

# Real Energy

Gas for the East Coast of Australia



Real Energy Corporation Limited (ASX: RLE)  
Annual General Meeting November 2019



# Directors

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**Lan Nguyen**  
**NON-EXECUTIVE CHAIRMAN**

B.Sc (Mining Engineer-Geology), M.Sc (Petroleum Geology). Lan has over 25 years' experience in petroleum exploration, development and production in Australia and internationally. Previously as Managing Director of ASX listed Mosaic Oil, he transformed the company from a speculative petroleum explorer to a successful petroleum production company.



**Scott Brown**  
**MANAGING DIRECTOR**

B.Bus, M. Commerce. Prior to Real Energy, Scott was the CFO of Mosaic Oil, a public Australian company with an extensive range of oil and gas production and exploration permits in Queensland, New Zealand and offshore WA. He is also a non executive director of Shine Metals Limited (ASX:SHI).



**John Wardman**  
**NON-EXECUTIVE DIRECTOR**

Mr Wardman is a stockbroker with over 25 years industry experience and special expertise in smaller stocks. For 13 years, John was with a senior adviser with Macquarie Private Wealth and more recently with a boutique Australian wealth management firm. John has an extensive network of contacts and clients.



**Peter Mangano**  
**NON-EXECUTIVE DIRECTOR**

Peter has worked as a Fund Manager, Resource Analyst and Corporate Advisor over the last 30 years in the resources and energy sectors. He previously spent 6 years at Colonial First State, and 12 years in Citigroup including 6 years as a Managing Director and Deputy Head of US Equity Research in New York.

# AGM - Agenda

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- 1. Financial Report**
- 2. Remuneration Report**
- 3. Re election of John Wardman**
- 4. Election of Peter Mangano**
- 5. Issue of Options to Dang Lan Nguyen**
- 6. Issue of Options to John Wardman**
- 7. Issue of Options to Peter Mangano**
- 8. Issue of Options to Scott Brown**
- 9. Authority to issue shares under LR 7.1A**

# Proxies

Resolution	For	Against	Discretionary	Abstain
2 - Remuneration Report	15,862,039	369,291	3,562,921	54,360,949
3 - Re-election of John Wardman as a Director	70,289,988	272,291	592,921	3,000,000
4 - Appointment of Peter Mangano as a Director	73,289,988	272,291	592,921	-
5 - Issue of shares to Lan Nguyen	52,582,988	352,291	592,921	20,627,000
6 - Issue of shares to John Wardman	70,192,988	369,291	592,921	3,000,000
7 - Issue of shares to Peter Mangano	73,192,988	369,291	592,921	-
8 - Issue of shares to Scott Brown	42,480,539	369,291	592,921	30,712,449
9 - Authority to issue and allot Shares pursuant to Listing Rule 7.1A	73,055,199	419,830	610,171	70,000





## Contact

Scott Brown – Managing Director  
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E: [scott.brown@realenergy.com.au](mailto:scott.brown@realenergy.com.au)

Real Energy Corporation Limited  
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Australia



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# Investment proposition

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01

**One of the best exposures to the East Coast Gas thematic – exposure to 2 high quality gas projects** Real Energy owns 100% of Windorah Gas Project and 50% of Project Venus

02

**Resources Upgrade** - Real Energy's acreage has a certified Estimated Total Mean Gas-In-Place of 13.76 TCF and a 3C gas resources of 770 BCF in ATP927P

03

**4 wells drilled in ATP927P – all gas discoveries** - Close to existing major developments and easy access to gas pipelines connecting Australian domestic market and LNG hubs  
Initial flow of 2 mmcf/d and 2.5 mmcf/d from Tamarama 2 and 3 wells respectively

04

**Agreement for gas transportation & processing executed with Santos Limited and Beach Energy Limited** – Well placed to supply gas to the Eastern Australian gas markets which are short gas and dependent on undeveloped resources together with pipeline licence

05

**Low valuation and no debt** – An EV of \$9.5M represents about 1.2 cents per GJ of 3C Contingent gas in the ground.



# Corporate Overview

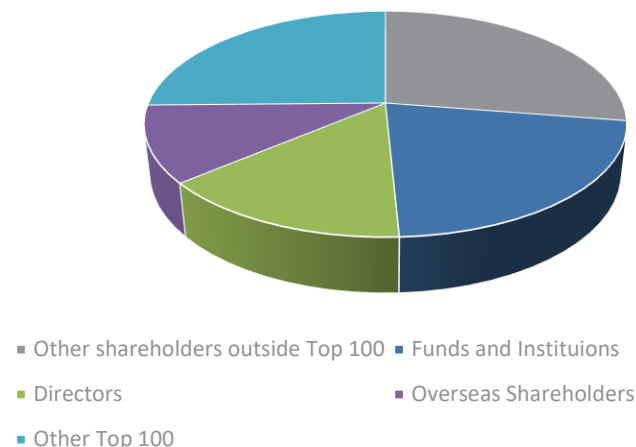
## Capital Structure

Ordinary shares	349,419,204
Listed Options – Sept 2020	55,879,617
Share Price - 27 Nov 19	\$0.035
Market Capitalisation	\$12.2M
Cash (30 Sept 19 unaudited)	\$2.7M
Debt (30 Sept 19)	\$0M
EV	\$9.5M

