



## June 2014 Quarterly Report

- **Well Site preparation commenced**
- **Drilling campaign potentially starting in September 2014 which seeks to confirm presence of gas in Toolachee and Patchawarra formations**
- **Real well placed to unlock significant value in its prospective Cooper Basin acreage**
- **Mapping program on ATP917P now complete.**

Real Energy Corporation Limited (ASX: RLE and Real Energy) is pleased to provide shareholders with the report of the Quarter ended 30 June 2014. During the quarter, the Company has continued to progress exploration and development work at its major projects in the Cooper basin.

### Exploration

During the quarter the Company has undertaken the permitting and cultural heritage clearance surveys necessary for it to carry out its 2014 drilling program in ATP927P. The Company is now close to executing a drilling contract for this program. The 3 well locations for the forthcoming drilling program, Tamarama -1, Avalon-1, and West Flynnes-1, were selected following interpretation of the reprocessed seismic data in this part of ATP927P and are marked on the accompanying map.

The Company has also undertaken the interpretation of the reprocessed seismic data for ATP917P and mapped a number of oil prospects in the Jurassic and Triassic formations in this permit. The future exploration program for these prospects will be determined over the coming months. A map of these prospects accompanies this report.

### Real Energy Corporation Limited ASX: RLE

Real Energy is an oil and gas exploration and development company with a focus on the Cooper basin, Australia's most prolific conventional onshore petroleum producing basin. Real Energy has 100% ownership in 3 large permits in Queensland being ATP 917P, ATP 927P and ATP 1161PA. These permits cover 8,314 km<sup>2</sup> (2,054,435 acres).

Real Energy is focusing initially on the Toolachee and Patchawarra formations. These formations are well known throughout the basin as holding and producing gas. Seismic has identified that the Toolachee and Patchawarra formations are significant in part of our acreage. The independent geologist has assessed that Real Energy's areas have a Mean Gross Estimated Petroleum Initially-in-Place of 10.2 Tcf of gas in the Toolachee and Patchawarra formations.

### Directors

Lan Nguyen – Chairman Non executive  
Scott Brown – Managing Director  
Norm Zillman – Non executive  
Michael Mager – Non executive

### Corporate Office

Level 3, 32 Walker Street  
North Sydney NSW 2087  
Tel: + 61 2 9955 4008  
[www.realenergy.com.au](http://www.realenergy.com.au)  
[admin@realenergy.com.au](mailto:admin@realenergy.com.au)



## Corporate

On 30 June 2014 Real Energy had \$12.7million in cash. The Company received a Research & Development Tax Concession Offset refund amounting to \$194,495 in July 2014 which was not included in the cash position as at 30 June 2014.

