



# Discovering and developing Basin Centred Gas in the Cooper Basin

ASX: RLE

[www.realenergy.com.au](http://www.realenergy.com.au)

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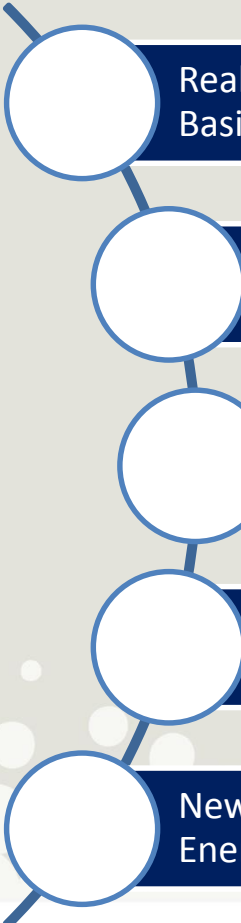
## Geological Information

*The geological information in this presentation 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.*



# Real Energy Summary

## Building a major oil and gas company in Australia's Cooper Basin



Real Energy controls over 9,357km<sup>2</sup> (2.3 million acres). All acreage is held 100% in the Cooper Basin, the premier location for unconventional exploration and production in Australia

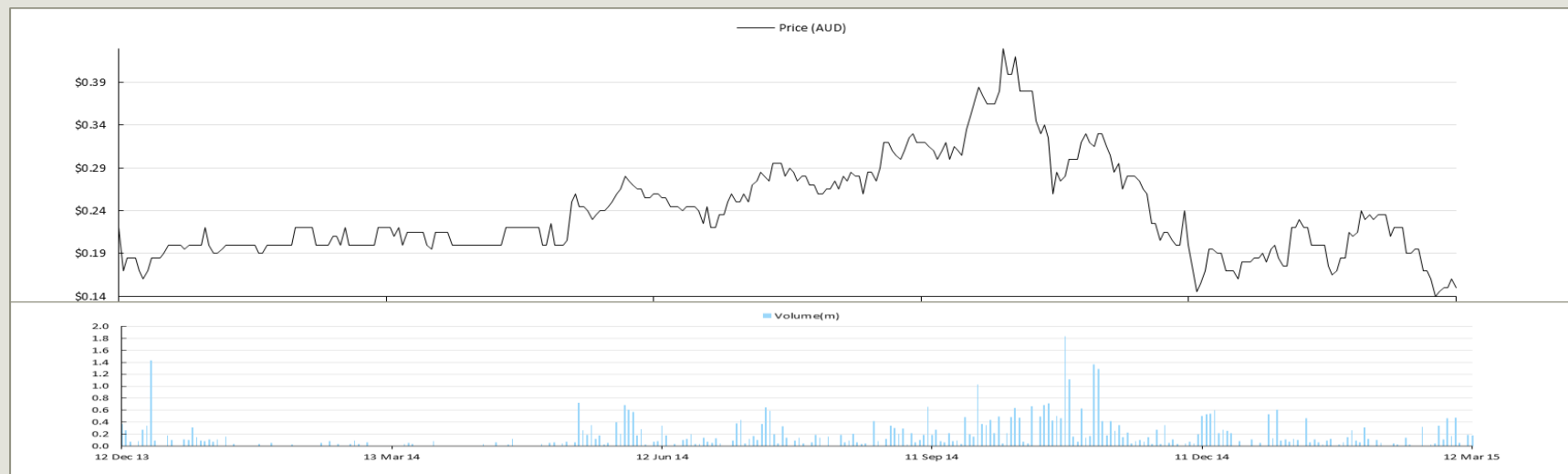
Real Energy is one of the few independent companies with significant exposure to the Cooper Basin - trades at less than A\$10/acre

Pursuing a basin-centred gas play, a lower-risk and higher-return prospect than shale

A major gas pipeline runs through Real Energy's acreage

New technology has unlocked huge potential for unconventional oil and gas in Australia with Real Energy having a strong technical and commercial team

# Corporate Snapshot



Substantial Shareholders	%
Och Ziff	14.38%
Scott Brown	14.06%
Lan Nguyen	11.11%
Sino Portfolio	9.34%

	Number of shares
Existing Shares on issue	183.5M
Market Capitalisation @ 15 cents	\$27.5M
Loyalty Options - Exercise Price at 30 cents <sup>1</sup>	46.0M
Investors Warrants <sup>2</sup>	27.5M
Directors Options <sup>3</sup>	7.0M
Broker Options <sup>4</sup>	5.0M
Total Options on Issue	85.5M
Cash Position as at 31 Dec 2014	\$7.9M