## Assets

- Ownership of 2 High quality Gas Projects on the East Coast of Australia – Windorah Gas Project 100% and Project Venus 50% and ownership of 100% of Eastern Flank Oil.
- 100% ownership in Queensland permits ATP 927P & ATP 1194PA together with 50% of Project Venus
- Resources Upgrade** - Real Energy's acreage has a certified Estimated Total Mean Gas-In-Place of 13.76 TCF and a 3C gas resources of 770 BCF in ATP927P - ASX Announcement 23/8/19
- Permits are in close proximity to major energy players with easy access to domestic and export markets

## Shareholder Breakdown



## Board of Directors

### Lan Nguyen

### NON-EXECUTIVE CHAIRMAN

B.Sc (Mining Engineer-Geology), M.Sc (Petroleum Geology). Lan has over 25 years' experience in petroleum exploration, development and production in Australia and internationally. As Managing Director of ASX listed Mosaic Oil, he has transformed the company from a speculative petroleum explorer to a successful petroleum production company.

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# Windorah Gas Project - Significant Gas Resources

- 2 rounds of drilling – first round – Tamarama 1 & Queenscliff 1 – second round Tamarama 2 and Tamarama 3
- 3C gas resources upgrade to 770 BCF from four discoveries – Tamarama 1, 2 & 3 + Queenscliff 1
- Tamarama 2 had initial flow rates of 2 mmcf/d
- Tamarama 3 had initial flow rates of 2.5 mmcf/d
- Considerable improvements in Tamarama 2 and Tamarama 3 and further improvements expected through technology
- Designs of future wells likely to be horizontal (or near horizontal) wells with multi-staged fracs in the upper & middle Patchawarra sandstone units

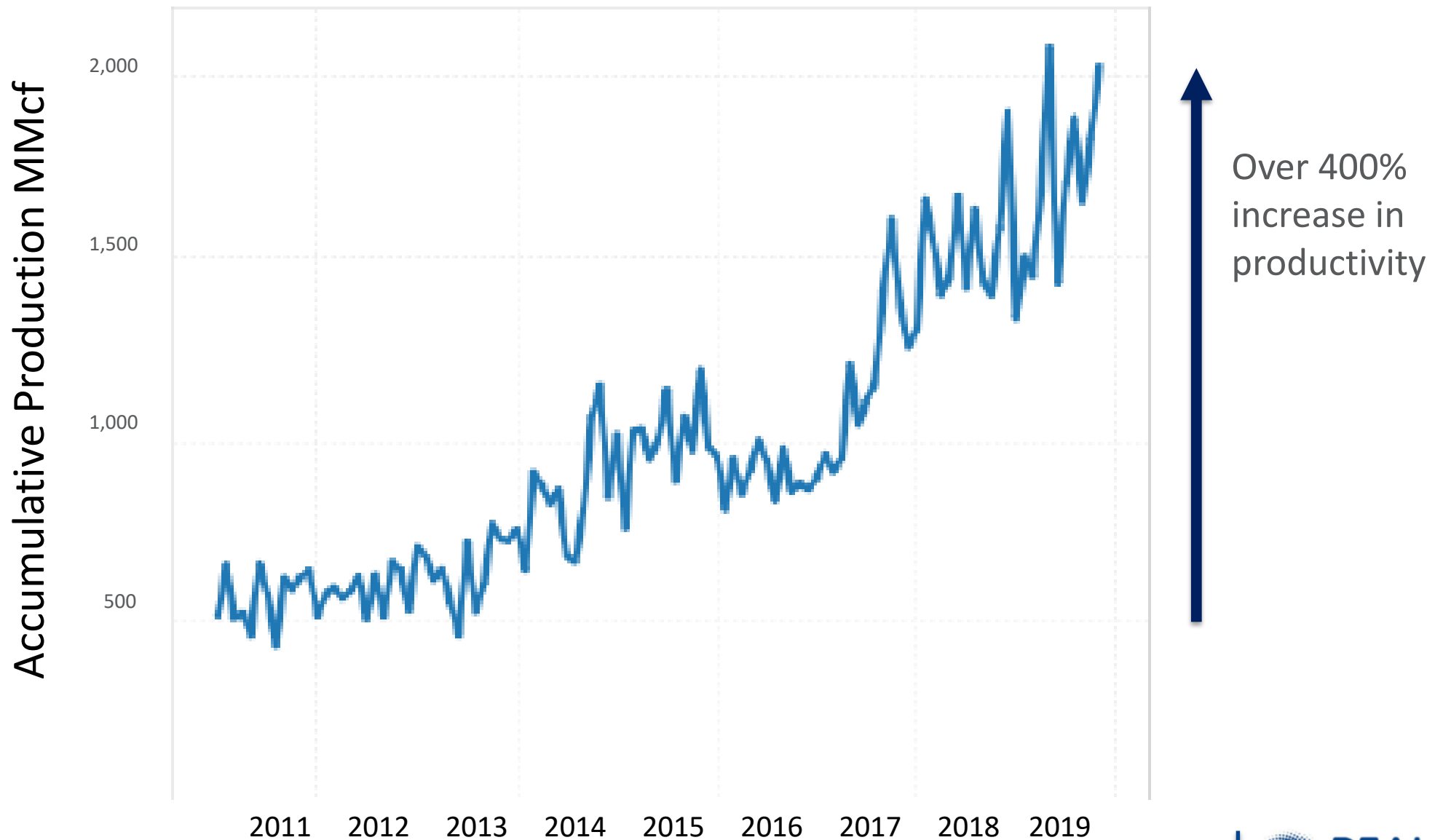
Permit	Volume (BCF)	
	ATP 927P	ATP 1194P
Prospective OGIP	13,761	-
2C Resources	330	-
3C Resources	770	-

•Estimated Prospective OGIP are Mean Original Gas-In-Place excluding 2C/3C Resources.