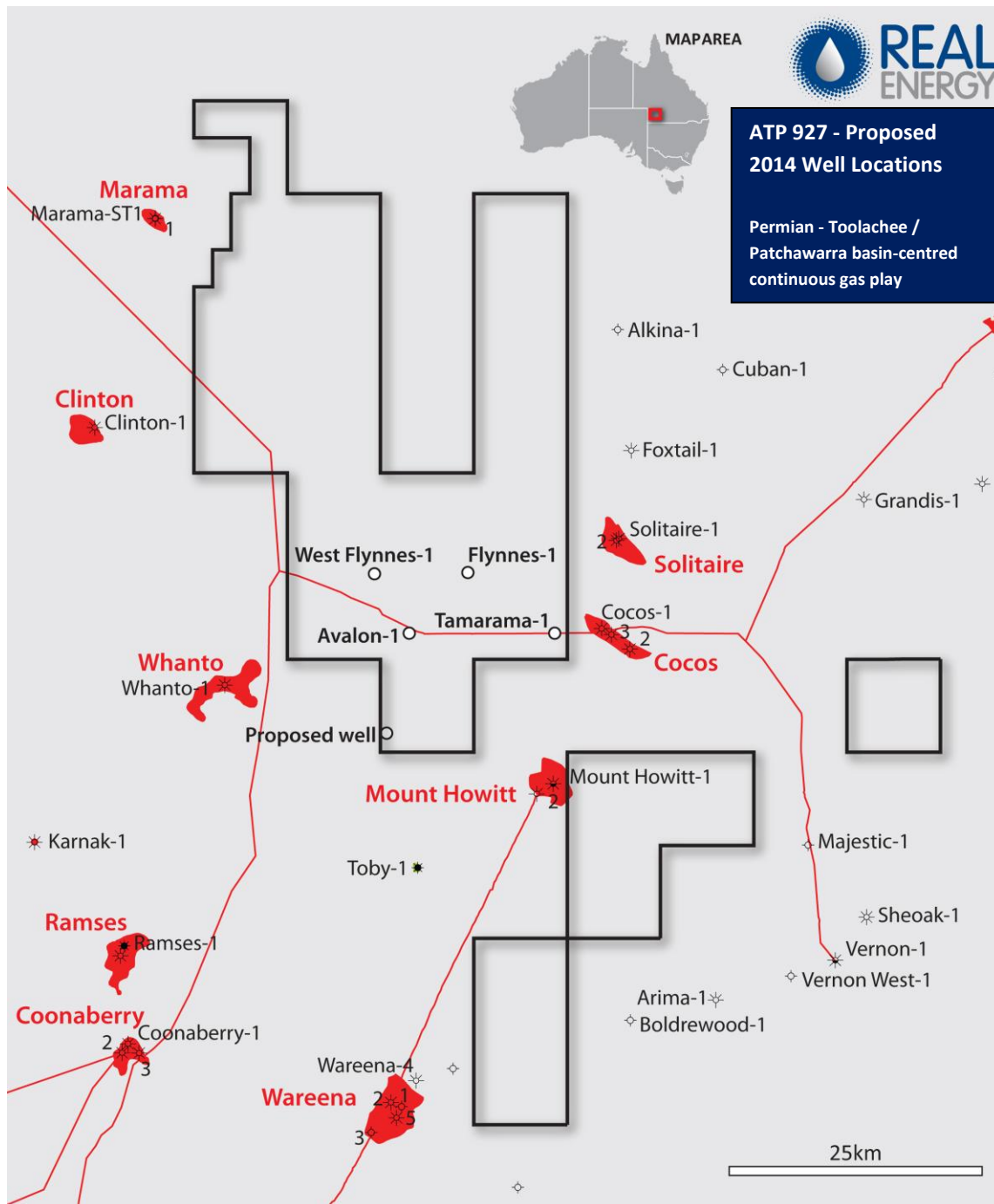
On 24 April 2014, 17,588,256 loyalty options expiring 31 May 2015 were listed on the ASX. The exercise price of the options is 30 cents each.

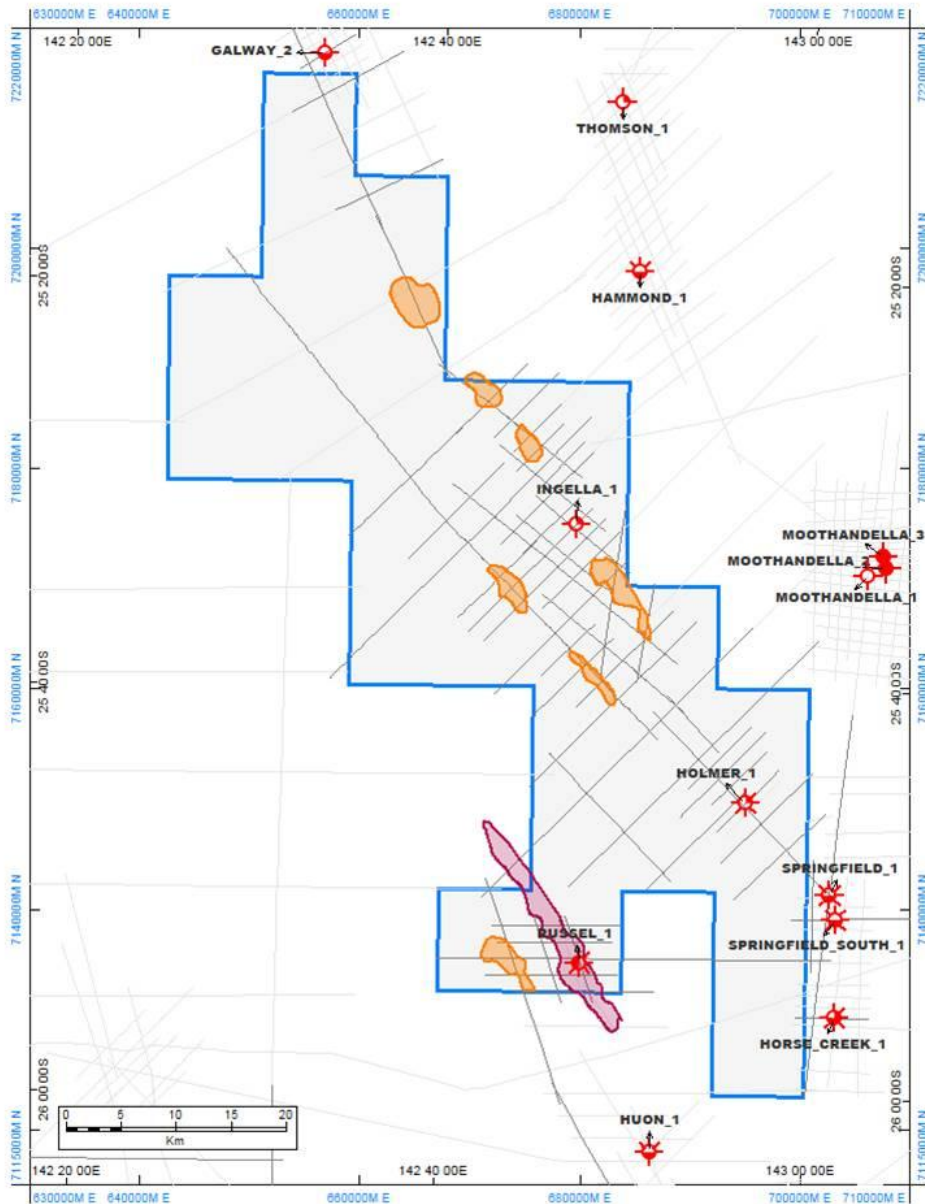
At the end of the quarter the total number of ordinary fully paid shares on issue was 167,359,000.

