

Developing the Windorah Gas Project in the Cooper Basin

ASX: RLE

Good Oil Presentation

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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.



Company Overview



RLE controls over 4,932km² (1.219 million acres). All acreage is held 100% in the Cooper Basin, the premier onshore location in Australia



Real Energy made 2 gas discoveries in the Windorah Trough



Pursuing a basin-centred gas play, a lower-risk and higher-return prospect than shale - Windorah Trough is shallower than Nappamerri Trough which will result in lower costs



Recently upgraded gas resources – Independently Estimated Total Mean Gas in place increased by more than 141% to 13.76 TCF and maiden 3C gas resource of 672Bcf



RLE's acreage close to infrastructure



Developing a Tier-1 gas project in Australia's Cooper Basin

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 IOT Group 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**.

Corporate Snapshot



Share Price Chart – 1 Year

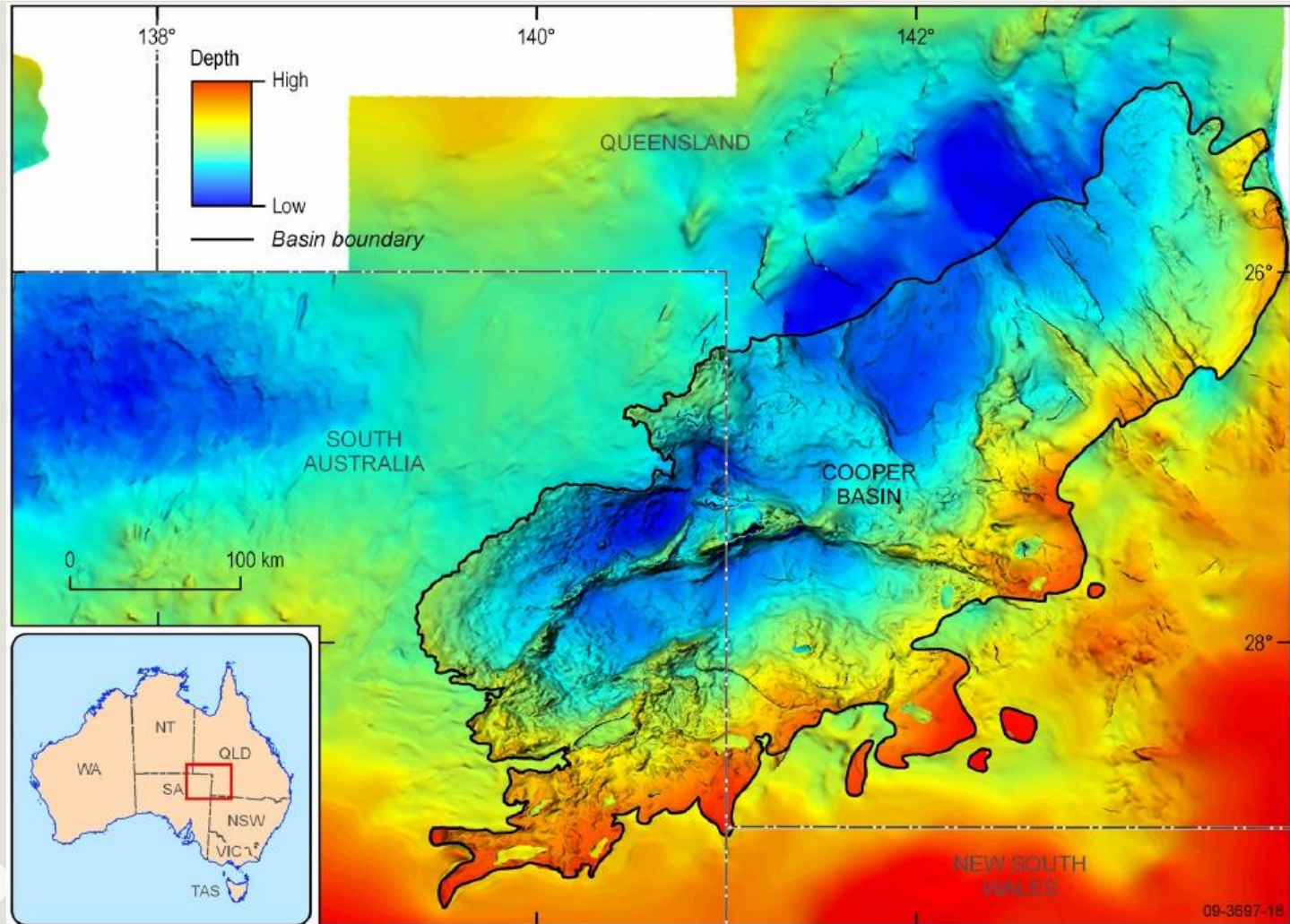
Substantial Shareholders	%
Scott Brown	12.60%
Och Ziff	11.86%
Lan Nguyen	10.03%
Sino Portfolio	8.28%