•Gas Volumes are expressed in billions of cubic feet (BCF) at standard temperature and pressure bases.



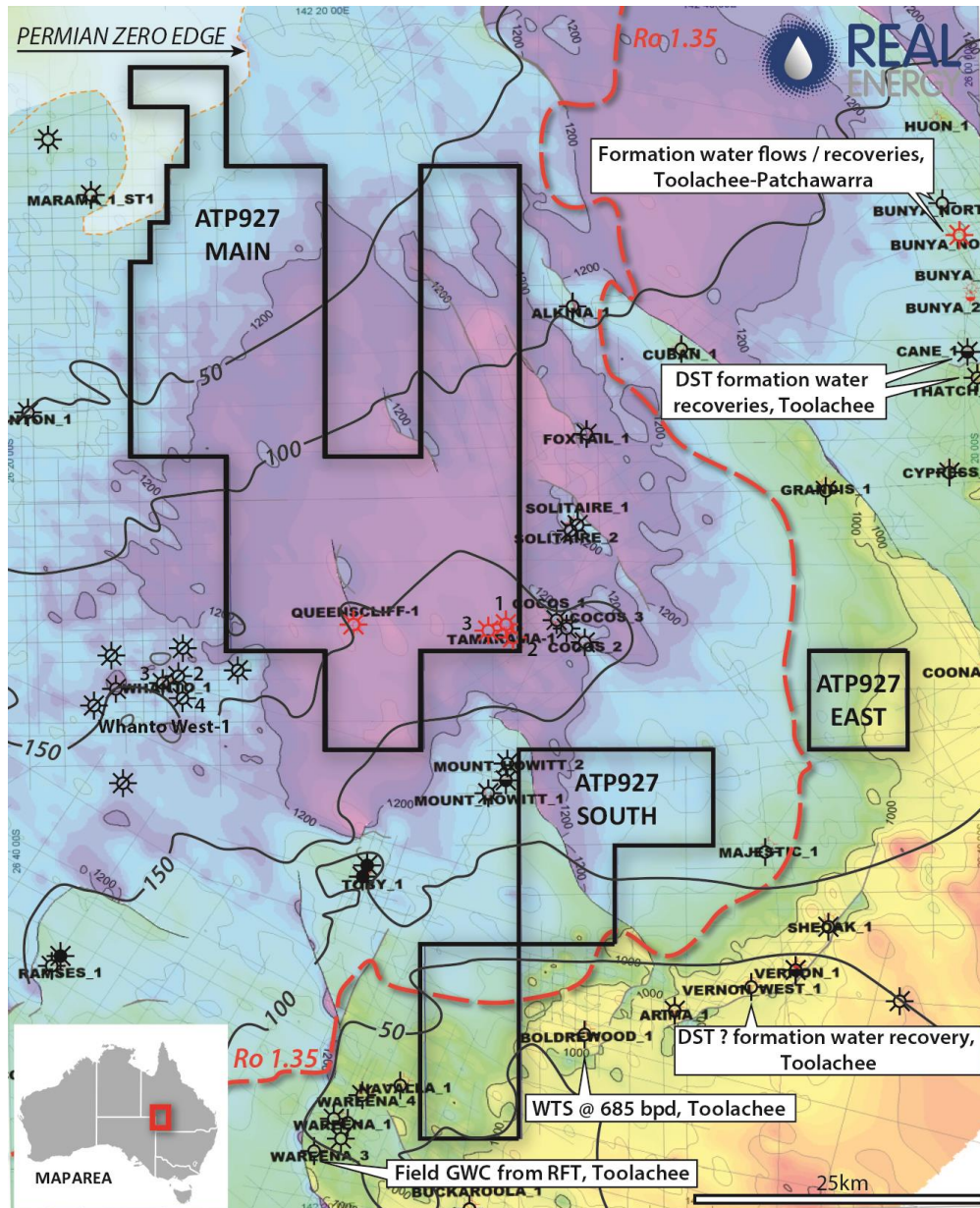
# Marcellus production from new wells first six months



Source: <https://shaleprofile.com/2019/07/01/marcellus-pa-update-through-april-2019/>



# Where is the best part of the Basin Centred Gas play ?



- The Windorah Trough is a very large prospective gas resource (OGIP of 13.7 Tcf within ATP927)
- Colour fill shows structure at top Permian at the time of peak hydrocarbon generation and expulsion – purple is deep, yellows are shallow
- The contours represent thickness of the Permian section – thickest in central area, thinning to North and South
- The Ro 1.35 contour line represents thermal maturity of the Permian coal source rocks. The best part of the play lies within ATP927

