

# Questions and Answers with Scott Brown, Managing Director, Real Energy



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# “Real Energy’s MD Scott Brown discusses the results of Tamarama-1 with Proactive Investors”

Real Energy’s (ASX:RLE) managing director Scott Brown has spoken exclusively with Proactive Investors about the strong gas readings at the company’s maiden Tamarama-1 well, in the Queensland Cooper Basin ATP 927P.

PROACTIVE INVESTORS: Welcome Scott.

## **Can you tell us about the results of your maiden well Tamarama-1?**

SCOTT BROWN: We are delighted with Tamarama-1 well which had gas saturation throughout the Permian Toolachee and Patchawarra formations section ,over 165 meters, at the Tamarama-1 location. There were strong gas readings and there were numerous zones with log interpreted porosity greater than 8%, which is considered a conservative cut off for reservoirs to flow gas without any simulation. We have cased and suspended the well for future flow testing which is likely to take place in the first half of 2015.

The Toolachee and Patchawarra formations in Tamarma-1 were more extensive ( see attached Tamarama -1 Cross section) than the offset wells at Mount Howitt -2 and Cocos-1 which both had good flow rates.

## **In your announcement to the ASX you mention that you drilled Tamarama-1 outside structural closure. Can you explain what is the significant of this?**

SCOTT BROWN: Our geological team has reviewed all the geological data in the area and believes our acreage contains a continuous basin centred gas play which is lateral extensive over a wide area. The key point about Basin Centred Gas concept is that is not dependent on structure and gas is generally present in the centre or deeper parts of the basin in particular formations – in our case the Toolachee and Patchawarra – wherever you have these formations. This occurs in many basins throughout the world not

just the Cooper Basin. If the theory holds then gas should be present outside structural closure. Hence our program was designed to prove up this concept by deliberately drilling outside structural closure.

Real Energy's first well, Tamarama-1 was drilled outside any seismically mapped structural closure. We believe we are the first oil and gas player to deliberately drill outside structural closure in this part of the Cooper Basin. Tamarama-1 encountered gas saturated sandstones throughout the Toolachee and Patchawarra formations section. In addition wireline log interpretation indicates no moveable formation water present in these formations. These characteristics appear to firm up the hypothesis on the presence of basin centred gas in our acreage.

**Does the result of Tamarama-1 prove up Basin Centred Gas Concept ?**

SCOTT BROWN: The results of Tamarama-1 certain support the basin centred gas theory. While our geological team believes basin centred gas is the most likely geological explanation for the present of gas throughout the Toolachee and Patchawarra formations there could be other geological explanations to this. Hence our next well in the program, Queenscliff-1, is again outside structural closure, is designed to prove the basin centred gas theory beyond any doubt.

**If you can prove up Basin Centred Gas Concept, what is the potential in Real Energy's acreage?**

SCOTT BROWN: The Independent Geologist, AWT International estimated in Real Energy's prospectus that the gross mean petroleum initially in place for the Toolachee and Patchawarra in our acreage was 10.2 Tcf of gas. Hence if our geological concept is proven, this will be an extremely large gas accumulation.

**Will the company seek a farm-in partner to assist with exploration or seek to monetise the asset?**

SCOTT BROWN: Once Real Energy has completed this program and we have evaluated the results we will consider the best options for the Company

going forward. We will consider all options including whether we should seek a farm in partner.

**What is the next step in the company's exploration program following the success of the Tamarama-1 exploration well?**

SCOTT BROWN: Following the encouraging results at Tamarama-1, we will shortly commence drilling our second exploration well targeting basin centred gas, at Queenscliff-1. This well will further advance our knowledge of this exciting play within our acreage.

Queenscliff-1 is located approximately 12 kilometres west of Tamarama-1, and despite being a deeper well than Tamarama-1, both have a very similar seismic signature. We have great confidence that Queenscliff-1 will deliver similarly impressive gas readings.

**What is the timeline for the drilling of the Queenscliff-1 well? Can you also update on its key objectives?**

SCOTT BROWN: Real Energy has moved the drilling equipment from the existing Tamarama-1 site to Queenscliff-1 site and is currently rigging up in preparation so it can commence drilling. We anticipate that the Queenscliff-1 well will spud within the next few days.

The key objective is to test for the presence of gas in the Toolachee and Patchawarra in order to prove up basin centred gas.

Ends

# Tamarama -1 Cross Section

