



REAL ENERGY

June 2015 Quarterly Report

HIGHLIGHTS

- **Independently Certified Prospective Total Mean Gas in Place in ATP927P increased by more than 141% to 13.76 TCF.**
- **Independently Estimated Total Mean Prospective (Recoverable) Gas Resources of 5.48 TCF in ATP927P.**
- **Maiden Independently Certified 3C Contingent Gas Resources of 672 BCF in addition to the Prospective Resources.**
- **Independently Certified 2C Contingent Gas Resources of 276 BCF.**

Real Energy Corporation Limited (ASX: RLE and Real Energy) is pleased to provide shareholders with the Quarterly Report for the quarter ended 30 June 2015. During the quarter, the Company continued to progress exploration work at its major projects in the Cooper Basin.

Exploration

On 21 July 2015, the Company announced the upgrading of its gas resources in ATP927P following an independent review of the gas discoveries at both Tamarama-1 and Queenscliff-1.

The resources upgrade follows the successful drilling and testing program undertaken by the company during the 2015 financial year, with the prospective OGIP resources for ATP927P effectively increasing by more than 141% to 13.761 TCF (or 13,761 BCF) from pre-drilled estimates of 5.7 TCF.

The estimates of contingent gas resources and unconventional prospective gas resources in ATP927P have been independently certified by DeGolyer and MacNaughton, a leading international petroleum industry consulting firm.

Real Energy Corporation Limited

ASX: RLE

Real Energy is an oil and gas exploration and development company with a focus on the Cooper basin, Australia's most prolific conventional onshore petroleum producing basin. Real Energy has 100% ownership in 4 large permits in Queensland being ATP 917P, ATP 927P ATP 1161PA and PLR 2014-1-4. These permits cover 9,357s km² (2,312,114 acres).

Real Energy is focusing initially on the Toolachee and Patchawarra formations. These formations are well known throughout the basin as holding and producing gas. Seismic has identified that the Toolachee and Patchawarra formations are significant in part of our acreage. Subsequent to successful drilling & testing of 2 exploration wells in 2014, the Company has Independently Certified 3C Contingent Gas Resources of 672 BCF and a Mean Prospective Gas Resources of 5,483 BCF in the Toolachee and Patchawarra formations within ATP 927P.

Directors

Lan Nguyen – Chairman Non executive
Scott Brown – Managing Director
Norm Zillman – Non executive
Michael Mager – Non executive

Corporate Office

Level 3, 32 Walker Street
North Sydney NSW 2087
Tel: + 61 2 9955 4008
www.realenergy.com.au
admin@realenergy.com.au



Contingent Resources

The estimates of contingent resources are based on the area surrounding the two successful gas wells, Queenscliff-1 and Tamarama-1, located within the exploration permit ATP927P, Windorah Trough, Cooper Basin. Discovery status is based on the definition under the SPE/WPC Petroleum Resource Management System (PRMS) 2007. A summary of the gross estimates of contingent gas resources for ATP927P is provided below:

Resources Category	Bcf (Billion Cubic Feet)
1C	77
2C	276
3C	672

Prospective Resources

In addition to the Contingent Resources, the mean gross prospective natural gas resources for ATP927P are:

Resources Category	Bcf (Billion Cubic Feet)
Prospective OGIP Resources	13,761
Prospective Recoverable Gas Resources	5,483

During the quarter, the Company conducted geomechanical and frac studies that indicated the gas resources can be commercially developed. It was recommended that a 5 stage frac in both Tamarama-1 and Queenscliff-1 wells would be optimal. The Company is currently running a tender process for potential contractors for the fraccing.

Corporate

During the quarter the Company signed a Letter of Intent (LOI) with Incitec Pivot (IPL) for the supply of gas from its gas project in the Windorah Trough in the Cooper Basin. The LOI is a first step on the path to a binding GSA (Gas Sales Agreement). The key terms were a 10 year gas sale agreement for 110Pj. IPL also agreed to provide \$35M towards the development of the gas project.

