An Outstanding Oil and Gas Company Focused on the Cooper Basin
ASX: RLE

Good Oil Conference 9-10 September 2014

www.realenergy.com.au

REAL ENERGY

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Geological Information

The geological information in this presentation 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.

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Real Energy Summary

Building a major oil and gas company in Australia's Cooper Basin

- Real Energy controls over 8,314km^2 (2 million acres). All acreage is held 100% in the Cooper Basin, the premier location for unconventional exploration and production in Australia
- Real Energy is one of the few independent companies with significant exposure to the Cooper Basin - trades at less than A$15/acre.
- Pursuing a basin-centred gas play, a lower-risk and higher-return prospect than shale
- Longer term, conventional oil and substantial shale oil and gas potential
- New technology has unlocked huge potential for unconventional oil and gas in Australia with Real Energy having a strong technical and commercial team

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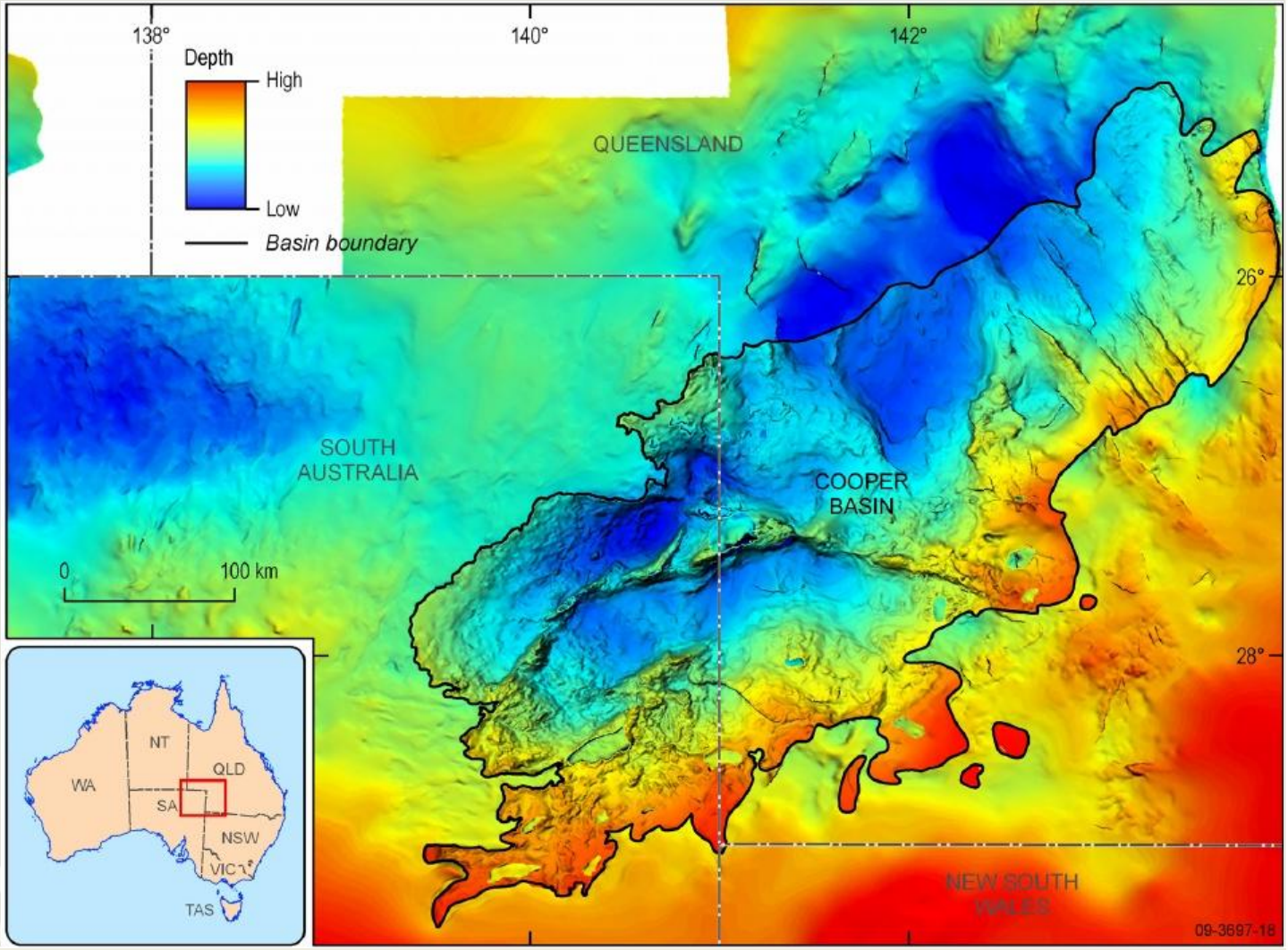
The Cooper Basin: a major onshore Australian petroleum province

- A Late Carboniferous to Middle Triassic intracratonic basin.
- Total area >130,000 km^2
- Contains a number of major troughs, separated by narrow, sinuous structural ridges.
- Overlain by the Central Eromanga depocentre of the Early Jurassic to Late Cretaceous Eromanga Basin (1,000,000 km^2)
- Over 3,000 petroleum wells have been drilled in the basin.
- Over 6Tcf natural gas and 300 MMbbls of oil & condensate have been produced to date.



- Surface of "P' (top Permian) seismic horizon is superimposed on a background surface of the 'Z' (Pre-Permian) seismic horizon (maps from NGMA).
- Map shows the relationship of the Permian Cooper Basin to the northwestern-offset Eromanga Basin depocentre, which has created a tilted Cooper Basin.

