

# Real Energy Corporation Limited

ASX: RLE

## ASX Spotlight Conference

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# Real Energy Summary

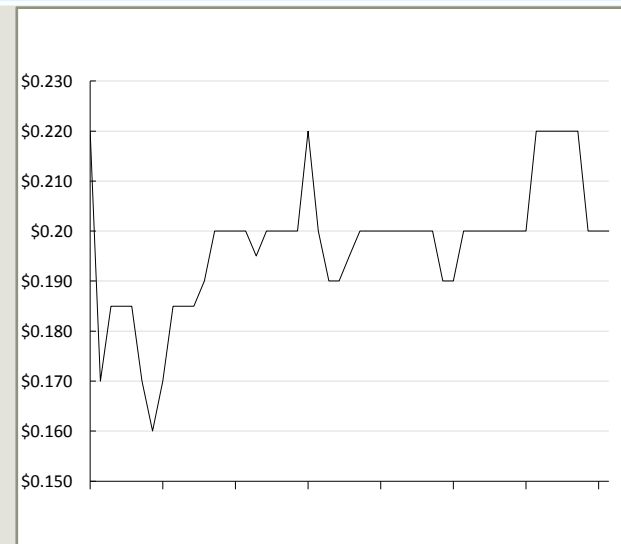
- Established in 2009 to exploit opportunities in the **highly productive Cooper** Basin.
- Large acreage - operating over **8,314km<sup>2</sup> (2 million acres)** held 100% by Real Energy. Real Energy is the only junior left with a large position and 100% ownership of its projects.
- Three major plays within the acreage:
  - Significant unconventional **basin centred gas** play in the Permian Toolachee and Patchawarra formations.
  - A significant unconventional **shale oil** resource within the Cretaceous Toolebuc Shale.
  - Conventional oil targets.
- Cooper is the most mature and advanced of the onshore basins in Australia (but immature by US standards)
  - Proximity to infrastructure
  - All acreage in the basin is licenced
  - The basin has produced over 6 Tcf of gas and over 300 MMbbls of Oil
  - Major companies are very active (BG, Chevron, Santos, Beach), further M&A expected
  - Approximately \$1 Billion schedule to be spent in Basins in the next three years
  - High success rate in the Basin with high net margins for Oil
- Strong technical and commercial team.
- Technology advances provide path to commercialisation.



# Capital Structure

	Number of shares
Existing Shares on issue	167.4M
Mkt Capt \$ at 20 cents	\$33.4M
Loyalty Options - Exercise Price at 30 cents <sup>1</sup>	48.2M
Investors Warrants <sup>2</sup>	27.5M
Directors & Employees <sup>3</sup>	5.7M
Broker Options <sup>4</sup>	4M
<b>Total Options on Issue</b>	<b>85.5M</b>
<b>Total Number Shares Fully Diluted</b>	<b>252.8M</b>
<b>Cash Position as at 31 December 2013</b>	<b>\$14.1 M</b>

1. Loyalty Options provided investors hold the stock for 120 days post listing. Options expiry 31 May 2015
2. Warrants exercisable at 25 cents expiring 14 Oct 2016
3. Employee Options expiring 30 June 2015 & 30 September 2016 with exercise price of 30 cents each
4. Broker options expiring 3 years from the listing date at 34 cents



SUBSTANTIAL SHAREHOLDERS	%
Och Ziff	15.77%
Scott Brown	15.40%
Lan Nguyen	12.25%
Sino Portfolio	10.30%



# 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 Centius Gold 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**.



**Michael Mager, A.B. M.Phil**  
**Non Executive Director**

Michael is a partner at Ridge Road Partners, a firm that takes control positions in businesses across a range of industries including financials, energy, and logistics. Ridge Road's investing timeframe extends indefinitely and the firm is structured as a long-term investment partnership. Previously, he was a partner and fund manager at Ward Ferry Management, a Hong Kong- based asset management firm.

# Management & Senior staff



**Scott Brown, B. Bus, M. Com**  
**CEO and Founder**

Extensive background in finance and management of public companies and an experienced company director. Formerly CFO of Mosaic Oil, 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 Centius Gold Limited.



