



Half Year Report
For 6 months ended 31 December 2019



Company Highlights

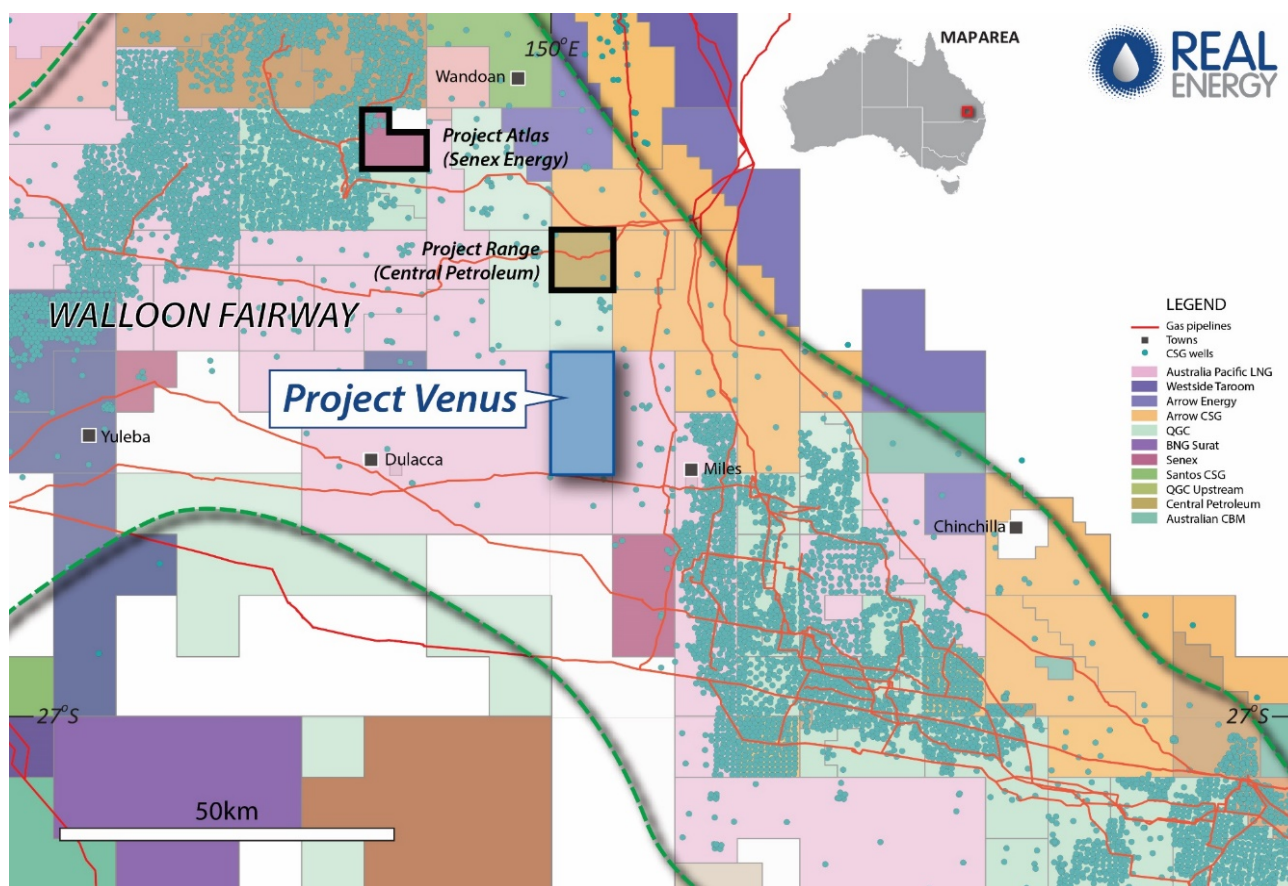
- Upgraded Resource Assessment for Windorah Gas Project – 3C Contingent Resource now 770 Bcf, an increase of 15% from 672Bcf.
- ATP927 permit extended to 30 September 2023 with main area of 1,050sq kms retained
- Project Venus in 50:50 Joint Venture (JV) between Real Energy & Strata-X Energy
- Project permit is pending with field work expected to commence in the near term
- Identified new prospective targets within ATP1194
- Mr Mangano, who has more than 30 years' experience in the resources and energy sectors was appointed as a Non-Executive Director on 15 August 2019

Real Energy is an Eastern Australian gas focused company with permits in the Cooper Basin, Australia's most prolific onshore producing petroleum basin, and the Surat Basin in Queensland. Real Energy has 100% ownership in 2 large permits in Queensland – ATP 927 & ATP1194, and a 50:50 JV with Strata X Energy Limited (ASX: SXA) to develop the 154km² ATP2051 permit in the Surat Basin as another Coal Seam Gas project.

The JV plans to fast track the development of Project Venus to prove gas flows as a precursor to reserve certification. Project Venus has a prospective gas resource of 694PJ.