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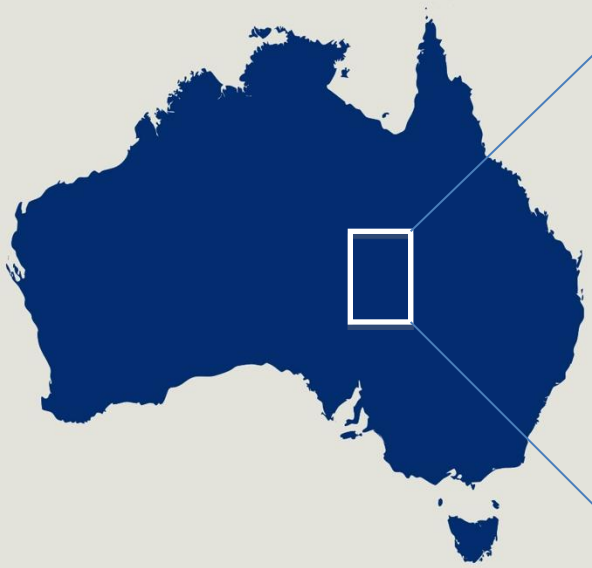
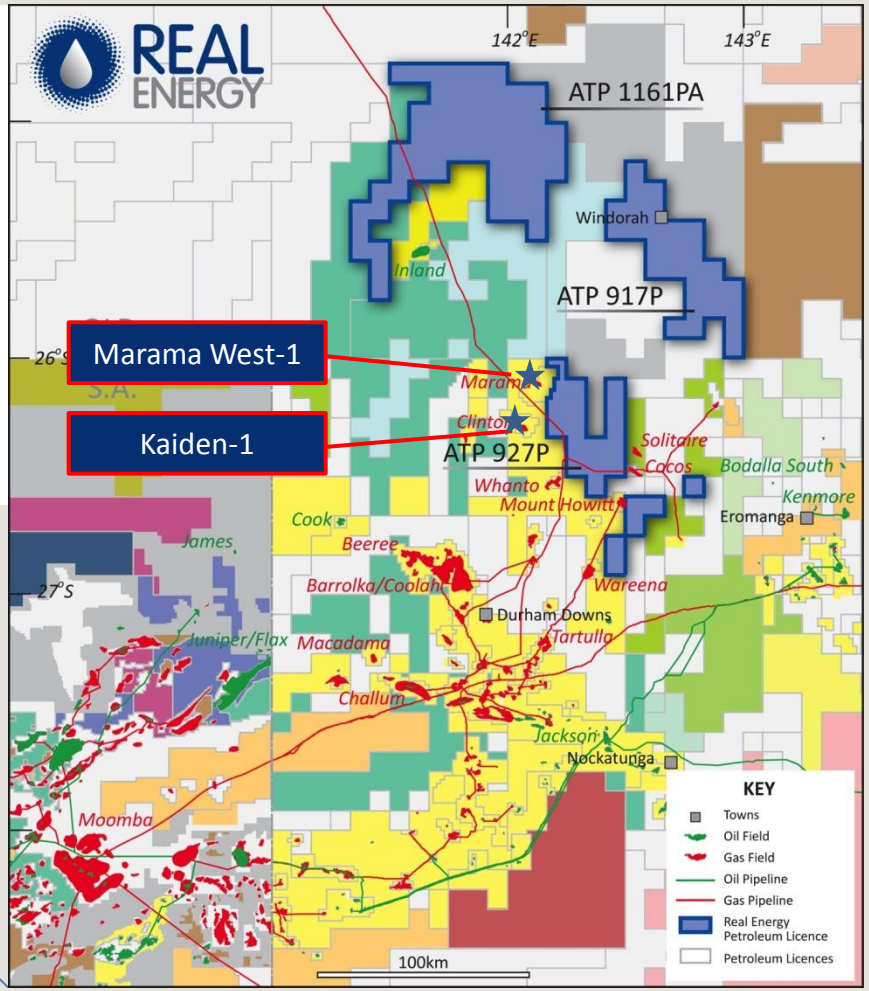
Cooper-Eromanga – A World Class Location

