



REAL ENERGY

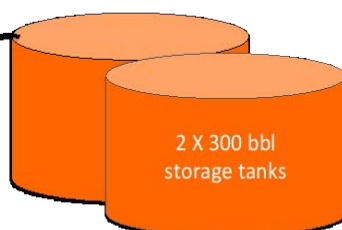
March 2020 Quarterly Report

HIGHLIGHTS

- 💧 **Project Venus field work to start this quarter subject to final schedule with contractors.**



Flow test using bore hole testing rig



- 💧 **During the quarter the Company received formal notification that it was granted title to Project Venus permit ATP2051**
- 💧 **Project Venus is a highly prospective Walloon Coal Seam Gas acreage surrounded by major CSG-producing assets.**
- 💧 **Cash of \$1.4 Million as at 31 March 2020.**

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 ATP2051.

Real Energy has an Independently Certified 3C Contingent Gas Resources of 770 BCF within ATP 927P and a Recoverable Prospective Gas Resources in Project Venus (100%) of 694PJ.

Directors

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

Corporate Office

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Covid 19 and its effect on our operations

Real Energy is implementing its response to the COVID-19 pandemic to ensure that the Company is well positioned now and into the future once markets and business conditions stabilise. Our first priority is to ensure the safety of our staff and contractors. We have closed our office and imposed travel restrictions during this time and there may be some disruption to our work program due to States and Federal Governments Public Health Orders restrictions.

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 March 2020, a period in which the Company focused primarily on the newly-secured Project Venus opportunity in the Surat Basin but also progressed activities at the Windorah Gas Project in the Cooper Basin. In addition, the Company is continuously reviewing project opportunities that will be accretive and complementary to the Company’s skillset and that build shareholder value.

Project Venus

As announced on 26 March 2020, the Company received formal notification that it was granted title to Project Venus permit ATP2051, which is a 50:50 Joint Venture (JV) between Real Energy and Strata X Energy (ASX:SXA). The Company invested considerable time securing this highly prospective Coal Seam Gas (CSG) acreage.

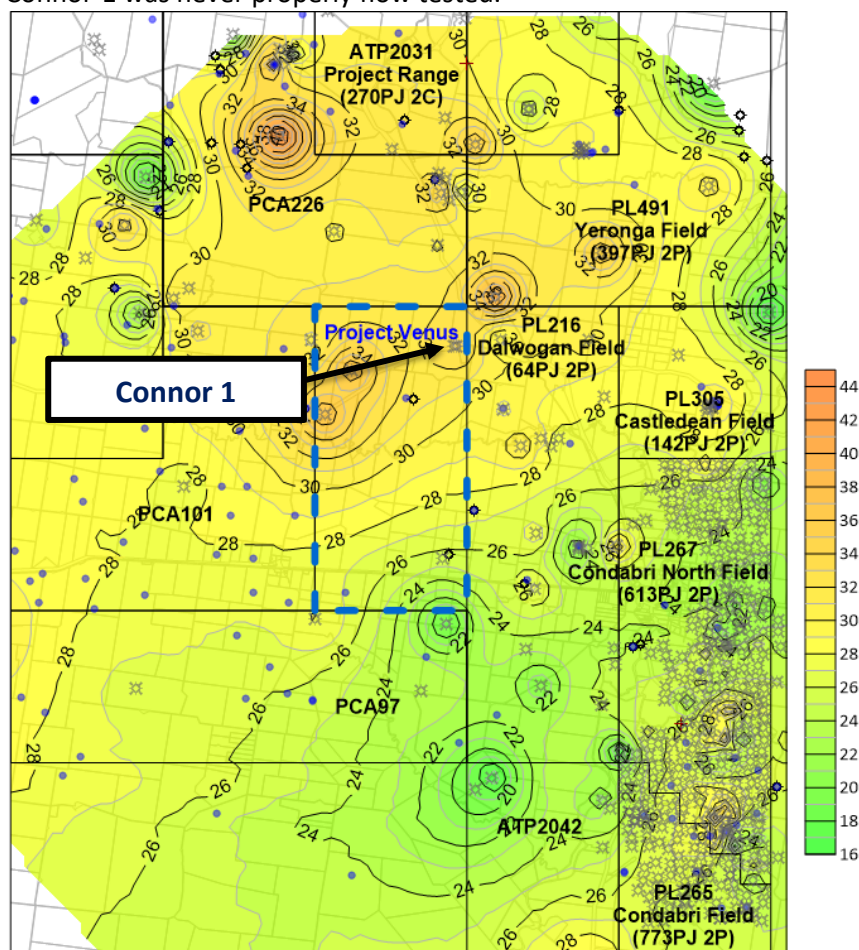
Project Venus contains high quality and very prospective acreage covering 154km² which is within the main Walloon Coal Seam Gas Fairway and close to gas infrastructure including gas pipelines. There is significant coal in this permit which the Company believes it can turn into significant gas resources.



