for which shares may be issued pursuant to Resolution 9 may include for use as working capital and/or corporate growth opportunities.

The shares must be issued at an issue price that is at least 75% of the Volume Weighted Average Price for the Company's equity securities over the 15 trading days on which trades in that class were recorded immediately before:

- a. the date on which the price at which the equity securities are to be issued or agreed; or
- b. if the equity securities are not issued within 5 trading days of the date in paragraph (a) above, the date on which the equity securities are issued.

The Company may issue some of the shares for non-cash consideration, for example, as part of the consideration for an acquisition of assets but the issue price attributable to the shares shall be at least 75% of the Volume Weighted Average Price as referred to above.

If shares are issued for non-cash consideration, the Company will announce to the market the valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A (4) and 3.10.5A upon issue of any shares.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% placement facility under Listing Rule 7.1A. The identity of the allottees of Shares will be determined on a case by case basis having regard to factors including but not limited to the following:

- the methods of raising funds that are available to the Company, including rights issue or other issues in which existing Shareholders can participate;
- the effect of the issue of the shares on the control of the Company;
- the financial situation of the Company;
- advice from corporate, financial and broking advisors; and
- the potential benefits an allottee could provide to the Company as a strategic investor (if applicable).

The allottees under the 10% placement facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

If Shareholder approval is granted for Resolution 9 and the company issues equity securities under its 10%

placement facility, there is a risk that the market price for the equity securities may be significantly lower on the issue date than on the date on which approval is given to this Resolution 9 and the shares may be issued at a discount to the market price for those equity securities on the issue date.

The table on page 11 is provided to illustrate the potential dilution of existing Shareholders based on the current market price of shares and the current number of shares for variable “A” calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this notice:

- two examples where variable “A” has increased, by 50% and 100%.

Variable “A” is based on the number of shares the Company has on issue. The number of shares on issue

may increase because of issues of shares that do not require approval (for example, a prorata entitlement

issue) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and

- two examples of where the issue price of shares has decreased by 50% and increased by 100% as against the current market price.

If Shareholder approval is granted for Resolution 9, then that approval will expire on the earlier of:

- 29 November 2020, being 12 months from the date of the Meeting; or
- the date Shareholder approval is granted to a transaction under Listing Rule 11.1.2 (proposed change to nature and scale of activities) or Listing Rule 11.2 (change involving main undertaking).

The approval under Resolution 9 will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.

#### Listing Rule 7.3A.6 (a) and (b) information

Issued Share Capital – 29 November 2018	301,610,036	
Share issue – 11 March 2019	47,627,367 (15.8% of Issued Share Capital at 29 November 2018)	47, 619,049 ordinary class shares issued to professional and sophisticated investors at \$0.105 per ordinary class share and 8,318 ordinary class shares issued from exercise of options (\$0.12 exercise price).  Total funds raised of \$5 million in cash before costs and proceeds been used for ongoing testing and field work on the Tamarama 1, Tamarama 2 and Tamarama 3 gas wells, to progress pre-construction works for the pipeline to Santos – operated Mt Howitt gas gathering facility, updating the reserve/ resource assessment for the Windorah Gas Project, to progress gas offtake agreements and for working capital purposes.
Share issue – 1 May 2019	181,801 (0.06% of issued Share Capital at 29 November 2018)	Ordinary class Shares (RLE) rank equal with existing shares on issue following exercise of 181,801 RLEOA Options at \$0.12 per Option. Total raised of \$0.022 million in cash.  Monies raised will be used for working capital purposes and to allow Bonus Options Holders to convert Options.
Shares on hand – 29 November 2019	349,419,204	