Project Venus Highlights



- Real Energy and Strata-X Energy 50:50 JV on a highly prospective Surat Basin in QLD Coal Seam Gas (CSG) tenement targeting Walloon coals
- Real Energy is the operator of the JV
- Independent review provides Best Estimate for Prospective Gas Resources of 694 PJ (100%)
- The tenement is surrounded by major CSG producing permits
- Project Venus covers 50 sub-block of 154km² approximately 9km west of Miles in QLD
- A gas pipeline connected to east coast gas markets is located within 6km of the tenement

Project Venus is located within the main Walloon CSG fairway in the Surat Basin, Queensland. It is immediately adjacent to gas infrastructure and is prospective for CSG over its entire area of 154km². There are several previously drilled CSG and conventional wells located within and around the acreage that confirm gas presence, including a fully cored well within the tenement the coal seams of which showed gas contents of up to 13 cubic metres per tonne.

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

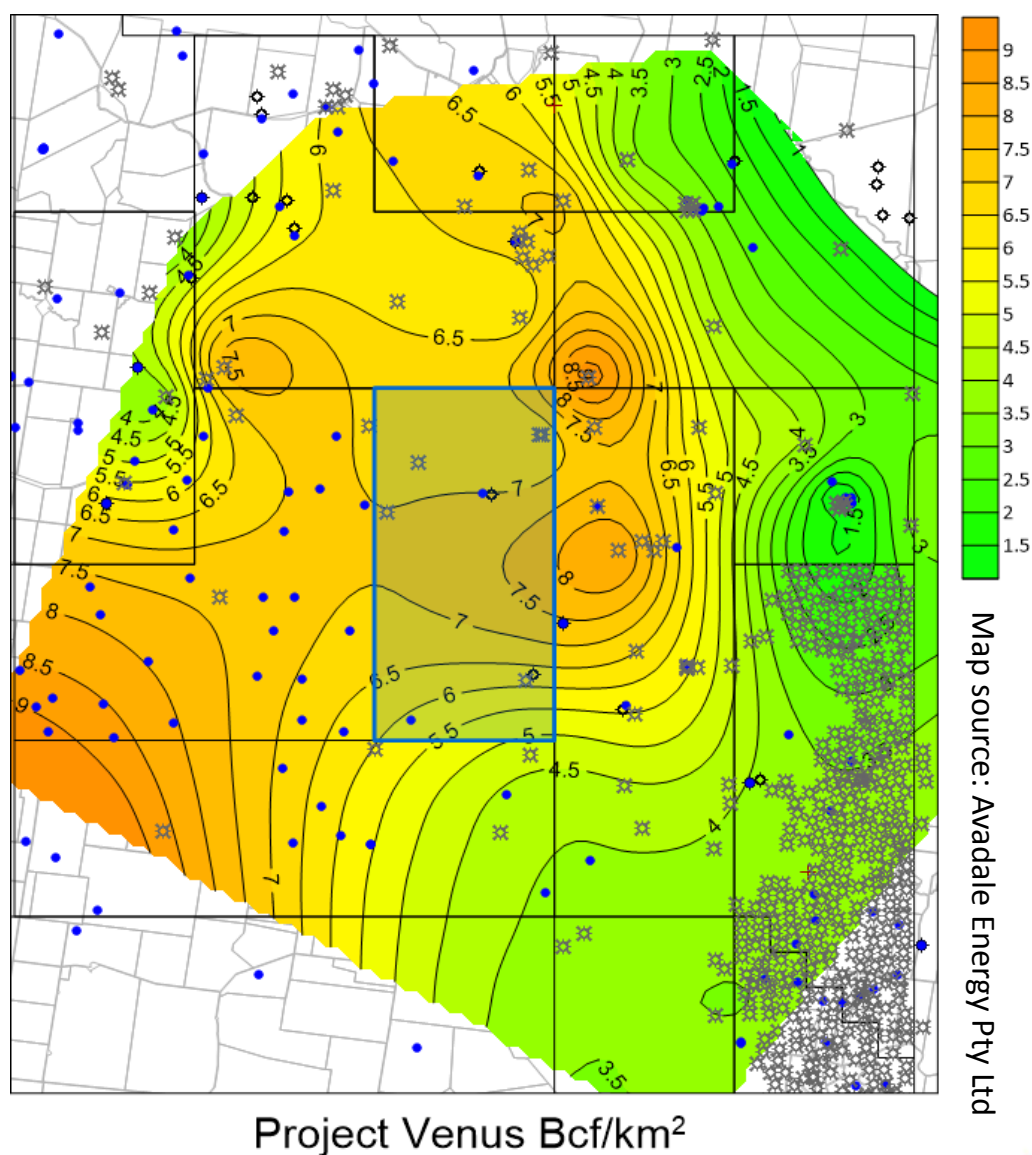
The independent review of the Prospective Gas Resources was completed by MHA Petroleum Consultants (further details were outlined in the announcement to the ASX 18 December 2019).

Project Venus Highlights

Project Venus – Gas Content

- Primary target: Walloon Subgroup Coal Measures
- Second 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*
- > 1,200 PJ 2P reserves in nearby CSG fields*

* 2P reserve No. figures in adjacent Petroleum Leases are based on DNRME reported remaining reserves as at 31.12.2018.