# Pathway to Production



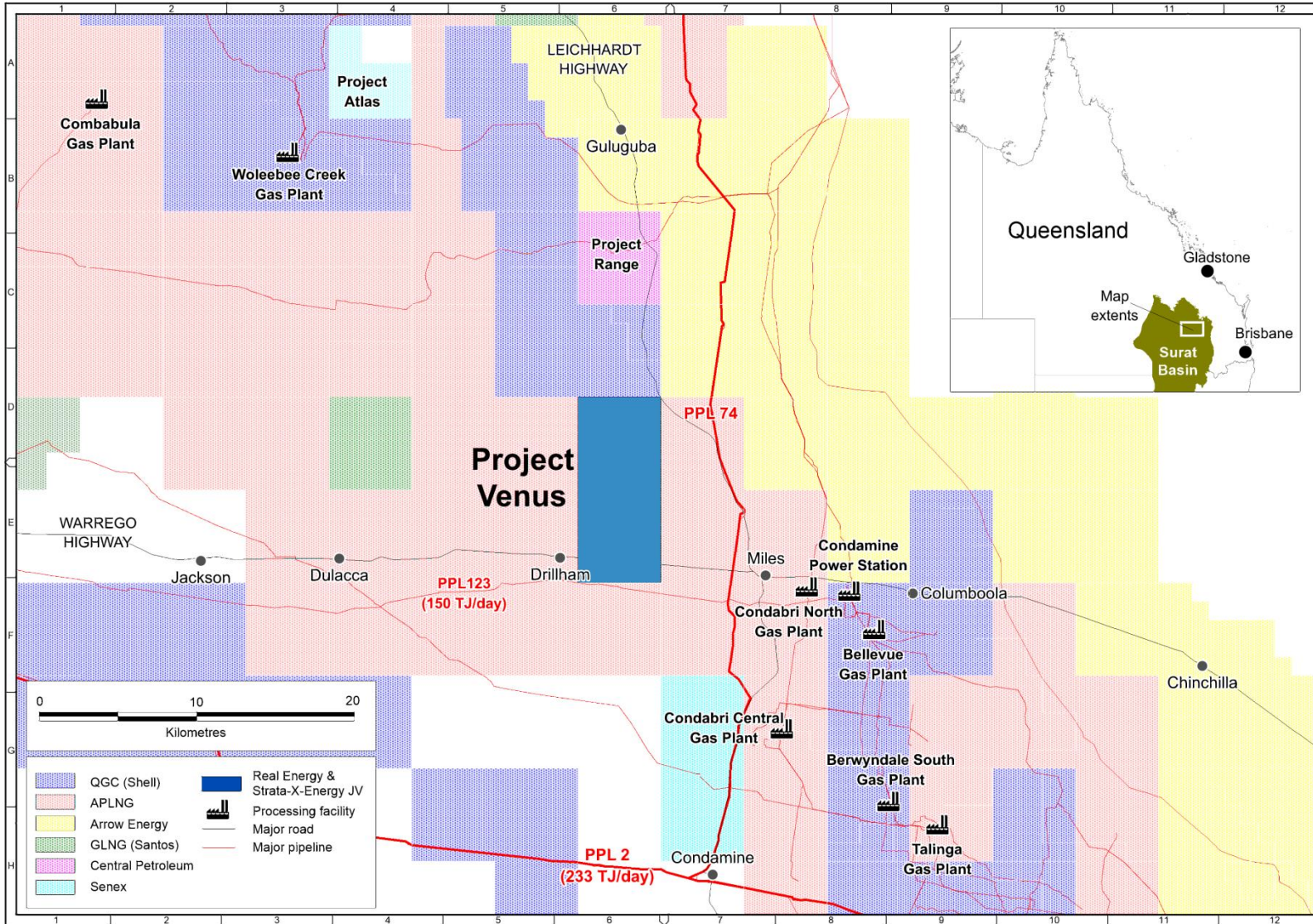
Tamarama 2 flaring from initial flow

- ◆ Real Energy signed a tie-in and Processing with Santos and Beach Energy so gas will be transported and processed at Moomba
- ◆ A pipeline licence has been granted between the Tamarama area and Mt Howitt
- ◆ Discussions are ongoing with potential farm in partners
- ◆ New well designs are likely to be horizontal (or near horizontal) wells with multi-staged fracs in the upper & middle Patchawarra sandstone units
- ◆ Real Energy will also include smaller proppant and better gel breakers