At 30 June 2015, Real Energy had \$3.7 million in cash. Real Energy has lodged a claim for R & D Tax Incentive for the year ended 30 June 2014 and has received a refund of \$458,000 in July 2015. The Company also intends to lodge a claim for the 2015 financial year and expects a refund of approximately \$5.8 Million, although noting that the R&D claim is subject to acceptance by AusIndustry and the ATO.

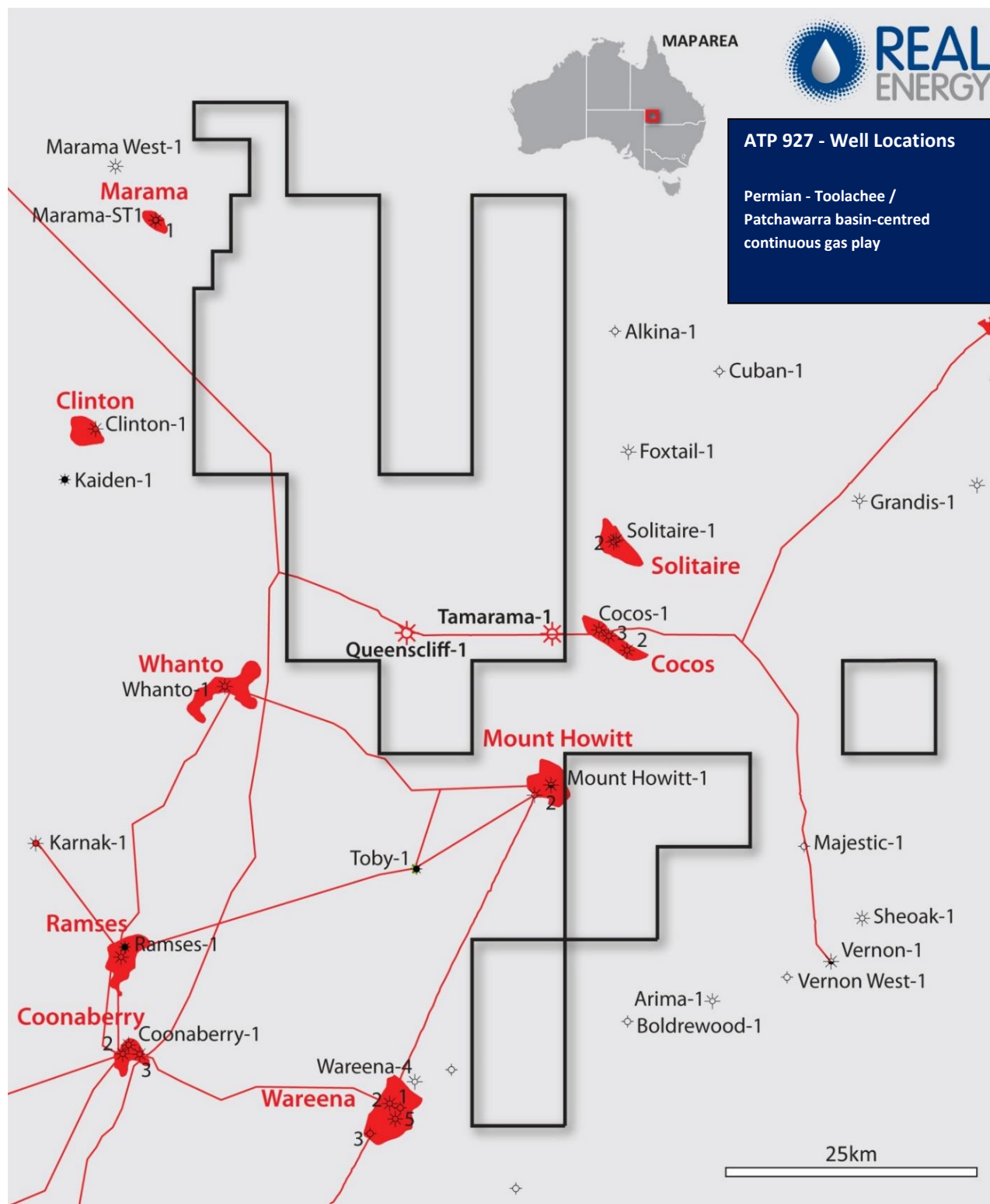
At the end of the quarter the total number of ordinary fully paid shares on issue was 183,488,033.

