



REAL ENERGY

Dec 2019 Quarterly Report

HIGHLIGHTS

- ◆ **Project Venus awarded to the 50:50 JV between Real Energy and Strata X Energy Limited.**
- ◆ **Project Venus is a highly prospective Walloon Coal Seam Gas acreage surrounded by major CSG-producing assets.**
- ◆ **Independent review of Project Venus provides Best Estimate for Prospective Gas Resources of 694 PJ.**
- ◆ **Project permit is pending with field work expected to commence in the near term.**
- ◆ **Cash of \$2.1 Million as at 31 December 2019.**

Real Energy Corporation Limited
ASX: RLE

Real Energy is a gas development company with a focus on the East Coast of Australia including the Cooper Basin, Australia's most prolific conventional onshore petroleum producing basin and the Surat Basin. Real Energy has 100% ownership in permits in Queensland being ATP 927P and ATP1194PA and a 50:50 JV with Strata X to develop Project Venus PLR2019-1-11.

Real Energy has an Independently Certified 3C Contingent Gas Resources of 770 BCF within ATP 927P.

Directors

Lan Nguyen – Non Executive Chairman
Scott Brown – Managing Director
John Wardman – Non Executive Director
Peter Mangano – Non Executive Director

Corporate Office

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Exploration and Evaluation

Real Energy Corporation Limited (ASX: RLE and “Real Energy” or “The Company”) is pleased to provide this report to shareholders for the quarter ended 31 December 2019 a period in which the Company continued to progress activities at the Windorah Gas Project in the Cooper Basin and the newly secured Project Venus opportunity in the Surat Basin.

Project Venus

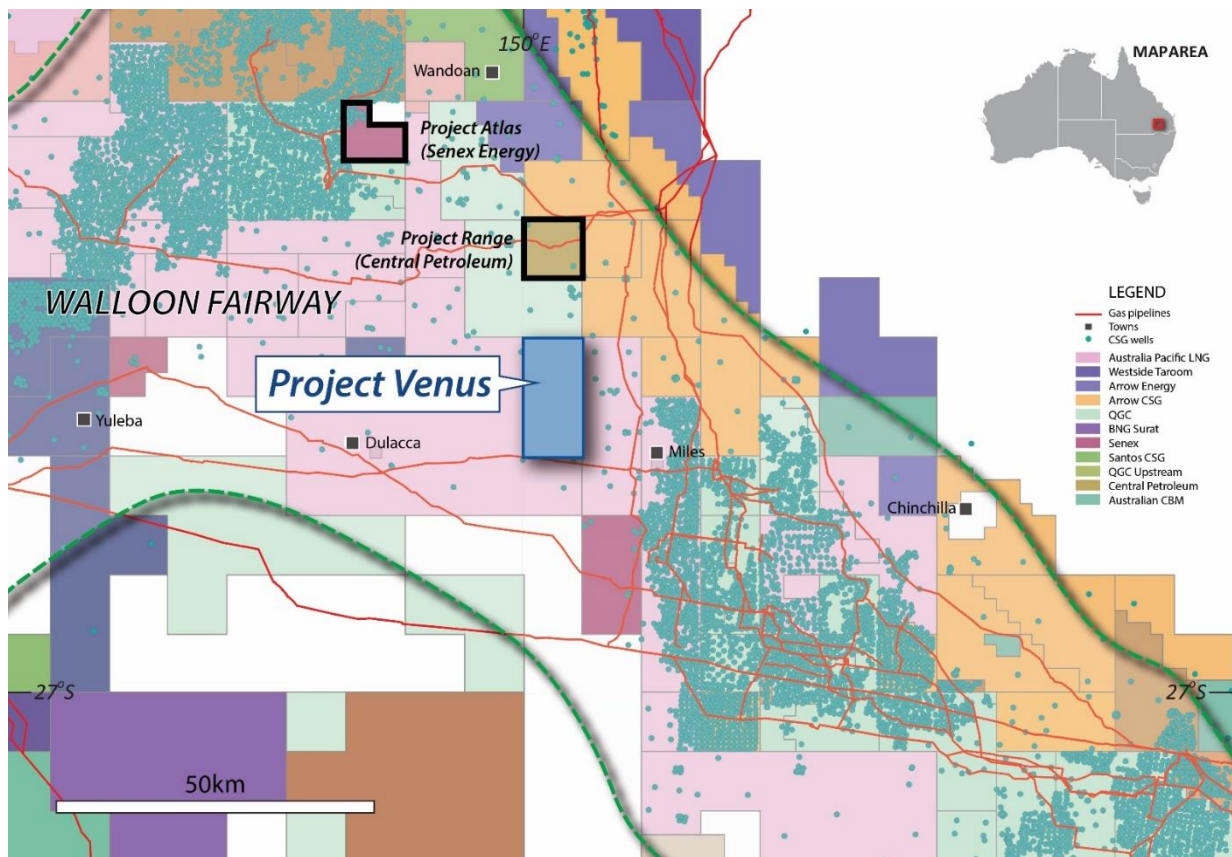
During the quarter the Company was selected as the preferred bidder in a 50:50 Joint Venture, termed ‘Project Venus’. Real Energy and Strata X Energy (ASX:SXA) invested considerable time in securing this highly prospective Coal Seam Gas (CSG) acreage for nil consideration.