	Number of shares
Existing Shares on issue	204.2M
Market Capitalisation – 9.8 cents	\$20.0M
Investors Warrants ¹	27.5M
Directors Options ²	7.0M
Broker Options ³	5.0M
Total Options on Issue	39.5M
Cash Position as at 30 June 16	\$8.7M
NPAT FY15	\$4.0M

1. Warrants exercisable at 25 cents expiring 14 Oct 2016
2. 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
3. 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.

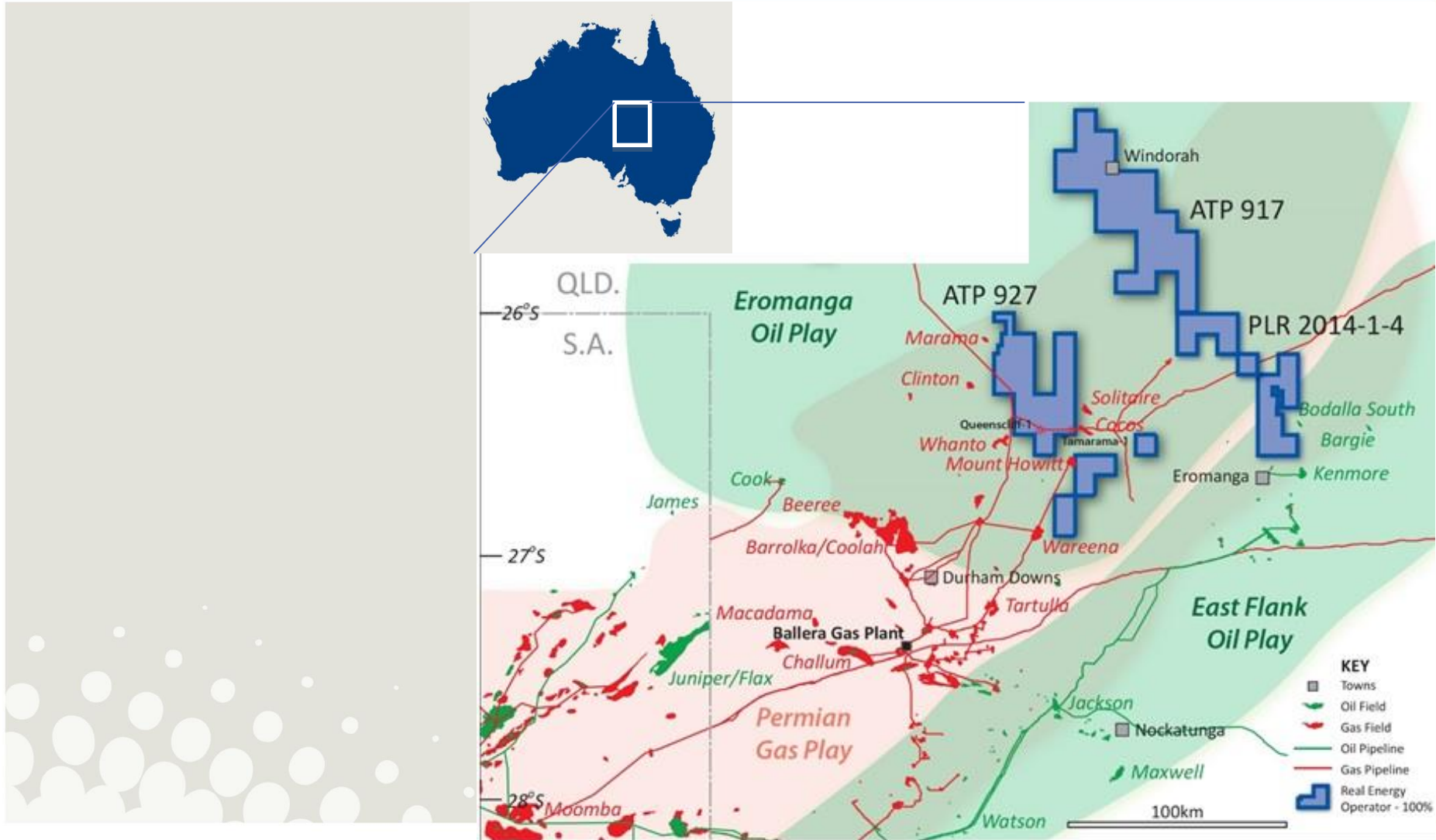
The Cooper Basin - Major Onshore Australian Petroleum Province

