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REAL ENERGY RECORDS STRONG GAS READINGS AT MAIDEN TAMARAMA-1 WELL IN COOPER BASIN

- Toolachee and Patchawarra Formations in Tamarama-1 are gas saturated;
- Log interpreted net pay of 87metres over 165 metres gross interval
- RLE believes basin centred gas exists in Toolachee and Patchawarra Formations across acreage
- Tamarama-1 to be cased and suspended for future testing
- Real Energy to now proceed with drilling second well - Queenscliff-1 due to Tamarama-1 results

Sydney, 26 September 2014: Cooper Basin focused oil & gas exploration company Real Energy Corporation Limited (ASX:RLE) ("Real Energy") is pleased to provide this progress report for its maiden exploration well, Tamarama-1, in the Queensland Cooper Basin ATP 927P.

Electric logs have been recorded and preliminary wireline log interpretation in integration with mudlog gas readings and drill cuttings have indicated the presence of gas saturated Permian Toolachee and Patchawarra formations section at the Tamarama-1 location. The petrophysical evaluation, using conservative 8% porosity cutoff for pay calculation, indicates the well has encountered 21 metres of net sandstone gas pay (from gross 44 metres) in the Toolachee Formation and 66 metres of net sandstone gas pay (from gross 121 metres) in the Patchawarra Formation.

Tamarama-1 is located approximately 51 metres downdip from the Cocos-1 Permian gas well and outside any seismically mapped structural closure. Tamarama-1 will be cased and suspended for future flow testing.

Managing Director of Real Energy Mr Scott Brown commented "Real Energy believes that basin centred gas exists in the Toolachee and Patchawarra formations in our acreage. We listed our Company on the ASX and raised funds to prove up this concept and designed our exploration program accordingly. Real Energy is the first oil and gas player to drill in this area outside structural closure, attempting to prove up basin centred gas play in this area.

We are very excited by the results received to date on Tamarama-1, which appears to confirm our understanding of the basin centred gas in this area. Tamarama-1 was drilled as a proof of concept well. While it is still early days in our exploration effort, Tamarama-1 success has provided us a very encouraging result as it proves our geological concept that gas saturated Permian Toolachee and Patchawarra formations section is present in our acreage outside any structural closure and most likely in the form of the unconventional continuous basin centred gas play.

If our geological model of a basin centred gas play proves to be correct, then the gas accumulation is likely to be extremely large. AWT International, the Independent Geologist that was engaged as part of our ASX listing process and provided a report in the company's prospectus, estimated that the gross mean petroleum initially in place for the Toolachee and Patchawarra was 10.2 Tcf of gas in our acreage.

Due to the encouraging result with Tamarama-1, we have decided to commit to drilling our next well Queenscliff-1. Queenscliff-1 will further advance our knowledge of this exciting play within our acreage. ”

For further information please contact:

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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, 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.