Windorah Gas Project Highlights

- **3C gas resources upgrade to 770 Bcf from four discoveries wells drilled – Tamarama 1, 2, 3 and Queenscliff 1**

Permit	Resources Category Bcf (Billion Cubic Feet)	
	2C	3C
ATP 927	330	770

- **Designs of future wells likely to be horizontal (or near horizontal) wells with multi-staged fracs in the upper and middle Patchawarra sandstone units**
- **Discussions are ongoing with potential farm in partners**
- **A pipeline licence has been granted between the Tamarama area and Mt Howitt**

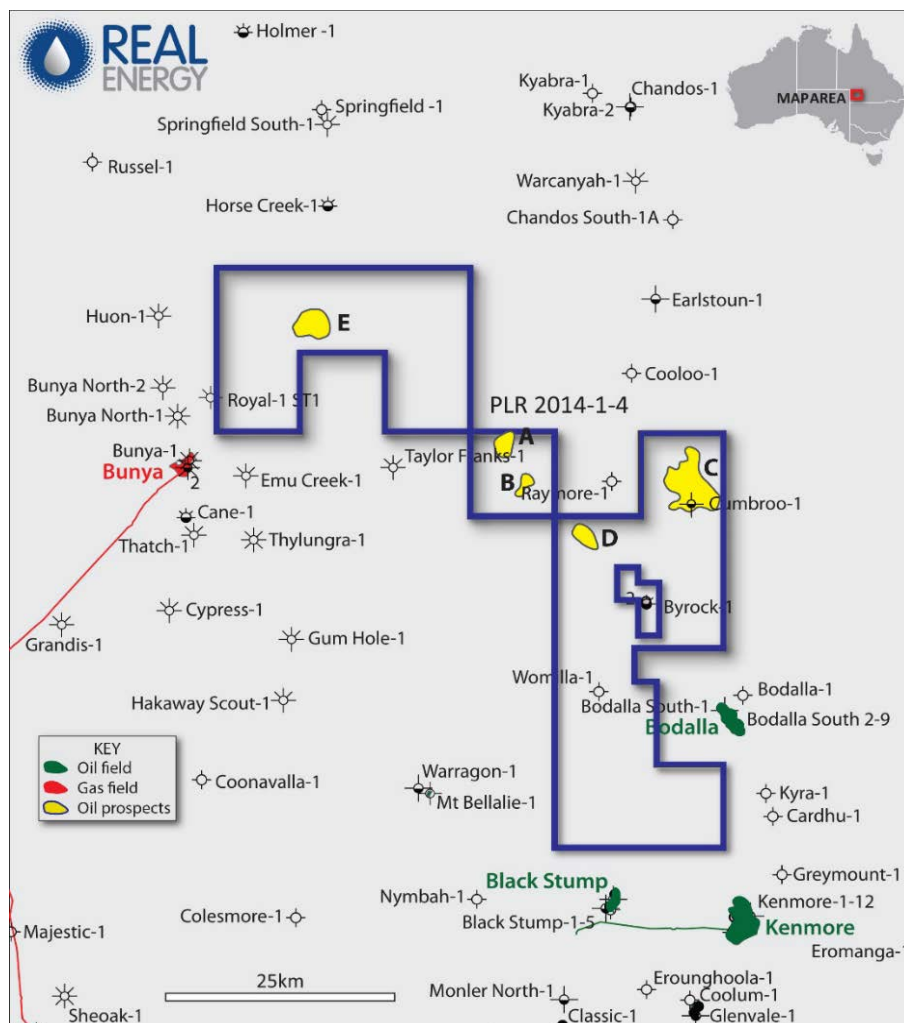
- Estimated are Mean Original Gas-In-Place excluding 2C/3C Resources.
- Gas Volumes are expressed in billions of cubic feet (BCF) at standard temperature and pressure bases.
- Resource estimates independently certified by DeGolyer & MacNaughton (Queenscliff area) & Aeon Petroleum Consultants (Tamarama area)



Eastern Flank Oil Project Highlights

Eastern Flank Oil – Leads and Prospects

- 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



Original Oil in Place¹
MMbbls (estimates by Real Energy)

LEAD	P90	P50	P10	Mean
A	0.39	0.94	2.12	1.13
B	0.13	0.25	0.51	0.29
C	1.06	2.23	4.57	2.56
D	0.41	1.05	2.51	1.31
E	0.76	1.63	3.40	1.91

Corporate Information

Financial Position

Cash position (unaudited) at the end of the reporting period was \$2.1 million

Financial Summary

	Consolidated as at 31 Dec 2019 \$'000	Consolidated as at 31 Dec 2018 \$'000
Revenue	20	41
Expenses	(634)	(696)
Impairment Provision	(1,212)	(21)
Net Loss	(1,826)	(676)
Basic and diluted EPS Cents Per Share	(0.53)	(0.23)
Cash Position	2,105	3,279
Total Assets	33,883	35,507
Total Liabilities	1,609	1,522
Net Assets	32,274	33,985

Issued Shares and Options

As of 31 December 2019, Real Energy had 353,194,131 shares on issued and 55,879,622 RLEOB options

Schedule of petroleum tenements

Permit	Area (sq Km)	Expiry Date	% Interest at 31 December 2019
ATP927	1,050	30-Sep-23	100
ATP2051	154	Under application	50
ATP1194	1,043	Under application	100



Real Energy Corporation Limited
ABN 92 139 792 420

Half Yearly Report

For half year ended 31 December 2019

Directors Report for half year ended 31 December 2019

Your Directors present their report together with the consolidated financial statements of Real Energy Corporation Limited ('the Company') for the half year ended 31 December 2019.