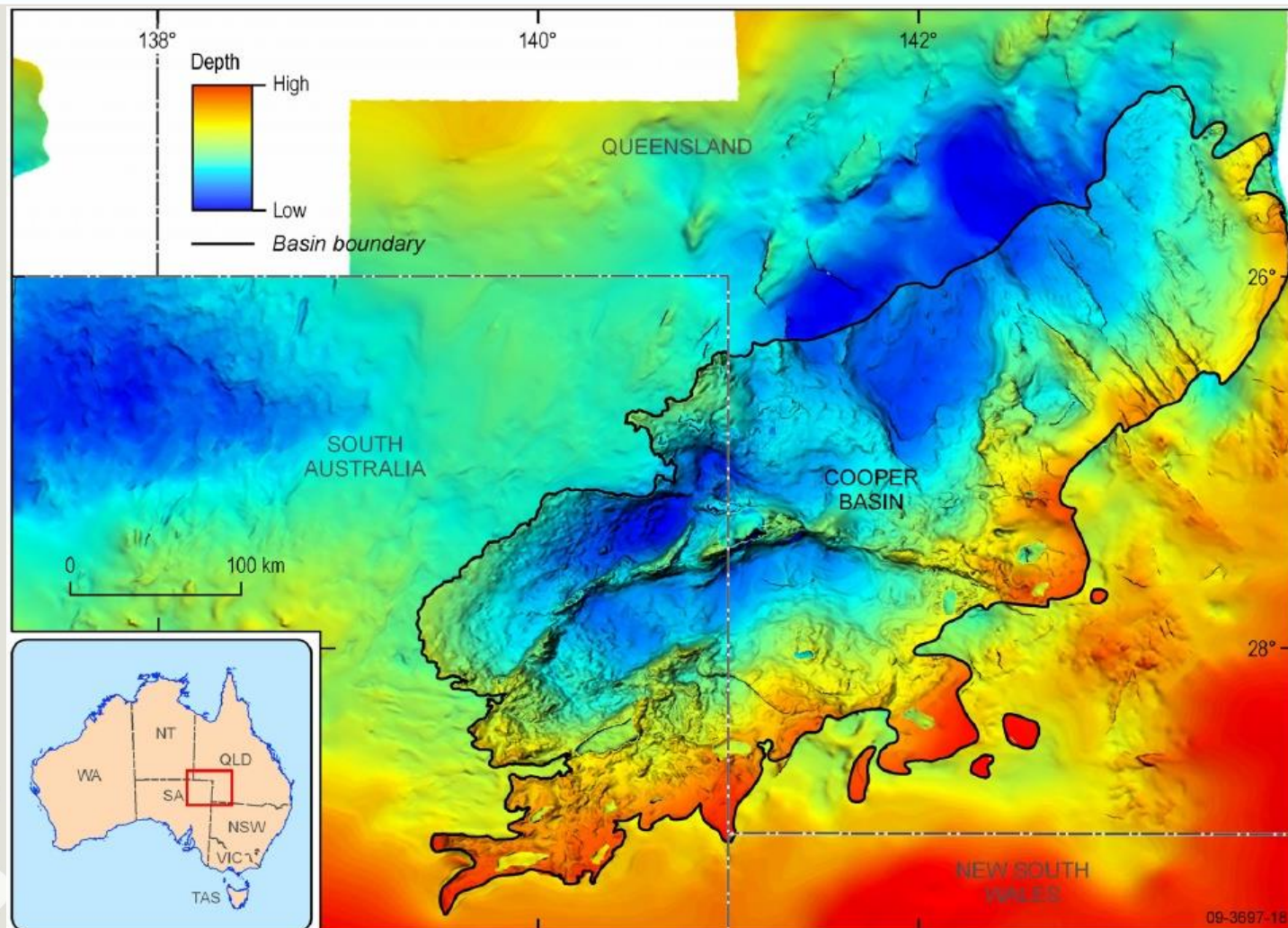
1. Loyalty Options provided investors hold the stock for 120 days post listing. Options expiry 31 May 2015
2. Warrants exercisable at 25 cents expiring 14 Oct 2016
3. 5 Million Unvested Director Options expiring 30 September 2016 with exercise price of 30 cents each and 2 Million vested Director Options expiring 30 September 2017 with exercise price of 30 cents each
4. 4 million Broker options expiring 3 years from the listing date at 34 cents and 1 million Broker Options expiring on 1 October 2017 with an exercise price of 50 cents each.