**Terry Russell, B.Sc PhD**  
**Exploration Manager**

Petroleum geologist with over 30 years industry experience that has included technical and management positions with successful operating and non-operating companies involved in petroleum exploration, development and production projects both within Australia and internationally. From May 2007 he held the position of Exploration Manager for Mosaic Oil NL, until the takeover by AGL in late 2010, during which period the company was actively involved in successful drilling and seismic acquisition projects in Queensland.



**Ron Holland B. Bus, MBA**  
**Company Secretary**

Over 20 years experience in the accounting and finance roles. Previous roles include accounting firms Arthur Anderson, Greenwood Challoner and NSP Buck. Ron has also served as CFO and Company Secretary for the Wentworth Holdings Limited.



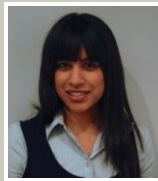
**Ying Ou B. Arts, MBA**  
**Financial Controller**

Ying upon achieving MBA has to present 7 years experience of corporate accounting, joint ventures and finance in the Oil & Resources industry, including with Mosaic Oil & AGL. Previously held various administrative and management position in Hospitality sector in different countries such as USA & Switzerland.



**Xingjin Wang , B.Sc, M.E. PhD**  
**Senior Reservoir Engineer**

Xingjin holds a PhD degree from University of New South Wales in Petroleum Engineering and has over 20 years international experience in petroleum exploration and production. Prior to running his own consulting company, Austar Gas, he was General Manager (Engineering) of Arrow Energy. He has extensive tight gas, Shale Gas and CBM experience in the major basins of Australia, Russia, China, Indonesia and India.



**Afsha Kaba B. Sc**  
**Lead Geophysicist**

Afsha graduated in 05 and after a year of working in geophysical field based methods went on to pursue a career in exploration geophysics in Canada and Australia. Since 08 Afsha has worked within Eastern Australian basins with Mosaic Oil & AGL where she played an integral role in AGL's 1<sup>st</sup> oil discovery in SW QLD. Her focus to date has been implementing and overseeing 2D & 3D seismic acquisition surveys and leading seismic interpretation projects.