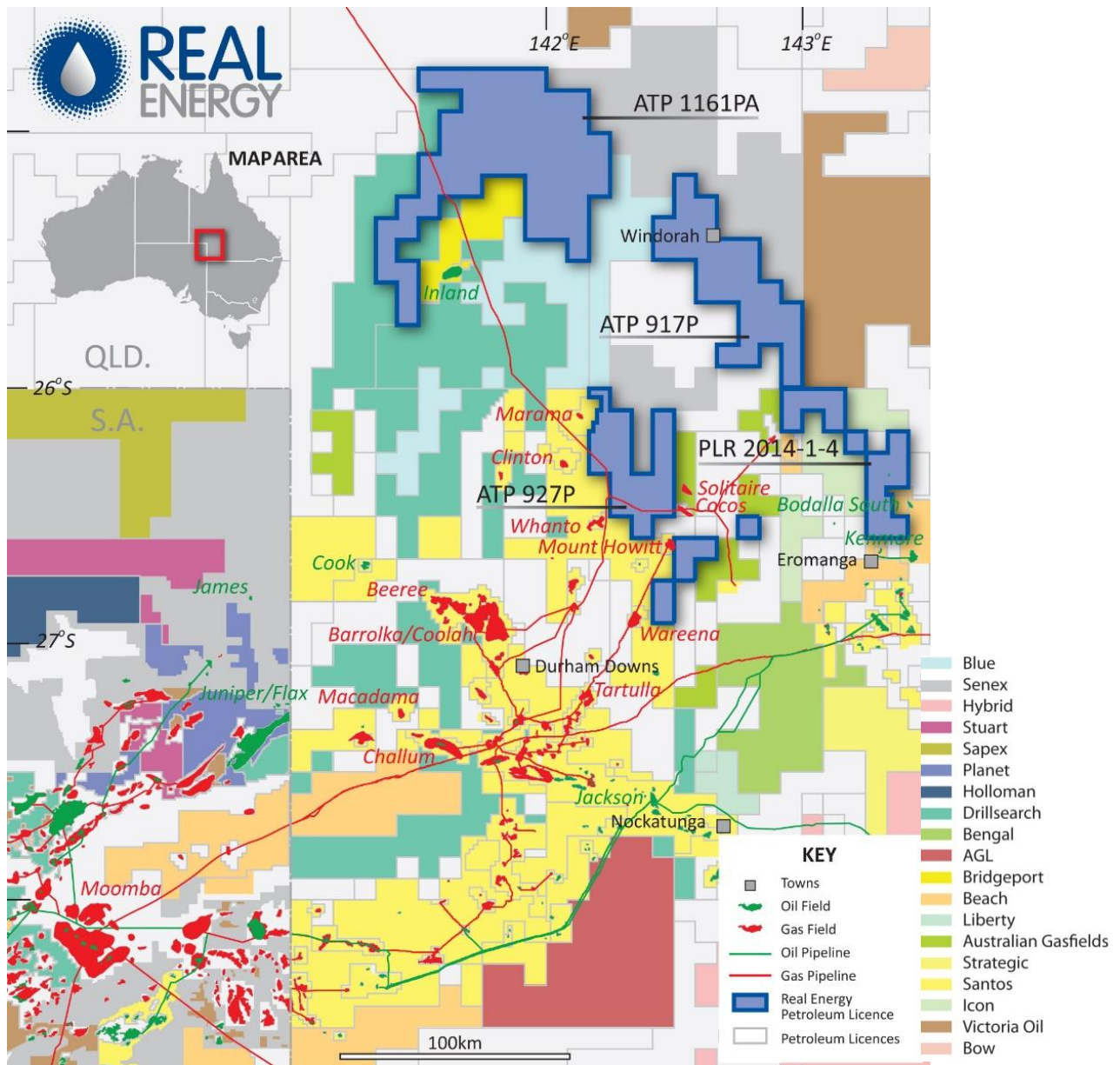
Tenement Schedule



Permit	RLE ownership %	Location
ATP917P	100	Cooper Basin, South West Queensland
ATP927P	100	Cooper Basin, South West Queensland
ATP1161PA	100	Cooper Basin, South West Queensland
PLR 2014-1-4	100	Cooper Basin, South West Queensland

There have been no changes to the Company's ownership position in the above tenements during the quarter.





Map of Real Energy's Permits

The geological information in this report 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.

For further information please contact:

Mr Scott Brown

Managing Director

Telephone +61 (0) 2 9955 4008 or admin@realenergy.com.au

Or visit our website at www.realenergy.com.au

On our website you can register for email alerts.

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Real Energy Corporation Limited

ABN

92 139 792 420

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) corporation & administration	(89)	(1,262)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	82	252
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(7)	(1,010)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) exploration & development	(1,963)	(12,736)
	(c) other fixed assets	-	(10)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	(1,963)	(12,746)
1.13	Total operating and investing cash flows (carried forward)	(1,970)	(13,756)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,970)	(13,756)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	5,001
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (fund raising expenses)	-	(300)
	Net financing cash flows	-	4,701
	Net increase (decrease) in cash held	(1,970)	(9,055)
1.20	Cash at beginning of quarter to date	5,658	12,742
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	3,688	3,688

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	142
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Payment of Directors fees/Salaries & consultant fees \$142,000

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	550