# The Cooper Basin: a major onshore Australian petroleum province

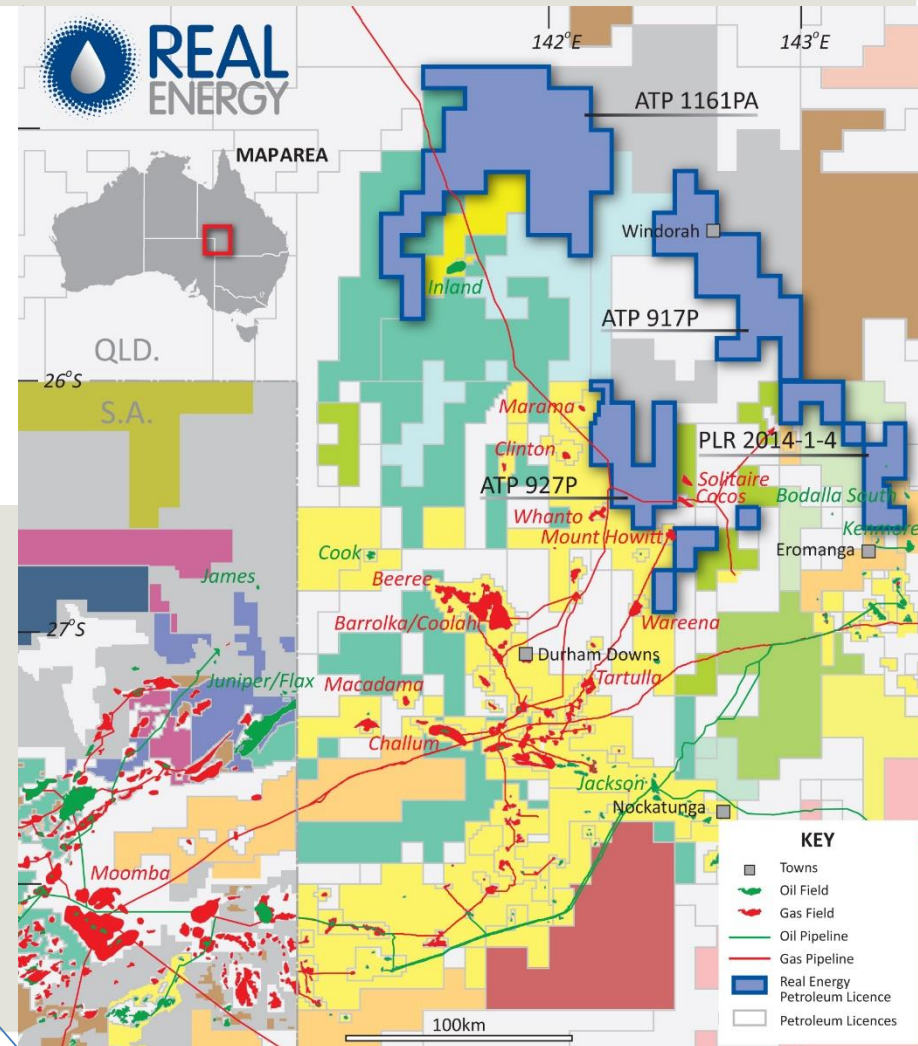
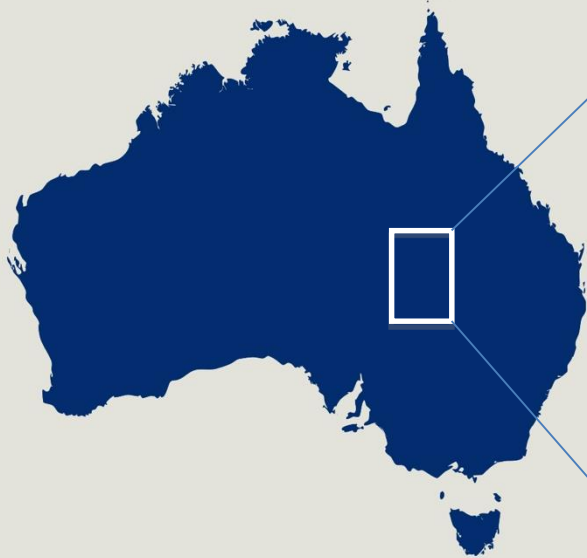
- ◆ A Late Carboniferous to Middle Triassic intracratonic basin.
- ◆ Total area >130,000 km<sup>2</sup>.
- ◆ Contains a number of major troughs, separated by narrow, sinuous structural ridges.
- ◆ Overlain by the Central Eromanga depocentre of the Early Jurassic to Late Cretaceous Eromanga Basin (1,000,000 km<sup>2</sup>).
- ◆ Over 3,000 petroleum wells have been drilled in the basin.
- ◆ Over 6Tcf natural gas and 300 MMbbls of oil & condensate have been produced to date.



- ◆ Surface of "P" (top Permian) seismic horizon is superimposed on a background surface of the 'Z' (Pre-Permian) seismic horizon (maps from NGMA).
- ◆ Map shows the relationship of the Permian Cooper Basin to the northwestern-offset Eromanga Basin depocentre, which has created a tilted Cooper Basin.

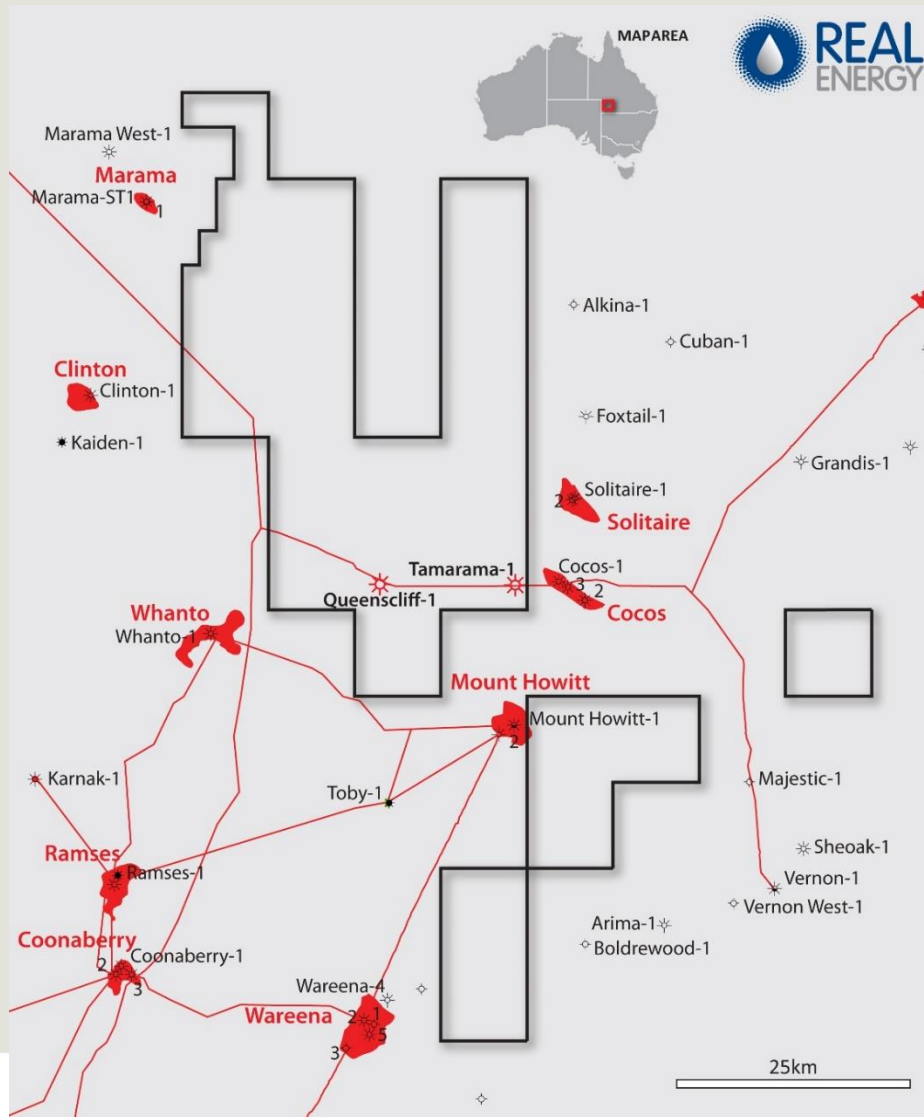
# Cooper-Eromanga – A World Class Location