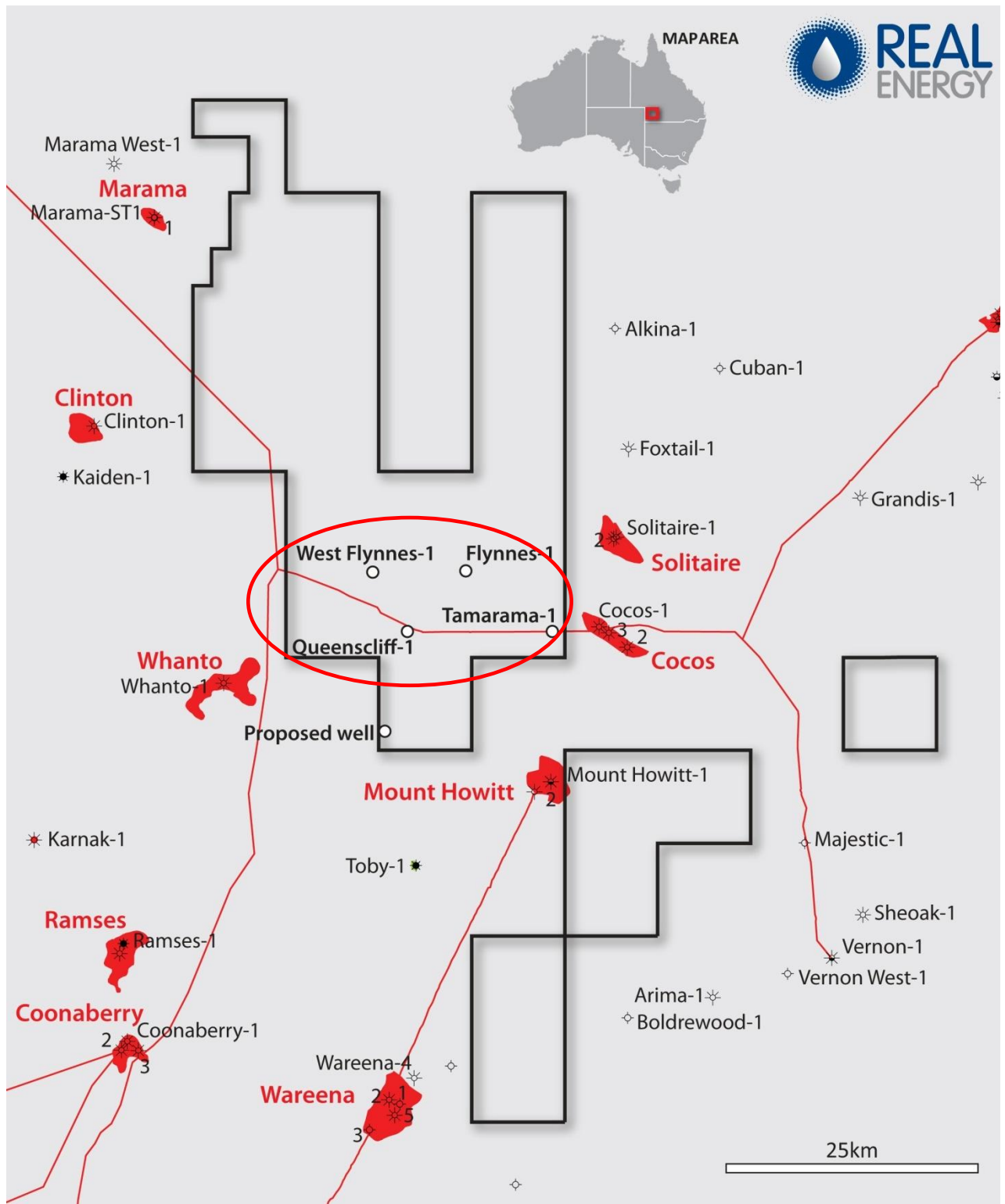


Figure 2 – Location of wells and ATP927P Permit

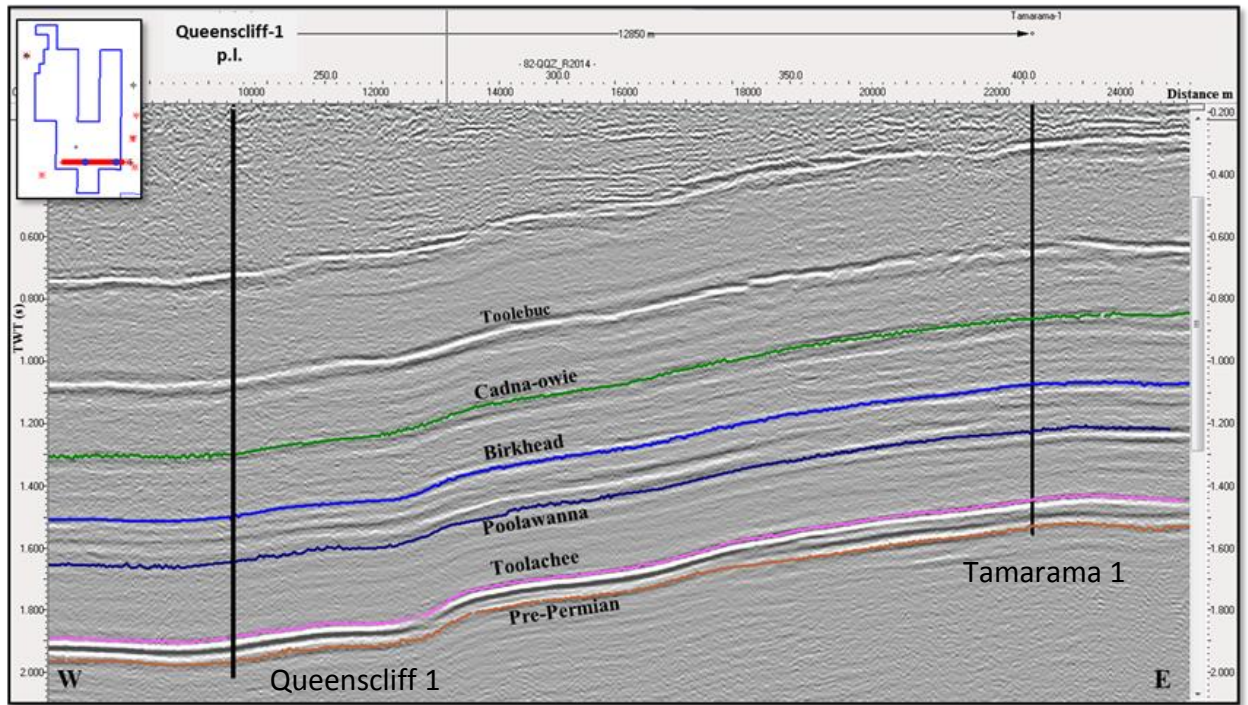


Figure 3 – Seismic Section with Proposed Tamarama-1 and Queenscliff-1 Locations