



Real Energy Corporation Limited
Level 3, 32 Walker Street North Sydney NSW 2060
Telephone 02 9955 4008

REAL ENERGY PROGRESS REPORT

Sydney, 23 September 2014: Cooper Basin focused oil & gas exploration company Real Energy Corporation Limited (ASX:RLE) ("Real Energy") is pleased to provide drilling progress report of its maiden exploration well, Tamarama-1, in the Queensland Cooper-Eromanga Basin ATP 927P as following:

As at 6.00 am EST the well is drilling ahead in 8-1/2" hole at depth of 2449 metres within the Patchawarra Formation section. Based on the preliminary information from drill cuttings and mud log gas readings, the Toolachee Formation was encountered at around 2358 metres and Patchawarra Formation was encountered at around 2402 metres which are approximately 10 metres higher than prognosed. Elevated gas readings have been recorded over the Toolachee Formation and also the Patchawarra Formation so far with several gas peaks over the numerous sandstone intervals. The intervals with notably high gas readings are:

2360-2385 metres: Interbedded sandstone and siltstone with 1 metre coal seam at 2076.5-2077.5m with gas peak of 406 units over the background gas of 25 units;

2397-2402 metres: Sandstone with carbonaceous siltstone (possible cavings) interbeds with gas peak of 567 units over the background gas of 25 units;

2402-2414 metres: Interbedded sandstone and siltstone with gas peak of 204 units over the background gas of 25 units;

2414-2429 metres: Interbedded sandstone, siltstone and coal with gas peak of 1004 units over the background gas of 25 units.

The significance of these gas shows will be further evaluated by electric logs to be undertaken after reaching the planned total depth at approximately 2566 metres.

Managing Director of Real Energy Mr Scott Brown commented "While we still running logs and evaluating the significant of the gas seen in the well, Tamarama-1 appears to be a very encouraging result."

For further information please contact:

Real Energy: Managing Director - Scott Brown +61 2 9955 4008.

Released through: Sam Wallman, Six Degrees Investor Relations, +61 2 9230 0661

Or visit the website: 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.



Figure 1 – Photo of Ensign rig at Tamarama 1

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 km² (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.