A 2 million acre land bank in the Cooper-Eromanga Basins



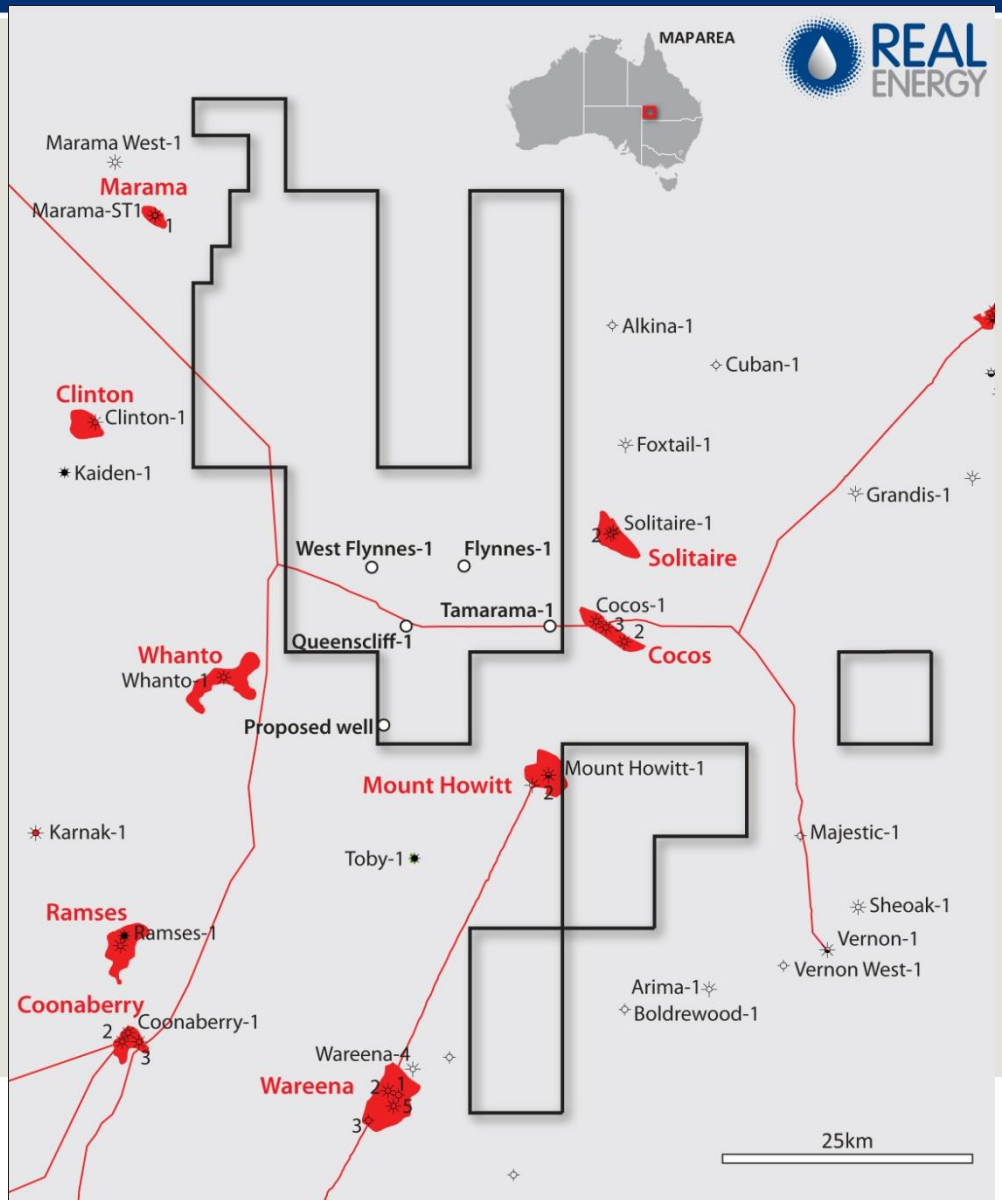
- Blue
- Senex
- Hybrid
- Stuart
- Sapex
- Planet
- Holloman
- Drillsearch
- Bengal
- AGL
- Bridgeport
- Beach
- Liberty
- Australian Gasfields
- Strategic
- Santos
- Icon
- Victoria Oil
- Bow



Forward Program

Potential Rerating Opportunity
Proof of Concept Wells
Up to 3 Wells to be drilled on ATP927 this year

- Tamarama -1 TD 2,550 metres
- Queenslcliff-1 (formerly Avalon-1) TD 3,050 metres
- West Flynnes-1 TD 3,150 metres



Drilling at Tamarama 1

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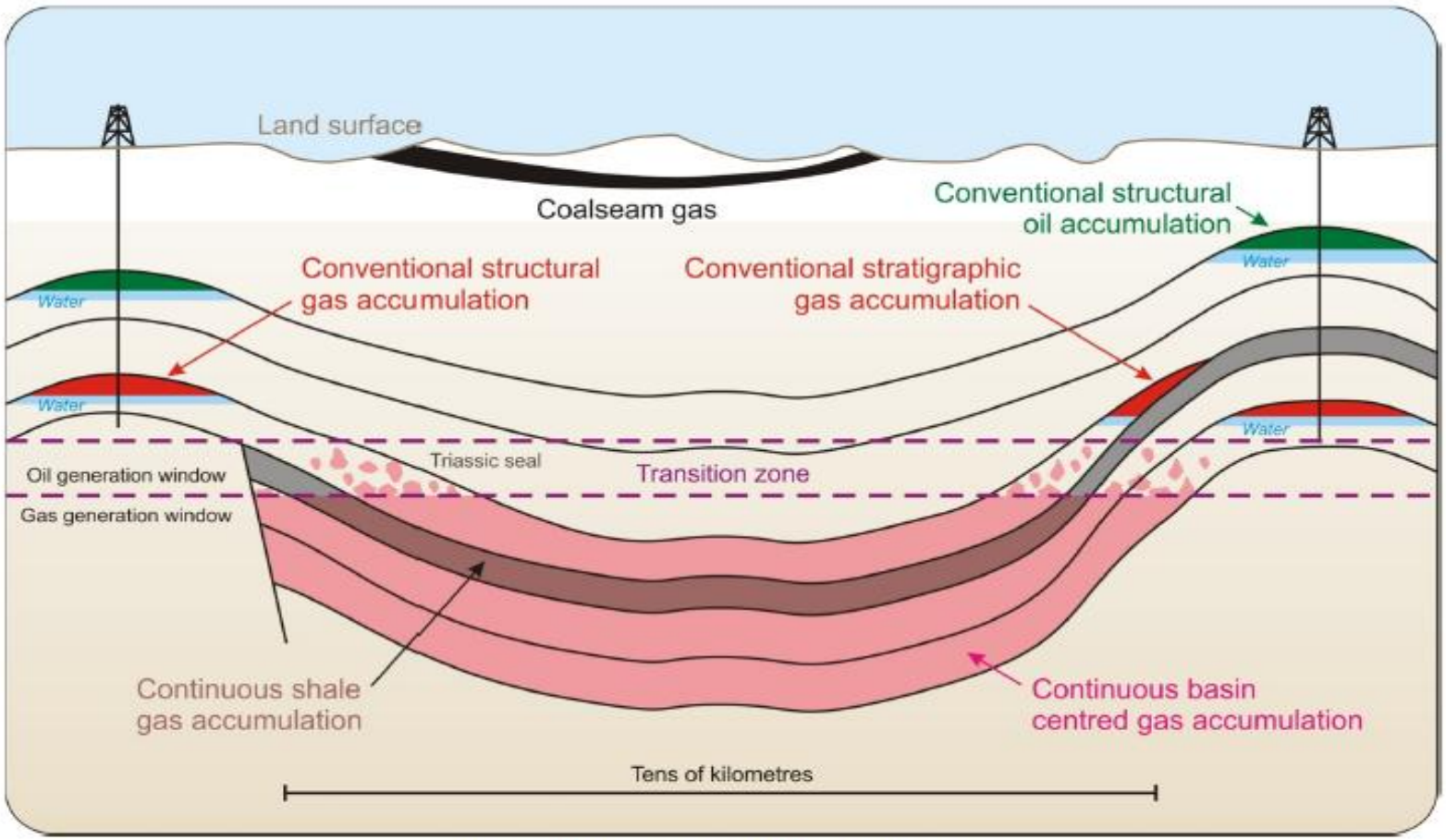
Shale and Basin Centred Gas Plays