- A Late Carboniferous to Middle Triassic intracratonic basin
- Total area >130,000 km²
- 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 km²)
- 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



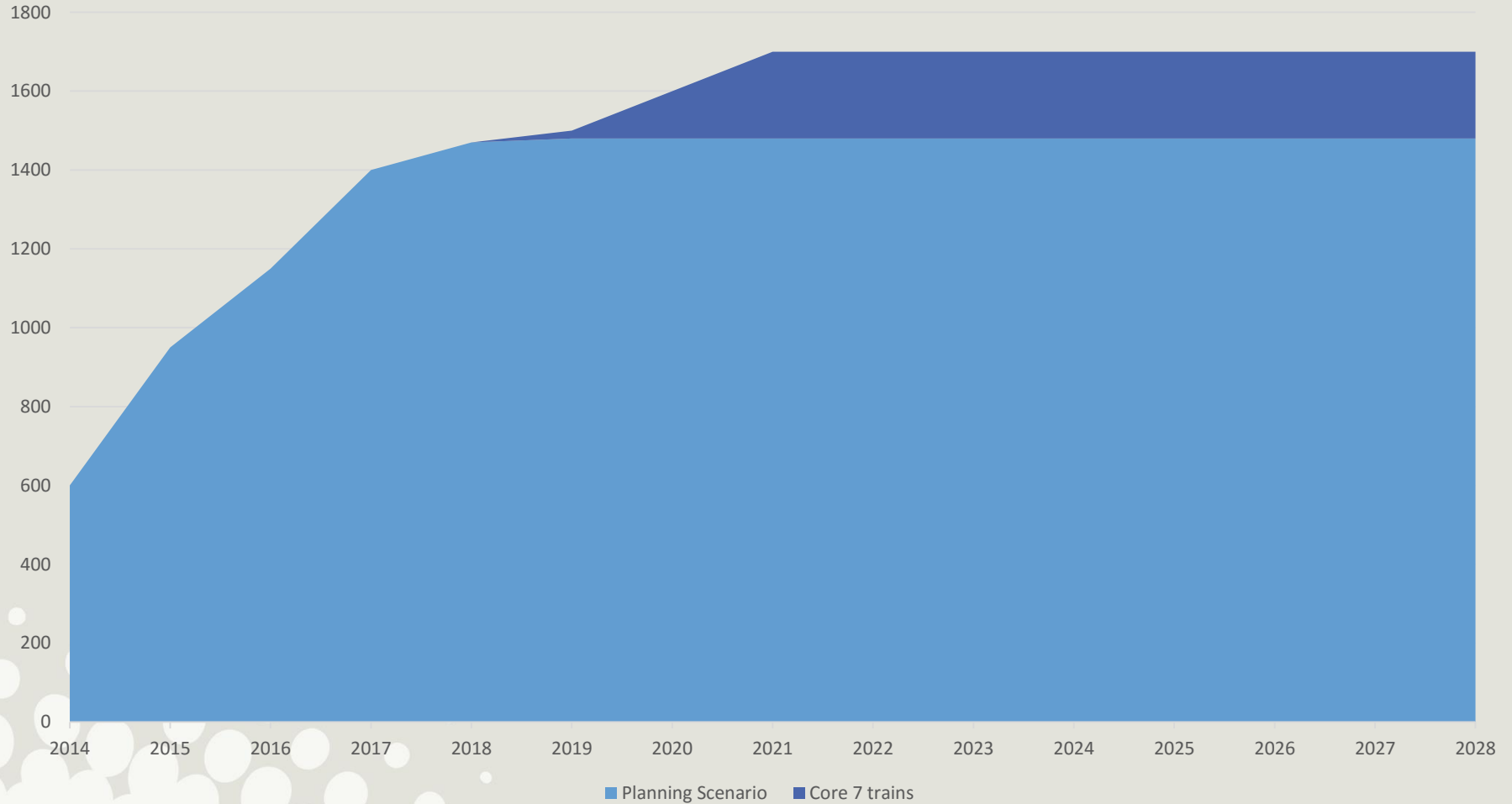
- Surface of "P" (top Permian) seismic horizon is superimposed on a background surface of the "Z" (Pre-Permian) seismic horizon (maps from NGMA).
- Map shows the relationship of the Permian Cooper Basin to the northwestern-offset Eromanga Basin depocentre, which has created a tilted Cooper Basin.

