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## **REAL ENERGY ENCOUNTERED GAS PAYS AT QUEENSCLIFF-1**

- Toolachee and Patchawarra Formations in Queenscliff-1 are gas saturated;
- Queenscliff-1 to be cased and suspended for future testing
- Log interpreted net pay of 67 metres over 154 metres gross Toolachee-Patchawarra interval
- Additional 10 metres net gas pay in Nappamerri Formation
- Queenscliff-1 strengthens the case for Basin Centred Gas.

**Sydney, 5 November 2014:** Cooper Basin focused oil & gas exploration company Real Energy Corporation Limited (ASX:RLE) ("Real Energy") is pleased to provide this report of its second exploration well, Queenscliff-1, in the Queensland Cooper-Eromanga Basin ATP 927P as following:

Since the last report the well was drilled to the total depth of 3,219 metres in the economic basement. 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 Queenscliff-1 location. The petrophysical evaluation, using standard 5% porosity cutoff for pay calculation of the basin centred gas play, indicates the well has encountered 32.5 metres of net sandstone gas pay (from gross 66.5 metres) in the Toolachee Formation and 34.8 metres of net sandstone gas pay (from gross 87.5 metres) in the Patchawarra Formation. In addition, the well also encountered 10 metres of net sandstone gas pay (from gross 30 metres) in the Triassic Paning Member of the Nappamerri Formation.

Queenscliff-1 is located approximately 668 metres downdip from Tamarama-1 and outside any seismically mapped structural closure. It is also 31 metres downdip from Whanto 1 to the west. Queenscliff-1 will be cased and suspended for future flow testing.

Managing Director of Real Energy Mr Scott Brown commented "This is an absolutely fantastic result. We have drilled 2 wells and received 2 great results. It appears that we have proven up Basin Centred Gas in our acreage. The Queenscliff-1 and Tamarama-1 wells were drilled to prove up the concept 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 from Tamarama-1 and Queenscliff-1, which appears to confirm our hypothesis on the presence of the Basin Centred Gas in this area. Queenscliff-1 was drilled in

the structurally low area of the Windorah Trough without any seismically mapped structural closure. Tamarama-1 and Queenscliff-1 successes have significantly advanced the play, and proved the continuous gas saturated Permian Toolachee and Patchawarra formations section is present in our acreage outside any structural closure. This is in the form of the continuous Basin Centred Gas play. The presence of gas saturated sandstone units in the basal part of the Nappamerri Formation and gas charged siltstone unit immediately overlying the Toolachee Formation at Queenscliff-1 location where there is no mappable structural closure at the Nappamerri level, also provides affirmative evidence on the presence of the Basin Centred Gas play similar to many basin centred gas areas in other sedimentary basins. It appears we have a very large gas accumulation in our acreage”.

Given the successful results in Tamarama-1 and Queenscliff-1 to date, Real Energy has decided to postpone the drilling of West Flynnes-1 to the next year when we will embark on a much larger drilling campaign and avoid any potential operational risks during the wet weather period. We will arrange for production testing of Tamarama-1 and Queenscliff-1 in the first half of next year.

The drilling program this year was about proof of concept. Next year we will design our drilling program to significantly increase the resource delineation. Details of the 2015 calendar year drilling program will be released to the market in due course.

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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.