Project Venus contains high quality and very prospective acreage covering 154km² which is within the main Walloon Coal Seam Gas Fairway and close to gas infrastructure including gas pipelines. There is significant coal in this permit which the Company believes in time can turn into significant gas resources.

During the quarter the Company reported that an independent review of the data for Project Venus (ATP2051) (RLE:50% working interest) has the following Recoverable Prospective Gas Resources:

	Estimates Gross (100%) Prospective Gas Resource (PJ)		
	Low	Best	High
Project Venus ATP2051	555	694	833

The independent review of the Prospective Gas Resources was completed by MHA Petroleum Consultants (details were provided in the ASX announcement of 12 December 2019) Project Venus contains high quality and very prospective acreage covering 154km² which is within the main Walloon Coal Seam Gas Fairway and close to gas infrastructure.

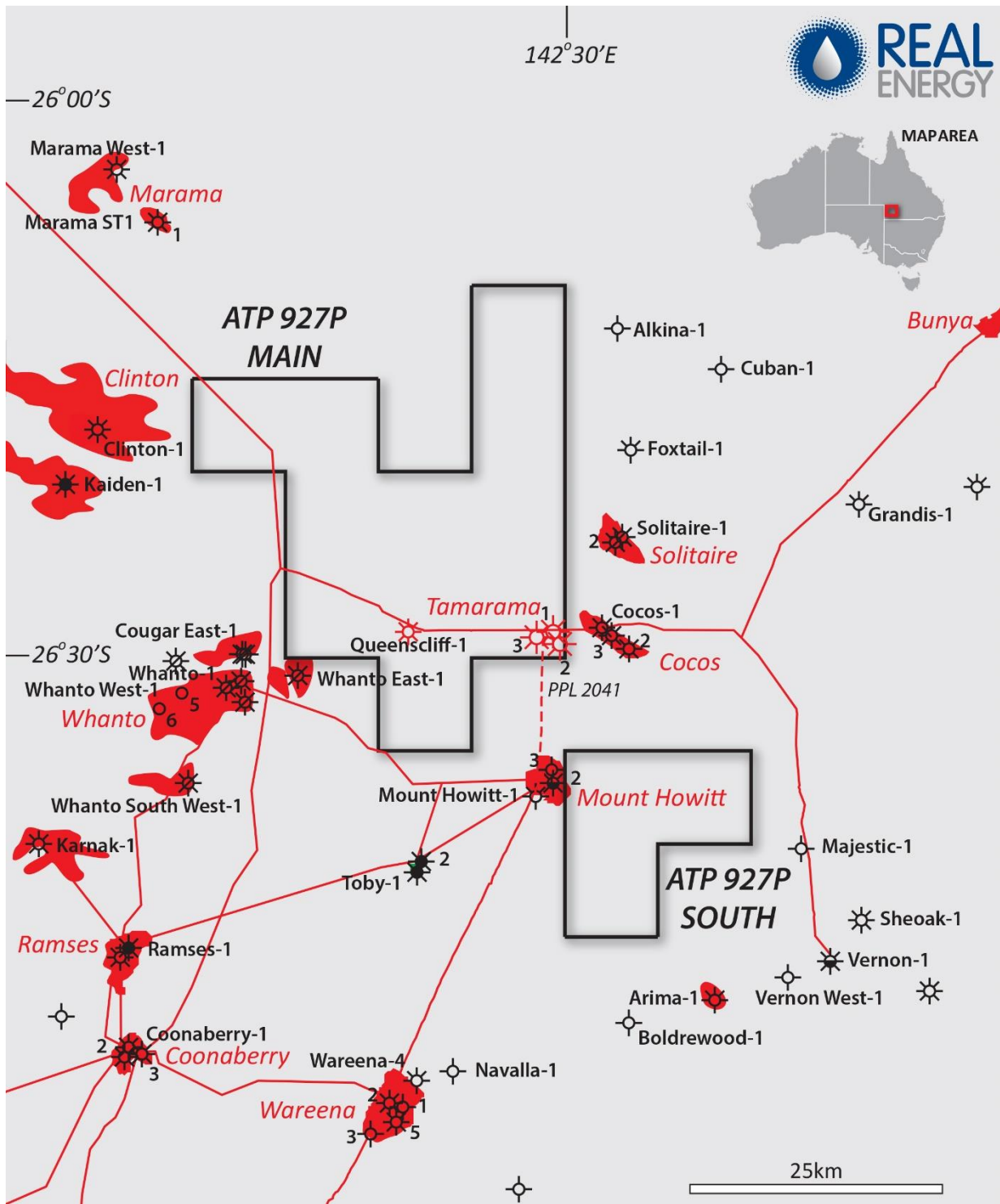


Given Project Venus is located immediately adjacent to gas infrastructure, the JV is aiming to expedite the progressive conversion of gas resources to gas reserves with the goal being to fast-track development of the project and therefore potentially deliver early cash flows.

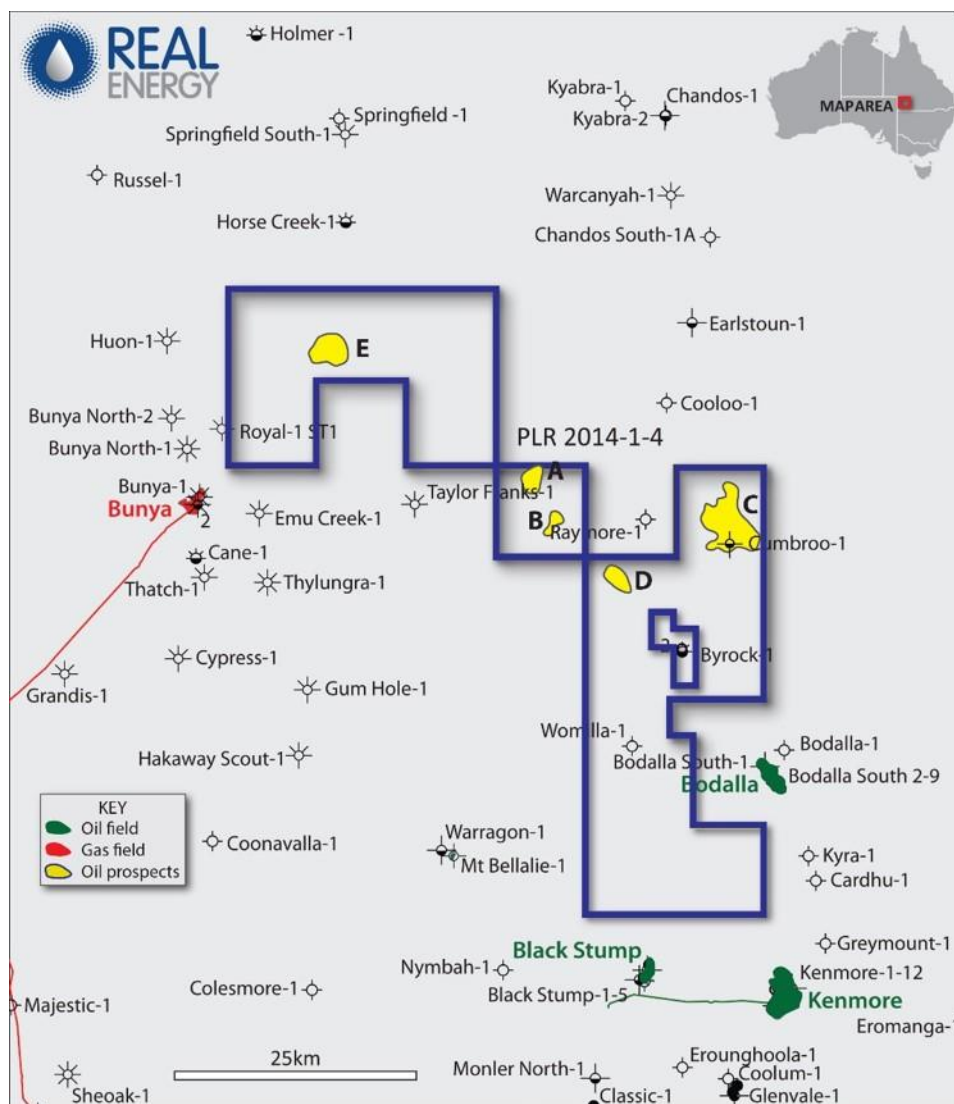
Real Energy, as operator, has submitted and completed all the matters required to allow ATP2051 to be granted. It expects the permit to be granted shortly by the Queensland Government and is preparing to start field work shortly. Real Energy will adopt a low cost approach to prove up gas reserves. The Company is first looking to re-enter an existing well to produce gas flow which can take place in the coming months.