## A 2.3 million acre land bank in the Cooper-Eromanga Basins



# Drilling Program – Gas Discoveries – De-risking the Play

- Drilled 2 exploration wells in ATP927P
  - Tamarama 1
  - Queenscliff 1
- As Proof of Concept Wells, both wells revealed strong gas levels and achieved successful outcome de-risking the play:
- Proven Basin Centred Gas Play
- Preliminary Internal Estimated Resource 3C for Tamarama 1 & Queenscliff 1 in excess of 1 Tcf versus pre drill estimate of 300 Bcf for 3 wells;



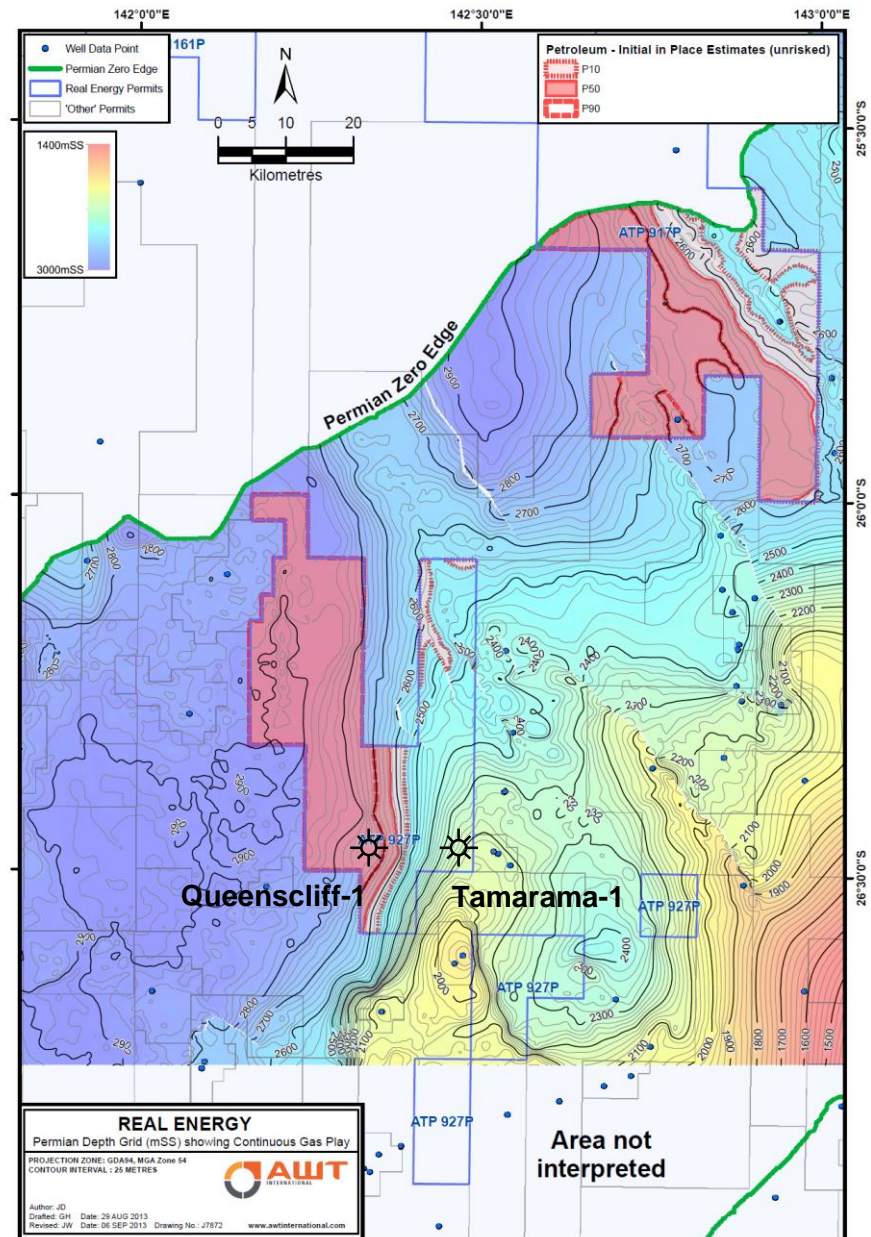


# Pre Drilling Resource Estimate

- A Significant Gross Petroleum-in-Place – initially in place - **Pre 2014 drilling program** – (estimated by AWT International<sup>1</sup>).
- 2.3 million net acres held 100% by Real Energy.

PERMIT	AREA	GROSS ESTIMATED PETROLEUM INITIALLY IN PLACE	
		Toolachee-Patchawarra	
	km2	Basin Centred Gas	
	km2	Mean	P10
		BCF	BCF
ATP 917P	2,171	4,500	9,500
ATP 927P	1,718	5,700	10,500
ATP 1161PA	4,425	-	-
PLR2014-1-4	1,043	-	-
<b>TOTAL</b>	<b>9,357</b>	<b>10,200</b>	<b>20,000</b>
Acres Total	2,312,165		