Connor 1 well site – is clear of trees, flat with easy access.

Since the end of the quarter, Real Energy and Strata X Energy have been undertaking initiatives to commence operations on Project Venus. The first item of operation that the Joint Venture is looking to complete is the re-entry of Connor 1 well. Connor 1 was originally drilled in 2008 which showed that:

- 34 metres of net Walloon coals were present;
- There was ~100% gas saturation in the upper Walloon coals, being the upper 25 metres;
- There is reasonable interpreted permeability in the upper Walloon coals in this and surrounding wells, and
- Connor-1 was never properly flow tested.



Project Venus - Walloon Subgroup Net Coal (m)

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>
 Net Coal 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>)

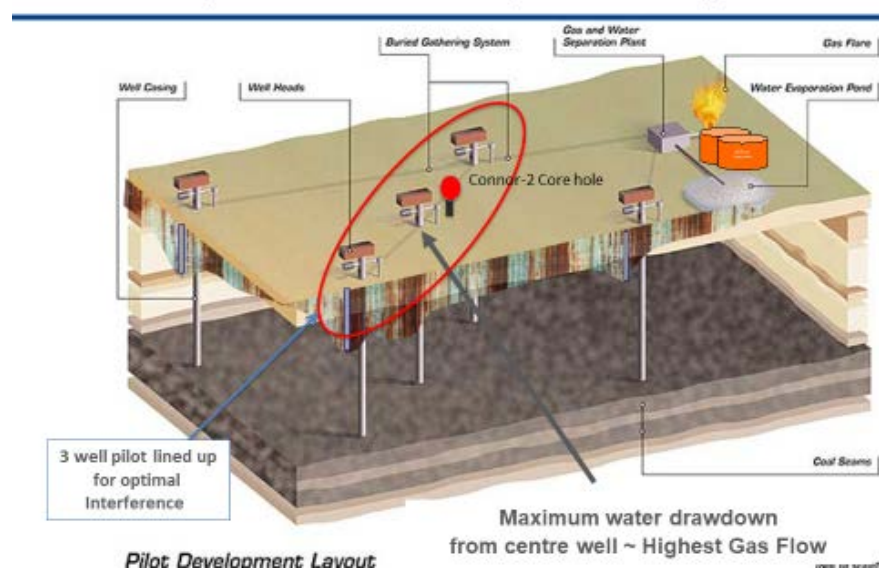
The re-entry plan is to :

1. Drill-out the cement to 384 metres;
2. Mill the bridge plug;
3. Undertake abrasive perforations of coals seams from 410 to 645 metres;
4. Flow test the well using a water test rig;
5. Undertake a controlled draw-down to determine water influx and induce gas breakout;
6. Use storage tanks for water from flow testing.

Preparations for the re-entry of Connor 1 are well-advanced and the field work is expected to start towards the end of the current quarter, subject to finalising the scheduling with our contractors and customary site permitting. If the re-entry is successful, then the Joint Venture intends to establish a pilot program to cover at least three wells to establish significant gas reserves.

Initial 3 well CSG pilot with 2 wells ~400 m offset from Connor-1 re-entry

Pilot located adjacent to core hole with 100% gas saturations in upper Walloon coal seams