Directors

The names of the directors and company secretary in office during and since the end of the half year are as follows:

Directors

Mr Scott Brown (*B. Bus, M.Com*) – Managing Director

Mr John Wardman (*B.Ec.*) – Non – Executive Chairman (appointed 2 March 2020)

Mr Dang L Nguyen (*B.Sc., M.Sc.*) – Non – Executive Director (Non-Executive Chairman to 2 March 2020)

Mr Peter Mangano (*B.Com, B.Sc*) – Non-Executive Director (appointed 15 August 2019)

Company Secretary

Mr Ron Hollands (*B. Bus., M.B.A*)

Review and results of operations and financial position

Real Energy is an Australian east coast focused Gas Company, with interests in the Cooper and Surat Basins, Queensland.

During the half year the Company expanded its portfolio of energy assets through a 50:50 Joint Venture (JV) with Strata-X Energy Limited (ASX: SXA) which was named as preferred bidder for ATP2051, a highly prospective coal seam gas (CSG) asset located in the Surat Basin, and now called Project Venus.

Project Venus compliments the Company's 100%-owned Windorah Gas Project and provides another solution for new gas supply to domestic customers on the east coast of Australia.

The Project Venus JV partners invested considerable time securing this CSG acreage for nil consideration. The asset is located within the main Walloon Coal Seam Gas Fairway and close to gas infrastructure. The aim will be to bring Project Venus into production in the next few years.

An independent review of the data for Project Venus has determined the following Recoverable Prospective Gas Resources:

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

The independent review of the Prospective Gas Resources was completed by MHA Petroleum Consultants (further details were outlined in the announcement to the ASX 18 December 2019). Project Venus contains high quality and very prospective acreage covering 154km².

Real Energy's JV partner in Project Venus, Strata-X Energy, is headed by highly experienced energy executive Mr Ron Prefontaine who was previously Executive Director of Arrow Energy during its formative years and the founding Managing Director of Bow Energy Limited. His expertise and track record developing large-scale Coal Seam Gas project will greatly assist the development of Project Venus.

The Company also renewed its permit for the Windorah Gas Project ATP 927 until 30 September 2023 and continued to progress exploration and development activities. Following the 2019 drilling campaign, which included stimulation and testing of the Tamarama 2 & 3 wells, the Windorah Gas Project and upgraded its 3C contingent resource assessment to 770 Bcf.

Real Energy also strengthened its Board during the half year with appointment of Mr Peter Mangano as a Non-Executive Director. Peter has more than 30 years' experience in the resources and energy sectors and he has been a highly effective member of the Board and providing valuable guidance on a range of matters including assessment of new opportunities that are regularly presented to the Company.

In December 2019, the Company issued 2,434,307 fully paid Ordinary Shares at \$0.0305 per share pursuant to resolutions pass at the 2019 AGM in lieu of remunerations to directors, and 1,340,620 fully paid Ordinary Shares to a supplier for services.

The cash balance was \$2.1million and Real Energy recorded a consolidated loss of \$1,826,112 for the half year ended 31 December 2019 (2018: \$675,906 loss) after impairment provision of \$1.2 million.

No dividends have been paid or declared or paid by the Company concerning the half year since last annual report period.

Rounding

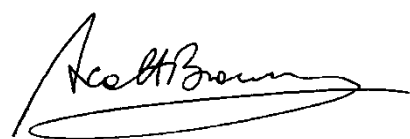
The consolidated result has applied to the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest \$1,000.