Cooper-Eromanga – A World Class Location



Gas Demand Continues to Grow

East Coast Gas Demand (PJ)



1. AEMO

East Coast Australia Gas Shortage

- 💧 **A shortfall of 133 petajoules of gas is expected by 2019 along Australia's east coast**
- 💧 LNG gas demand to dramatically outstrip domestic gas market
- 💧 LNG operators struggling to meet contracted volumes
- 💧 Gas prices expected to increase substantially from current levels
- 💧 The CAPEX reductions from the industry making the domestic problem worse.
- 💧 Cooper Basin well placed to meet looming shortfall

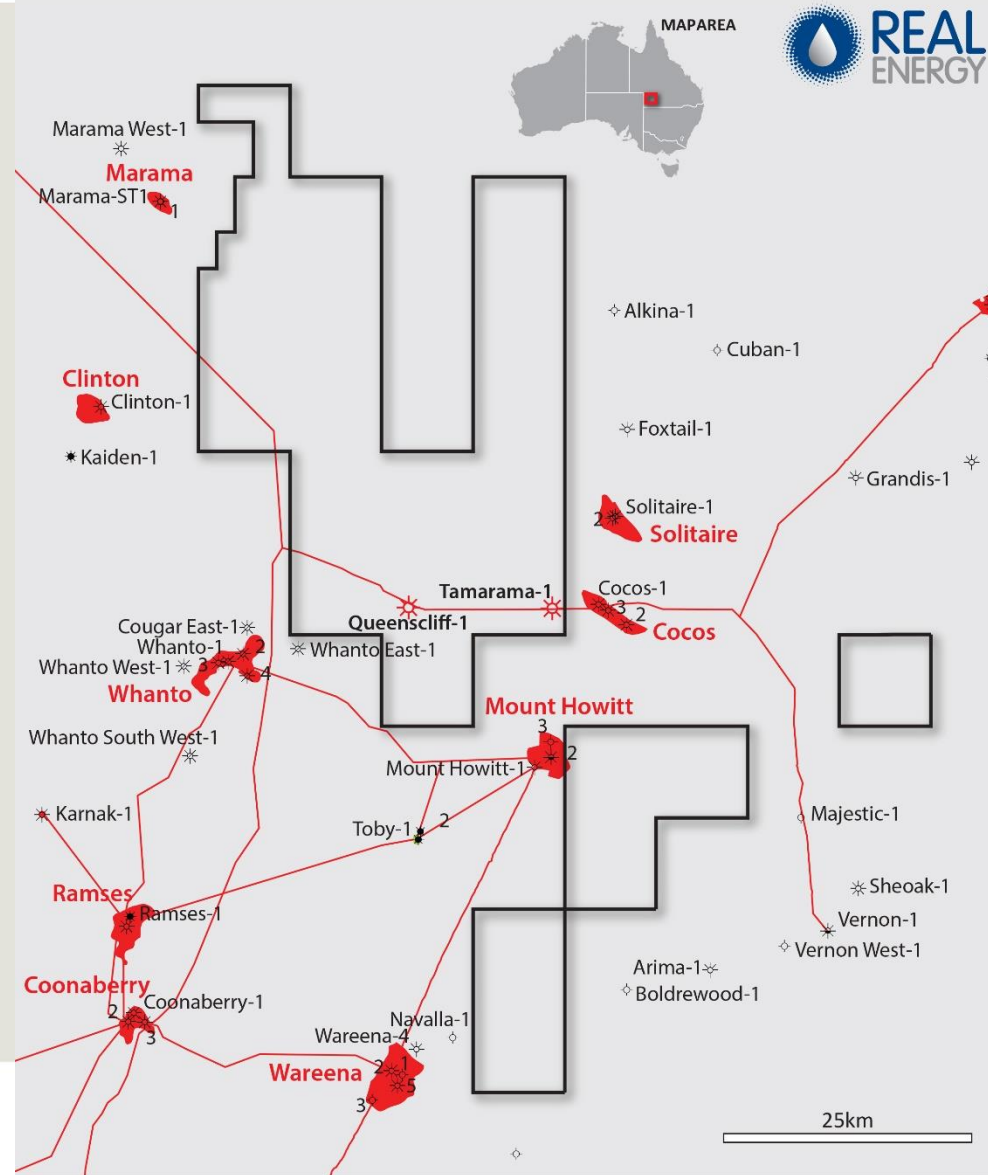
1. Source : AEMO



Opportunity to become a low cost gas producer

Drilling Program Confirms Basin Centred Gas Play

- Drilled two exploration wells in ATP927P:
 - Tamarama-1
 - Queenscliff-1
- As Proof of Concept Wells, both wells tested free flows of gas to surface and achieved successful outcome de-risking the play:
- Proven Basin Centred Gas Play
- Independently Certified 3C Contingent Gas Resources for Tamarama-1 & Queenscliff-1 in 672 Bcf versus pre drill target of 300 Bcf for 3 wells
- Windorah Trough shallower than Nappamerri Trough which will result in lower drilling costs



