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## QUEENSCLIFF-1 WELL CONFIRMED AS A GAS DISCOVERY

- Flow testing commences at Queenscliff-1 well in Cooper Basin
- Unstimulated gas flow to surface at Queenscliff-1 - 0.2 mmscfd
- Result confirms existence of Basin Centred Gas within Real Energy's acreage
- Company on track to certify gas reserves and develop Tier-1 gas development

**Sydney, 11 March 2015:** Cooper Basin focused oil & gas exploration company, Real Energy Corporation Limited (ASX:RLE) ("Real Energy"), is pleased to advise that completion and testing operations are progressing well on its two maiden Cooper Basin wells, Tamarama-1 and Queenscliff-1.

Real Energy can confirm that gas has flowed to surface at Queenscliff 1 and the company plans to complete and test several zones in each well, covering both the Patchawarra and Toolachee formations. Below is an image of the gas flare from the well.

Queenscliff-1 has been perforated and flow tested over the Toolachee and Patchawarra formations interval, while at Tamarama-1 the pressure build-up survey of the upper Patchawarra Formation section has been completed and the Toolachee Formation will be perforated and tested in the next few weeks.



Figure 1 – Flare from flow test at Queenscliff-1

Further information on the completion and testing program in ATP927P is included below:

**Queenscliff-1:**

- The well was completed and perforated over the lower Toolachee Formation and upper Patchawarra Formation sections.
- The lower Toolachee Formation-upper Patchawarra Formation interval from 3048.4m to 3110.1m (26.7m net perforated intervals) was perforated and flow tested.
- On the clean-up flow, the well flowed at an initial rate of approximately 0.2 mmscfd through a 16/64" choke, with flowing pressure of approximately 131 psi.
- The well is currently shut-in for a pressure build-up test in order to obtain reservoir pressure data and other relevant reservoir properties.
- Gas samples were obtained from this section for laboratory analysis and initial preliminary field tests indicate 14% CO<sub>2</sub>, which is line with expectations. There was no formation water detected.

**Tamarama-1:**

- The pressure build-up survey has been completed and the upper Patchawarra Formation section has been isolated.
- The Toolachee Formation section will be perforated and flow tested within the next two weeks.
- Laboratory analysis results of the gas samples from the upper Patchawarra Formation indicate the gas contains approximately 12% CO<sub>2</sub>, which is comparable to the gas in offset Solitaire-2 well.

Commenting on the initial testing results at Queenscliff-1 and Tamarama-1, Real Energy's Managing Director, Mr Scott Brown said: "This is an important discovery for both Real Energy and the development of gas on the Queensland side of the Cooper Basin.

"It is extremely encouraging that Queenscliff-1 has been confirmed as a gas discovery well, with gas flowing to surface without fracture stimulation. Tamarama-1 and Queenscliff-1 were drilled as proof of concept wells and these results prove the existence of basin centred gas in this area."

"The objective of the testing and completion program undertaken at Tamarama-1 and Queenscliff-1 was to confirm the presence of moveable gas in the Toolachee and Patchawarra formations outside any structural closure, and the flow of gas proves the basin centred gas existence in this area."

"Queenscliff-1 was drilled on the low, which indicates that the gas is not structurally dependent. Instead, gas is likely to exist wherever the formation is present in this area, and as a result the volume of gas contained in these formations is likely to be extremely large."

“We will undertake further testing on both wells over the coming weeks and assess the resulting data. The company will also consider simulating the wells and the best completion techniques going forward.”

“We are of the firm belief that we are now in a strong position to independently certify gas resources that will have a significant material impact on the company and drive value for shareholders. These results represent another step towards Real Energy developing a large Tier 1 gas development in the Cooper Basin.”