Source: Amended from Schenk and Pollastro, 2002

Gas saturation across a continuous shale and basin centred gas play

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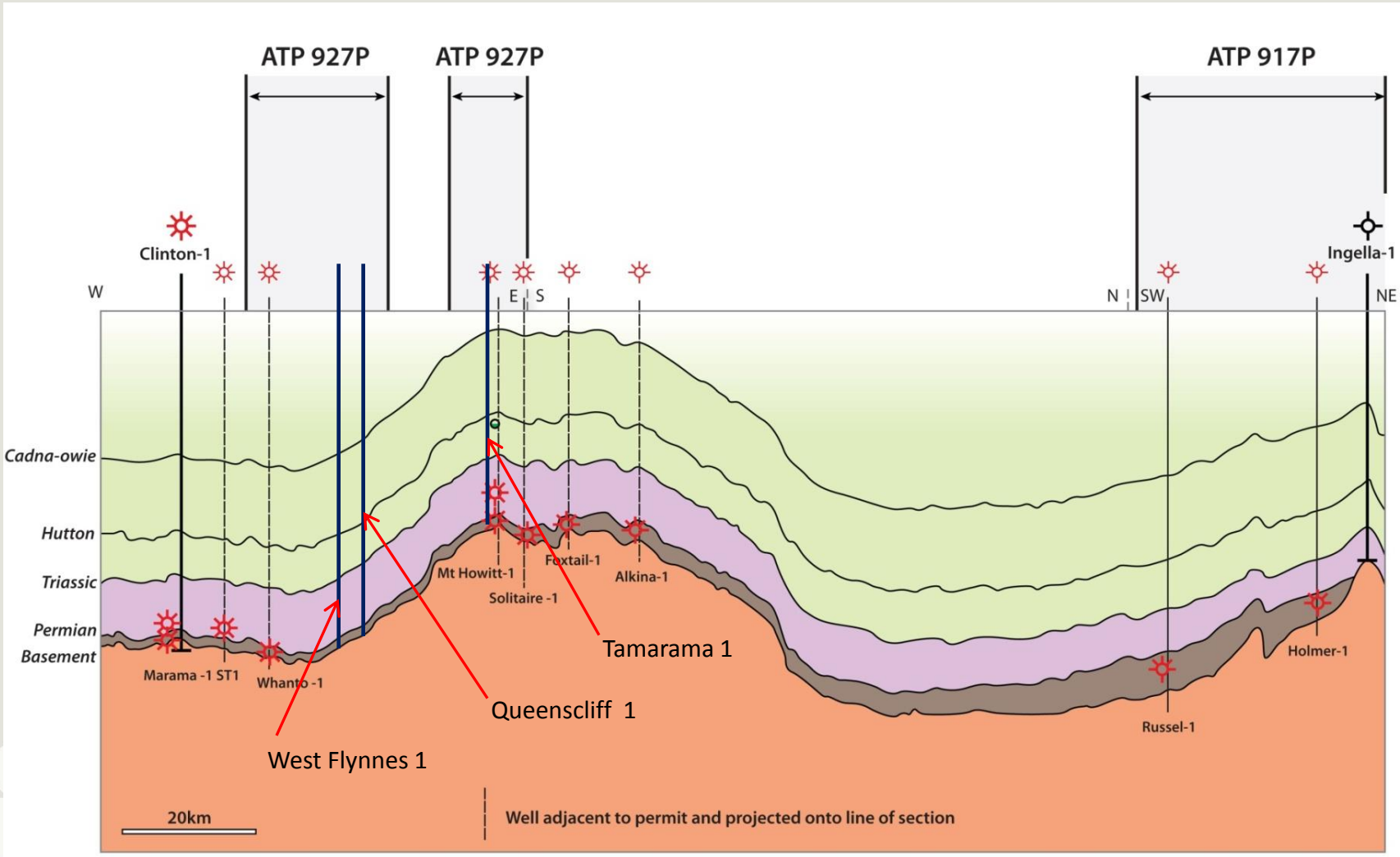
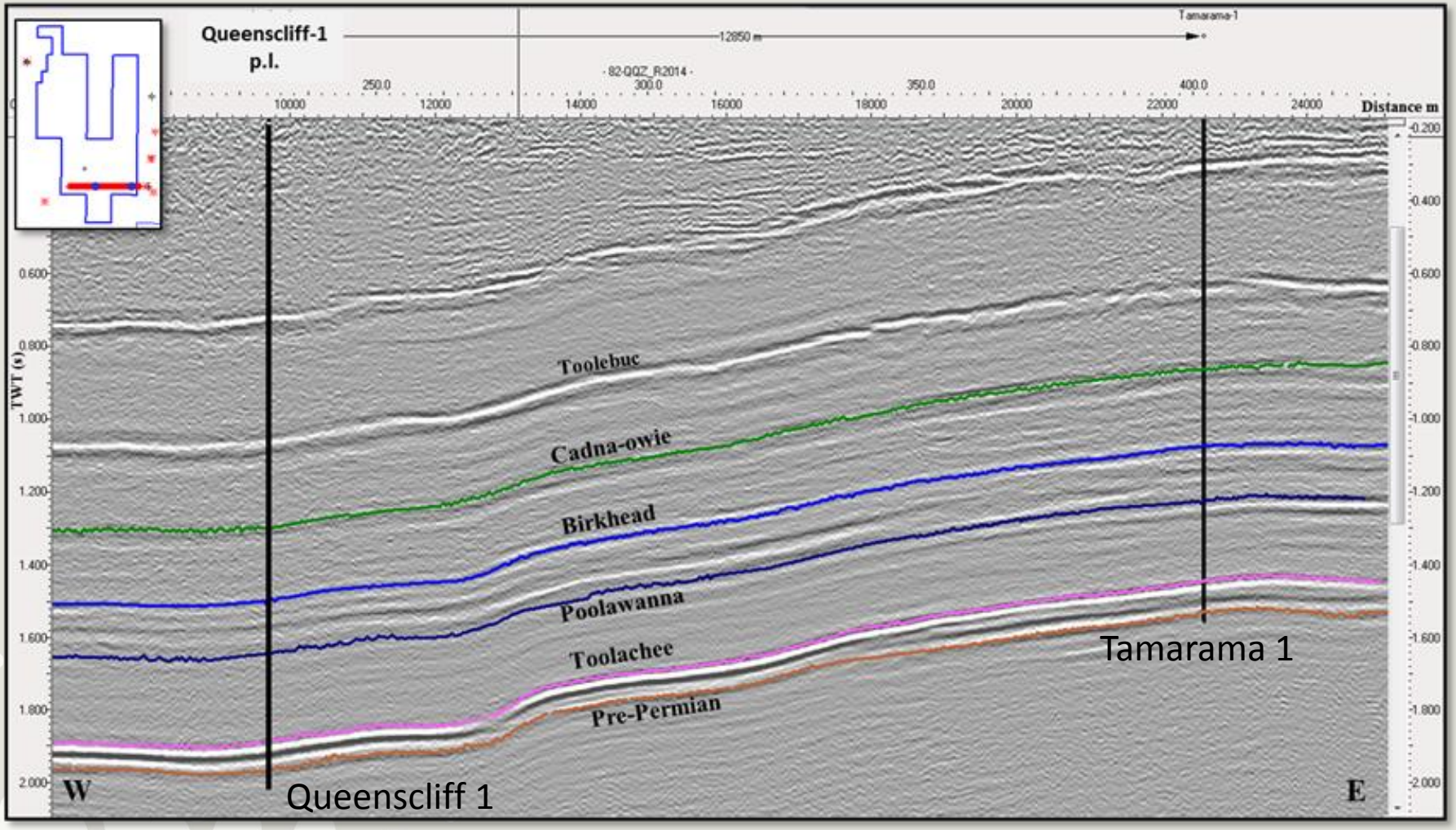
Basin Centred Gas Play