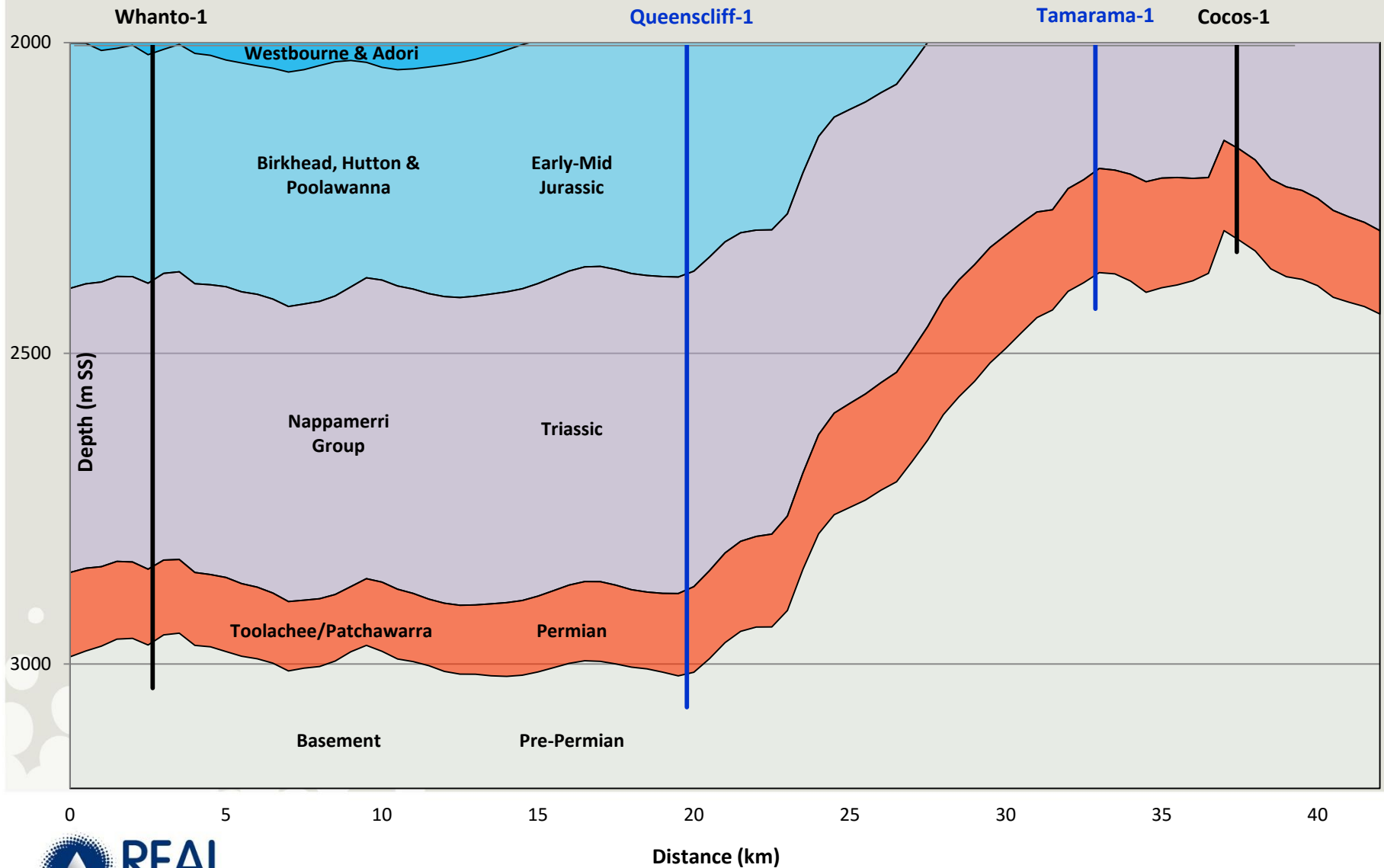
Significant Gas Resources in Place

Contingent Gas Resources	BCF
2C	276
3C	672

Permit	Area (Km ²)	Estimated Petroleum Initially in Place (Mean BCF)
ATP917P	2,171	4,500
ATP927P	1,718	13,761
ATP1194PA	1,043	-
Total	4,932	18,261
Acres Total	1,218,722	

Source: DeGolyer Mac Naughton July 2015 for ATP927P and AWT International Oct 13 for ATP917P