# Project Venus – 100% within the Walloon CSG fairway

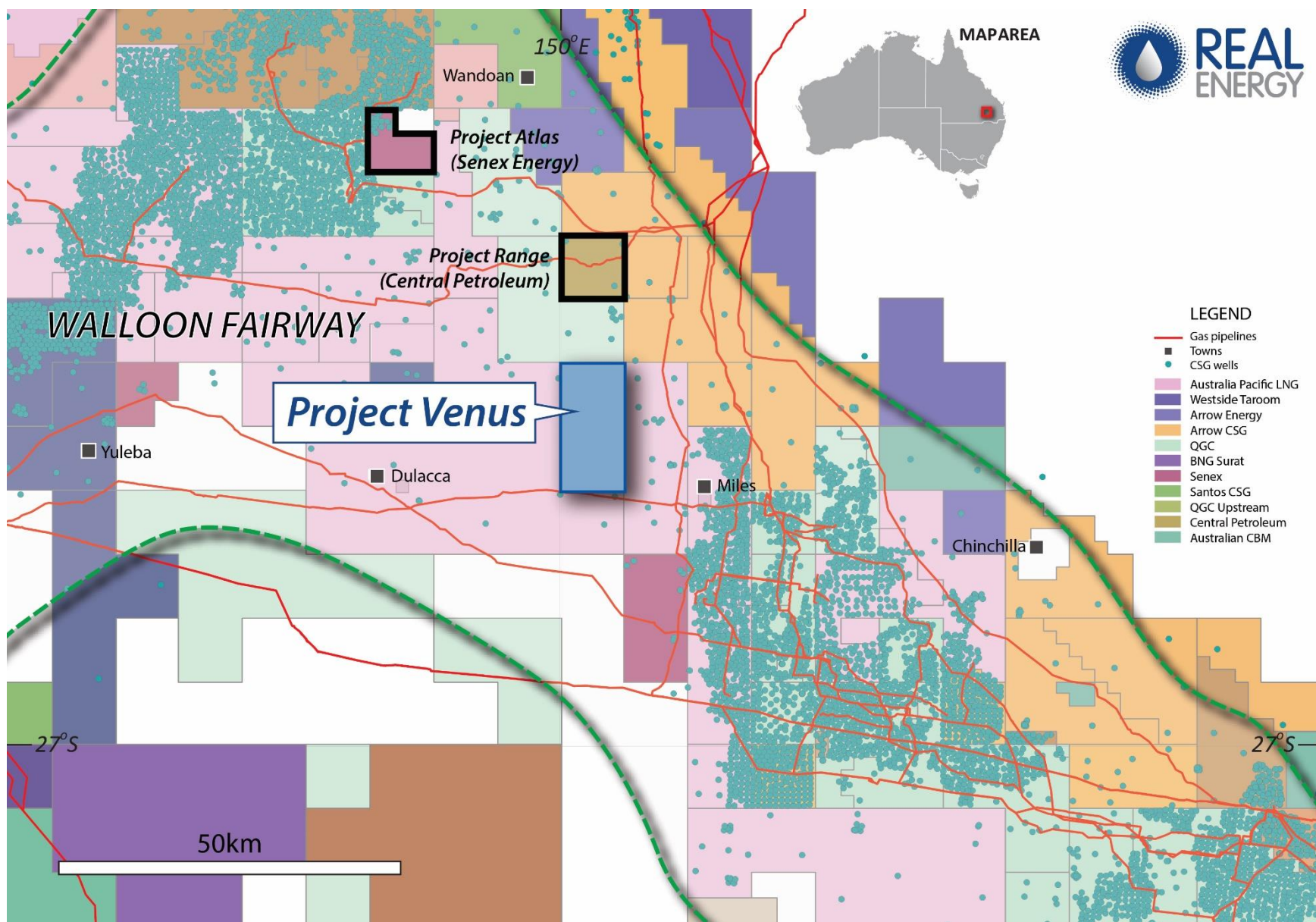


# ATP 2051 Project Venus

- Real Energy and Strata-X Energy JV (50/50)
- Real Energy operator
- Prospective exploration permit Surat Basin CSG
- ~9km west of Miles
- Walloon Subgroup coal measures pervasive throughout permit
- Size appropriate and attractive address
- 50 sub-blocks – 154 km<sup>2</sup>



# Project Venus is in the middle of the Walloon Fairway



• A prolific gas producing region with over 4,000 wells drilled – see green dots on Map