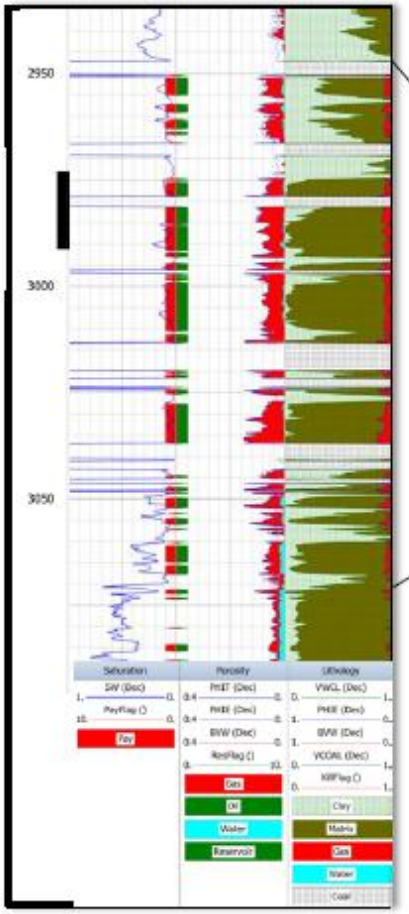


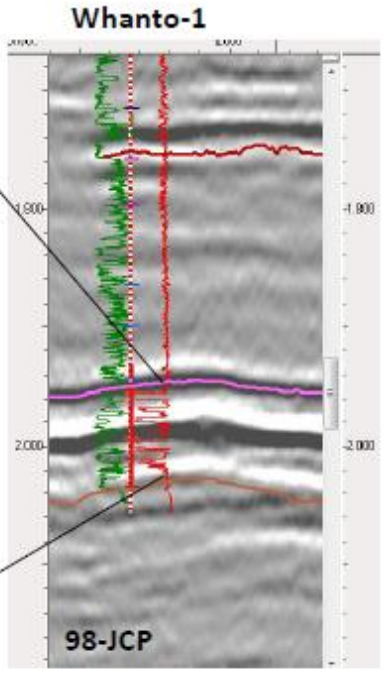
Seismic - Basin Centred Gas Play

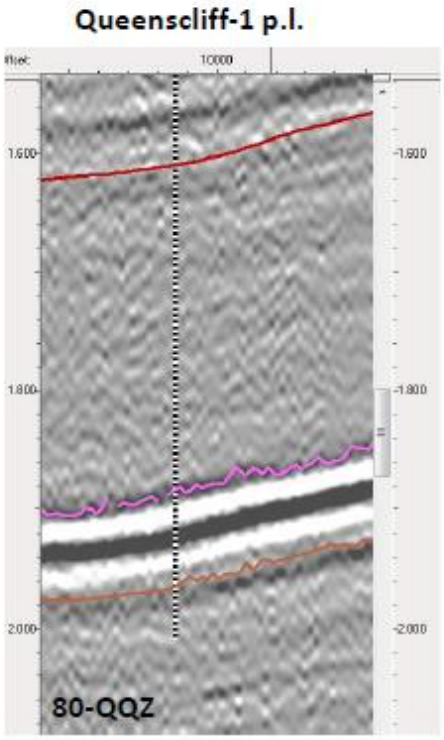


Seismic - Basin Centred Gas Play

DST-1
Toolachee Fm
GTS @ 3.8
mmcf/d







Queenscliff seismic response similar to Whanto, allowing for differences in data quality. The section is slightly thinner at Queenscliff. Lower amplitude at the top of the section may indicate thinner coal development at the top of the Permian, with coals replaced by clastics.

