



March 2016 Quarterly Report

HIGHLIGHTS

- **Continuing to work on proving up its gas resource in the Windorah Trough**
- **Halliburton Australia to undertake fracture stimulation services at the company's Tamarama-1 well**
- **Ongoing discussions for financing and offtake arrangements**
- **Well funded with \$10.1 million as at 31 March 2016**
- **Commencement of fracture stimulation program for Tamaram-1 now scheduled for May 2016**

Real Energy Corporation Limited (ASX: RLE and Real Energy) is pleased to provide an update to shareholders for the quarter ended 31 March 2016. During the quarter, the Company continued to progress exploration work at its major projects in the Cooper Basin.

Exploration

The Company completed a Diagnostic Fracture Injection Test (DFIT) program in the Tamarama – 1 well, located in the Windorah Gas Project in ATP 927P, Cooper Basin, Queensland,. Interpretation of the DFIT data indicates the closure pressures and reservoir data for the frac model are in line with expectations.

As part of the workover of the Tamarama – 1 well, the Company installed packers in preparation for the fracture stimulation program. Unfortunately, the packers took longer than expected to be set. This, and the unavailability of the lead contractor, has delayed the expected frac start date by a few weeks.

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 May-June 2016, subject to weather conditions.

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 ATP1194PA.

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

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Corporate

On 31 March 2016 Real Energy had \$10.1 million in cash. During the March Quarter, the Company spent \$508,000 on exploration and development. There have been ongoing discussions concerning the financing of the project through to production.

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
ATP1194PA	100	Cooper Basin, South West Queensland

During the quarter the Queensland Government advised the permit previously referred to as PLR 2014-1-4 is now known as ATP1194PA. 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:

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Managing Director

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

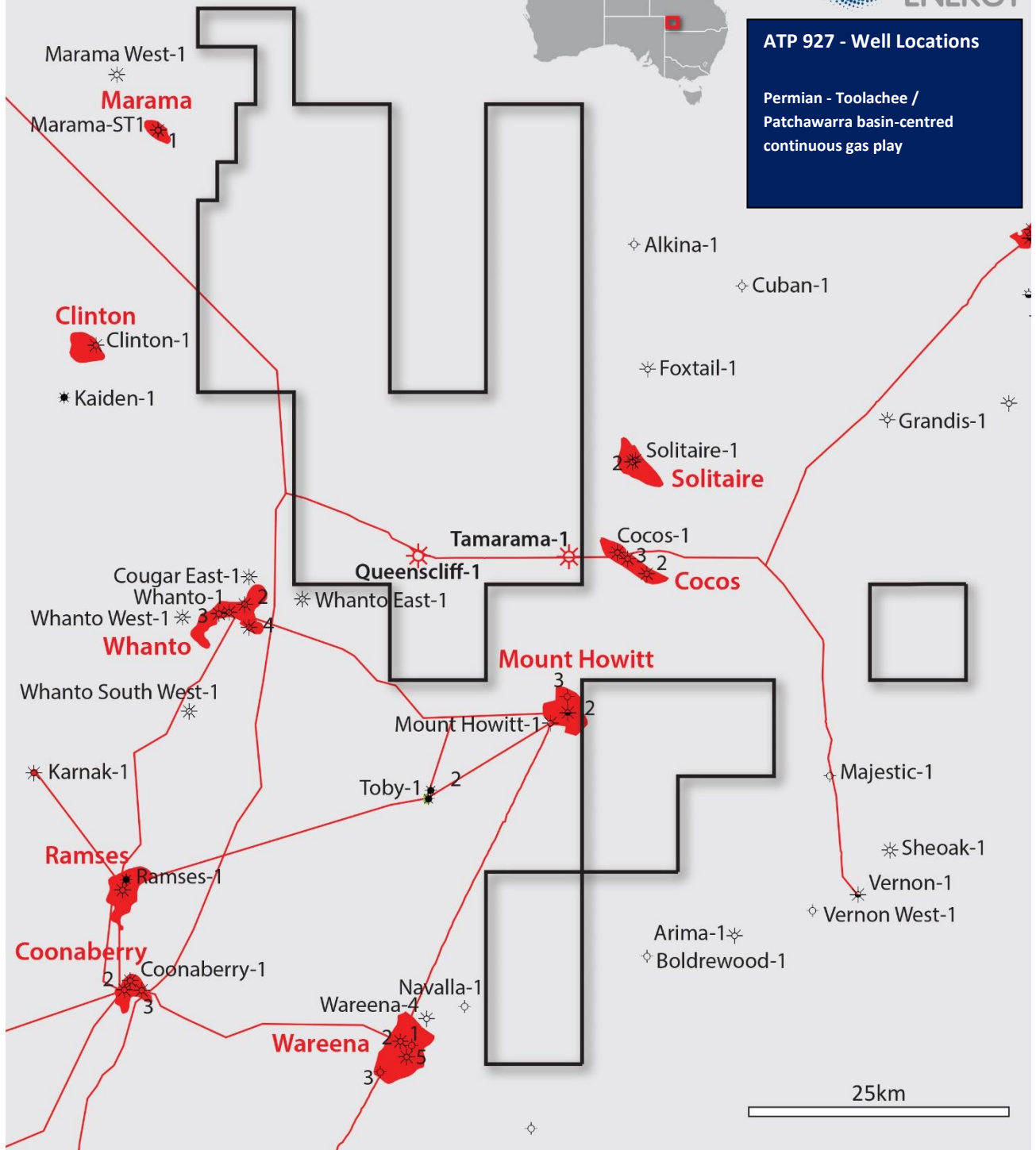
On our website you can register for email alerts.

MAPAREA



ATP 927 - Well Locations

Permian - Toolachee /
Patchawarra basin-centred
continuous gas play



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 March 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	8	19
1.2	Payments for (a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) corporation & administration	(232)	(1,051)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	75	110
1.5	Interest and other costs of finance paid	-	14
1.6	Income taxes paid	-	6,357
1.7	GST Refund	53	201
		(96)	5,650
Net Operating Cash Flows			
s			
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) exploration & development	(508)	(1,604)
	(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)	-	-
		(508)	(1,604)
Net investing cash flows			
1.13	Total operating and investing cash flows (carried forward)	(604)	4,046

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(604)	4,046
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	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)	-	(185)
	Net financing cash flows	-	2,415
	Net increase (decrease) in cash held	(604)	6,461
1.20	Cash at beginning of quarter to date	10,753	3,688
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	10,149	10,149

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	121
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 121
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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	2,500
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	2,700

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	10,149	10,753
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	10,149	10,753

+ 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 <i>(description)</i>	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	204,288,033	204,288,033	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil	Nil	Nil
7.5	+Convertible debt securities <i>(description)</i>	Nil	Nil	Nil

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil	Nil	Nil	Nil
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 2,000,000 2,000,000 <hr/> Total 43,500,000	- - - - - - -	<i>Exercise Price</i> 30 cents 25 cents 34 cents 30 cents 50 cents 15 cents 20 cents	<i>Expiry Date & Condition</i> 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	Nil	Nil	Nil	Nil
7.9	Exercised during quarter	Nil	Nil	Nil	Nil
7.10	Expired during quarter	Nil	Nil	Nil	Nil
7.11	Debentures (totals only)	Nil			
7.12	Unsecured notes (totals only)	Nil			

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

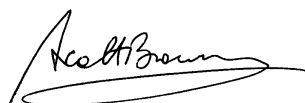
2 Options were forfeited as the vesting conditions were unable to be met.

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:



Date: 29/04/2016

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.

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+ See chapter 19 for defined terms.