Issued Options – 29 November 2018	69,967,714	
Placement Options (RLEOB) and Bonus Options (RLEOB) issued – 21 December 2018	350,000 Placement Options (RLEOB) & 2,519,346 Bonus Options (RLEOA)	<p><b>Placement Options (RLEOB)</b></p> <p>With shareholder’s approval obtained in AGM held 30 November 2018, Placement Options were issued in \$nil consideration to Mr John Wardman, non-executive director of the same basis as other participants in the Placement issue in August 2018. The main terms and conditions of the Placement Options are an exercise price of 14 cents per share and an expiry date of 30 September 2020.</p> <p><b>Bonus Options (RLEOA)</b></p> <p>Full details of the Bonus Options are contained in a Prospectus lodged with the ASX on 31 August 2018. Specifically, shareholder approval was obtained (meeting held 30 November 2018) to issue Bonus options in \$nil consideration as part of the Bonus Options issued on a pro-rata basis to all shareholders in August 2018 to director related entities of Dang Lan Nguyen (1,025,000 options), John Wardman (115,000 options) and Scott Brown (1,318,440 options). The main terms and conditions of the Bonus Options are an exercise price of 12 cents per share and an expiry date of 15 April 2019. No monies were raised from the issue of these options.</p>
Placement Options (RLEOB) and Unlisted Options issued – 11 March 2019	15,872,973 Placement Options (RLEOB) and 2,000,000 Unlisted Options	<p>Placement Options (RLEOB) have an exercise price of 14 cents per share and an expiry date of 30 September 2020 issued in \$nil consideration to professional and sophisticated investors as part of the Placement in March 2019.</p> <p>Unlisted Options have an exercise price of 14 cents per share and an expiry at 31 March 2021 issued to a Broker who assisted in the Placement in March 2019</p> <p>No monies were raised from the issue of these options.</p>
Placement Options (RLEOB) issued – 1 May 2019	16,881,644 Placement Options (RLEOB)	RLEOB Options issued pursuant to Placement Option Prospectus (announced 21 March 2019) on the basis of two (2) Placement Option for every (5) Bonus Options held by all holders. Cash issue price of \$0.019 per Option/exercise price of \$0.14 per share and an expiry date of 30 September 2020 (\$0.32 million – total consideration). Monies raised will be used for working capital purposes.
Options on hand – 29 November 2019	65,379,617	69,967,714 options on hand - 29 November 2018 42,162,060 options lapsed or exercised in year 37,573,963 options issued in year 65,379,617 options on hand – 29 November 2019.

The above share and option issues in aggregate are 85,434,131 or 28.33% of the shares and options on issue as at 29 November 2018.

**Directors’ recommendation:**

**The Directors unanimously recommend that shareholders vote in favour of item 9.**



## Potential Dilution

Variable A in LR7.1A.2		Dilution		
		\$0.015 – 50% decrease in issue price	\$0.03 – issue price	\$0.06 – 100% increase in issue price
Current variable A – 349,419,204 ordinary class shares	10% voting dilution	34,941,920	34,941,920	34,941,920
	Funds raised (AUD)	524,129	1,048,258	2,096,515
50% increase in variable A – 524,128,806 ordinary class shares	10% voting dilution	52,412,881	52,412,881	52,412,881
	Funds raised (AUD)	786,193	1,572,386	3,144,773
100% increase in variable A – 698,838,408 ordinary class shares	10% voting dilution	69,883,841	69,883,841	69,883,841
	Funds raised (AUD)	1,048,258	2,096,515	4,193,030

The table has been prepared on the following assumptions:

- The company issues the maximum number of shares available under LR7.1A;
- No shares are issued on the conversion of options before the date of issue of the shares;
- The table shows only the effect of shares under LR7.1A and does not factor in the company's ability to issue up to 15% of its issued capital under LR7.1.

The issue price is assumed to be \$0.03 per ordinary share (\$0.028 per ordinary share was the closing price of the shares on the ASX on 2 October 2019), rounded.

**Appendix 1 - Remuneration (GST inclusive) agreed to be taken in shares (\$) and estimated number of shares to be issued (number)<sup>4</sup>**

<b>Director</b>	<b>1 Aug to 31 Dec 2019</b>
Dang Lan Nguyen	\$20,625 687,500 shares
John Wardman	\$13,750 458,333 shares
Peter Mangano <sup>5</sup>	\$12,375 412,500 shares
Scott Brown	\$27,500 916,667 shares

**Total remuneration for which approval is sought to issue shares - \$74,250**

**Total estimated number of shares to be issued in lieu of cash remuneration – 2,475,000**

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<sup>4</sup> Assumes VWAP for period of \$0.03 per share. The company proposes that a 4.5 month VWAP (for the period 1 August 2019 to 31 December 2019) be used. Shares will be issued within 1 month of this meeting.

<sup>5</sup> Peter Mangano was appointed on 15 August 2019 (remuneration period from 15 August 2019 to 31 December 2019).