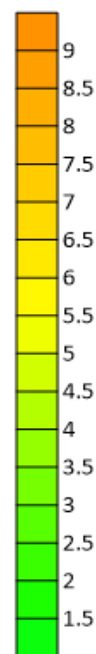
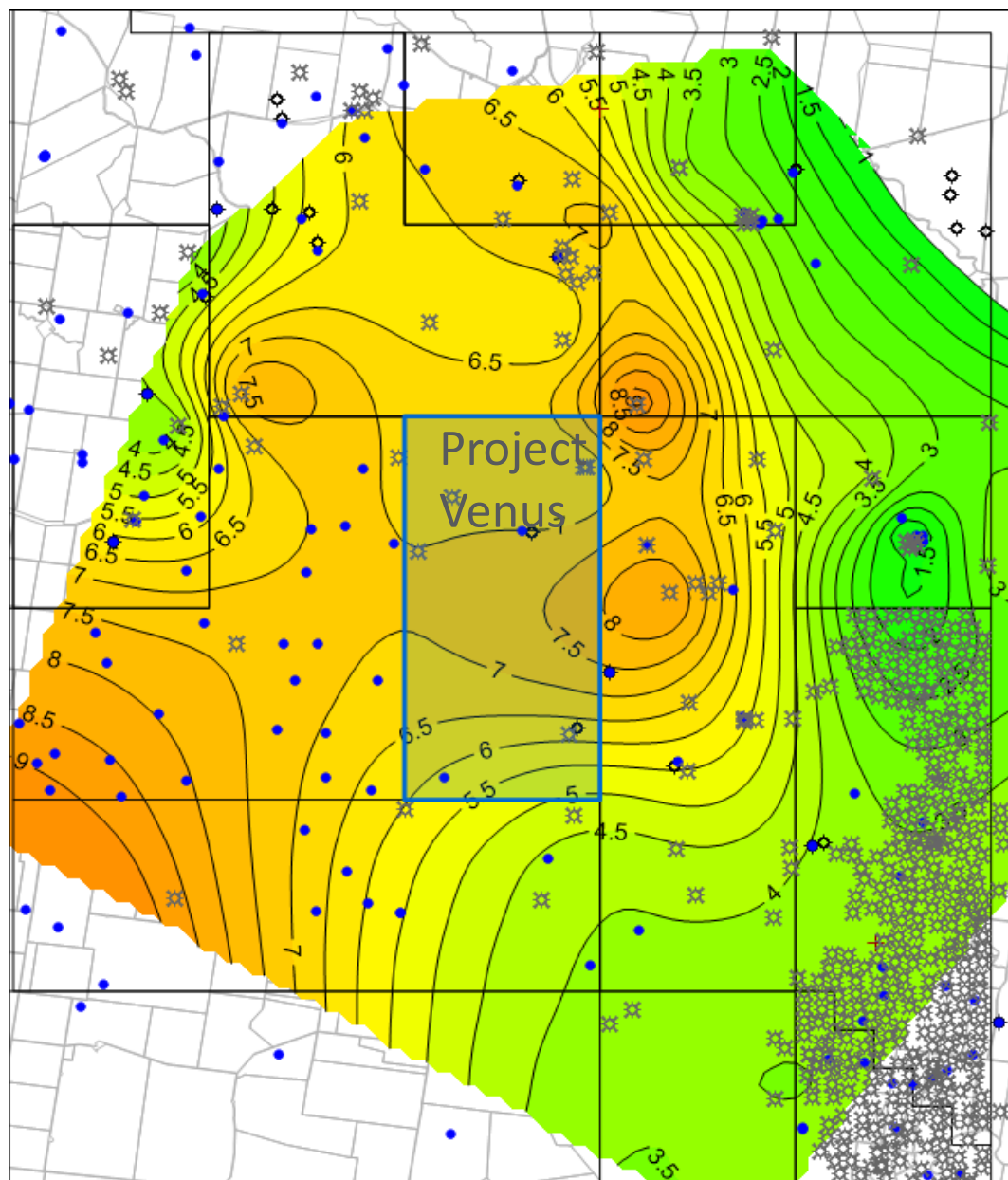
• The Ironbark Project was reported sold at \$231M with reported reserves of 129Pj<sup>1</sup>

• Senex Energy<sup>2</sup> is developing Project Atlas – reported 2P reserves 144 Pj

• Central Petroleum<sup>2</sup> is developing Project Range – reported 2C contingent resources of 270 Pj



# Project Venus – gas content



- Primary target: Walloon Subgroup Coal Measures
- Secondary target: Permo-Triassic pervasive gas play
- Previous wells – northern half of tender area: 4 Connor wells
- Adjoining wells *APLNG wells – West: Carinya and Carinya South wells; East – Dalwogan wells; southern half of tender area Goonalah well*
- > **1200 PJ 2P** reserves in nearby CSG fields\*

Source: Map - Avadale Energy Pty Ltd

1.. Australian Financial Review 19 February 2019

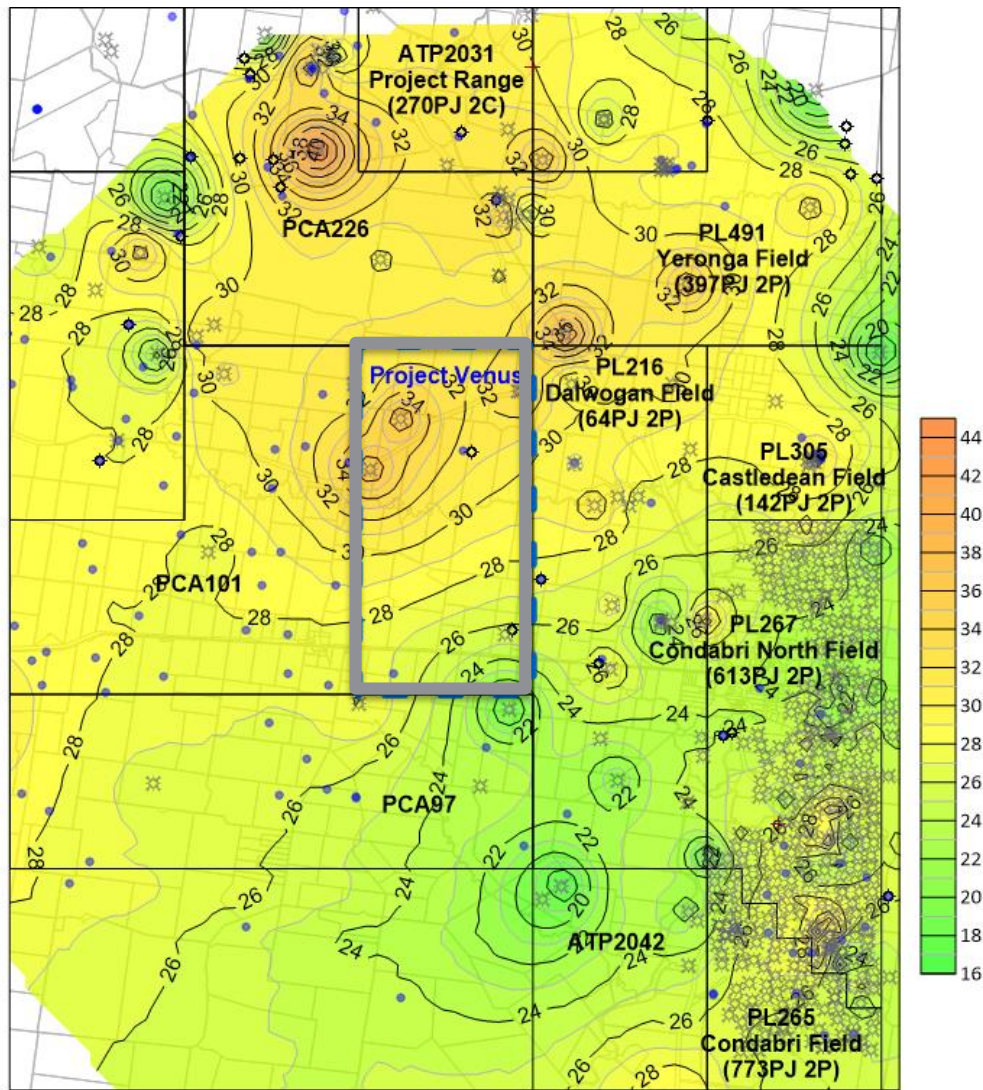
Notes:

2P reserve numbers in adjacent Petroleum Leases are based on DNRME reported remaining reserves as at 31/12/2018  
<https://www.data.qld.gov.au/dataset/petroleum-gas-production-and-reserve-statistics>  
Based on public domain CSG core exploration, appraisal & development wells  
(QDEX - Queensland Digital Exploration Reports <https://qdexquest.dnrm.qld.gov.au/portal/site/qdex/search>)

Project Venus Bcf/km<sup>2</sup>



# Walloon Coals up to 34 metres total thickness – Project Venus



Project Venus - Walloon Subgroup Net Coal (m)

Top Walloon coal is from

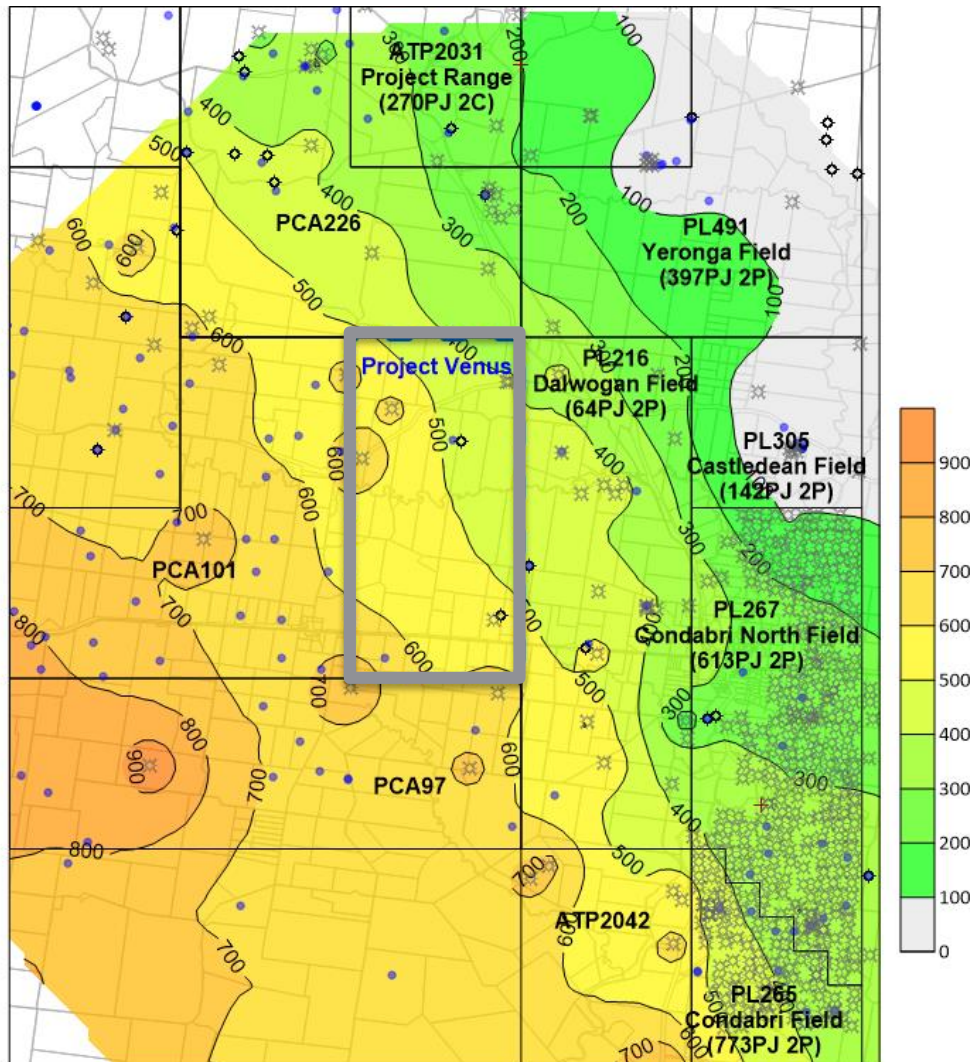
350 metres in northeast

to 700 metres deep in southwest

Gassy Walloon Coal Seams – up to  
34 metres thick



# Project Venus – Program 2020



Project Venus - Near Top Walloon Coal Measures (mGL)