Windorah Gas Project

During the quarter the Company renewed in ATP927 with the permit term extended until 30 September 2023. As part of the process, the Company relinquished some less prospective areas but has retained the best part of the basin-centred gas play. The map outline is shown on the next page:



The Company has been in discussion with two parties that provided proposals relating to funding the Project with both currently undertaking due diligence. The technical team has been considering, among other things, horizontal well designs and is confident that these type of wells will prove up the production potential of the Windorah Gas Project.



Map of ATP1194 and oil targets in Yellow

Corporate

As at 31 December 2019, Real Energy had \$2.1 million cash at bank and is very well funded to execute on its current works program. During the Quarter, cash outflows for the development of the Windorah Gas Project and the Project Venus opportunity were \$335,000.

At the end of the quarter the total number of ordinary fully paid shares on issue was 353,194,131.

The Annual General Meeting of Real Energy Corporation Limited was held at the offices of the Company at Level 3, 32 Walker Street North Sydney NSW 2060 on Friday 29 November 2019 with all resolutions passed.

Tenement Schedule at End of Quarter

Permit	RLE ownership %	Location
ATP927P	100	Cooper Basin, South West Queensland
ATP1194PA	100	Cooper Basin, South West Queensland
ATP2051PA	50	Surat Basin, Southern Queensland

+ See chapter 19 for defined terms
1 September 2016

Contingent Resources

The estimates of contingent resources are based gas wells located within the exploration permit ATP927P, Windorah Trough, Cooper Basin. Discovery status is based on definition under the SPE/WPC Petroleum Resource Management System (PRMS) 2007 and 2018. A summary of the gross estimates of contingent gas resources for ATP927P is provided below:

Resources Category	Bcf (Billion Cubic Feet)
1C	118
2C	330
3C	770

Contingent Resources is based on the summation of 2 reports for the Windorah Gas Project. One estimate prepared by DeGolyer and MacNaughton, a leading international petroleum industry consulting firm in June 2015 in respect of the Queenscliff Area and one estimate prepared by Aeon Petroleum Consultants in respect of the Tamarama area completed in August 2019.

Bcf (Billions Cubic Feet) is equal to 1,000 MMcf

The geological information in this report 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.

For further information, please contact:

Mr Scott Brown

Managing Director

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Or visit our website at www.realenergy.com.au

On our website you can register for email alerts.

Real Energy Corporation Limited +Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Real Energy Corporation Limited

ABN

92 139 792 420

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(99)	(180)
(e) administration and corporate costs	(166)	(245)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	20
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (GST Refunds)	-	-
1.9 Net cash from / (used in) operating activities	(258)	(405)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(1)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other exploration and development assets	(335)	(768)
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(336)	(769)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,699	3,279
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(258)	(405)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(336)	(769)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,105	2,105

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	518	479
5.2	Call deposits	1,587	2,220
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,105	2,699

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	82
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payment of Director fees/Salaries and consultant fees

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Mining exploration entity and oil and gas exploration entity quarterly report

9. Estimated cash outflows for next quarter		\$A'000			
9.1	Exploration, evaluation and appraisal	120			
9.2	Development	-			
9.3	Production	-			
9.4	Staff costs	80			
9.5	Administration and corporate costs	100			
9.6	Other (provide details if material)	-			
9.7	Total estimated cash outflows	300			
10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
 Director/Company secretary)

Date: 31/01/2020

Print name: Scott Brown

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to

disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.