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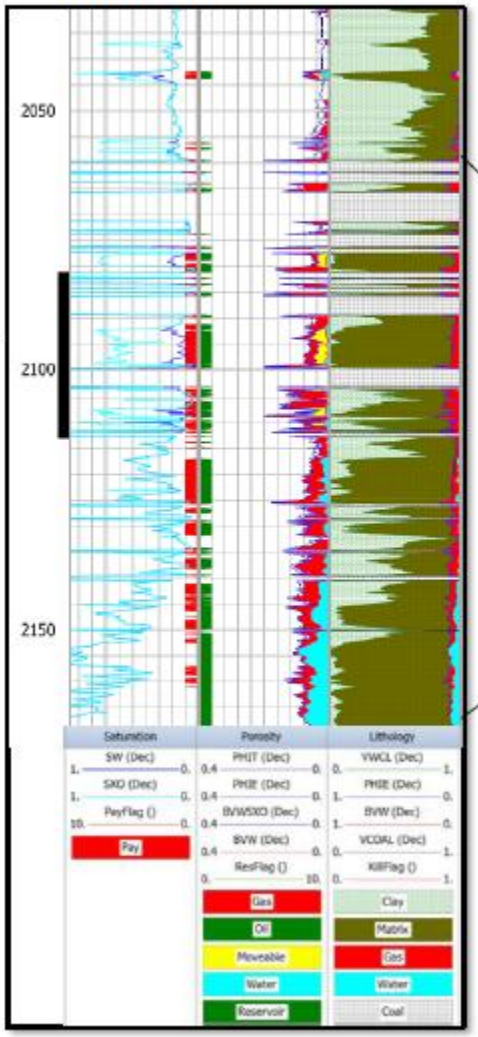
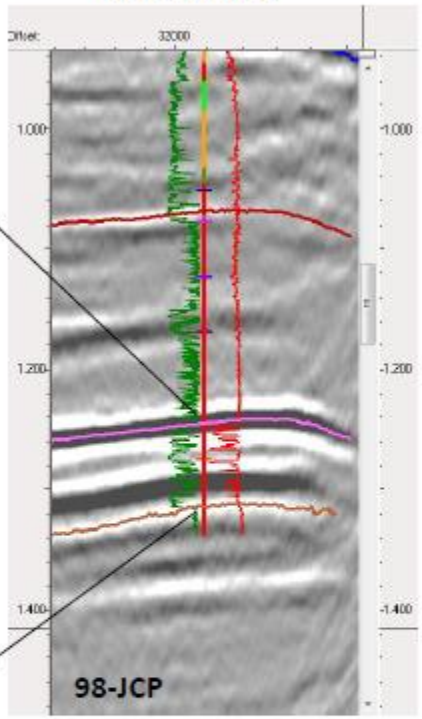
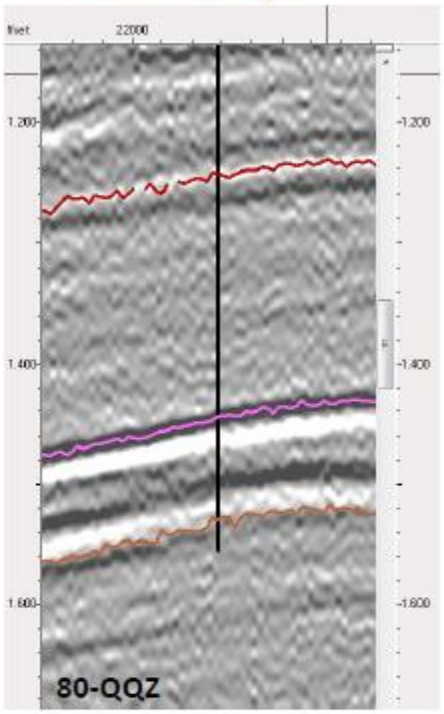
Seismic - Basin Centred Gas Play

DST-2
Toolachee Fm
GTS @ 1.1
mmcf/d







Tamarama seismic response is very similar to Mt Howitt-2, within limits of data quality. Lower amplitude at base of Permian may indicate less coal development, allowing for possibility of more extensive reservoir development.

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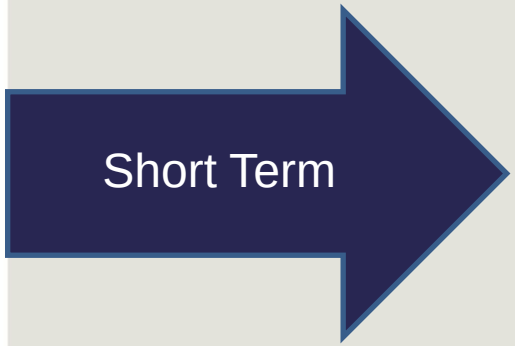
Real Energy's Growth Strategy



- Targeting 3C (Proven, Probable and Possible) of **300 BCF (Billion Cubic Feet) of Recoverable Gas** – potential worth $300M+
- Fully funded 3 Wells to be drilled in the near term could lead to a major re-rating of Real Energy

- Real Energy's objective is to certify 3P (Proven, Probable and Possible) reserves in **excess of 2 Trillion Cubic Feet (TCF) of Gas**
- Real Energy's aim is to develop a Tier one gas project in the Cooper Basin within the next 3 years

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Real has a strong portfolio in the Cooper Basin