4.2 Development	-
4.3 Production	-
4.4 Administration (net of interest)	250
Total	800

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3,688	5,658
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,688	5,658

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities (description)	Nil	Nil		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil	Nil		
7.3 +Ordinary securities	183,488,033	137,688,833	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil	Nil	Nil	Nil
7.5 +Convertible debt securities (description)	Nil	Nil	Nil	Nil

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	<i>Option numbers:</i> 5,000,000 - 27,500,000 - 4,000,000 - 2,000,000 - 1,000,000 - Total 39,500,000		<i>Exercise Price</i> 30 cents 25 cents 34 cents 30 cents 50 cents	<i>Expiry Date & Condition</i> 30 September 2016 14 October 2016 11 December 2016 30 June 2017 1 October 2017
7.7	Options (description and conversion factor)	<i>Option numbers:</i> 5,000,000 - 27,500,000 - 4,000,000 - 2,000,000 - 1,000,000 - Total 39,500,000		<i>Exercise Price</i> 30 cents 25 cents 34 cents 30 cents 50 cents	<i>Expiry Date & Condition</i> 30 September 2016 ¹ 14 October 2016 11 December 2016 30 June 2017 1 October 2017
7.8	Issued during quarter	Nil	Nil	Nil	Nil
7.9	Exercised during quarter	Nil	Nil	Nil	Nil
7.10	Expired during quarter	720,000 - 17,800,256 - 28,239,750 - Total 46,760,006		30 cents 30 cents 30 cents	30 June 2015 31 May 2015 31 May 2015
7.11	Debentures (totals only)	Nil			
7.12	Unsecured notes (totals only)	Nil			

¹ Options are subject to escrow, vesting and forfeiture conditions.

² Options were forfeited as the vesting conditions were unable to be met.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does ~~/does not~~* (delete one) give a true and fair view of the matters disclosed.

Sign here: 
Director/~~Company secretary~~
Print name: Scott Brown

Date: 31/07/2015

+ See chapter 19 for defined terms.

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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