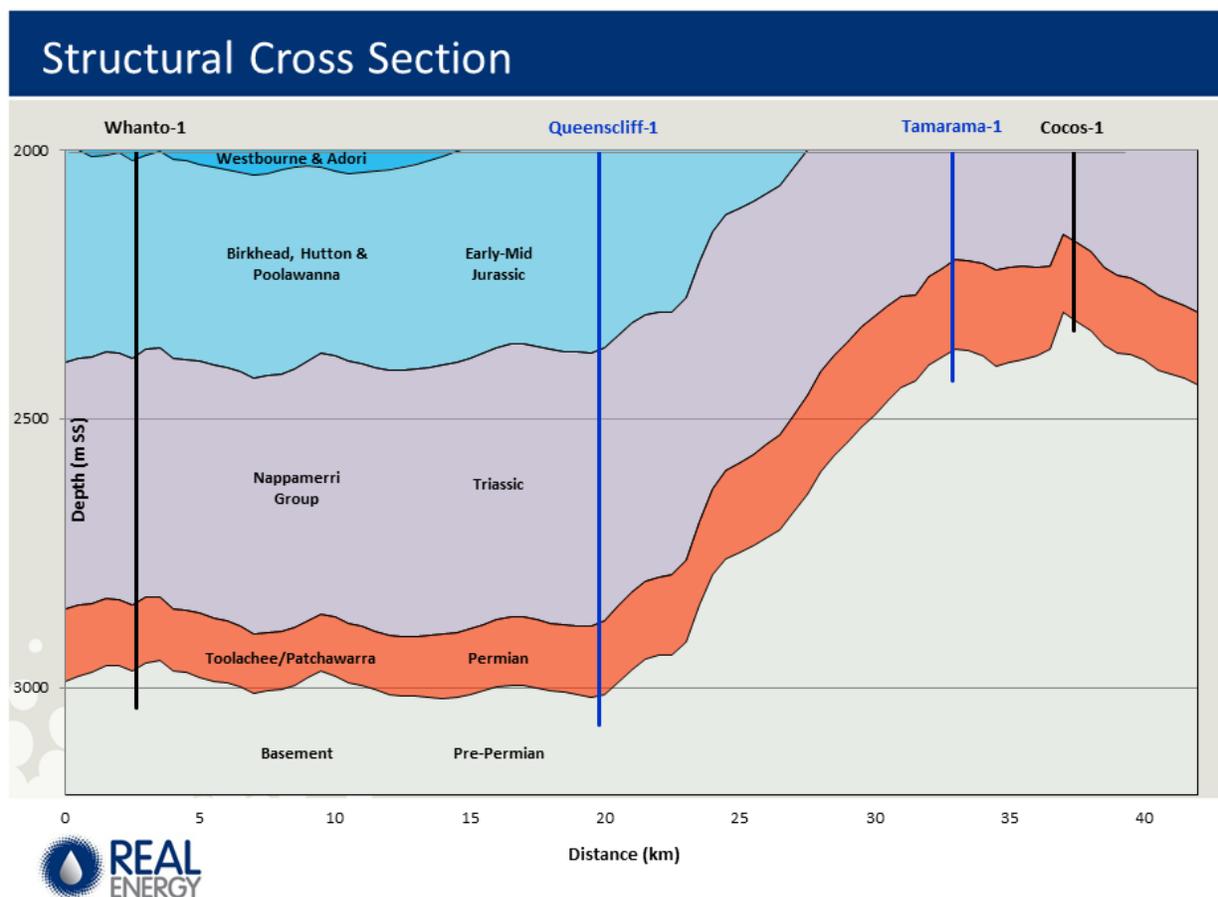


Figure 2 Structural cross section of ATP927P showing the Toolachee and Patchawarra formations

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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 oil and gas exploration and development company with a focus on the Cooper Basin, Australia's most prolific onshore producing petroleum basin. Real Energy has 100% ownership in 4 large permits in Queensland – ATP 917P, ATP 927P, ATP 1161PA & PLR2014-1-4. These permits cover 9,357 km<sup>2</sup> (2,312,114 acres).

Real Energy is focusing initially on the Toolachee and Patchawarra formations. These formations are well-known throughout the basin for holding and producing gas. Seismic interpretation in conjunction with existing petroleum well data has determined that the Toolachee and Patchawarra formations are significant across much of our acreage.