## Tenement Schedule

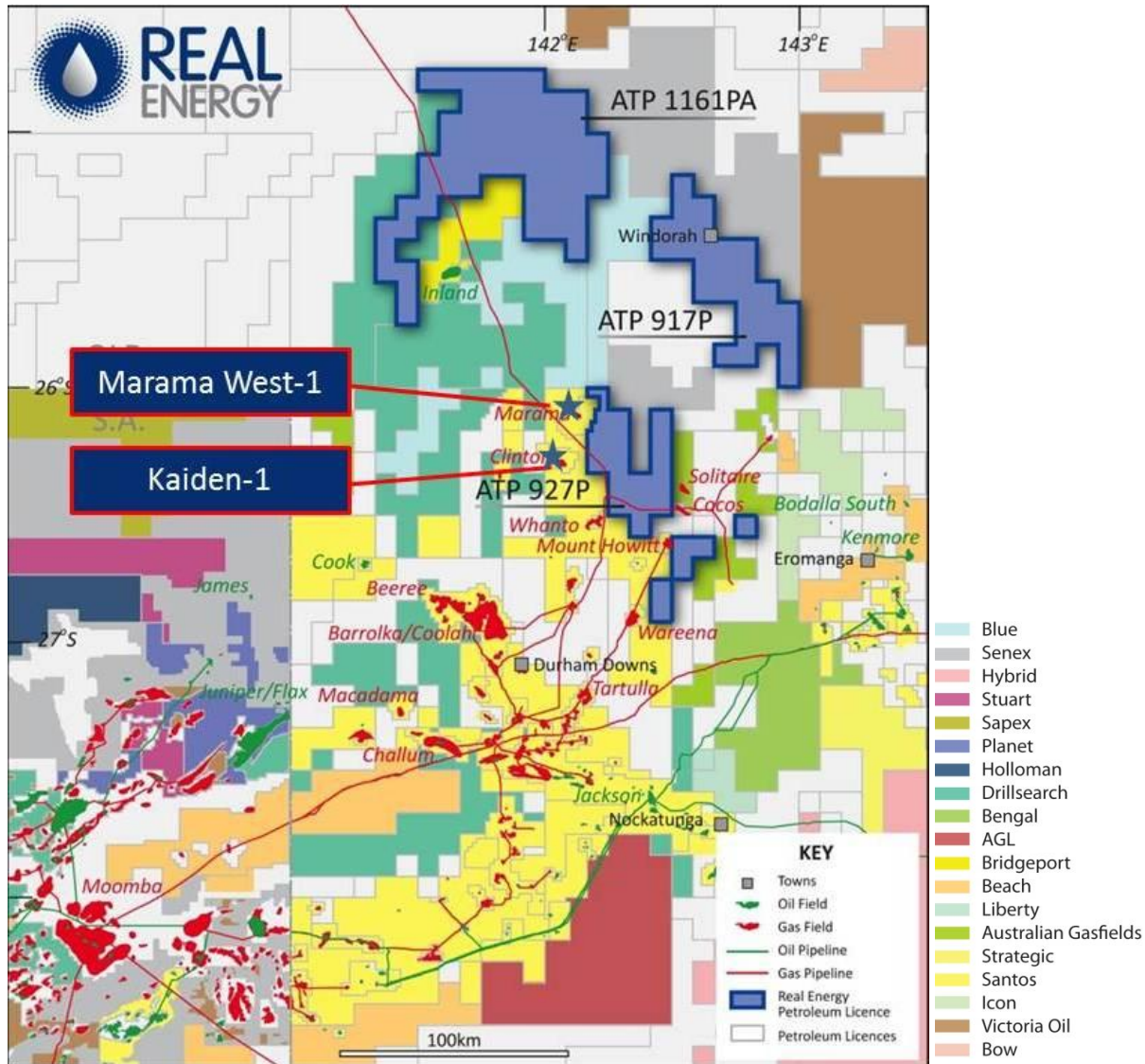
Permit	RLE ownership %	Location
ATP917P	100	Cooper Basin, South West Queensland
ATP927P	100	Cooper Basin, South West Queensland
ATP1161PA	100	Cooper Basin, South West Queensland

