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## REAL ENERGY UPGRADES GAS RESOURCE IN COOPER BASIN

- **Independently Certified Prospective Total Mean Gas in Place in ATP927P increased by more than 141% to 13.76 TCF**
- **Independently Estimated Total Mean Prospective (Recoverable) Gas Resources of 5.48 TCF in ATP927P**
- **Maiden Independently Certified 3C Contingent Gas Resources of 672 BCF in addition to the Prospective Resources**
- **Independently Certified 2C Contingent Gas Resources of 276 BCF**

**Sydney, 21 July 2015:** Cooper Basin focused oil & gas exploration company Real Energy Corporation Limited (ASX:RLE) (“Real Energy”) is pleased to provide details of its independent estimates of contingent gas resources and upgrade its unconventional prospective gas estimates at its Cooper Basin Permit, ATP927P.

The resource upgrade follows the successful drilling and testing program undertaken by the company during the 2015 financial year, with the prospective OGIP resources for ATP927P effectively increasing by more than 141% to 13.761 TCF (or 13,761 BCF) from pre-drilled estimates of 5.7 TCF.

The estimates of contingent gas resources and unconventional prospective gas resources in ATP927P have been independently certified by DeGolyer and MacNaughton, a leading international petroleum industry consulting firm.

### 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. 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:

Resource Category	Bcf (Billion Cubic Feet)
Prospective OGIP Resources	13,761
Prospective Recoverable Gas Resources	5,483

The Contingent Resources estimates are based on the arithmetic summation method for estimates of gross wet gas contingent resources quantities as at 30 June 2015. The gross contingent resources are defined as the total petroleum that is potentially recoverable from known accumulations.

The target intervals are Permian age lacustrine and fluvial sediments of the Toolachee and Patchawarra formations. Existing well data and two-dimensional (2-D) seismic lines, significant log and test data have been gathered to characterise the target interval. The data was gathered from the subject wells and open file data from wells in adjacent permits. Information from these wells was used to generate petrophysical properties and thickness used to prepare the resource calculation.

The well development of Toolachee and Patachawarra Formations assumes 80-acre well spacing. The procedures used to estimate the contingent gas resources are based on common North American practice for resources of this type. The potential well locations around the discovery wells for the 1C, 2C & 3C are 25, 81 and 169 wells respectively.

The resulting low, best, and high estimates of area, thickness, petrophysical parameters, and recovery factors were used as the starting point for a probabilistic analysis of contingent resources. These parameters were fitted with various types of distributions that were sampled as inputs to a Monte Carlo simulation.

Real Energy Managing Director Scott Brown commented: "We have been extremely pleased with the results from our first two exploration wells, which have resulted in a substantial contingent gas resources booking. We remain confident that there is significant scope to further grow the contingent gas resources in the future."

"Real Energy is looking to frac the Queenscliff-1 and Tamarama-1 wells to prove the deliverability of the gas resources. Geomechanical modelling and frac studies have indicated that the gas resources in the Permian Toolachee and Patchawarra formations can be commercially developed."

"The prospective OGIP resources for ATP927P have been effectively increased by more than 141% to 13.761 TCF (or 13,761 BCF) from pre-drilled estimates of 5.7 TCF. The independently certified recoverable

prospective gas resources of 5.48 TCF are very significant gas resources for a company of Real Energy's size, and our focus remains on transforming ATP927P into a Tier-1 gas project in the Cooper Basin."

"We will continue to update shareholders as our development activities continue to progress."

**For further information please contact:**

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Or visit the website: [www.realenergy.com.au](http://www.realenergy.com.au)

**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.

**About DeGolyer and MacNaughton**

The information contained in this release pertaining to the ATP927P contingent resources and prospective resources estimates are based on, and fairly represent, information prepared under the supervision of Mr Paul Szatkowski, Senior Vice President of DeGolyer and MacNaughton.

Mr Szatkowski holds a Bachelor of Science degree in Petroleum Engineering from Texas A&M, has in excess of 40 years of relevant experience in the estimation of reserves and contingent resources, and is a member of the International Society of Petroleum Engineers and the American Association of Petroleum Geologists. Mr Szatkowski is a qualified petroleum reserves and resources evaluator within the meaning of the ASX Listing Rules and consents to the inclusion in this release of the contingent resources and prospective resources estimates related information in the form and context in which that information is presented.