Auditor's Declaration

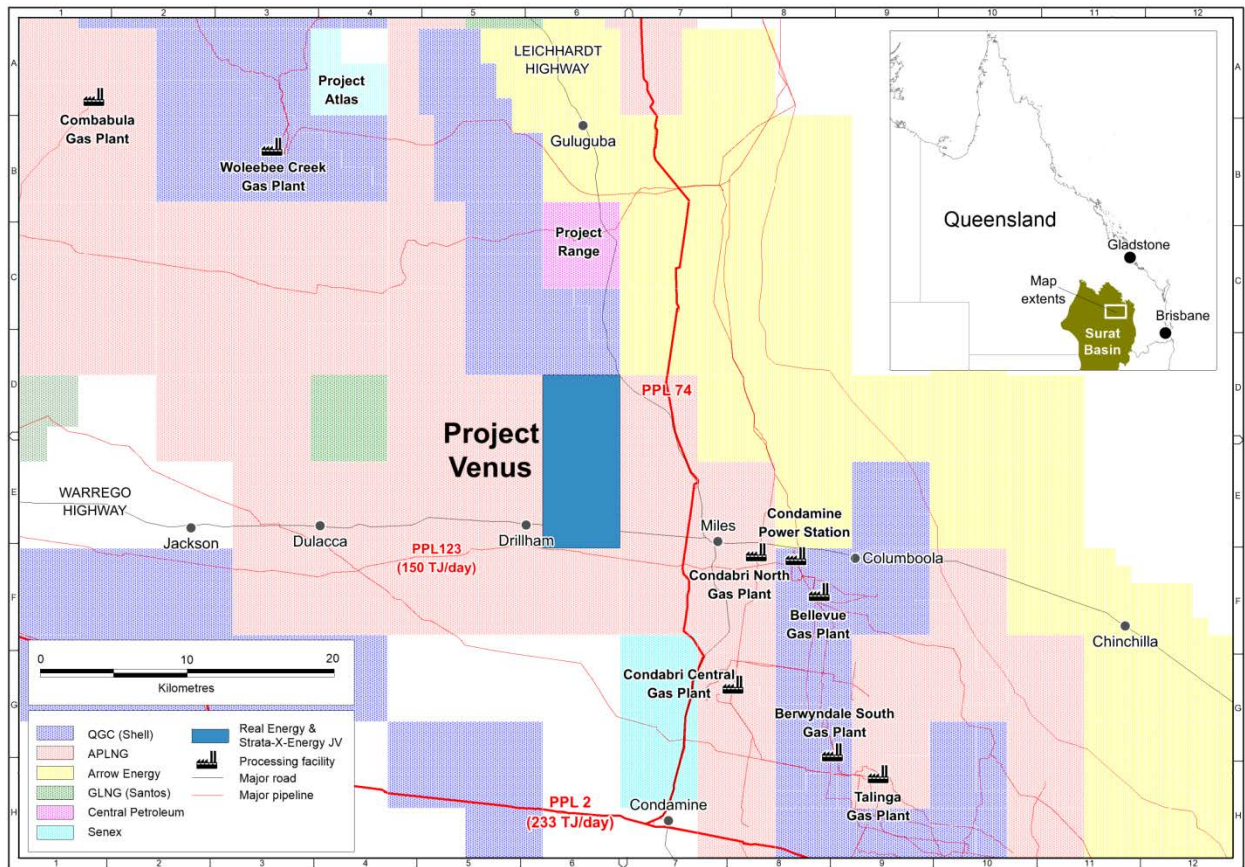
The auditor's independent declaration as required under section 307C of the *Corporations Act 2001* is set out on pages 16-17 for the half year ended 31 December 2019.

Signed in accordance with a resolution of the Board of Directors.