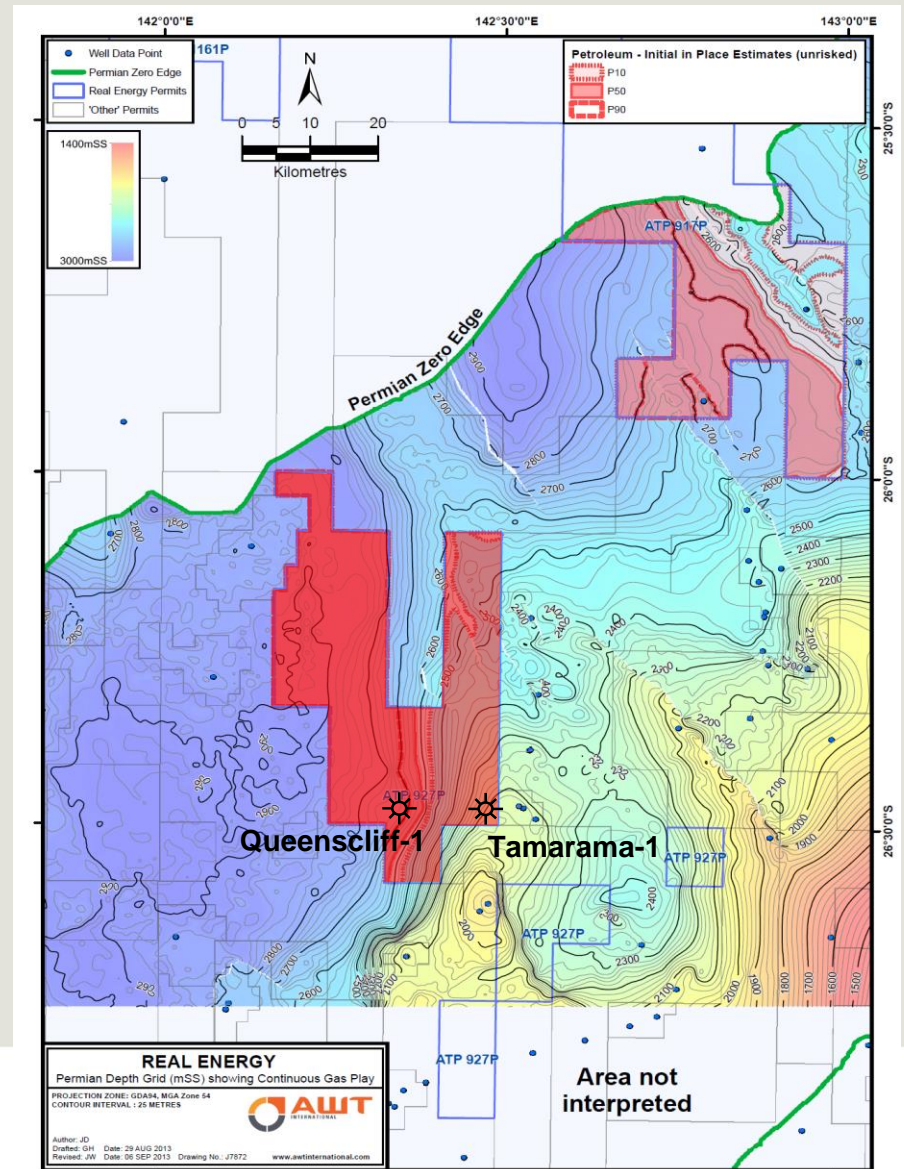
1. Source: Real Energy Corporation Limited's Prospectus dated 13 October 2013 – Section 10 Independent Geologist's Report.