# Cooper Basin Gas

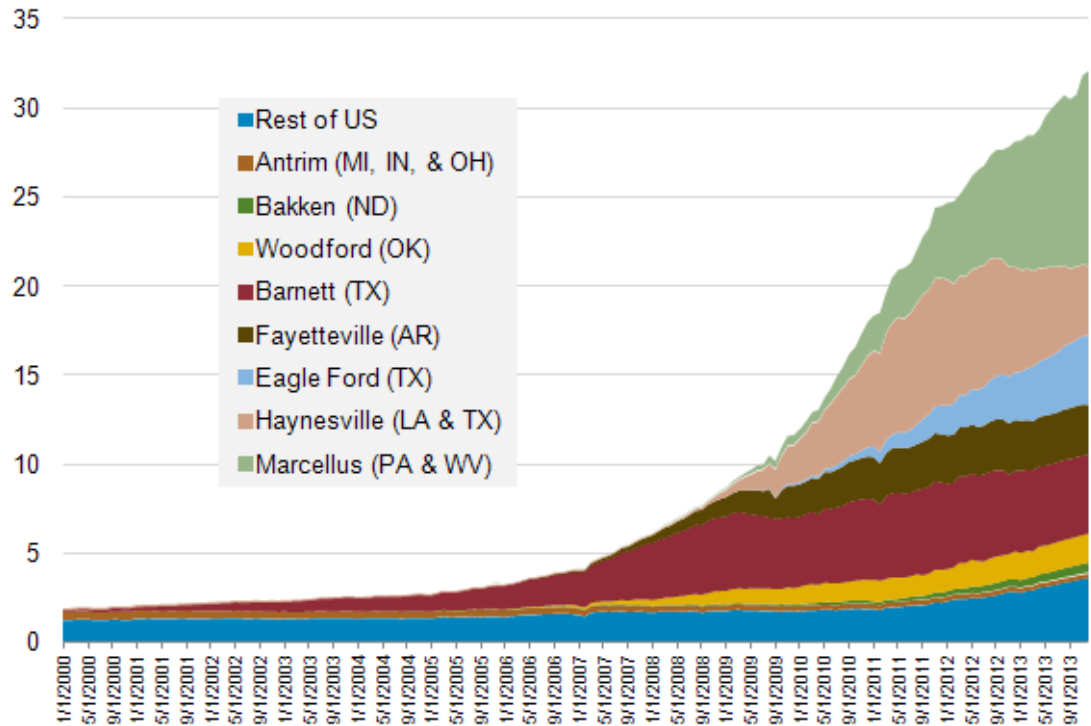


# US Energy Revolution – now coming to Australia

- US now self sufficient in gas after massive increase in unconventional plays;
- Production from unconventional resources projected to account for a majority of the increase supply of gas in the US;
- There have been significant advances in technology developed in the US over the past 10 years;
- Drilling techniques have advanced significantly with horizontal wells extending up to 4.0 km lateral.
- Australia is now recognised as the best place for unconventional gas outside of North America

U.S. shale gas production (dry)

billion cubic feet per day





### Baking franchise puts bite on competition



Obamacare is a costly experiment  
(Page 1)



# BUSINESS

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Trade issues overshadowed by territorial disputes 124

## LEGAL AFFAIRS



LEGAL  
AFFAIRS  
(p.29)

## AVIATION

**EXCLUSIVE RESOURCE** ACCLAIMED AS ONE OF WORLD'S BEST PROSPECTS

# US eyes Cooper Basin shale gas

## UNIT CEMENTS PRODUCTS

CENTRAL Australia's sheer gas potential is drawing growing international interest and could lead US energy giants to sharpen their focus on the country after pivoting over its extraordinary oil boom in North America.

A leading energy investment bank in Houston, Texas, this week branded the Cooper Basin one of the best shale prospects outside North America.

Tudor-Picorning Fall released its report following healthy initial flow rates from mostly hydraulically fractured, or fracked, wells in the Cooper, which crosses the South-

Australia-Oceania border

And Tabor Pickering Holt lists strong gas prices and rising infrastructure as extra reasons for investors to sit up and notice.

The eyes of potential international sharemarket investors and energy companies are now firmly fixed on planned horizontal drilling in the basin to see if the technology that turned a US gas shortage into a glut can be replicated here.

But the rise of international attention to unconventional gas is sure to attract its fair share of controversy, as the anti-shale and coal-seam gas lobby, led in the media by top-talking Syntex-trained talks host Alton Jones, continues to drive strong opposition.

to development of new skills.

"We see Australia's Cooper Basin as one of the most likely near-term, commercial shale-gas developments outside of North America and ticks most of the boxes for a successful unconventional gas development," TFB said in a note to clients.

"The Casper Basin has promising geology, with organic-rich mature shale, strong gas seeping favorable fiscal terms, existing infrastructure in place, an already-present service industry, low population density, low environmental hurdles and generally industry-friendly environment."

The report, which says Enbridge and Suncor Energy are the best-positioned companies to capture

the growth, follows comments this week from leading energy academic Peter Hartley that early results he observed in North American mid size reports.

Professor Hartley, who splits his time as an energy economist between the University of Western Australia and Monash's RMIT University, said that at a recent Asian conference he had attended, North American industry representatives had no real surprise at how strong the results from Casper Basin vertical wells had been.

The illegal boom in the U.S. is confined to having been overlooked.

world energy markets and set the country on a path to energy independence by the end of the decade, a situation unthinkable even five years ago.

US oil major Chevron shone an international light on Australia's shale potential in February, when it announced a deal spending up to \$250 million exploring for shale gas with Ench.

Beach has said it plans to drill the Holifield-Horizontal well this month and reach peak flows in November.

BO Group has also entered the basin, where smaller local players Sener Energy, DrillSearch and Strike Energy (in conjunction with Orica) are also targeting.