Structural Cross Section

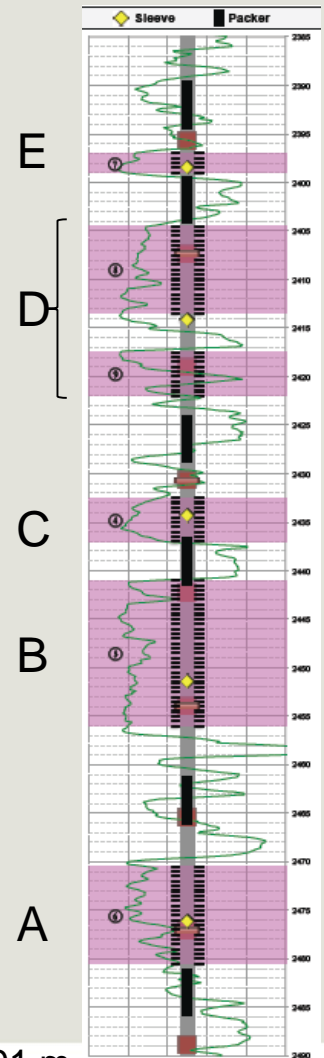


Basin Centred Gas Play

- ◆ Basin centred gas play most likely present over the whole area of ATP 927P at depth from approx. 2,200m to over 3,000m.
- ◆ The basin centred gas play present in over 60% area of ATP 917P at depth from 2,600m to over 3,000m.
- ◆ Other operators have had recent success in the basin targeting the same formations.
- ◆ Lower risk play compared to shale - strong gas saturation and over pressured.
- ◆ All petroleum wells drilled around ATP927 have gas charge within the Toolachee & Patchawarra Formations.
- ◆ Low CO² in the area relative to deeper parts of the Basin.
- ◆ Reasonable condensate yields expected.

Tamarama-1 Frac Treatment Staging (5 Stages)

- Stage 5/E: Interval 7 (Toolachee)
 - 2397.0-2399.0 m, 2 m, 40 holes, 0.48"
- Stage 4/D: Intervals 8 & 9 (Patchawarra)
 - Interval 8, 2404.5-2413.5 m, 9 m, 189 holes, 0.48"
 - Interval 9, 2417.5-2422.0 m, 4.5 m, 90 holes, 0.48"
- Stage 3/C: Interval 4 (Patchawarra)
 - 2432.5-2437.0 m, 4.5 m, 90 holes, 0.48"
- Stage 2/B: Interval 5 (Patchawarra)
 - 2441.5-2456.5 m, 15 m, 296 holes, 0.48"
- Stage 1/A: Interval 6 (Patchawarra)
 - 2470.5-2480.5 m, 10 m, 198 holes, 0.48"