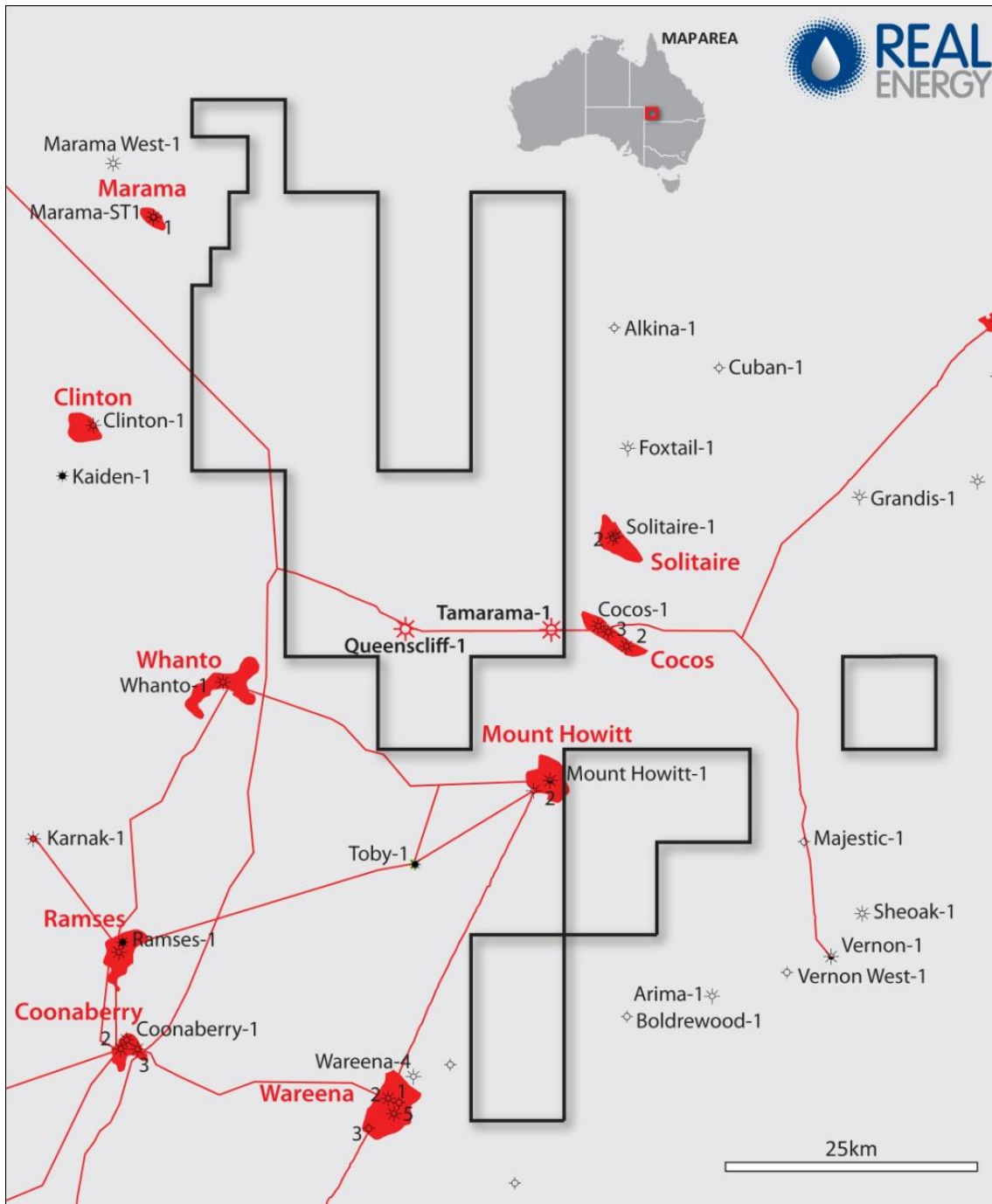


Figure 1 – Location of wells and ATP927P Permit