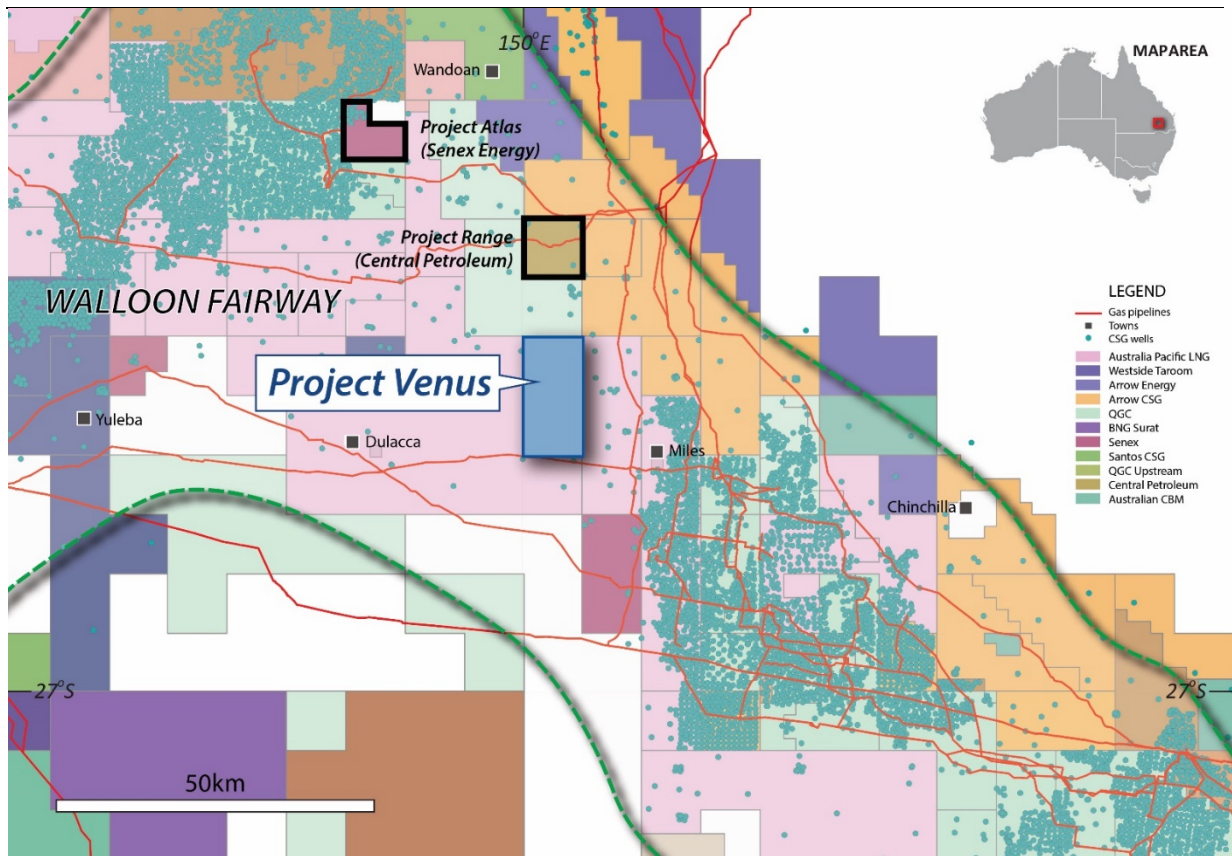


The independent review of the data for Project Venus (ATP2051) (RLE:50% working interest) has the following Recoverable Prospective Gas Resources:

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

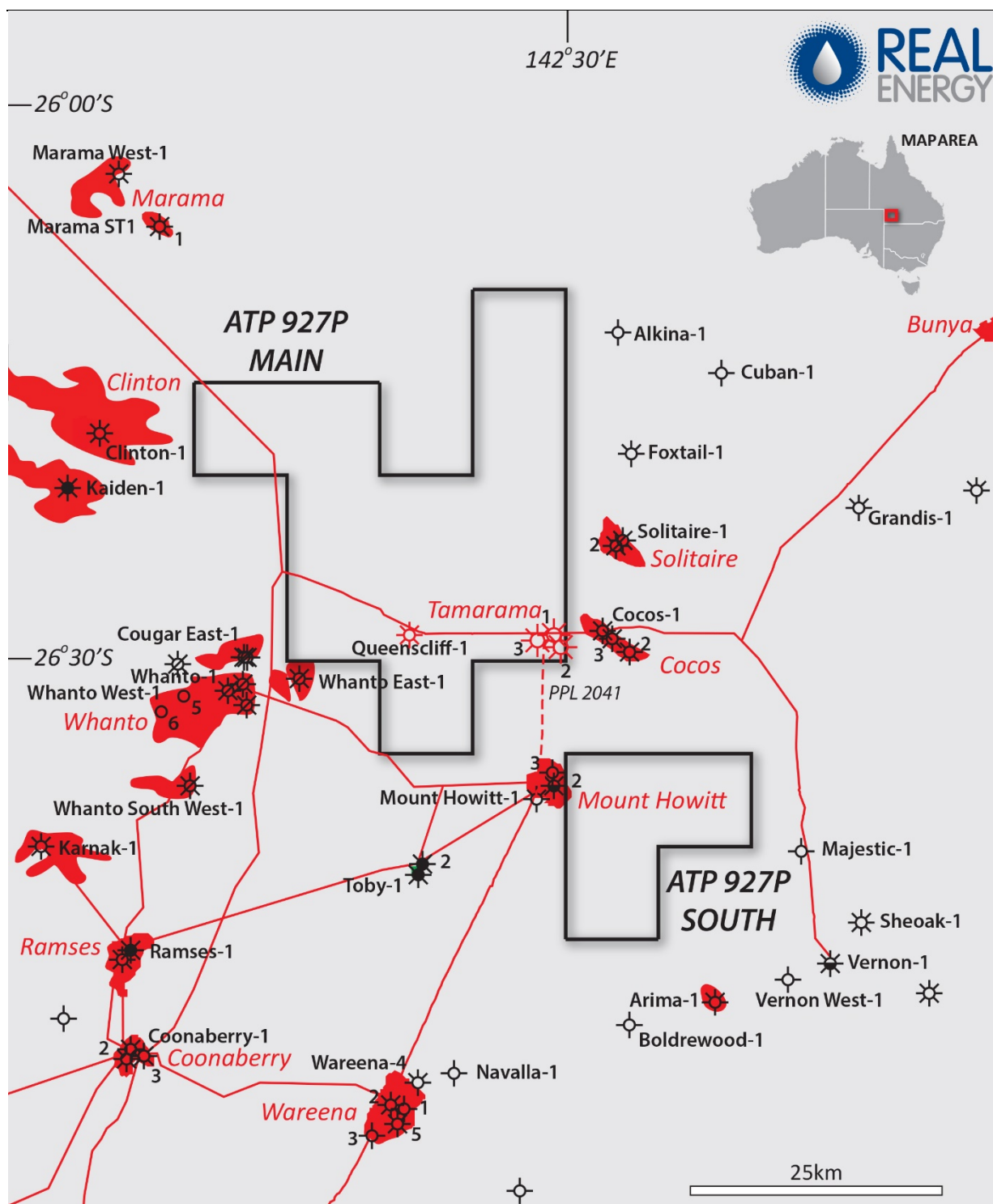
The independent review of the Prospective Gas Resources was completed by MHA Petroleum Consultants (details were provided in the ASX announcement of 12 December 2019) which confirmed that Project Venus contains high quality and very prospective acreage covering 154km² which is within the main Walloon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



Windorah Gas Project

The Company continues to review development options for the Windorah Gas Project. While we have had productive discussions with a number of potential partners, it remains difficult to complete a farm in agreement in the current environment impacted by Covid 19. Notwithstanding, we remain committed to securing funding for this project and are exploring all available options. The current map outline is shown on the next page:



Corporate

As at 31 March 2020, Real Energy had \$1.4 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 \$463,000. The company has significantly reduced its administration and corporate costs which will be apparent in future quarters. The directors have agreed to take some or all their remuneration in shares.

At the end of the quarter the total number of ordinary fully paid shares on issue was 353,194,131. The Company is contemplating an option issue to existing shareholders to be completed this quarter.

Tenement Schedule at End of Quarter

Permit	RLE ownership %	Location
ATP927P	100	Cooper Basin, South West Queensland
ATP2051P	50	Surat Basin, Southern Queensland
ATP1194PA	100	Cooper Basin, South West Queensland

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	Quarter ended ("current quarter")
92 139 792 420	31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	(95)	(275)
(e) administration and corporate costs	(160)	(405)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	27
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	(248)	(653)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	(1)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other exploration and development assets	(463)	(1,231)
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	(463)	(1,232)

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	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,105	3,279
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(248)	(653)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(463)	(1,232)
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 the period	1,394	1,394

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	199	518
5.2	Call deposits	1,195	1,587
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)	1,394	2,105

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000	
	70
	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payment of Director fees/Salaries and consultant fees

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000

7.5 Unused financing facilities available at quarter end

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities	180
8.2 Capitalised exploration & evaluation	120
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	300
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,394
8.5 Unused finance facilities available at quarter end (Item 7.5)	
8.6 Total available funding (Item 8.4 + Item 8.5)	1,394
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	4.64

- 8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: As disclosed under the Corporate Section to our Quarterly Report (Page 6) the Company has significantly reduced its administration and corporate costs which will be apparent in future quarters. The Directors have agreed to take some or all of their The remuneration in shares.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: As disclosed under the Corporate Section to our Quarterly Report (Page 7), the Company is considering an Option issue to existing shareholders. The purpose of the issue would be to provide addition working capital to the Company and another security which may be traded.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes – the Company has sufficient funding and capital together with good human resources to meet it business objectives

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: 30/04/2020

Print name: Scott Brown

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".