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REAL ENERGY AND INCITEC PIVOT SIGN A NON BINDING LETTER OF INTENT FOR LONG TERM GAS SUPPLY

- Letter of Intent - parties agree to work towards a binding Gas Sale Agreement
- Indicative 10 Year Gas Sale Agreement of approximately 110 PJ of gas

Sydney, 18 May 2015: Cooper Basin focused oil & gas development company Real Energy Corporation Limited (ASX:RLE) (“Real Energy”) is pleased to announce that it has signed a non binding Letter of Intent (LOI) with Incitec Pivot Limited (ASX:IPL) (“Incitec Pivot”). The LOI is intended to be the first step for the parties to constructively progress negotiations with respect to finalising a Gas Sale Agreement (GSA) for the sale of gas from Real Energy’s Cooper Basin gas project.

The LOI sets out timelines and some key terms for the supply of gas from Real Energy’s flagship ATP927P project in the Cooper basin, Queensland. Incitec Pivot and Real Energy have agreed to work together with the aim of establishing a binding and unconditional GSA and these negotiations are continuing to advance.

Real Energy’s Managing Director Scott Brown commented: “We are pleased that our discussions have developed into a LOI at this stage and we look forward to continue working with Incitec Pivot to secure a firm GSA. We have been working in close consultation with Incitec Pivot’s team over a number of months.

“The LOI and ongoing negotiations represent a commitment for Real Energy and Incitec Pivot to work together as a first step to realising Real Energy’s Cooper Basin project to deliver gas over the long term to domestic industry.

“There is significant demand for gas on the east coast of Australia. The LOI with Incitec Pivot is the first step in our plan to realise the resource. We look forward to working towards securing this GSA with Incitec Pivot and progressing other commercial negotiations with a number of financial parties and oil & gas companies that are interested in partnering with Real Energy in the commercialisation of ATP927P. ”

For further information please contact:

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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 km² (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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