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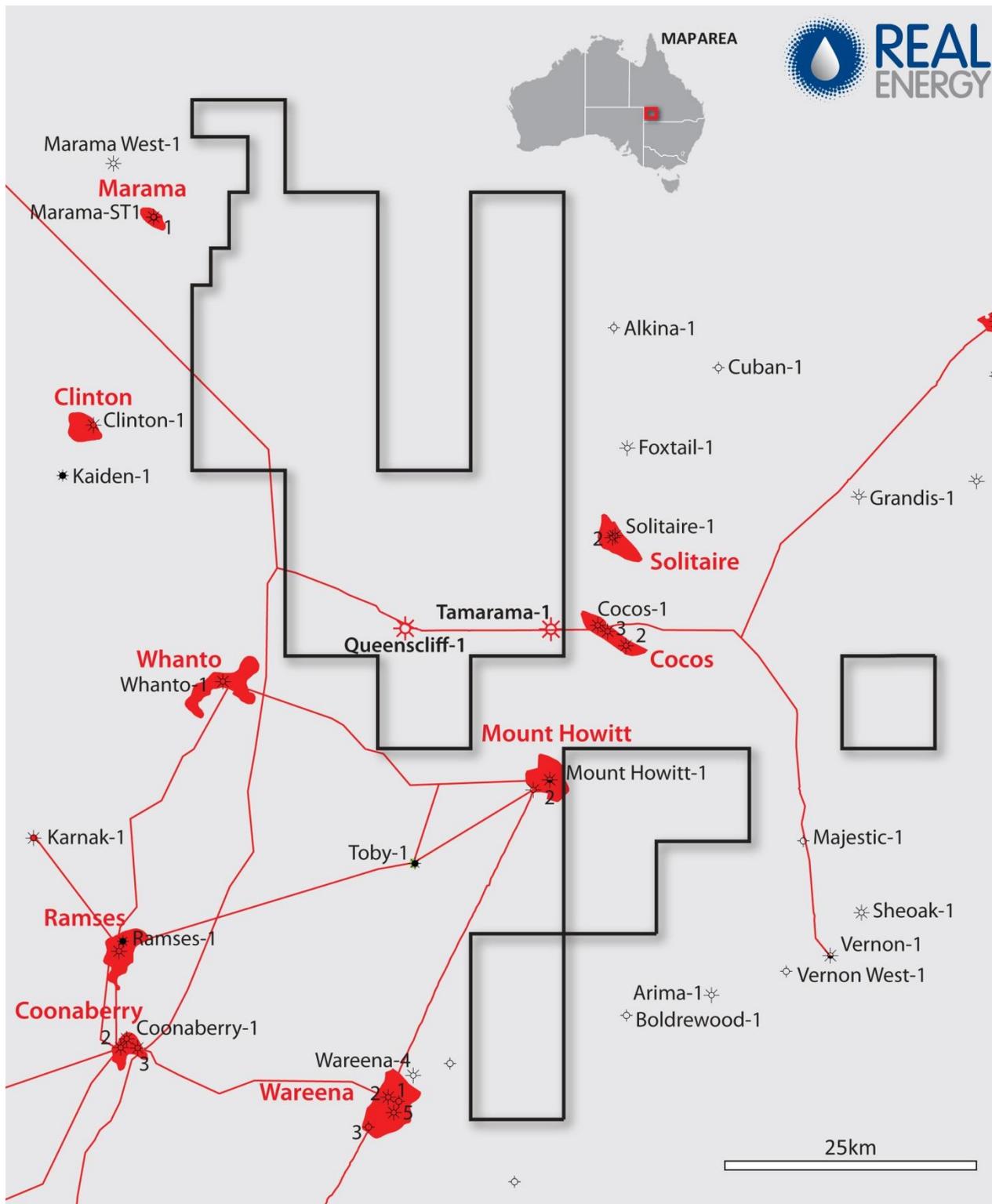


Figure 2 – Map of ATP927P with Tamarama-1 and Queenscliff-1 Locations