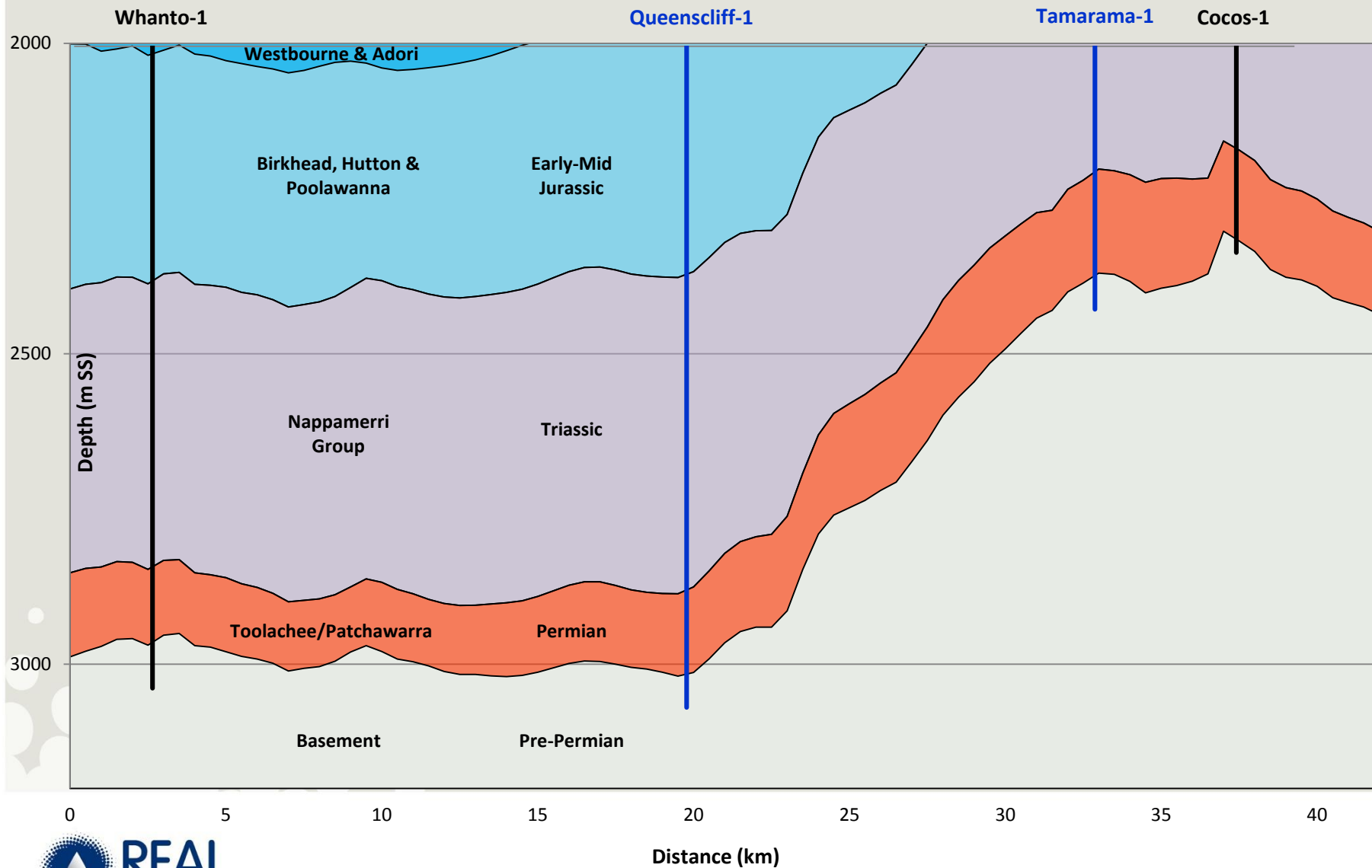


# Post Drilling Basin Centred Gas

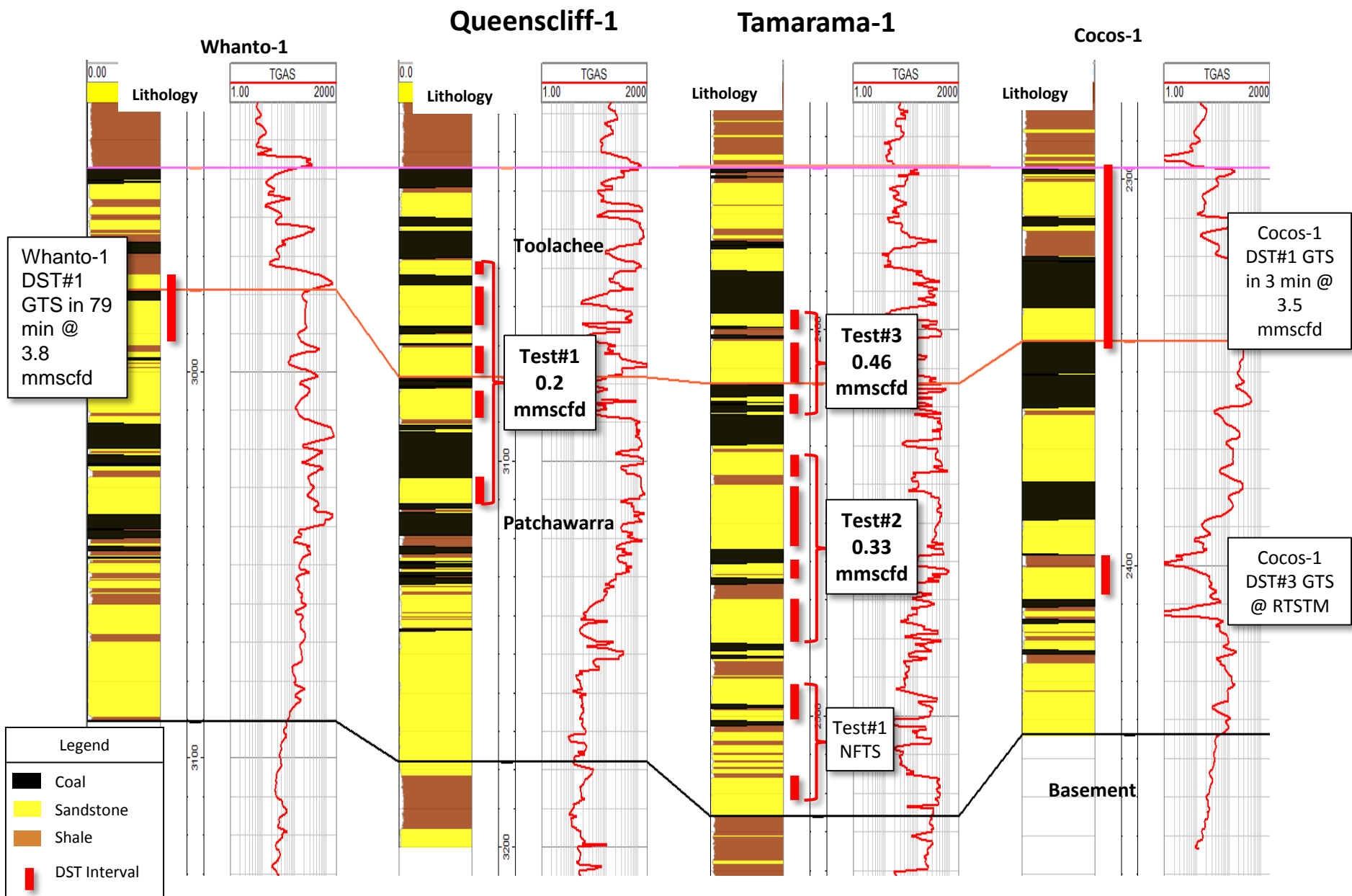
- Success of a gas discovery at Tamarama 1 well has opened up eastern side of the permit.
- RLE believe's all of the main block in ATP927P (including the eastern side of ATP927P) contains the basin centred gas play.
- AWT International previously did not include this in its calculation of Gross Petroleum-in-Place – initially in place for the Basin Centered Gas play.
- Focused on certifying resources in ATP927P based on the well results.