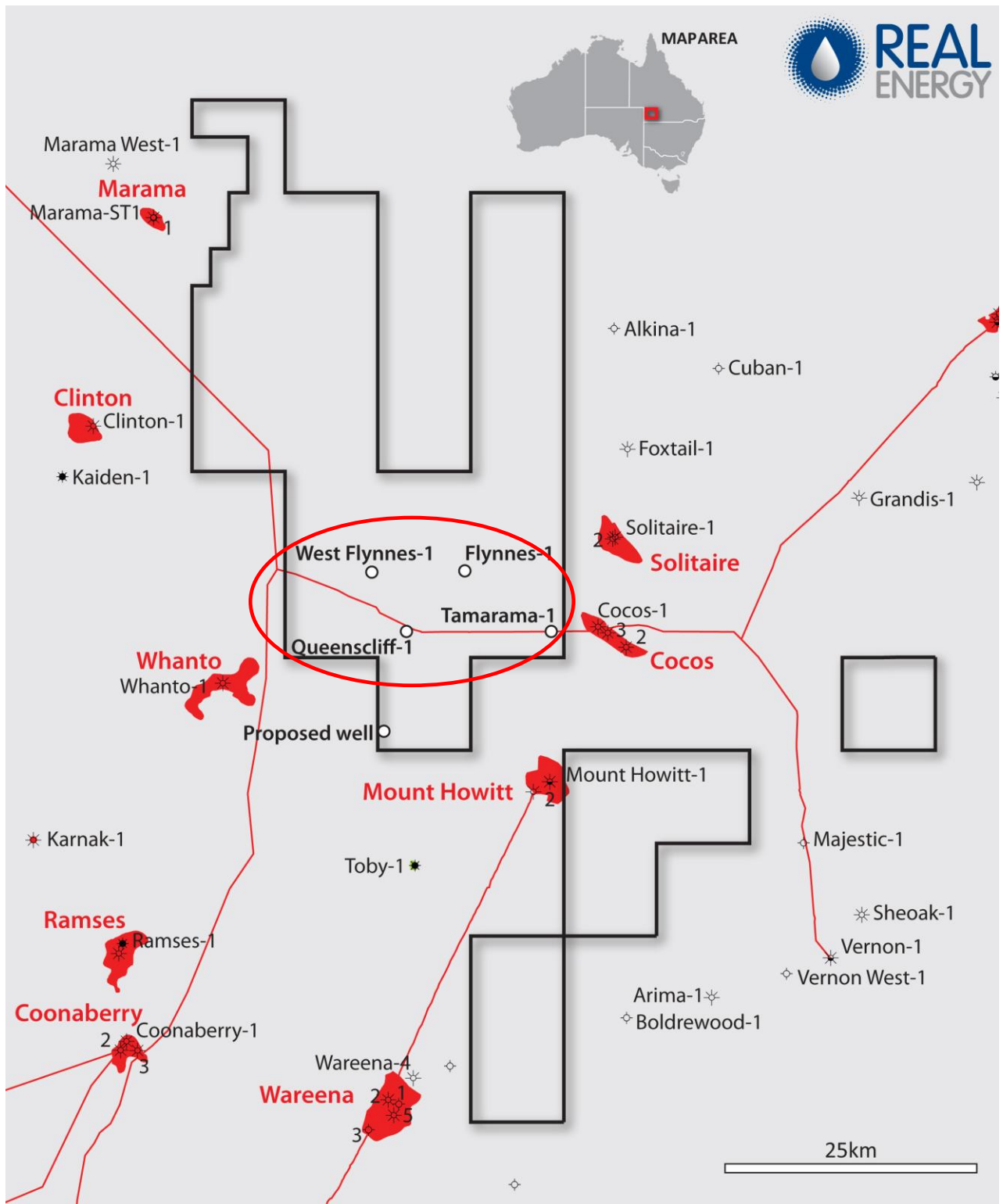


Figure 2 – Location of wells and ATP927P Permit

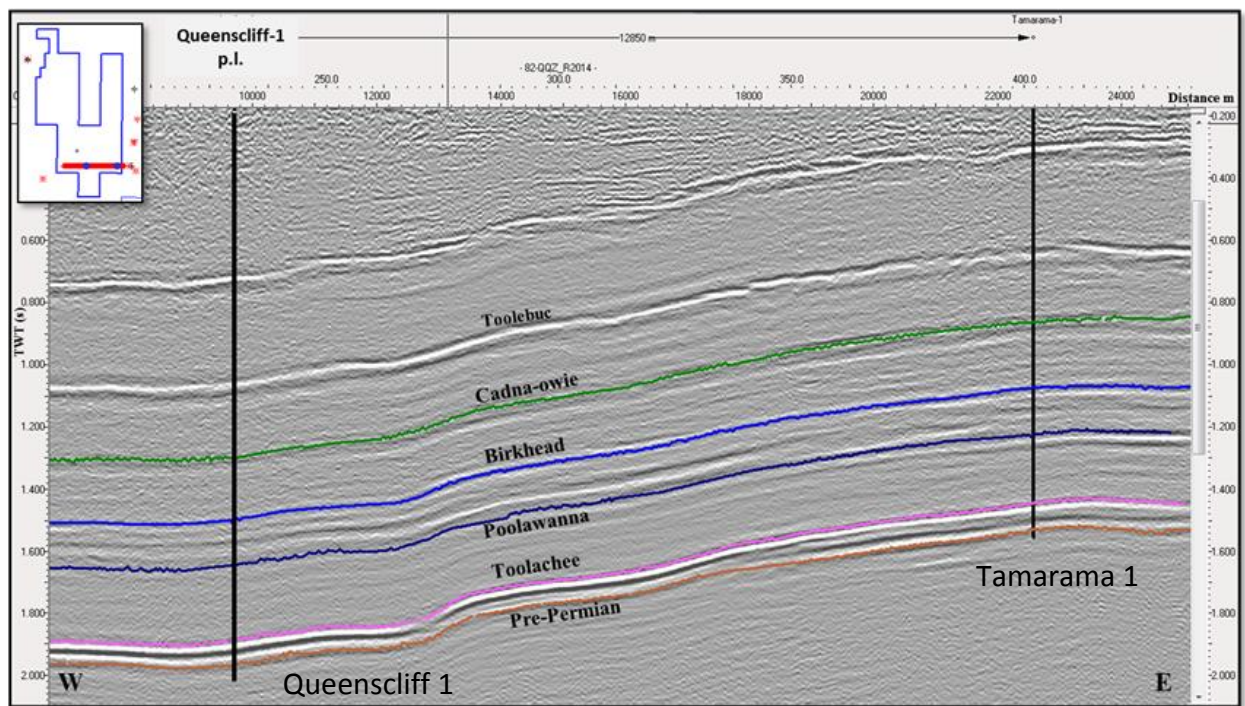


Figure 3 – Seismic Section with Proposed Tamarama-1 and Queenscliff-1 Locations