

## ASX ANNOUNCEMENT

### Drilling of Venus-1 CSG Well to commence October

- Drilling Venus-1 CSG well determined to be much more attractive than Connor-1 re-entry
- Venus-1 is to be drilled as a new vertical well to approximately 680 metres – drilling contractor selected
- Post drilling, coil tubing jetting coal reservoir enhancements will be carried out at ~40 levels to target highly gas saturated coal reservoirs over the open section
- Post reservoir enhancement, Venus-1 will be set up as the first pilot CSG well for long term production testing targeting commercial gas flows
- Successfully proving commercial gas flows at the Venus-1 pilot will allow the commencement for predictable conversion of the prospective 694 PJ gas resources in ATP 2051P into reserves
- Project Venus' ATP 2051P area totals 154 km<sup>2</sup> (Real Energy 50%/Strata-X Energy 50% JV) and is located within the productive Walloon CSG fairway of the Surat Basin

**Sydney: 15 September 2020**, Real Energy Corporation Limited (ASX: RLE) ("Real Energy"), an Australian east coast focused gas company with interests in the Surat and Cooper Basins, is pleased to report that it will commence drilling of a new CSG well, the Venus-1, next month.

Drilling contractor, Silver City Drilling, has been selected to drill Venus-1 in the ATP 2051P, the Project Venus JV's first Surat Basin CSG. The well will be drilled to a planned total depth of approximately 680 metres with casing to the top Walloon leaving the highly gas saturated Juandah coal seams in an 6 1/8 inch open hole to total depth (TD).

Shortly after the Silver City drill rig is demobilized, a Wellpro coil tubing unit will be mobilised and carry out a short-term initial water influx test. After this, about 40 levels of highly gas saturated Juandah coal seams (prognoses total of 26 metres) will be abrasive jetted. Abrasive jetting is a non-frack coil tubing deployed reservoir stimulation method designed to improve water influx and ultimately gas flows from the targeted gassy coals. To compare the before and after stimulation results, a second short-term controlled water influx test will be carried out.

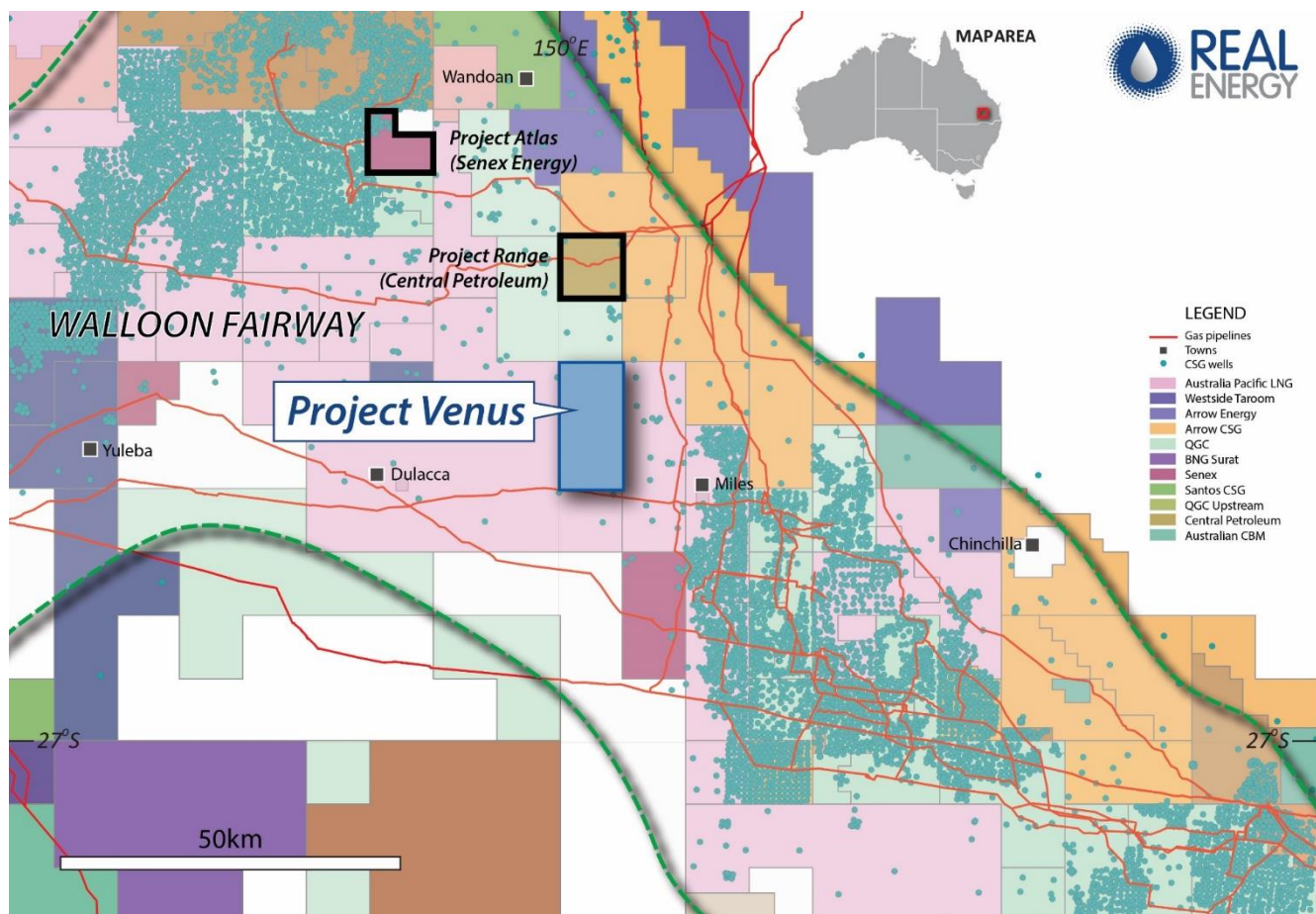
The post stimulation water influx rate and other data are needed to design the JV's first Walloon CSG pilot well. Venus-1 will be equipped with a downhole pump, surface facilities and water handling methods as required to carry out a controlled drawdown flow test over several months.