There have been no changes to the Company's ownership position in the above tenements during the quarter.





## Map of Real Energy's Permits



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**

Telephone +61 (0) 2 9955 4008 or [admin@realenergy.com.au](mailto:admin@realenergy.com.au)

Or visit our website at [www.realenergy.com.au](http://www.realenergy.com.au)

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# 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, 01/05/2013

Name of entity

Real Energy Corporation Limited

ABN

92 139 792 420

Quarter ended ("current quarter")

30 June 2014

### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	206	362
1.2	Payments for (a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) corporation & administration	(347)	(1,305)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	<b>Net Operating Cash Flows</b>	(141)	(943)
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) exploration & development	(553)	(1,115)
	(c) other fixed assets	(3)	(4)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	<b>Net investing cash flows</b>	(556)	(1,119)
1.13	<b>Total operating and investing cash flows (carried forward)</b>	(697)	(2,062)

+ See chapter 19 for defined terms.



1.13	Total operating and investing cash flows (brought forward)	(697)	(2,062)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	10,000
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (fund raising expenses)	14	(977)
	<b>Net financing cash flows</b>	14	9,023
	<b>Net increase (decrease) in cash held</b>	(683)	6,961
1.20	Cash at beginning of quarter to date	13,426	5,782
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	12,743	12,743

### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	29
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Payment of Directors Fees 29

### Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,400
4.2 Development	-
4.3 Production	-
4.4 Administration	300
<b>Total</b>	<b>2,700</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	12,743	13,426
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>12,743</b>	<b>13,426</b>

+ See chapter 19 for defined terms.



## Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

## Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> (description)	Nil	Nil		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil	Nil		
7.3 <b>+Ordinary securities</b>	167,359,000	-		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil	Nil	Nil	Nil
7.5 <b>+Convertible debt securities</b> (description)	Nil	Nil	Nil	Nil

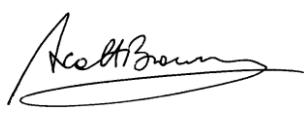
+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil	Nil	Nil	Nil
7.7	<b>Options</b> (description and conversion factor)	<i>Option numbers:</i>  720,000 - 5,000,000 - 17,588,256 -  28,239,750 - 27,500,000 - 4,000,000 - <b>Total 83,148,006</b>		<i>Exercise Price</i>  30 cents 30 cents 30 cents  30 cents 25 cents 34 cents	<i>Expiry Date &amp; Condition</i>  30 June 2015 30 September 2016 31 May 2015 (original shareholders have to hold shares on 11 April 2014) 31 May 2015 14 October 2016 11 December 2016
7.8	Issued during quarter	Nil	Nil	Nil	Nil
7.9	Exercised during quarter	Nil	Nil	Nil	Nil
7.10	Expired during quarter	2,411,744	-	-	-
7.11	<b>Debentures</b> (totals only)	Nil			
7.12	<b>Unsecured notes</b> (totals only)	Nil			

## Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does ~~/does not~~\* (delete one) give a true and fair view of the matters disclosed.

Sign here:  Date: 31/07/2014  
Director/~~Company secretary~~  
Print name: Scott Brown

+ See chapter 19 for defined terms.

## 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2        The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3        **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4        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.
- 5        **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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