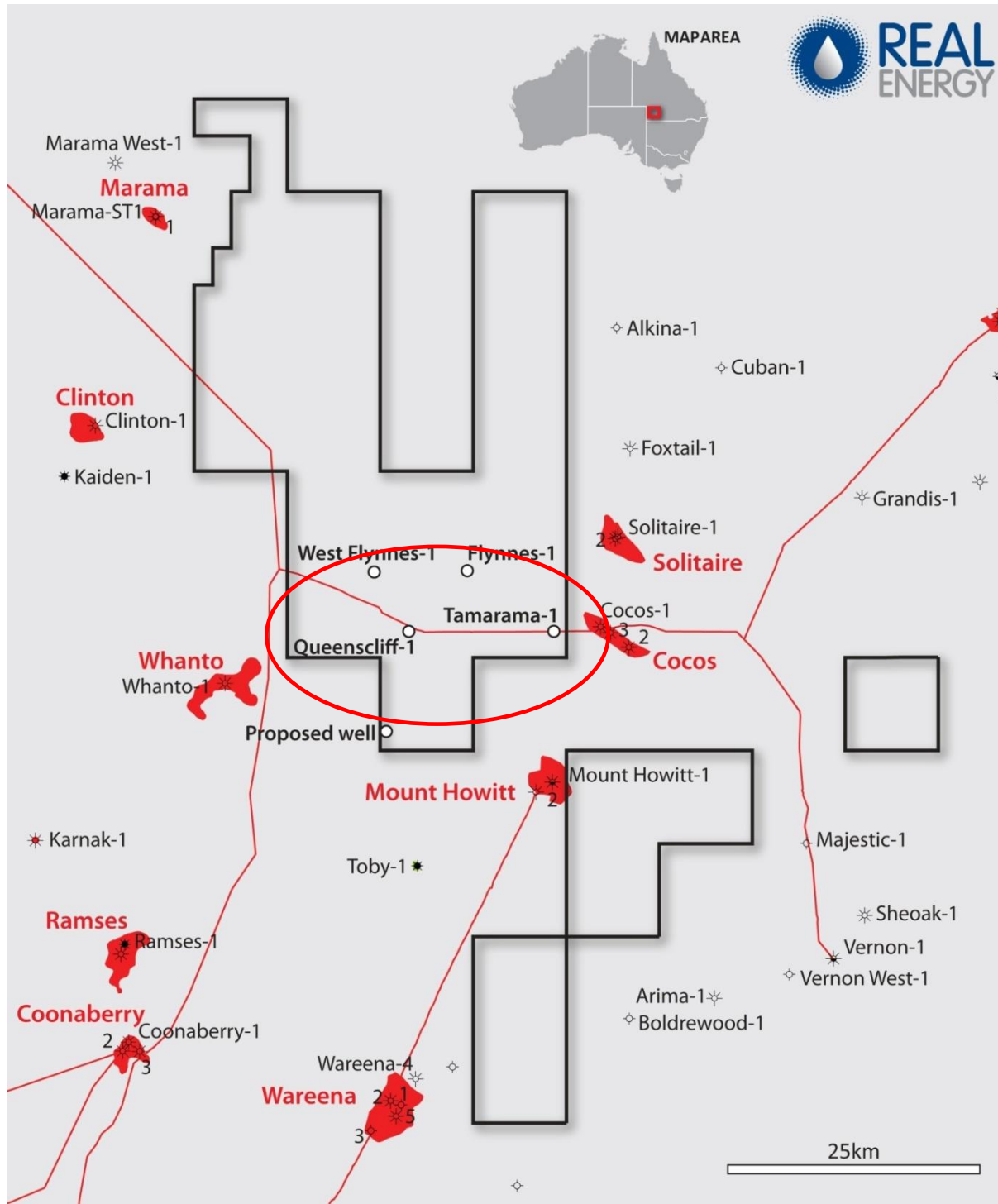


Figure 1 – Location of wells and ATP927P Permit

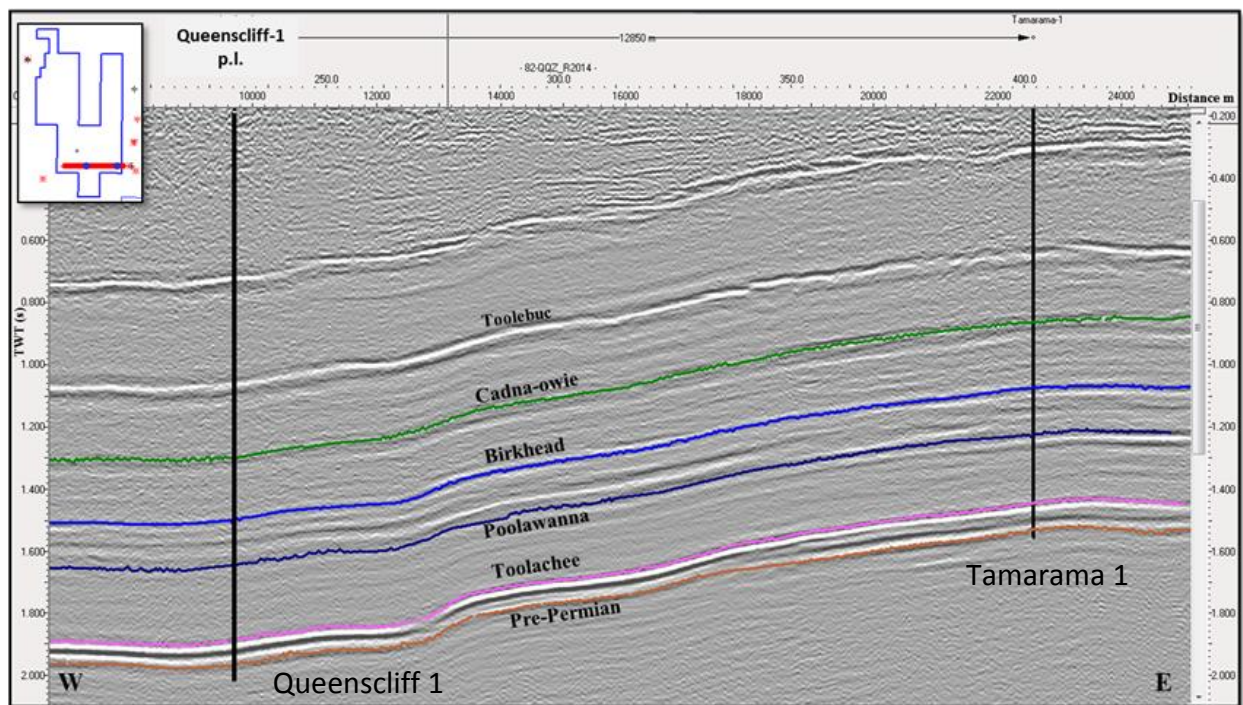


Figure 2 – Seismic Section with Proposed Tamarama-1 and Queenscliff-1 Locations