The Venus Pilot drilling and set up is planned to commence in October and the subsequent production testing is expected to continue into early 2021. The production testing is designed to prove initial gas breakout and increasing gas flows over the controlled draw down period as required to model and predict future gas flow rates and potentially commercial gas flow rates.

The results of the production test will also be used to either expand the pilot or, if commercial flow rates are achieved, commence an aggressive appraisal program designed to certify sufficient reserves to for the Project Venus JV to secure gas sales agreements to allow for commercial field development.


**Managing Director Scott Brown said:** “We are pleased to be commencing the drilling of Venus-1. The prospect has considerable near-term upside having 694 PJ of prospective resources and we believe with some success on this well we can deliver a meaningful contingent resource in the short term. The JV’s technical team has been hard at work assessing the field’s geology, and while it was determined that the Connor-1 re-entry was a good first prospect, Venus-1 represents a less risky and more compelling opportunity and will deliver much more upside value for not much more investment. Silver City are expected to mobilise to site in the next few weeks and we will provide a steady stream of operational updates throughout the program. It’s a very exciting time for the JV and our shareholders.”

As well, we are pursuing a number of initiatives through our 100% owned Pure Hydrogen Corporation. We have a great deal of optionality across the asset base.”



### About Project Venus

The 154 km<sup>2</sup> Project Venus (Strata-X 50%/Real Energy 50% JV) is located within the Walloon CSG fairway in the Surat Basin. An independent expert has certified, on a best estimate basis, a Prospective Gas Resource of 658 Bcf (694 PJ).<sup>(1)</sup> Given the location of this tenement immediately adjacent to gas infrastructure and within a proven giant gas fairway, the Venus Project offers the potential to achieve early cash flows.



As announcement on 15 July, Strata-X Energy and Real Energy have agreed to merge and rename the merged company Pure Energy. Post the merger, Pure Energy will have 100% of Project Venus.

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**Geological Information**

*The geological information in this announcement 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 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.*

**About Real Energy Corporation**

Real Energy is an Australian east coast focused gas company with interests 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 927P & ATP1194PA, and a 50:50 JV with Strata X Energy Limited (ASX: SXA) to develop the 154km<sup>2</sup> ATP2051 permit in the Surat Basin as a Coal Seam Gas project. The Company is also looking to develop a Hydrogen Project in Queensland.