# Structural Cross Section



# Cross Section - Tamarama -1 & Queenscliff-1

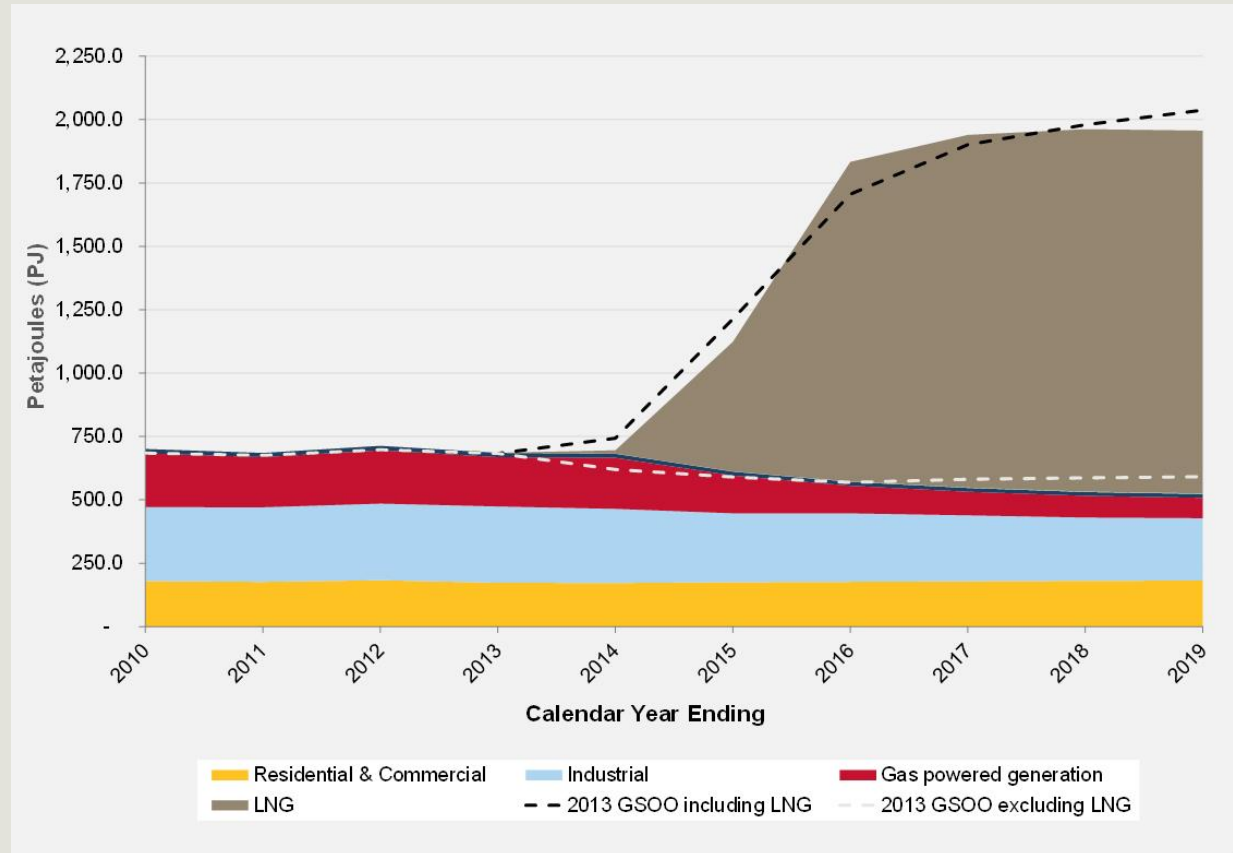




# Gas demand continues to grow

- LNG gas demand to dramatically outstrip domestic gas market.
- LNG operators are still looking for gas.
- Domestic demand to moderate - large uncontracted positions of many large users of gas.
- Gas prices expected to increase substantail from current levels.
- Cooper Basin well placed to meet looming shortfall.

East Coast Gas Demand (PJ)



1. Source : Energy Quest
2. AEMO

# Real Energy's Forward Program

## Short Term

- Certifying 3C (Proven, Probable and Possible) of in excess of **1 Tcf (Trillion Cubic Feet) of Recoverable Gas.**
- Negotiating Farm Out/ Partnership Agreement.
- Negotiating Gas Offtake or GSA.
- Appraisal Designing and Fraccing existing wells.

## Medium Term

- Real Energy's objective is to certify 3P (Proven, Probable and Possible) reserves in **excess of 2 Trillion Cubic Feet (TCF) of Gas.**
- Real Energy's aim is to develop a Tier one gas project in the Cooper Basin within the next 3 years.

# Directors



**Scott Brown, B. Bus, M. Com**  
**Managing Director and Founder**

Extensive background in finance and management of public companies and an experienced company director. Formerly CFO of **Mosaic Oil NL**, Director of Objective Corporation, Executive **with Allegiance Mining, Turnbull and Partners** and has also worked for **Ernst Young and KPMG**. Scott was instrumental in putting together a Scheme of Arrangement for AGL Energy Ltd to acquire Mosaic Oil for a consideration of \$142 Million. Currently Scott is Chairman of Ardent Resources Limited.



**Norman Zillman, B. Sc, B. Sc Hons**  
**Non Executive Director**

Professional geologist with more than 40 years experience in minerals, petroleum, coal, coal bed methane and geothermal exploration and production in Australia and internationally. Has held senior executive positions with **Crusader Limited, Beach Petroleum, Claremont Petroleum Limited** and was a founder and CEO of **Queensland Gas Company Limited**. He also founded Blue Energy Limited, Hot Rock Limited, Planet Gas Limited and Bandanna Energy Limited



**Lan Nguyen, B. Sc M. Sc**  
**Non Executive Chairman and Founder**

A geologist & engineer with an extensive technical & commercial background in the oil & gas sector and the management of public companies. Lan currently provides consulting services to energy & resources companies in Australia & Asia-Pacific region. Formerly an Executive Director & Managing Director of **Mosaic Oil N.L.**, and has also worked for **PetroVietnam**.