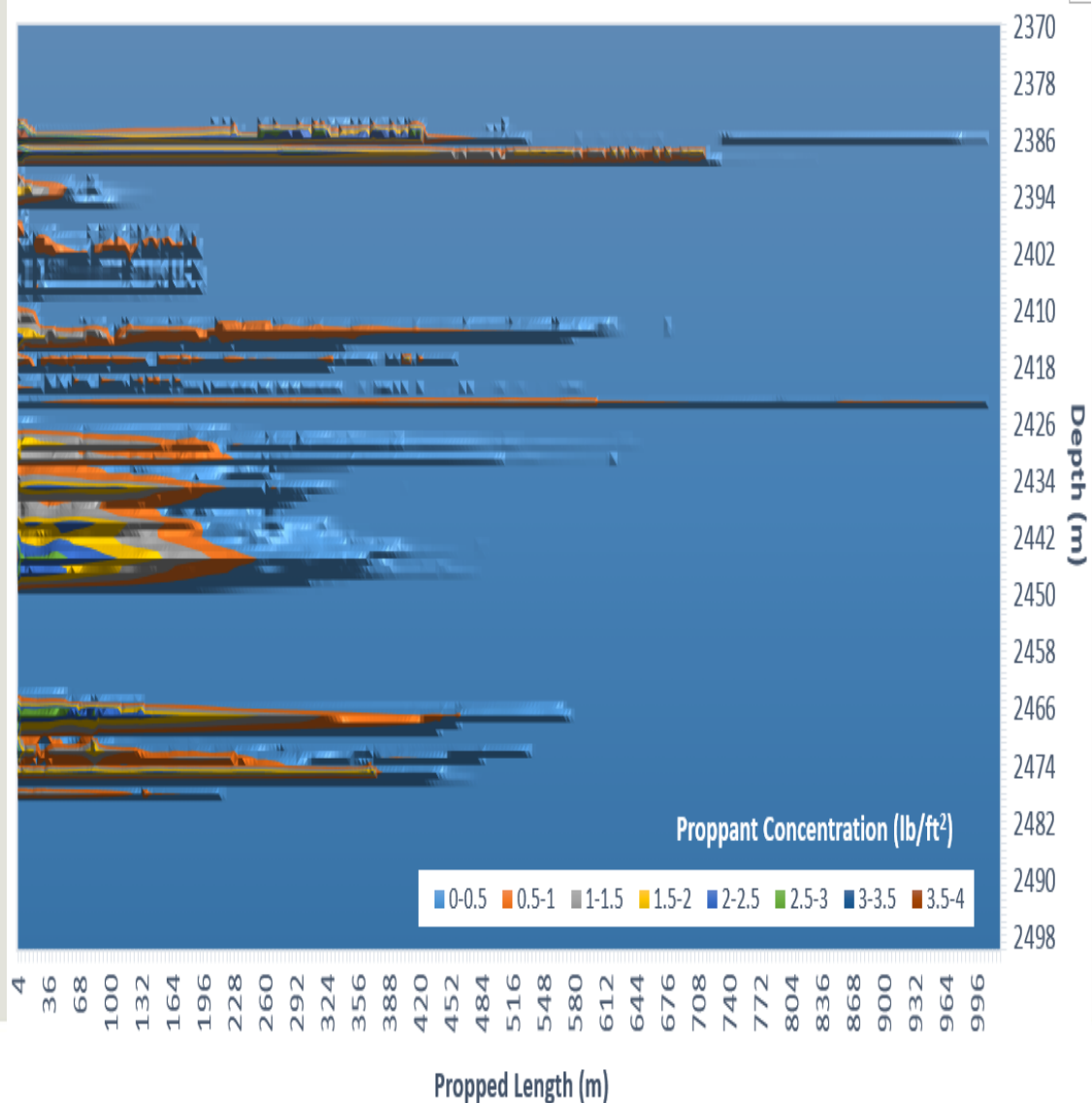
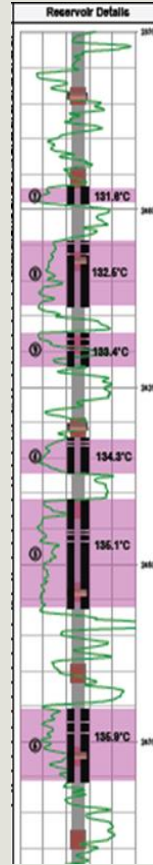


Tamarama-1 Frac : Overall View

Five (5) frac stages were effectively placed in the Patchawarra and Toolachee Fms in Tamarama 1:

- 342,000 gallons of gelled and crosslinked gelled water
- 433,000 pounds of proppant (predominantly 20/40 medium strength ceramic)

Additional fine-tuning of matches on Stages 2&3 and Stage 5 are possible based on further constraining by production data



Tamarma 1 – flow-back gas flare



Tamarma 1 – flow-back frac fluid



Tamarama 1 - Forward operations

- Continue flowing well to recover most if not all of the total load fluid of 8200 bbls
 - Well currently flowing at around 140 to 180 bbl/d; gas rates fluctuating
- Shut-in well for pressure build up; run gradient survey
- Mob test crew and separator package for well test

Investment Summary

SIGNIFICANTLY UNDERVALUED

- Trades at less than 3 cents per Gj, less than 1/5th of its peer group and a small fraction of US comps
- Real Energy's current market capitalisation does not reflect the enormous gas resource potential

SUBSTANTIAL LAND POSITION

- Real Energy controls over 1.2M acres in the Cooper Basin
- All projects are 100%-owned

LOW RISK GAS DEVELOPMENT

- Basin-centred gas (BCG) requires lower upfront capex than shale given lower cost wells
- BCG is laterally extensive over a wide area – low geological risk

HUGE RESOURCE POTENTIAL

- Current independent estimates 3C contingent gas resources at 672 Bcf in areas surrounding Tamarama-1 & Queenscliff-1 gas discovery wells
- Mean Prospective Unconventional Gas Resources of 5,483 BCF in ATP 927P

EXCELLENT TEAM IN PLACE

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

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