



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

## REAL ENERGY UPDATES GAS RESOURCE ESTIMATES

- **3C Gas Resource estimated greater than 1 Tcf for Tamarama-1 and Queenscliff-1;**
- **Tamarama-1 and Queenscliff-1 cased and suspended for future testing;**
- **Independent petroleum engineering firm to prepare a report on our gas resources;**
- **RLE continuing to assess potential farm-in partnerships and corporate deal opportunities**

**Sydney, 15 December 2014:** Cooper Basin focused oil & gas exploration company Real Energy Corporation Limited (ASX:RLE) ("Real Energy") is pleased to provide further details of its internal preliminary gas resource estimates of over 1 trillion cubic feet of gas (Tcf), as announced on 10 November 2014.

The internal estimates of contingent resources, as announced on the 10 November 2014 and calculated at that time, and are based on the area surrounding the two wells, Queenscliff-1 and Tamarama-1, contained within the exploration permit ATP927P. Discovery status is based on definition under the SPE/WPC Petroleum Resource Management System (PRMS) 2007 and Guidelines for Application of PRMS November 2011, whereby Tamarama-1 and Queenscliff-1 wells have actual evidence in the form of wireline logs and mudlog gas recordings that have demonstrated a "significant quantity of potentially moveable hydrocarbons".

The wireline and mudlog gas data in these two wells are similar to those log responses in the offset gas discovery wells Cocos-1 (located approximately 4 km east of Tamarama-1), and Mt Howitt-1 and Whanto-1 (located approximately 15km southeast and 17km west-southwest to Queenscliff-1).

The procedures used to estimate the 3C resources are based on common North American practice for resources of this type, with 168 wells surrounding the discovery well (total 169 wells) assuming drainage of 60 acres per well. Other reservoir parameters such as net pay thickness, average porosity and gas saturation are obtained from petrophysical evaluation comparable to offset discovery wells as mentioned above. A deterministic method was used to calculate the estimates.

Gas expansion factor is calculated using interpreted reservoir temperature and assumed pressure gradient from offset wells. The recovery factor is assumed to be 40% based on the overpressured reservoir (as in the offset wells and estimation from mud weight during the drilling) and similar basin centred producing reservoirs in North America.

The 3C resource can be converted into reserves after the production testing and lead to off-take agreements for gas sales. The reported contingent resources represent aggregated estimates by arithmetic

summation of contingent resources by categories for both Tamarama-1 and Queenscliff-1 wells. The internal resource estimates for both Tamarama-1 and Queenscliff-1 are:

Resource	Estimate Bcf (Billion cubic Feet)
1C	143
2C	666
3C	1,397

Real Energy Managing Director Scott Brown said: “We have been extremely pleased with the results from our first two wells, which have resulted in substantial resource estimates. We remain confident that there is significant scope to further grow this resource in 2015. ”

“We will be flow testing both Queenscliff-1 and Tamarama-1 in several zones in both the Toolachee and Patchawarra formations early in the new year. Once this is completed we will then engage an independent petroleum engineering firm to prepare a report on our gas resources. ”

“We are continuing to assess the potential for a farm-in partner or a corporate deal to assist with ongoing exploration and development, and we look forward to updating shareholders as we continue to progress towards our goal of developing a world class tier 1 gas project.”

**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](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 undertaken prior to the 2014 drilling program has assessed Real Energy's areas to contain a mean gross estimated total petroleum initially-in-place of 10.2 Tcf of gas in the Toolachee and Patchawarra formations.