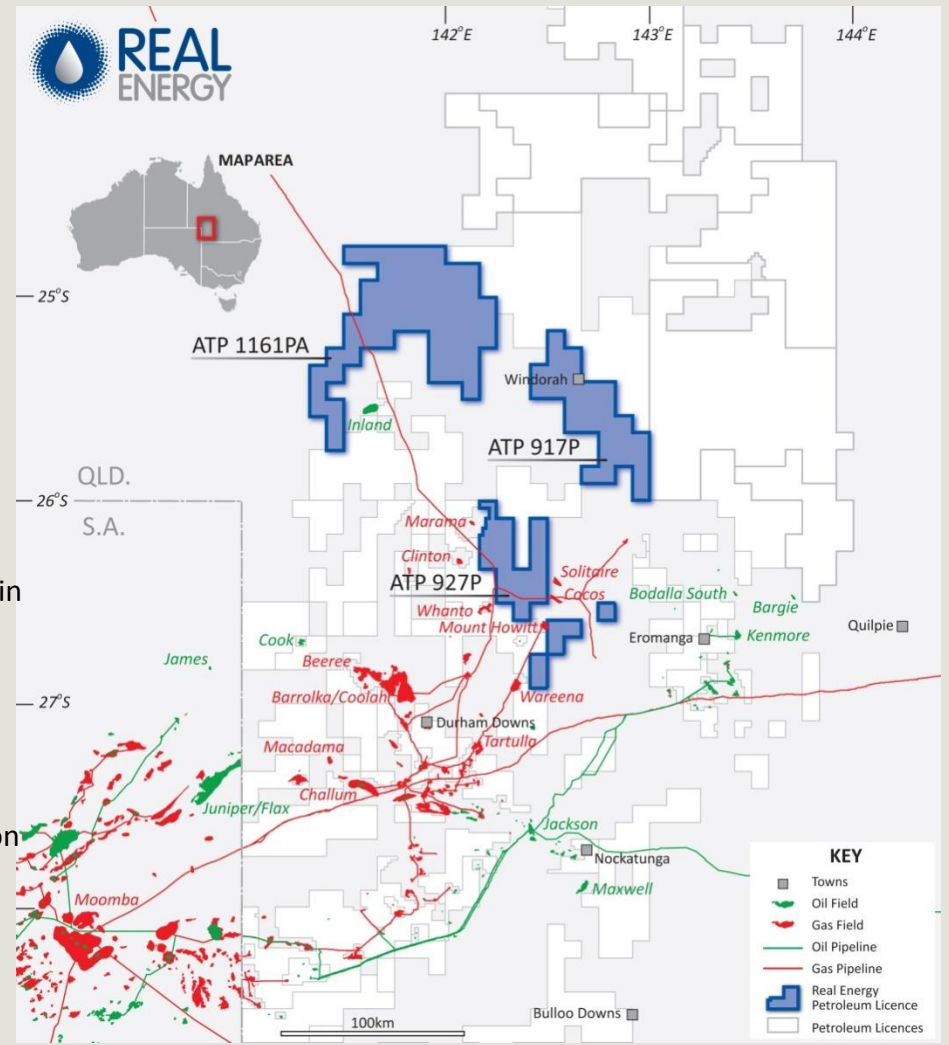
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## Unconventional gas exploration deals