- A Significant Gross Petroleum-in-Place – (estimated by AWT International from over 124 historical wells and 2D seismic).
- 2 million net acres held 100% by Real Energy

PERMIT	AREA	GROSS ESTIMATED PETROLEUM INITIALLY IN PLACE			
		Toolebuc		Toolachee-Patchawarra	
				Basin Centred Gas	
	km2	Best Estimate			
		Shale Gas	Shale Oil/Condensate	Mean	P10
		BCF	MMBBLs	BCF	BCF
ATP 917P	2,171	4,320	8,590	4,500	9,500
ATP 927P	1,718	2,010	3,560	5,700	10,500
ATP 1161PA	4,425	3,200	6,360		
TOTAL	**8,314**	**9,530**	**18,510**	**10,200**	**20,000**
Acres	2,054,435				

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LNG gas demand continues to grow

- LNG gas demand to dramatically outstrip domestic gas market
- LNG operators are still looking for gas
- Domestic demand to moderate - large uncontracted positions of many large users of gas
- Gas prices expected to reach $8 - $11 per gigajoule[1]
- Cooper Basin well placed to meet looming shortfall

East Coast Gas Supply & Demand (PJ)

1. Source : Energy Quest

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Cooper Basin - Game Changers

- Significant advances in technology developed in the US over the past 10 years.
- High Gas Prices on the East Coast of Australia.
- Infrastructure already in place – Cooper Basin well serviced by gas pipelines that connect to east coast capital cities and LNG facilities (Export markets).
- Strong well control and seismic coverage.
- Basin well served with active international service providers.

The ingredients are in place for an unconventional gas to take off in the Cooper Basin and replicate US success.

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Capital Structure

Substantial Shareholders	%
Och Ziff	15.77%
Scott Brown	15.42%
Lan Nguyen	12.25%
Sino Portfolio	10.30%

	Number of shares
Existing Shares on issue	167.4M
Market Capitalisation @ 30 cents	$50.2M
Loyalty Options - Exercise Price at 30 cents [1]	45.8M
Investors Warrants [2]	27.5M
Directors & Employees Options [3]	5.7M
Broker Options[4]	4.0M
Total Options on Issue	83.0M
Cash Position as at 30 June 2014	**$12.7M**

1. Loyalty Options provided investors hold the stock for 120 days post listing. Options expiry 31 May 2015

2. Warrants exercisable at 25 cents expiring 14 Oct 2016

3. Employee Options expiring 30 June 2015 & 30 September 2016 with exercise price of 30 cents each

4. Broker options expiring 3 years from the listing date at 34 cents

REAL ENERGY

Directors

Scott Brown, B. Bus, M. Com
Managing Director and Founder

Extensive background in finance and management of public companies and an experienced company director. Formerly CFO of **Mosaic Oil NL**, Director of Objective Corporation, Executive **with Allegiance Mining, Turnbull and Partners** and has also worked for **Ernst Young and KPMG**. Scott was instrumental in putting together a Scheme of Arrangement for AGL Energy Ltd to acquire Mosaic Oil for a consideration of $142 Million. Currently Scott is Chairman of Ardent Resources Limited.

Lan Nguyen, B. Sc M. Sc
Non Executive Chairman and Founder

A geologist & engineer with an extensive technical & commercial background in the oil & gas sector and the management of public companies. Lan currently provides consulting services to energy & resources companies in Australia & Asia-Pacific region. Formerly an Executive Director & Managing Director of **Mosaic Oil N.L.**, and has also worked for **PetroVietnam**.

Norman Zillman, B. Sc, B. Sc Hons
Non Executive Director

Professional geologist with more than 40 years experience in minerals, petroleum, coal, coal bed methane and geothermal exploration and production in Australia and internationally. Has held senior executive positions with **Crusader Limited, Beach Petroleum, Claremont Petroleum Limited** and was a founder and CEO of **Queensland Gas Company** Limited. He also founded Blue Energy Limited, Hot Rock Limited, Planet Gas Limited and Bandanna Energy Limited

Michael Mager, A.B. M.Phil
Non Executive Director

Michael is a partner at Ridge Road Partners, a firm that takes control positions in businesses across a range of industries including financials, energy, and logistics. Ridge Road's investing timeframe extends indefinitely and the firm is structured as a long-term investment partnership. Previously, he was a partner and fund manager at Ward Ferry Management, a Hong Kong- based asset management firm.

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Management & Senior staff

Scott Brown, B. Bus, M. Com
CEO and Founder
Extensive background in finance and management of public companies and an experienced company director. Formerly CFO of Mosaic Oil, Director of Objective Corporation, Executive with Allegiance Mining, Turnbull and Partners and has also worked for Ernst Young and KPMG. Scott was instrumental in putting together a Scheme of Arrangement for AGL Energy Ltd to acquire Mosaic Oil for a consideration of $142 Million. Currently Scott is Chairman of Ardent Resources Limited.

Terry Russell, B.Sc PhD
Exploration Manager
Petroleum geologist with over 30 years industry experience that has included technical and management positions with successful operating and non-operating companies involved in petroleum exploration, development and production projects both within Australia and internatonally. From May 2007 he held the position of Exploration Manager for Mosaic Oil NL, until the takeover by AGL in late 2010, during which period the company was actively involved in successful drilling and seismic acquisition projects in Queensland.

Ron Holland B. Bus, MBA
Company Secretary
Over 20 years experience in the accounting and finance roles. Previous roles include accounting firms Arthur Anderson, Greenwood Challoner and NSP Buck. Ron has also severed as CFO and Company Secretary for the Wentworth Holdings Limited.

Ying Ou B. Arts, MBA
Financial Controller
Ying upon achieving MBA has to present 7 years experience of corporate accounting, joint ventures and finance in the Oil & Resources industry, including with Mosaic Oil & AGL. Previously held various administrative and management position in Hospitality sector in different countries such as USA & Switzerland.