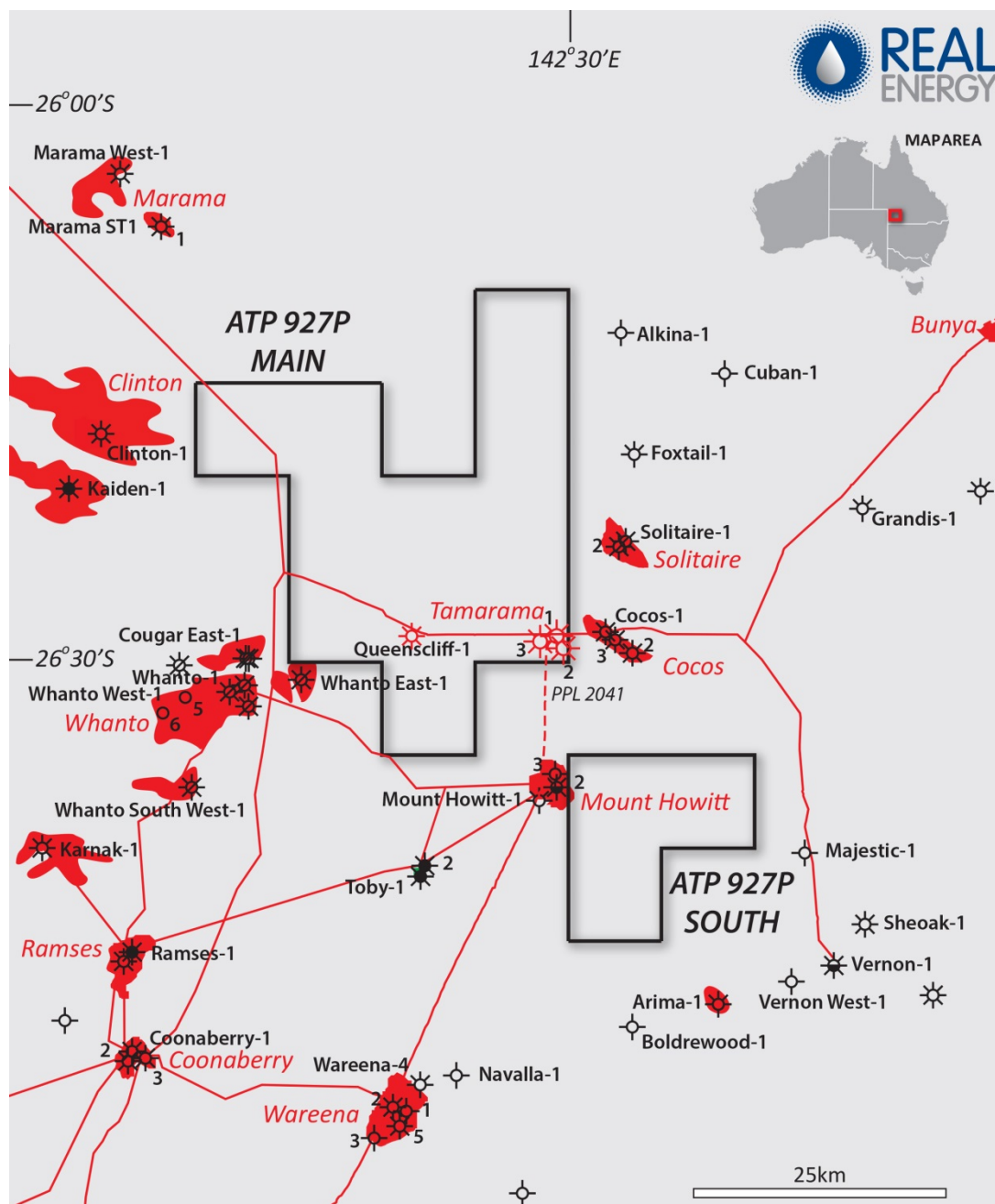
Sydney, 13th March 2020

A handwritten signature in black ink, appearing to read 'Scott Brown', with a large, sweeping underline.

Scott Brown
Managing Director



Map of Project Venus location and surrounding permits



Map of ATP927P – Windorah Trough

Schedule of petroleum tenements

Permits	Area (sq km)	RLE Ownership %	Location
ATP 927	1,050	100	Cooper Basin, South West QLD
ATP 1194 ¹	1,043	100	Cooper Basin, South West QLD
ATP 2051 ²	153	50	Surat Basin, Southern QLD

¹ Real Energy was advised in 2015 that it was the preferred tenderer for ATP 1194. The Company has accepted the Queensland Governments offer in respect of the ATP 1194. The grant of ATP 1194 is subject to native title and conditions imposed by the Queensland Government. The Company expects these conditions to be met in due course. ² Real Energy was advised in November 2019 that the JV with Strata-X was the preferred tenderer for ATP 2051. The Company has accepted the Queensland Governments offer in respect of the ATP 2051 and is waiting the granting of the permit by the Queensland Government.



A D Danieli Audit Pty Ltd

Authorised Audit Company
ASIC Registered Number 339233
Audit & Assurance Services

Level 1, 261 George Street
Sydney NSW 2000
PO Box H88
Australia Square NSW 1215
ABN: 56 136 616 610
Ph: (02) 9290 3099
Fax: (02) 9262 2502
Email: add3@addca.com.au
Website: www.addca.com.au

**Auditor's Independence Declaration
Under Section 307c of the Corporations Act 2001
To the Directors of Real Energy Corporation Limited
A.B.N. 92 139 792 420
And Controlled Entities**

I declare that, to the best of our knowledge and belief, during the half year ended 31 December 2019, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporation Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A D DANIELI AUDIT PTY LTD

Sam Danieli

Director

Sydney, 13th March 2020

REAL ENERGY CORPORATION LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Notes	Consolidated Half Year ended 31-Dec-2019 \$'000	Consolidated Half Year ended 31-Dec-2018 \$'000
<i>Continuing operating</i>			
Revenue	2	20	41
<i>Expenses</i>			
Depreciation		(1)	(2)
Insurance		(26)	(28)
Listing/share registry expenses		(28)	(70)
Share based payments		(114)	-
Employee benefits & expenses		(212)	(248)
Other operating expenses		(253)	(348)
Total expenses		<u>(634)</u>	<u>(696)</u>
Profit/(loss) from ordinary activities before income tax		(614)	(655)
Income tax expense		<u>-</u>	<u>-</u>
Profit/(Loss) from ordinary activities after income tax attributable to members of Real Energy Corporation Limited	5	(614)	(655)
Impairment Provision		<u>(1,212)</u>	<u>(21)</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>(1,826)</u>	<u>(676)</u>
Earnings per share		Cents	Cents
Basic loss per share	6	(0.52)	(0.23)
Diluted loss per share	6	(0.52)	(0.23)

The above statement of financial performance should be read in conjunction with the accompanying notes.

REAL ENERGY CORPORATION LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	Consolidated As at 31-Dec-2019 \$'000	Consolidated As at 30-Jun-2019 \$'000
Current assets			
Cash and cash equivalents		2,105	3,279
Other assets		50	26
Trade & other receivables		55	114
Inventories		42	42
Total current assets		<u>2,252</u>	<u>3,461</u>
Non current assets			
Property, plant & equipment		2	1
Right-of-use Assets	1	159	-
Exploration, evaluation & development assets	3	31,470	32,045
Total non current assets		<u>31,631</u>	<u>32,046</u>
Total assets		<u>33,883</u>	<u>35,507</u>
Current liabilities			
Trade & other payables		876	964
Leave provisions		119	102
Lease Liabilities	1	50	-
Total Current Liabilities		<u>1,045</u>	<u>1,066</u>
Non current liabilities			
Leave provisions		48	48
Rehabilitation provisions		400	400
Other provisions		8	8
Lease Liabilities	1	109	-
Total Non current liabilities		<u>565</u>	<u>456</u>
Total liabilities		<u>1,610</u>	<u>1,522</u>
Net assets		<u>32,273</u>	<u>33,985</u>
Equity			
Equity contribution	4	40,168	40,054
Accumulated costs of equity	4	(3,326)	(3,326)
Accumulated profit/(losses)	5	(4,569)	(2,743)
Total equity		<u>32,273</u>	<u>33,985</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