## Notes:

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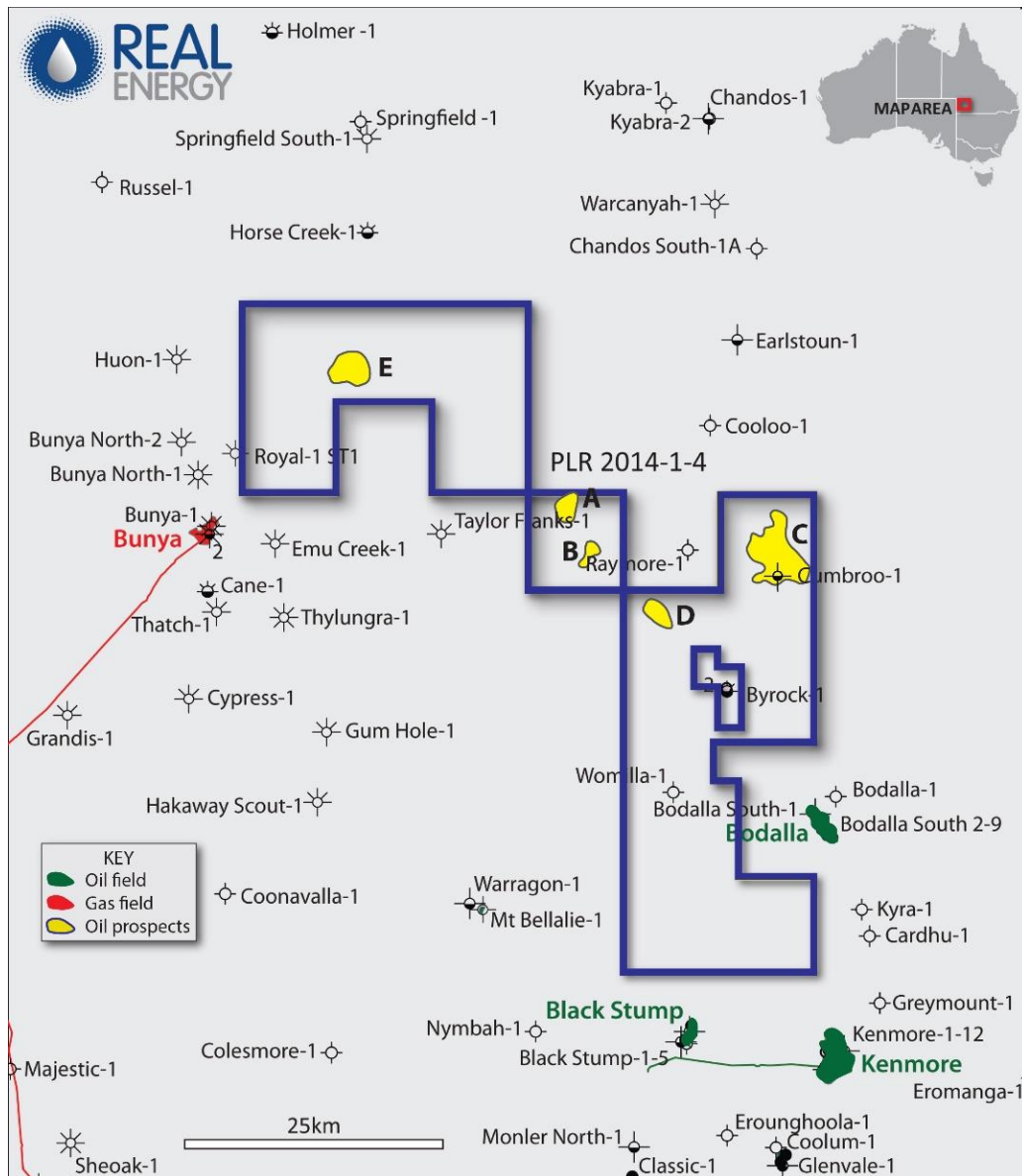
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(QDEX - Queensland Digital Exploration Reports <https://qdexquest.dnrm.qld.gov.au/portal/site/qdex/search>)

1. Formal grant of the permit
2. Drilling and testing of pilot CSG wells
3. Prove commercial gas flows by carrying out a CSG pilot in the NE area.
4. Prove sufficient flows for a FID foundation project through infill drilling.

# Eastern Flank Oil - Leads and Prospects



- ATP 1194PA – 1043 sq.kms – 100% RLE
- Permit adjacent to Kenmore (>12.5 mmbo produced) and Bodalla South (>6 mmbo produced) oil fields
- Preliminary mapping at Cadna-owie level identified 5 leads considered prospective for oil
- Resource potential (single zone):

Original Oil in Place MMbbls				
LEAD	P90	P50	P10	Mean
A	0.39	0.94	2.12	<b>1.13</b>
B	0.13	0.25	0.51	<b>0.29</b>
C	1.06	2.23	4.57	<b>2.56</b>
D	0.41	1.05	2.51	<b>1.31</b>
E	0.76	1.63	3.40	<b>1.91</b>

The estimates above are based on unrisks prospective resources through Monte Carlo simulation as at 30 June 2019 in accordance SPE-PRMS. The estimated quantities of petroleum that may be potentially recovered by the application of a future development related to undiscovered accumulations. These estimates have associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation will be required to the potential of moveable petroleum.

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