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## **REAL ENERGY TO COMMENCE COOPER BASIN DRILLING PROGRAM IN SEPTEMBER**

- **Real executes drilling contract with Ensign International– drilling to commence in ATP927P**
- **Preparation of field operations has commenced**
- **Contract signed for one firm well with option for two additional wells**
- **Drilling campaign seeks to confirm presence of gas in Toolachee and Patchawarra formations**
- **Real well placed to unlock significant value in its prospective Cooper Basin acreage**

**Sydney, 4 August 2014:** Cooper Basin focused oil & gas exploration company Real Energy Corporation Limited (ASX:RLE) (“Real”) is pleased to advise that it has signed a contract with Ensign International to commence drilling at its 100%-owned ATP927P exploration permit in the Cooper Basin in early September 2014.

A contract has been signed for Rig 916 with one firm well and an option for two additional wells. Drilling of the Tamarama-1 well is expected to commence in early September 2014 with two additional wells in the region, Avalon-1 and the West Flynnes-1, scheduled for drilling subject to the results of Tamarama-1 (refer to Figure 1 for well locations). ATP 927P is surrounded by proven and producing gas and oil fields operated by Santos, and gas production is being used to feed growing demand for east coast gas.

The Tamarama-1 well is Real’s maiden exploration well in the Cooper Basin, aimed at confirming the presence of gas in the Toolachee and Patchawarra formations and determining reservoir producibility. A secondary objective of this well is to obtain samples from the Toolebuc Shale to further our knowledge of this potential shale oil play. The well is expected to take approximately two and a half weeks to drill and complete from spud date.

Results from the initial drilling program will underpin Real’s forward work plan, with successful wells to be cased and suspended for flow testing in early 2015. Real Energy’s acreage is prospective for basin centred gas (BCG), conventional oil and shale oil and gas. This upcoming drilling program will test the presence of BCG within ATP927P. An Independent Geologist’s report prepared for Real Energy estimated that the Permian section in ATP927P and ATP917P contains approximately 10.2TCF of BCG.

The program has been structured so that if Tamarama-1 disproves the existence of BCG, the program can be paused. Any success or failure in this drill program does not have implications for the presence of other

forms of hydrocarbons, and management looks forward to testing the other prospective conventional oil and shale oil and gas plays within Real's acreage in future drilling programs.

Real's Managing Director, Scott Brown said: "As one of the few independent companies with substantial 100%-owned acreage in the Cooper Basin, we are ideally placed to take advantage of the significant unlocked value that prospects in the Basin hold."

"This drilling program will focus on the basin centred gas play, which we expect is present over the whole area of ATP927P permit at depth from approximately 2,200 metres to over 3,000 metres. This drilling program follows on from an extensive analysis by the company of seismic data and wireline logs from previously drilled petroleum exploration wells in the area."

"The commencement of drilling is an important milestone for Real and follows significant planning and investment to reach this stage. We are pleased to be moving to the next phase of exploration and development of this significant asset which is situated in a proven hydrocarbon province."

"Real will advise shareholders when the rig is on site."

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

**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, 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.*

**About Real Energy Corporation**

Real Energy is an oil and gas exploration and development company with a focus on the Cooper Basin, Australia's most prolific onshore producing petroleum basin. Real Energy has 100% ownership in 3 large permits in Queensland – 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 for holding and producing gas. Seismic interpretation in conjunction with existing petroleum well data has determined that the Toolachee and Patchawarra formations are significant across much of our acreage. Third-party geological analysis has assessed Real Energy's areas to

contain a mean gross estimated petroleum initially-in-place of 10.2 Tcf of gas in the Toolachee and Patchawarra formations.