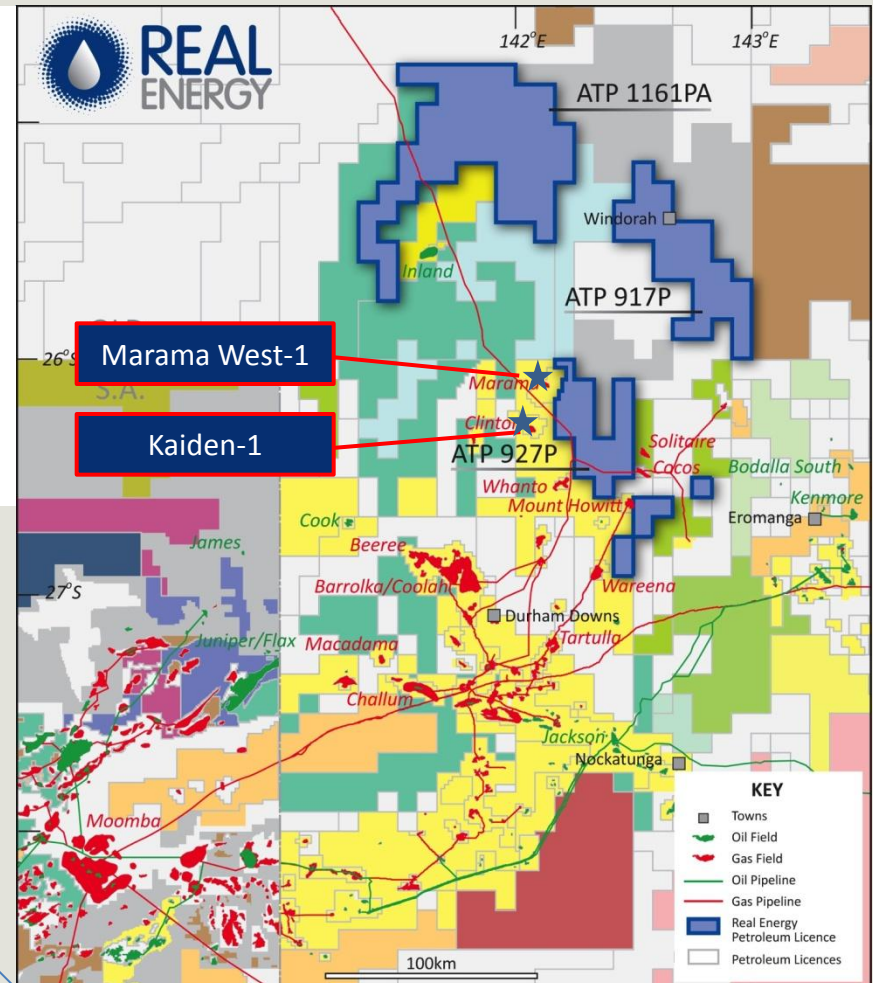
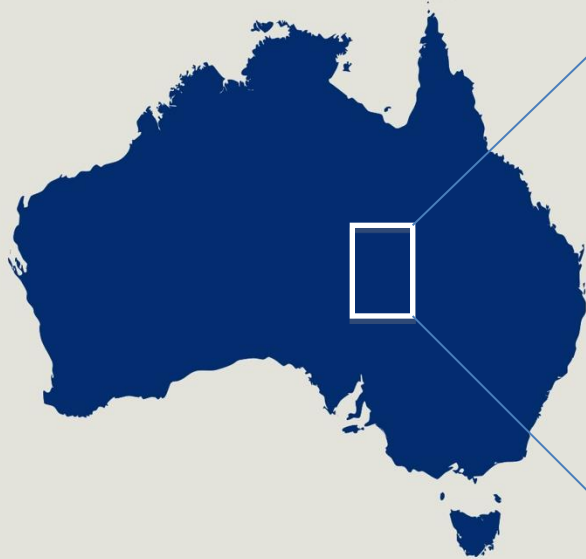
# Focus On Cooper-Eromanga

- The Cooper-Eromanga Basins are home to the most important on-shore petroleum and natural gas deposits in Australia. Over 6Tcf and 300 MMbbls of Oil produced to end 2012.
- The first commercial discovery of gas occurred in 1963. It includes **Australia's largest onshore oil field**, the Jackson oil field, discovered in 1981.
- Pipelines transport gas to the major markets including 3 LNG facilities to export gas. Over 3,000 petroleum wells have been drilled in the basin.
- Overall there are 160 gas fields and 80 oil fields in production containing about 800 producing gas wells and more than 350 producing oil wells.
- Growing recognition of significant unconventional potential within the Basin. The US EIA's World Shale Gas Resources assesses the Cooper Basin as having the best capabilities in Australia for fracking. Recent transactions include Chevron, BG and Santos.
- Minimal community impact – seasonal cattle use, not crops.
- Companies active in the Cooper include Santos (ASX:STO), Chevron (NYSE:CVX), Beach Energy (ASX: BPT), Origin Energy (ASX:ORG), BG Group (LSE:BG), Senex Energy (ASX: SXY), New Hope Group (ASX: NHC), Energy World Corporation (ASX: EWC), AGL Energy (ASX: AGK), Drillsearch Energy (ASX:DLS), Cooper Energy (ASX:COE), Icon Energy (ASX: ICN).



