

ASX ANNOUNCEMENT

Real Energy to pursue opportunities in hydrogen energy with establishment of Pure Hydrogen Corporation


- ◆ Pure Hydrogen Corporation is a 100%-owned Real Energy subsidiary that has been established to conduct a scoping study into the development of a Hydrogen Plant in Queensland
- ◆ Two sites under consideration in the Surat Basin and Gladstone
- ◆ Pure Hydrogen Corporation is targeting a plant that can initially produce 36 million Kg of hydrogen per annum
- ◆ Consistent with Real Energy's strategy of building a multi-faceted energy business centred on the Queensland market
- ◆ Real Energy equally committed to the Project Venus CSG play and its Windorah Gas Project

Sydney: 20 May 2020, Real Energy Corporation Limited (ASX: RLE) ("Real Energy"), an Australian east coast focused gas company with interests in the Cooper and Surat Basins is pleased to announce that it has established a wholly owned subsidiary, Pure Hydrogen Corporation Pty Limited, to undertake a detailed scoping study to assess the commercial viability of building, owning and operating a hydrogen fuel plant in Queensland.

Real Energy's Board has been assessing the opportunities for hydrogen following the publishing of the Federal Government's road map for Australia's National Hydrogen Strategy in November 2019. The report is available at <https://www.industry.gov.au/data-and-publications/australias-national-hydrogen-strategy>. In May 2020 the Federal Government committed to invest \$300 million in Australia's emerging hydrogen industry.

Real Energy's Pure Hydrogen Corporation has already made progress earmarking two potential sites in Queensland at which to establish a large-scale hydrogen fuel plant with a minimum annual production capacity of 36 million kilograms. A plant of this size has the ability to power 240,000 Hyundai Nexo's for a year^{1 2}. Potential project sites are being reviewed in the Surat Basin, adjacent to Real Energy's existing 50%-owned Project Venus CSG project, as well as another site near Gladstone. The scoping studies will be undertaken by an experienced engineering consulting firm and a dedicated team that Pure Hydrogen Corporation will establish. The Company will also assess eligibility for government funding.

Hydrogen is high energy fuel that can be burned with no CO² emissions, The market is expected to grow rapidly with hydrogen likely to be used in transport particularly buses, trucks and cars, as well as to power industry generally. Recently Toyota, Hyundai, Honda, Audi, have either released models or are planning to release models that are powered by hydrogen fuel cells.



The two main ways of making hydrogen are either processing natural gas or through converting water to hydrogen through a process known as electrolysis. Real Energy's existing gas resources could be utilised to provide gas feedstock for a natural gas to hydrogen plant. Additionally, the waste water from dewatering the coal seam gas field of Project Venus could be used to produce hydrogen.

Real Energy Managing Director Scott Brown commented: "For some time our Board has been assessing the options for establishing a dedicated entity to assess opportunities to build a large-scale hydrogen fuel plant in Queensland. The Queensland government has shown its commitment to supporting the development of large energy projects and this is also the case for renewable energy projects – the \$2 billion lithium-ion battery cell gigafactory in Townsville being developed by Imperium3 is one such example.

"With the Federal Government also committed to this sector, we believe our investment and commitment to these scoping studies is appropriately timed and we see enormous potential to develop a hydrogen industry in Australia. We look forward to providing shareholders with regular updates as we narrow in on a preferred site.

"Whilst this is an excellent development for Real Energy, it in no way detracts from our efforts in advancing Project Venus and extracting value from our Windorah Gas Project. These projects remain important to Real Energy's ambitions in Queensland and we expect to report on progress with respect to Project Venus very soon."

1. The calculation is based on the Australia's National Hydrogen Strategy, page xv and assuming each vehicle travelled 15,000 km on average per year.
2. The use of Hydrogen in this example would save 720 Million Kgs of CO₂ compared to driving a Hyundai Santa Fe powered by diesel driving the same km.

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Geological Information

The geological information in this announcement 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.

About Real Energy Corporation

Real Energy is an Australian east coast focused gas company with interests in the Cooper Basin, Australia's most prolific onshore producing petroleum basin, and the Surat Basin in Queensland. Real Energy has 100% ownership in 2 large permits in Queensland – ATP 927P & ATP1194PA, and a 50:50 JV with Strata X Energy Limited (ASX: SXA) to develop the 154km² ATP2051 permit in the Surat Basin as a Coal Seam Gas project.