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REAL ENERGY UPDATES TESTING AT TAMARAMA 1 & QUEENSCLIFF 1, COOPER BASIN

- **Flow Testing commences at Tamarama-1 & Queenscliff-1**
- **Initial flow without stimulation in one zone of Tamarama-1, the upper Patchawarra - 0.33 mmscfd;**
- **Real Energy well placed to unlock significant value in prospective Cooper Basin acreage**

Sydney, 24 February 2015: Cooper Basin focused oil & gas exploration company Real Energy Corporation Limited (ASX:RLE) ("Real Energy") is pleased to advise that completion and testing operations recently commenced on its maiden wells, Tamarama-1 and Queenscliff-1, located in the Cooper Basin.

The Company plans to complete and test several zones in each well, covering both the Patchawarra and Toolachee formations. At this stage, in Tamarama-1 the Patchawarra Formation has been perforated and tested, however the Toolachee formation is yet to be perforated and tested. Real Energy has not yet perforated any zones in Queenscliff-1, but is expected to move the workover rig to the site as soon as the ground conditions allow.

Real Energy provides the following information regarding its completion and testing program in ATP927P:

Tamarama-1: The well was completed and perforated over the lower and upper Patchawarra Formation sections.

- The upper Patchawarra Formation interval from 2432.5m to 2480.5m (29.5m net perforated intervals) was perforated and flow tested. On the clean-up flow the well flowed at a relatively stable rate of approximately 0.33 mmscfd through a 12/64" choke, with flowing pressure of approximately 436 psi. The well is currently shut-in for a pressure build-up test in order to obtain reservoir pressure data and other relevant reservoir properties. Gas samples were obtained from this upper Patchawarra Formation section for laboratory analysis, and field analysis of the gas sample indicates the gas contains approximately 9% CO₂ and no H₂S.
- The lower Patchawarra Formation interval from 2492.5m to 2522.0m (12m net perforated intervals) was perforated, but no formation fluids or gas was recovered to surface. It appears this log-interpreted gas charged interval is tight and would probably require fracture stimulation to flow.

- The Toolachee Formation log-interpreted gas charged interval from 2397m to 2422m will be completed and tested at a later date, following the conclusion of the testing and interpretation of the upper Patchawarra Formation section.

Queenscliff-1: The Company plans to complete and test the Patchawarra Formation section in this well as soon as ground conditions allow. It is expected that completion operations will resume within the next 2 weeks.

Commenting on the initial testing results in Tamarama-1, Real Energy's Managing Director Mr Scott Brown, said: "It is extremely encouraging that we have confirmed Tamarama-1 as a gas discovery well with gas flow to surface. The aim of drilling and testing of Tamarama 1 was to confirm the presence of moveable gas in the Toolachee and Patchawarra formations. Tamarama -1 was drilled outside structural closure and adds to the evidence confirming the basin centred gas play in this area.

The potential size of the basin centred gas play is very significant. Although it is early days, this is an important development for the unconventional basin centred gas play. While the flow rate is modest compared to a conventional reservoir play, from the perspective of unconventional basin centred gas play, this flow rate is very encouraging given it was achieved without the need for any fracture stimulation"

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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.

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 4 large permits in Queensland – ATP 917P, ATP 927P, ATP 1161PA & PLR2014-1-4. These permits cover 9,357 km² (2,312,114 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.

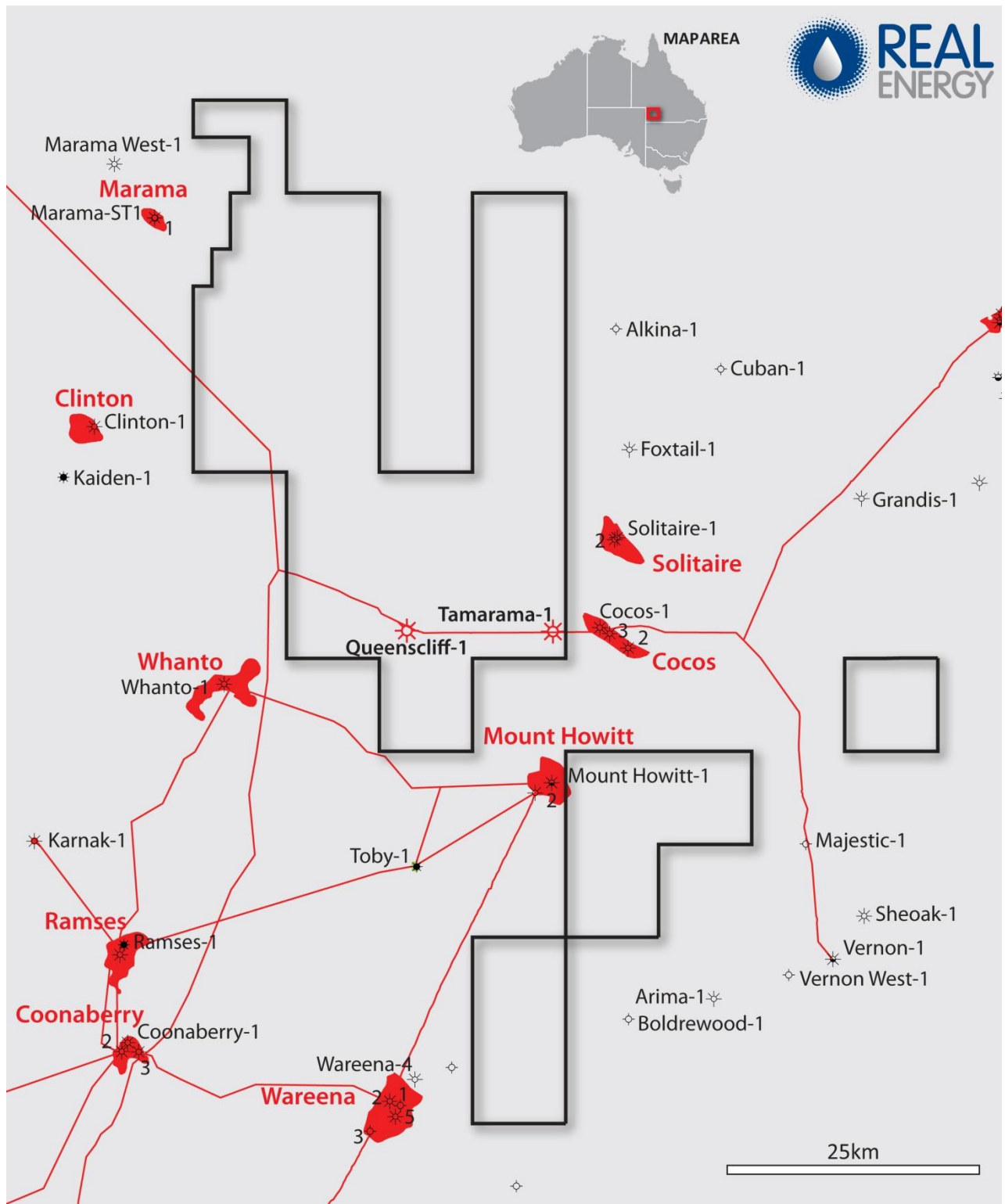


Figure 1 – Map of ATP927P with Tamarama-1 and Queenscliff-1 Locations