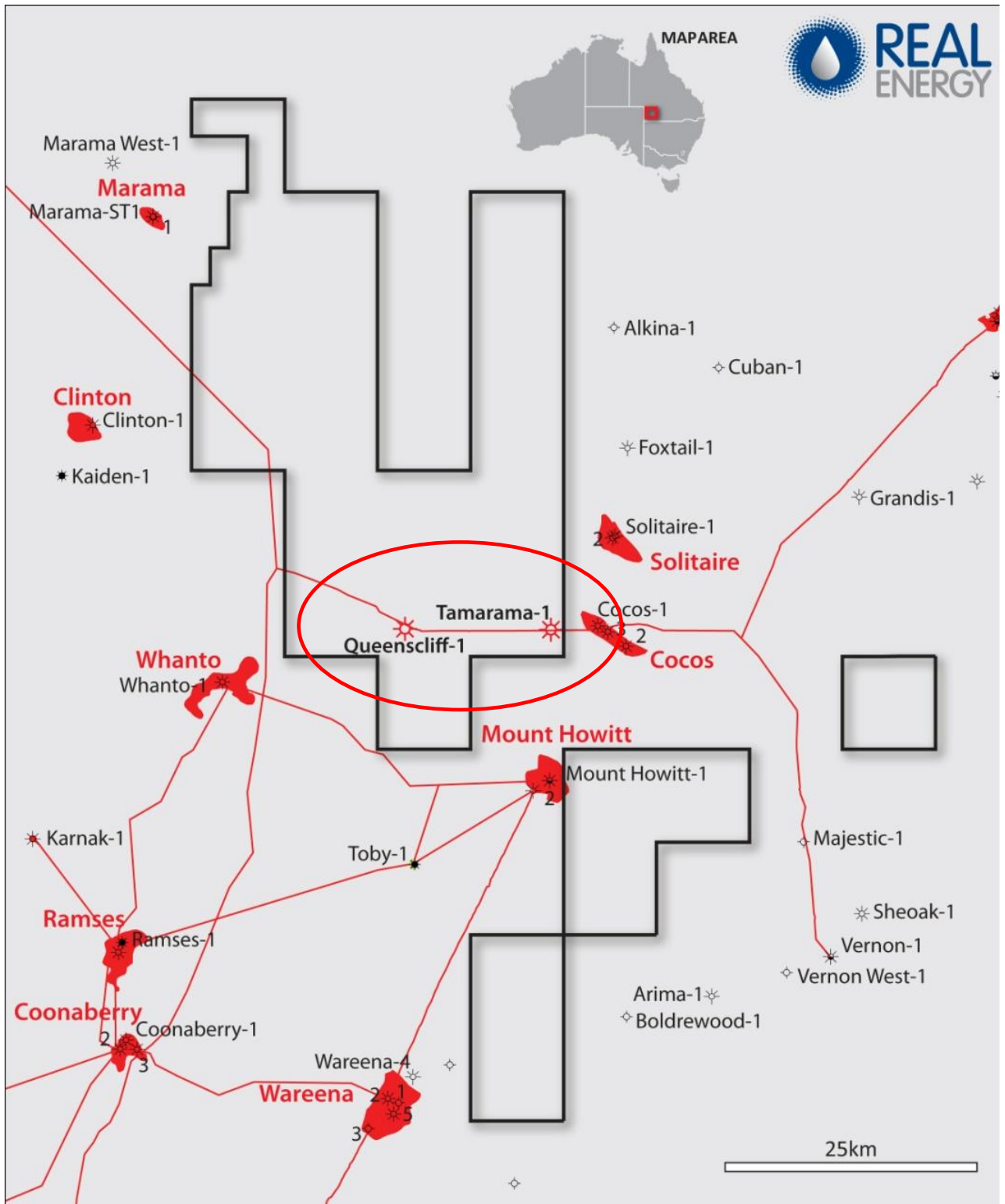


Figure 1 – Location of wells and ATP927P Permit

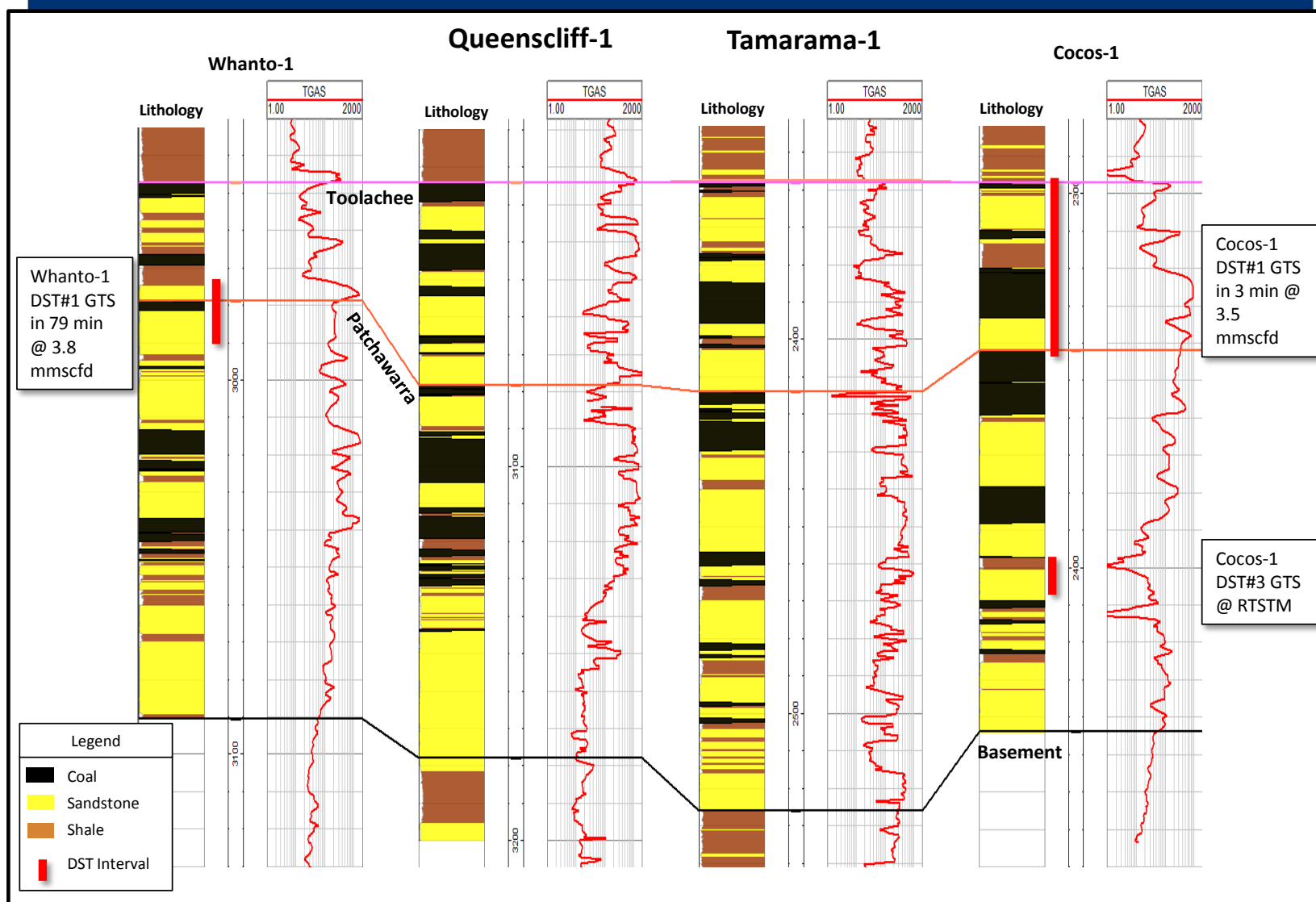


Figure 2 – Cross Section with Tamarama-1 and Queenscliff-1 compared to Whanto-1 & Cocos-1