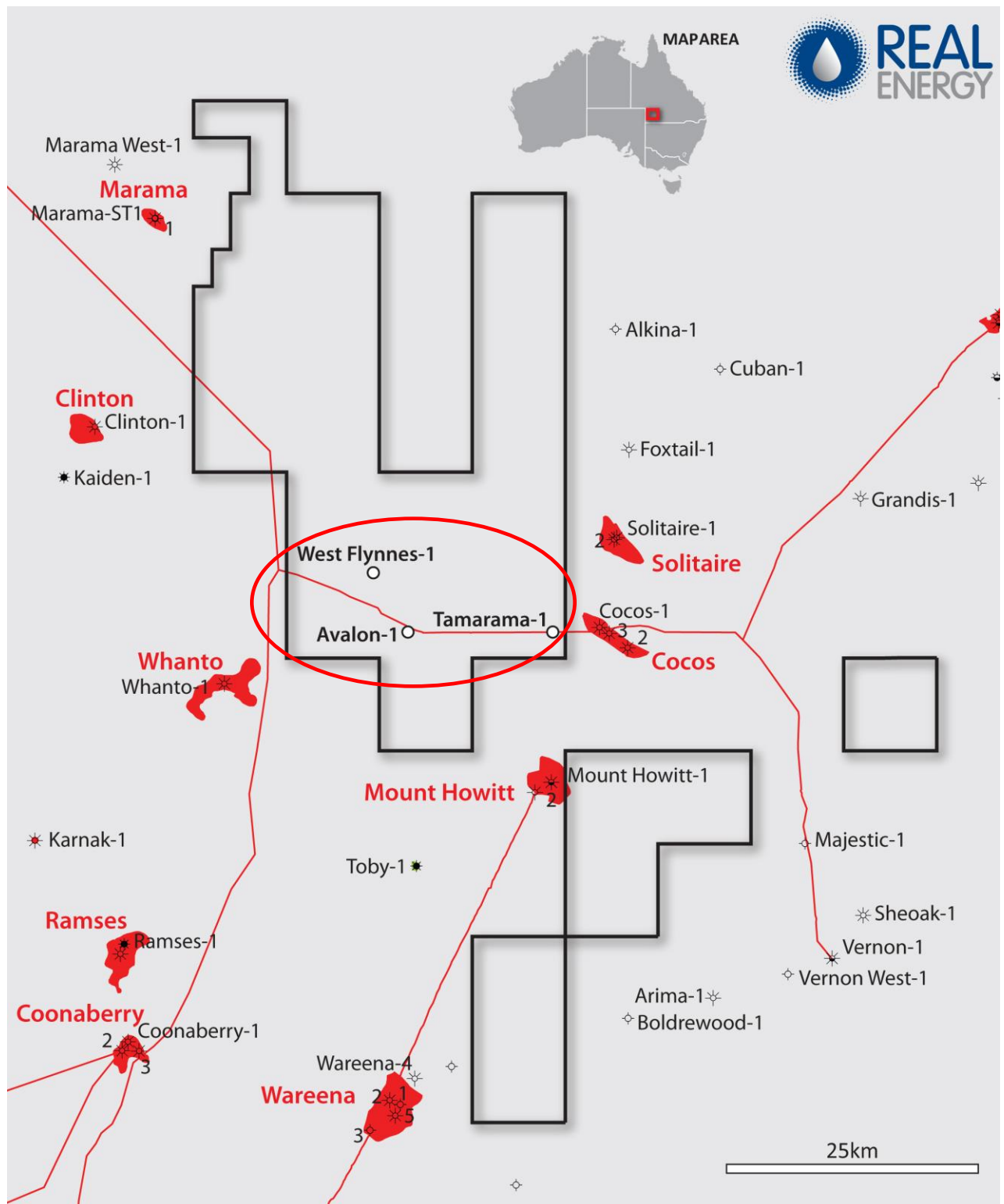


Figure 1 – Location of wells and ATP927P Permit



**Figure 2 – Photo of Ensign rig to be used at ATP927P**



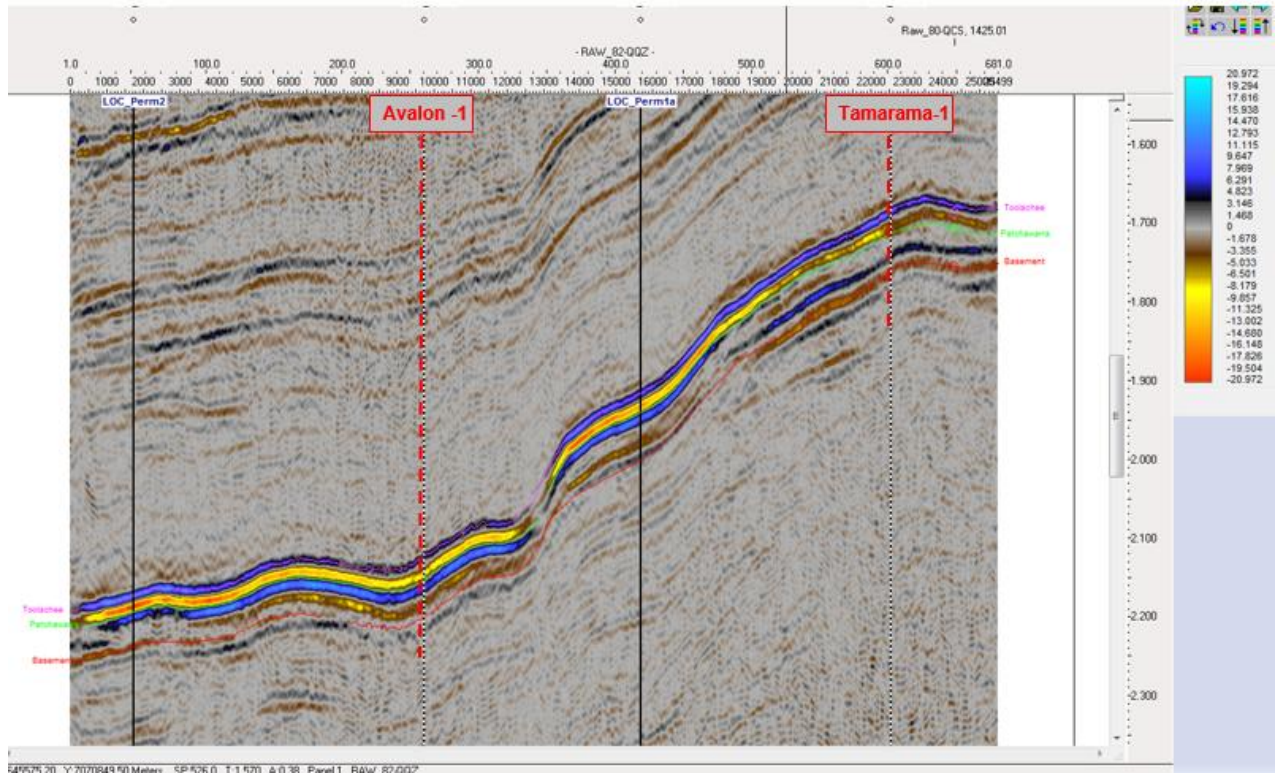