**Appendix 2 – Director interest in Shares and Options**

Director	Shares		Options	
	Direct	Indirect	Direct	Indirect
Dang Lan Nguyen	17,900,000	2,710,000	Nil	Nil
John Wardman	700,000	2,300,000	1,000,000	500,000
Peter Mangano	Nil	Nil	Nil	Nil
Scott Brown	23,590,432	3,980,789	Nil	500,000

### Appendix 3 – Potential for Dilution

Director	Total remuneration (GST inclusive) proposed to be issued in shares - \$	Hypothetical number of Shares to be issued based on a VWAP of		
		\$0.02	\$0.03	\$0.06
Dang Lan Nguyen	20,625	1,031,250	687,500	343,750
John Wardman	13,750	687,500	458,333	229,167
Peter Mangano	12,375	618,750	412,500	206,250
Scott Brown	27,500	1,375,000	916,667	458,333
<b>Total</b>	<b>74,250</b>	<b>3,712,500</b>	<b>2,475,000</b>	<b>1,237,500</b>
Dilution based on current shares issued – 349,419,204		1.06%	0.71%	0.35%



**Proxy Form for Shareholders**



Shareholder  
 XXXXXXXXXXXXXXXX  
 XXXXXXXXXXXXXXXX  
 XXXXXXXXXXXXXXXX  
 XXXXXXXXXXXXXXXX

1. **I / We (please print):** Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 \_\_\_\_\_ Security Holder Reference Number (if known) \_\_\_\_\_

**2. Appointment of Proxy**

I / We being a member/s of Real Energy Corporation Limited hereby appoint

**The Chairman of the Meeting**  
 (mark with an "x") or

(Write here the name of the person you are appointing if this person/s is someone other than the chairman of the meeting)

or failing the person/s named, or if no person/s is named, the Chairman of the meeting, as my/our proxy and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Real Energy Corporation Limited to be held at the offices of the company at Level 3, 32 Walker Street North Sydney NSW 2060 at **11am on Friday 29 November 2019** and at any adjournment of that meeting.

**3. Votes on Resolution** directions to your proxy – please mark with a cross to indicate your directions

		For	Against	Abstain
<b>Resolution 2</b>	<b>Remuneration Report</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b>	<b>Re Election of Mr John Wardman as a Director</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b>	<b>Appointment of Mr Peter Mangano as a Director</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b>	<b>Issue of shares to Mr Dang Lan Nguyen</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6</b>	<b>Issue of shares to Mr John Wardman</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 7</b>	<b>Issue of shares to Mr Peter Mangano</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 8</b>	<b>Issue of shares to Mr Scott Brown</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 9</b>	<b>Authority to issue and allot Shares pursuant to Listing Rule 7.1A</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**PLEASE NOTE:** Undirected proxies received by the Chairman of the meeting will be voted in favour of each item of business. If you have appointed the Chairman of the meeting as your proxy (or the Chairman of the meeting becomes your proxy by default), you can direct the Chairman of the meeting to vote for, against or to abstain from voting on, Resolution 1 by marking the relevant box opposite Resolution 1. Note that under section 2, if the Chairman of the meeting is your proxy and you do not mark any of the boxes opposite Resolution 1, you are directing the Chairman to vote in favour of Resolution 1.

**4. Appointment of a Second Proxy** I/We wish to appoint a second proxy

State the percentage of your voting rights  
 Or the number of shares for this Proxy Form

Mark with an "x" if you wish to appoint a second proxy and  or

**5. Authorised Signature/s**

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder	Security Holder 2	Security Holder 3
<input style="width: 100%; height: 20px;" type="checkbox"/>	<input style="width: 100%; height: 20px;" type="checkbox"/>	<input style="width: 100%; height: 20px;" type="checkbox"/>
Individual/Sole Director and Sole Company Secretary	Director	Director/Company Secretary

\_\_\_\_\_  
 Contact Name Contact daytime telephone

\_\_\_\_\_  
 Email Date



Completed proxy forms must be received by the Company no later than 11am on Wednesday 27 November 2019 to be valid. You may return the form by:

1. Email to [investor@realenergy.com.au](mailto:investor@realenergy.com.au) ; or
2. Mail to:           Real Energy Corporation Limited  
                          Level 3, 32 Walker Street  
                          North Sydney NSW 2060

### How to Complete this Proxy Form

#### 1. Your Name and Address

The name and address on the Proxy Form is as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. Please note: you cannot change ownership of your shares using this form

#### 2. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the name of the person in Section A. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

#### 3. Votes on Items of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he chooses. If you mark more than one box on an item your vote on that item will be invalid.

#### 4. Appointment of Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may copy this form.

To appoint a second proxy, you must:

- (a) On each of the first Proxy Form and the second Proxy Form state that percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, your proxy appointments will be invalid. Fractions of votes will be disregarded.
- (b) Return both forms together.

#### 5. Signing instructions

You must sign this form as follows in the spaces provided:

- Individual:           Where the holding is in one name, the holder must sign.
- Joint Holding:       Where the holding is in more than one name, either security holder may sign.
- Power of Attorney:   To sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies:           Where the company has a Sole Director, who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company.

#### Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given above (via mail, email or fax) by not later than 48 hours before commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.