James Dingle
Drilling Manager
James has practical experience in both field operations and engineering design in a broad range of drilling, completion and production operations across conventional and unconventional . He has extensive experience with unconventional drilling, completion & production operations, conventional & underbalanced drilling & completion operations, horizontal/multi-lateral drilling & operations in many countries including Australia, Indonesia, UK, Ukraine, Turkmenistan, Russia, Romania.

Daniela Garrad, B. Sc (Hons)
Senior Geoscientist
Daniela has over 25 years' experience as a geoscientist. She started as a seismic interpreter with Esso in the 1980s and has since worked diverse projects for large and small companies, most recently Sasol Petroleum International. In addition to Australia and New Zealand, she has worked on many international projects, including areas in SE Asia, the Middle East and Africa. Her experience includes everything from basin scale regional studies, exploration and detailed field evaluation and development. She is a member of PESA, the AAPG and the EAGE.

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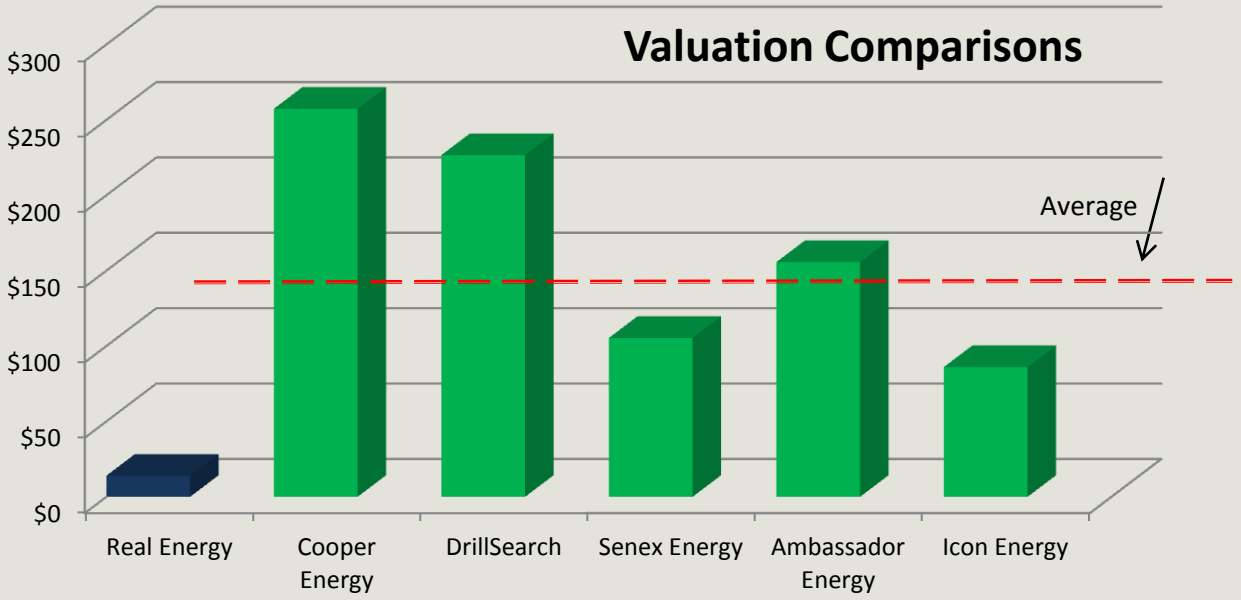
ASX Cooper Basin Comparables

Real Energy has significant upside in just realising average peer group valuation.

EV/Acre



[1] Priced at close of business 16/06/14
[2] Net acres held in the Cooper

Significant unlocked value in Cooper Basin assets

Recent Cooper Basin Transactions

Buyer	Seller/Acquired	Size	Date	Value/Acre	Deal Type
BG	Drillsearch	$120M	Jul-11	$317.90	Farm In
Beach	Adelaide	$110M	Jul-11	$554.20	Acquisition
New Hope	Bridgeport	$76M	Jul-12	$296.11	Acquisition
Drillsearch	Acer Energy	$143M	Oct-12	$490.00	Acquisition
Chevron	Beach	$350M	Feb-13	$900.00	Farm In
Santos	Drillsearch	$15M	Jul-13	$790.00	Farm In
Santos	Drillsearch	$120M	Jul-13	$460.00	Farm In
New Standard Energy	Ambassador Energy	$42.5M	Dec-13	$136.22	Farm In
Origin	Senex Energy	$252M	Feb-14	$838.24	Farm In
Magnum Hunter/Drillsearch	Ambassador Energy	$55.2M	Jun-14	$184.00	Acquisition

Source : Company announcements and research

Still a fraction of prices in good US basins

- Acreage in the Cooper is now keenly sort after.
- Land prices are a still a FRACTION of US comparables. US land prices range from US$5,000 - $25,000/acre.
- Real Energy is the only junior in the Cooper Basin that still has 100% project ownership.

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Why Real Energy?

SIGNIFICANTLY UNDERVALUED

- Trades at less than A$15/acre, less than 1/8th of its peer group and a small fraction of US comps
- Interest in the basin is rapidly increasing with several recent corporate deals

SUBSTANTIAL LAND POSITION

- Real Energy controls over 2M acres in the Cooper Basin
- All projects are 100%-owned

LOWER RISK DEVELOPMENT STRATEGY

- Basin-centred gas (BCG) requires lower upfront capex than shale given lower cost wells
- Lower development risk as Real Energy has access to several BCG wells in close proximity

HUGE RESOURCE POTENTIAL

- AWT estimates gas in place of over 10TCF in Real Energy's acreage
- Real Energy's current market capitalisation does not reflect the enormous value potential

EXCELLENT TEAM

- Management team with experience building an oil and gas company and selling it to a major
- First-class investor base, including Och Ziff

REAL ENERGY

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