**Michael Mager, A.B. M.Phil**  
**Non Executive Director**

Michael is a partner at Ridge Road Partners, a firm that takes control positions in businesses across a range of industries including financials, energy, and logistics. Ridge Road's investing timeframe extends indefinitely and the firm is structured as a long-term investment partnership. Previously, he was a partner and fund manager at Ward Ferry Management, a Hong Kong- based asset management firm.



# Management & Senior staff



**Scott Brown, B. Bus, M. Com**  
**CEO and Founder**

Extensive background in finance and management of public companies and an experienced company director. Formerly CFO of Mosaic Oil, Director of Objective Corporation, Executive with Allegiance Mining, Turnbull and Partners and has also worked for Ernst Young and KPMG. Scott was instrumental in putting together a Scheme of Arrangement for AGL Energy Ltd to acquire Mosaic Oil for a consideration of \$142 Million. Currently Scott is Chairman of Ardent Resources Limited.



**Terry Russell, B.Sc PhD**  
**Exploration Manager**

Petroleum geologist with over 30 years industry experience that has included technical and management positions with successful operating and non-operating companies involved in petroleum exploration, development and production projects both within Australia and internationally. From May 2007 he held the position of Exploration Manager for Mosaic Oil NL, until the takeover by AGL in late 2010, during which period the company was actively involved in successful drilling and seismic acquisition projects in Queensland.



**Ron Holland B. Bus, MBA**  
**Company Secretary**

Over 20 years experience in the accounting and finance roles. Previous roles include accounting firms Arthur Anderson, Greenwood Challoner and NSP Buck. Ron has also served as CFO and Company Secretary for the Wentworth Holdings Limited.



**Ying Ou B. Arts, MBA**  
**Financial Controller**

Ying upon achieving MBA has to present 7 years experience of corporate accounting, joint ventures and finance in the Oil & Resources industry, including with Mosaic Oil & AGL. Previously held various administrative and management position in Hospitality sector in different countries such as USA & Switzerland.



**James Dingle**  
**Drilling Manager**

James has practical experience in both field operations and engineering design in a broad range of drilling, completion and production operations across conventional and unconventional. He has extensive experience with unconventional drilling, completion & production operations, conventional & underbalanced drilling & completion operations, horizontal/multi-lateral drilling & operations in many countries including Australia, Indonesia, UK, Ukraine, Turkmenistan, Russia, Romania.



**Daniela Garrad, B. Sc (Hons)**  
**Senior Geoscientist**

Daniela has over 25 years' experience as a geoscientist. She started as a seismic interpreter with Esso in the 1980s and has since worked diverse projects for large and small companies, most recently Sasol Petroleum International. In addition to Australia and New Zealand, she has worked on many international projects, including areas in SE Asia, the Middle East and Africa. Her experience includes everything from basin scale regional studies, exploration and detailed field evaluation and development. She is a member of PESA, the AAPG and the EAGE.

# Significant unlocked value in Cooper Basin assets

## Recent Cooper Basin Transactions

Buyer	Seller/Acquired	Size	Date	Value/Acre	Deal Type
BG	Drillsearch	\$120M	Jul-11	\$317.90	Farm In
Beach	Adelaide	\$110M	Jul-11	\$554.20	Acquisition
New Hope	Bridgeport	\$76M	Jul-12	\$296.11	Acquisition
Drillsearch	Acer Energy	\$143M	Oct-12	\$490.00	Acquisition
Chevron	Beach	\$350M	Feb-13	\$900.00	Farm In
Santos	Drillsearch	\$15M	Jul-13	\$790.00	Farm In
Santos	Drillsearch	\$120M	Jul-13	\$460.00	Farm In
New Standard Energy	Ambassador Energy	\$42.5M	Dec-13	\$136.22	Farm In
Origin	Senex Energy	\$252M	Feb-14	\$838.24	Farm In
Magnum Hunter/Drillsearch	Ambassador Energy	\$55.2M	Jun-14	\$184.00	Acquisition
Santos	New Standard Energy	\$40M	Oct-14	\$224.00	Acquisition

## Still a fraction of prices in good US basins

*Source : Company announcements and research*

- 💧 Acreage in the Cooper is now keenly sort after.
- 💧 Land prices are a still a FRACTION of US comparables. US land prices range from US\$5,000 - \$25,000/acre.
- 💧 Real Energy is the only junior in the Cooper Basin that still has 100% project ownership.

# Why Real Energy?

## SIGNIFICANTLY UNDERVALUED

- Trades at less than A\$10/acre or 6 cents per Gj, less than 1/5<sup>th</sup> of its peer group and a small fraction of US comps
- Interest in the basin is rapidly increasing with several recent corporate deals

## SUBSTANTIAL LAND POSITION

- Real Energy controls over 2.3M acres in the Cooper Basin
- All projects are 100%-owned

## LOWER RISK DEVELOPMENT STRATEGY

- Basin-centred gas (BCG) requires lower upfront capex than shale given lower cost wells
- Lower development risk as Real Energy has access to several BCG wells in close proximity

## HUGE RESOURCE POTENTIAL

- AWT **pre drill** estimates gas in place of over 10.2TCF in Real Energy's acreage
- Real Energy's current market capitalisation does not reflect the enormous value potential

## EXCELLENT TEAM

- Management team with experience building an oil and gas company and selling it to a major
- First-class investor base, including Och Ziff



# Contact Information

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