REAL ENERGY CORPORATION LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	Contributed equity	Equity raising costs	Accumulated losses	Total
Consolidated group	\$'000	\$'000	\$'000	\$'000
Opening balance 1 July 2018	31,010	(2,744)	(455)	27,811
Loss for the financial period	-	-	(676)	(676)
Transactions with shareholders Issue of shares / share based payment	3,700	(233)	-	3,467
Balance as 31 December 2018	34,710	(2,977)	(1,131)	30,602
Opening balance 1 July 2019	40,054	(3,326)	(2,743)	33,986
Loss for the financial period	-	-	(1,826)	(1,826)
Transactions with shareholders Issue of securities /share based payment	114	-	-	114
Balance as 31 December 2019	40,168	(3,326)	(4,569)	32,273

The above statement of changes in equity should be read in conjunction with the accompanying notes.

REAL ENERGY CORPORATION LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

Notes	Consolidated Half Year ended 31-Dec-2019 \$'000	Consolidated Half Year ended 31-Dec-2018 \$'000
Cash flow from operating activities		
Interest & other income	20	40
Payments to suppliers	(425)	(448)
Net Cash provided from operating activities	(405)	(408)
Cash flow from investing activities		
Payments for plant & equipment	(2)	-
Payments for oil & gas assets	(768)	(4,714)
Net cash provided by investing activities	(770)	(4,714)
Cash flow from financing activities		
Proceeds from the issue of securities	-	3,700
Fund raising costs	-	(233)
Net cash provided by financing activities	-	3,467
Net increase/(decrease) in cash held	(1,174)	(1,655)
Cash at the beginning of the period	3,279	3,969
Cash at the end of 31 December	2,105	2,314

The above statement of cash flows should be read in conjunction with the accompanying notes.

REAL ENERGY CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the half year ended 31 December 2019

NOTE 1. Summary of significant accounting policies

Basis of preparation

The interim financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 "Interim Financial Reporting", and Accounting interpretations and other authorities pronouncements of Australian Accounting Standards Board ("AASB"). Compliance with AASB134 ensures compliance with IAS34 "Interim Financial Reporting".

The interim financial report is intended to provide users with an update on the latest annual financial statement of the Company and its controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore, recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2019, together with any public announcements made during the following half year.

New Accounting Standards and interpretations

The Company has adopted of the new and revised Australia Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the half-year ended 31 December 2019. None of the new and revised standards and interpretations where deemed to have a material impact on the result of the Company.

AASB 16 Leases ("AASB 16")

AASB 16 Leases replaces AASB 117 Leases for annual periods beginning on or after 1 July 2019. Adoption of AASB 16 has resulted in the recognition of a right-of-use asset and a corresponding liability at 1 July 2019 for existing leases with a term of more than 12 months, unless the underlying asset is of low value.

The Company has adopted AASB 16 Leases for the first time as at 1 July 2019 using the simplified transition approach. Under this method, the application of AASB 16 has resulted in the recognition of right-of-use assets of \$208,259 and an equal increase in lease liabilities at 1 July 2019 in regards to its Office Lease for a period of 24 months. With no impact on the opening retained earnings at 1 July 2019, the balance of right-of-use assets was \$158,625 at the half-year ending 31 December 2019.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable; and
- variable lease payment that are based on an index or a rate

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 5%.

Consolidated

Consolidated

REAL ENERGY CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2019

	As at 31-Dec-2019 \$'000	As at 31-Dec-2018 \$'000
NOTE 2. Revenue		
Interest revenue & other income	20	41
	As at 31-Dec-2019 \$'000	As at 30-Jun-2019 \$'000
NOTE 3. Exploration, evaluation & development assets		
Opening balance	32,045	25,549
Expenditure during the period	637	6,535
Impairment provision	(1,212)	(39)
Closing balance	31,470	32,045
	No. of shares	Capital \$'000
NOTE 4. Issued capital/shares		
Existing shares at beginning of the year	349,419,204	40,054
Fees for services	3,774,927	114
Balance at end of 31 December	353,194,131	40,168
Accumulated costs of equity		(3,325)
Balance at end of 31 December		36,843
	Consolidated As at 31-Dec-2019 \$'000	Consolidated As at 30-Jun-2019 \$'000
NOTE 5. Accumulated profits or (losses)		
Accumulated profits or (losses) at beginning of the year	(2,743)	(455)
Net loss for the period	(1,826)	(2,288)
Accumulated profits or (losses)	(4,569)	(2,743)
	As at 31-Dec-2019 No. of shares	As at 31-Dec-2018 No. of shares
NOTE 6. Earnings per shares		
Weighted average number of ordinary shares used in calculating basic earnings per share:	349,685,911	292,309,764
	Consolidated As at 31-Dec-2019 \$'000	Consolidated As at 31-Dec-2018 \$'000
Net losses after income tax attributable to shareholders	(1,826)	(676)
	Cents	Cents
Earnings per share	(0.52)	(0.23)
Diluted earnings per share	(0.52)	(0.23)

REAL ENERGY CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the half year ended 31 December 2019

NOTE 7. Interest in subsidiary

The consolidated financial statements include the financial statements of Real Energy Corporation Limited and its controlled entity.

