



# REAL ENERGY

## Dec 2015 Quarterly Report

### HIGHLIGHTS

- Continuing to work on proving up its gas resource in the Windorah Trough.
- Received R & D Tax Incentive Payment during the quarter of \$5.8M.
- Successfully completed a capital raising of \$2.6 Million before costs.
- Halliburton Australia to undertake fracture stimulation services at the company's Tamarama-1 well
- Ongoing discussions for financing and offtake arrangements.

Real Energy Corporation Limited (ASX: RLE and Real Energy) is pleased to provide shareholders with the Quarterly Report for the quarter ended 31 December 2015. During the quarter, the Company continued to progress exploration work at its major projects in the Cooper Basin.

### Exploration

Real Energy expects to commence the five stage fracture stimulation program in the Toolachee-Patchawarra formation sections at depth below 2,300m in Tamarama-1 during the March 2016 Quarter, subject to weather conditions. The Company has contracted Halliburton Australia to undertake the stimulation program and also ordered the necessary equipment required.

During the quarter 3 wells were drilled in the adjoining block in the Windorah Trough - Whanto East-1, Cougar East-1 and Whanto West-1. All wells drilled were reported as gas discoveries and cased and suspended as future gas producers.

### 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 3 large permits in Queensland being ATP 917P, ATP 927P and PLR 2014-1-4.

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 – Non Executive Chairman  
Scott Brown – Managing Director  
Norm Zillman – Non Executive Director

### Corporate Office

Level 3, 32 Walker Street  
North Sydney NSW 2087  
Tel: + 61 2 9955 4008  
[www.realenergy.com.au](http://www.realenergy.com.au)  
[admin@realenergy.com.au](mailto:admin@realenergy.com.au)



Beach Energy Limited (ASX: BPT) reported that Whanto West-1 was deliberately drilled outside closure to test a basin centred gas or stratigraphic play. The discovery indicates potential for an extensive gas accumulation and a new play in the area, with studies to be undertaken to define this play.

Beach Energy Limited (ASX: BPT) also reported that the broader 2015 Windorah-Marama development project included well head connections in the Whanto, Mt Howitt and Toby fields to the existing Coonaberry gathering system. This allowed existing stranded fields to be brought online and provides connections for wells from recent campaigns. Pipelines associated with the Windorah-Marama development project have been completed, with four wells connected and flowing gas. Initial flow rates from these wells are exceeding flow rates expected from the initial eight well connection program.

### Corporate

On 31 December 2015 Real Energy had \$10.7 million in cash. During the December Quarter, the company also received an R & D Tax Incentive of \$5.8 million for the year ended 30 June 2015. The Company also raised \$2.6 million before costs in a placement of 20.8 million new shares at 12.5 cents each.

At the end of the quarter the total number of ordinary fully paid shares on issue was 204,288,033.

### Tenement Schedule

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

During the quarter the Company advised the Queensland Government that it did not wish to proceed with the grant of ATP1161PA. Apart from this, there have been no changes to the Company's ownership position in the above tenements during the quarter.

### 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 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

Both Contingent Resources and Unconventional Prospective Resources estimates in ATP927P have been independently certified by DeGolyer and MacNaughton, a leading international petroleum industry consulting firm.

*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:

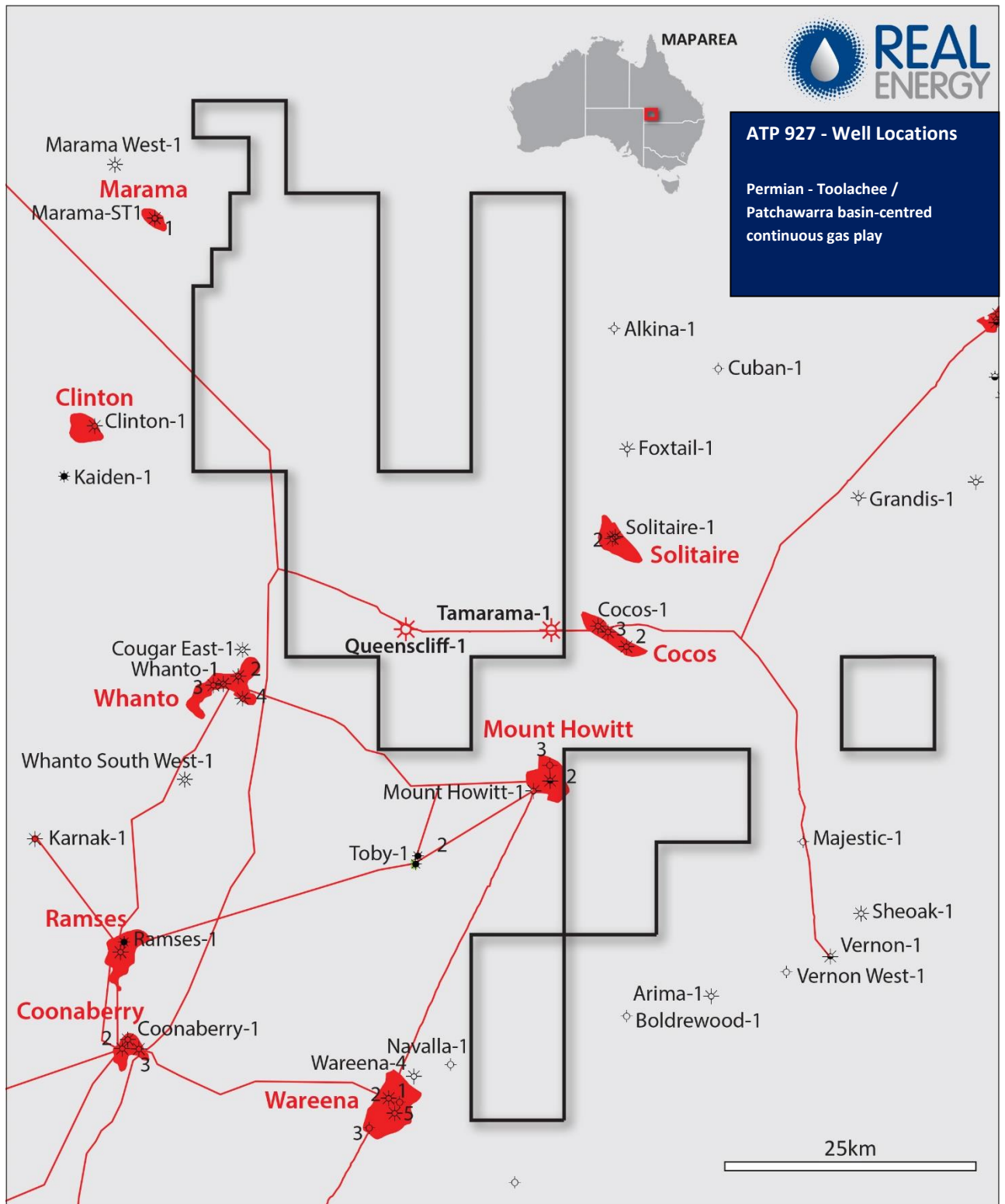
**Mr Scott Brown**

**Managing Director**

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

Or visit our website at [www.realenergy.com.au](http://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")

31 December 2015

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (6 months) \$A'ooo
1.1	Receipts from product sales and related debtors	2	3
1.2	Payments for (a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) corporation & administration	(414)	(737)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	58	75
1.6	Income taxes paid	5,862	6,320
1.7	GST Refund	-	75
	<b>Net Operating Cash Flows</b>	<b>5,508</b>	<b>5,736</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) exploration & development	(217)	(1,095)
	(c) other fixed assets	-	-
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)	-	-
		(217)	(1,095)
	<b>Net investing cash flows</b>		
1.13	Total operating and investing cash flows (carried forward)	5,291	4,641

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	5,291	4,641
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	2,600	2,600
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)	(176)	(176)
	<b>Net financing cash flows</b>	<b>2,424</b>	<b>2,424</b>
	<b>Net increase (decrease) in cash held</b>	<b>7,715</b>	<b>7,065</b>
1.20	Cash at beginning of quarter to date	3,038	3,688
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	<b>10,753</b>	<b>10,753</b>

### 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	126
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 129

### 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

- 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	2,500
4.2 Development	-
4.3 Production	-
4.4 Administration (net of interest)	250
<b>Total</b>	<b>2,750</b>

### 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	10,753	3,038
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>10,753</b>	<b>3,038</b>

+ 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 <b>Preference + securities</b> (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 <b>+Ordinary securities</b>	204,288,033	204,288,033	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	20,800,000	20,800,000	12.5 cents	12.5 cents
7.5 <b>+Convertible debt securities</b> (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	Option numbers:		Exercise Price	Expiry Date & Condition
7.7	<b>Options</b> (description and conversion factor)	Option numbers:  5,000,000 27,500,000 4,000,000 2,000,000 1,000,000 2,000,000 2,000,000 <b>Total 43,500,000</b>	- - - - - - -	30 cents 25 cents 34 cents 30 cents 50 cents 15 cents 20 cents	30 September 2016 14 October 2016 11 December 2016 30 June 2017 1 October 2017 9 September 2017 9 September 2017
7.8	Issued during quarter	2,000,000 2,000,000	- -	15 cents 20 cents	9 September 2017 9 September 2017
7.9	Exercised during quarter	Nil	Nil	Nil	Nil
7.10	Expired during quarter	Nil	Nil	Nil	Nil
7.11	<b>Debentures</b> (totals only)	Nil			
7.12	<b>Unsecured notes</b> (totals only)	Nil			

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

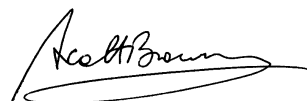
2 Options were forfeited as the vesting conditions were unable to be met.

## 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:



Date: 29/01/2016

Director/~~Company secretary~~

Print name: Scott Brown

+ 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.

== == == == ==

---

+ See chapter 19 for defined terms.