Figure 3 – Seismic Section with Proposed Tamarama-1 and Avalon-1 Locations

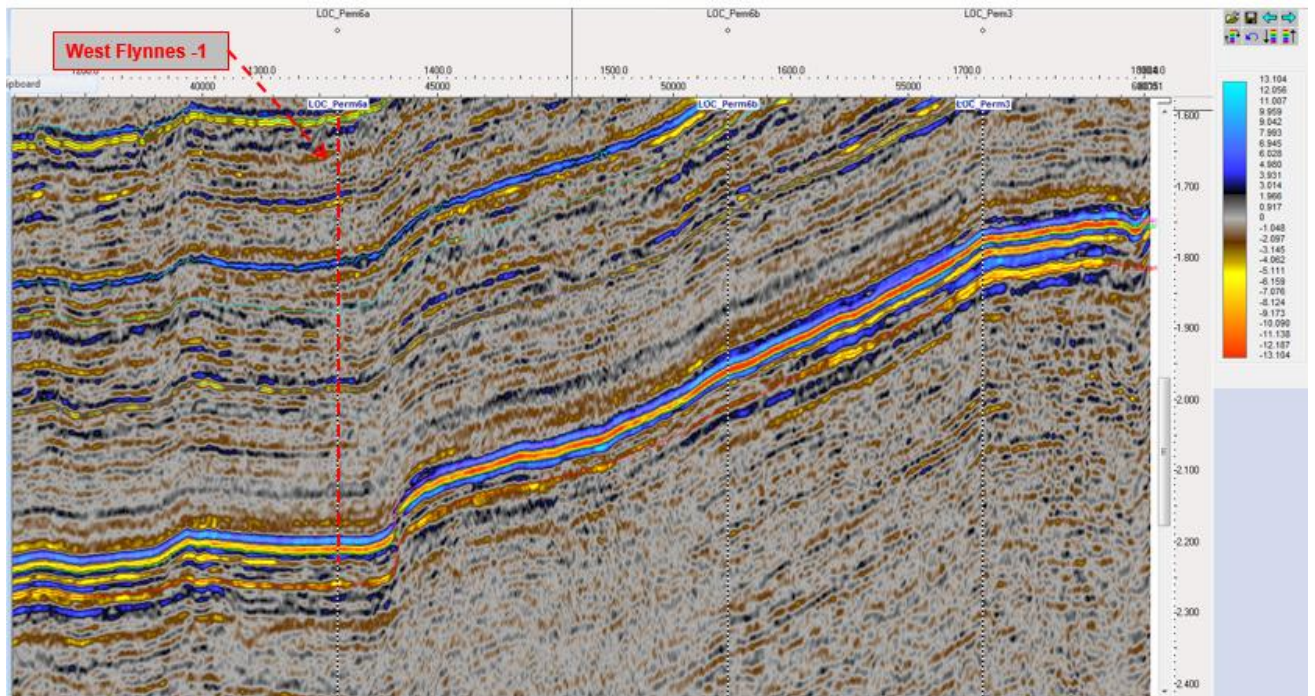


Figure 4 – Seismic Section with Proposed West Flynnes-1 Location