Company	Place of Incorporation	Region where business carried on	Principal Activities
Real Energy Queensland Pty Ltd	Australia	Queensland	Oil & gas development
Pure Energy Corporation Pty Ltd *	Australia	Queensland	Oil & gas exploration

Company	% of issued shares acquired	Consideration paid \$	Net tangible assets acquired \$
Real Energy Queensland Pty Ltd	100%	2	2
Pure Energy Corporation Pty Ltd *	100%	2	2

* Formerly named "Queensland Oil Pty Ltd"

NOTE 8. Commitments

There have been no changes since the last annual reporting period.

NOTE 9. Contingent assets and liabilities

In conjunction to the Company Annual Report Note 16 disclosure, the directors retain its opinion of the recognition of a provision in respect of the adverse finding received in 2019 financial year of the R & D tax incentive claims for the years ended 30 June 2014, 2015 and 2016.

The Company has appealed the findings to the Administrative Appeals Tribunal (AAT) and seeks a determination for the more recent financial years. During the reporting period, the taxpayer has found in favour in a full federal court judgement of Moreton Resources Limited v Innovation and Science Australia [2019] and this supported our understanding of the law concerning R & D tax incentives. This judgement certainly assists the Company's case.

Significantly, Innovation and Science Australia has requested a stay on the AAT proceedings for six months. The Company believes it has fully complied with the *Industry Research and Development Act (IRDA) 1986* and is confident in the eligibility of the R & D activities of the Windorah Gas Project located in the Cooper Basin, Queensland. The Company currently believes that the AAT case will not be heard until 2021 at the earliest.

The Company has been paid about \$7.2 million for the R&D Tax Incentive claims for the 2014, 2015 and 2016 financial years and has potential unpaid R&D Tax Incentive claims of about \$6.5 million in respect of years ended 30 June 2017, 2018 and 2019.

NOTE 10. Events after the interim period

There has not arisen in the interval between the end of the financial year and the date of this report any items, transactions or events of material and unusual nature other than disclosed elsewhere in this report, that are likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

REAL ENERGY CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the half year ended 31 December 2019

NOTE 11. Segment reporting

The group operates in one segment, being oil and gas exploration, evaluation and development in Australia. Accordingly, under the management approach outlined only one operating segment has been identified and no further disclosure is required in the financial statements.

Note 12. Fair value measurement

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follow, and based on the lowest level input that is significant to the fair value measurements as a whole:

Level 1 – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.

Level 2 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly observable).

Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

The following table represents a comparison between the carrying amounts and fair values of financial assets and liabilities:

		As at 31 December 2019		As at 30 June 2019	
	Level	Carrying amount	Fair value	Carrying amount	Fair value
		\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash & cash equivalents	1	2,105	2,105	3,279	3,279
Other assets	1	50	50	26	26
Inventories	1	42	42	42	42
Trade & other receivables	1	55	55	114	114
Financial liabilities					
Trade & other payables	1	876	876	964	964

The financial assets and liabilities of the Company are recognized in the consolidated statements of financial position in accordance with the accounting policies set out in Note 1 of the Annual Report.

The Company considers that the carrying amount of financial assets and financial liabilities recognized in the consolidated financial statements approximate to their fair value.

Note 13. Dividend

No dividends have been paid or declared or paid by the Company concerning the half year since last annual report period.

Note 14. Company details

The registered office and principal place of the Company is:
Level 3, 32 Walker Street, North Sydney NSW 2060

REAL ENERGY CORPORATION LIMITED
ABN 92 139 792 420

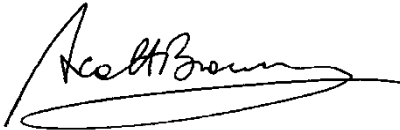
Directors' declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 14, are in accordance with the *Corporations Act 2001* and are in compliance with Accounting Standard AASB134 Interim Financial Reporting.
2. In the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Sydney, 13th March 2020



Scott Brown
Director



A D Danieli Audit Pty Ltd

Authorised Audit Company
ASIC Registered Number 339233
Audit & Assurance Services

Level 1, 261 George Street
Sydney NSW 2000
PO Box H88
Australia Square NSW 1215
ABN: 56 136 616 610
Ph: (02) 9290 3099
Fax: (02) 9262 2502
Email: add3@addca.com.au
Website: www.addca.com.au

**Independent Auditor's Review Report
To the Members of Real Energy Corporation Limited
A.B.N. 92 139 792 420
And Controlled Entities**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year consolidated financial report of Real Energy Corporation Limited and controlled entities (the consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, the accounting policies and other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The Directors of Real Energy Corporation Limited (the company) are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Real Energy Corporation Limited and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This review report relates to the financial report of the company for the half-year ended 31 December 2019 included on the website of Real Energy Corporation Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the half-year financial report identified above and it does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on the company's website.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Real Energy Corporation Limited, would be in the same terms if provided to the directors as at the time of this auditor's review report.

Conclusions

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Real Energy Corporation Limited and controlled entities is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A D DANIELI AUDIT PTY LTD



Sam Danieli

Director

Sydney, 13th March 2020