# Cooper-Eromanga – A World Class Location

*A 2 million acre land bank in the Cooper-Eromanga Basins*





# Strong Resources in Place

- A Significant Gross Petroleum-in-Place – (estimated by AWT International from over 124 historical wells and 2D seismic).
- 2 million net acres held 100% by Real Energy

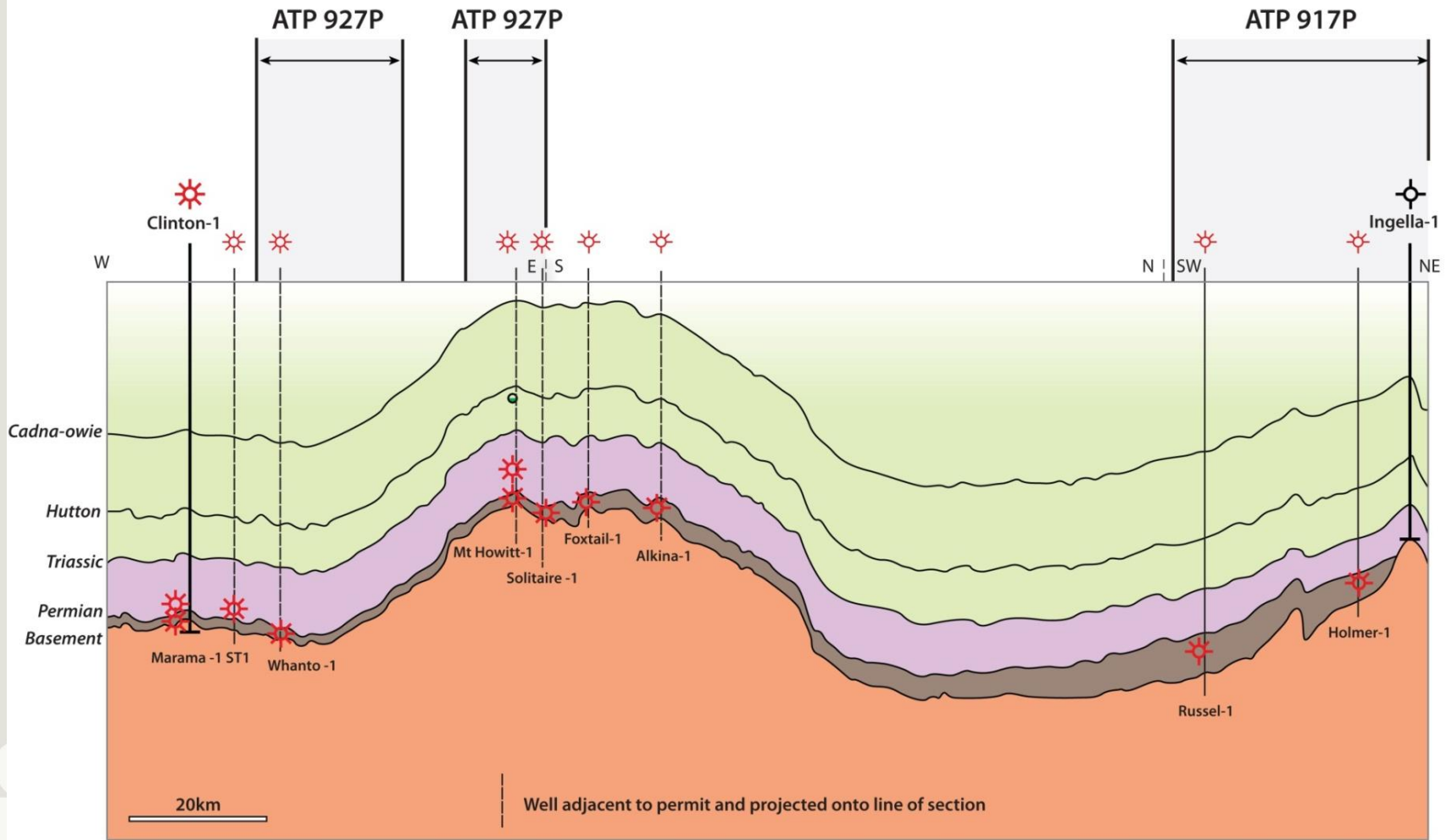
PERMIT	AREAS	GROSS ESTIMATED PETROLEUM INITIALLY IN PLACE			
		Toolebuc		Toolachee-Patchawarra	
				Basin Centred Gas	
	km <sup>2</sup>	Best Estimate			
		Shale Gas	Shale Oil/Condensate	Mean	P10
		BCF	MMBBLs	BCF	BCF
ATP 917P	2,171	4,320	8,590	4,500	9,500
ATP 927PA	1,718	2,010	3,560	5,700	10,500
ATP 1161PA	4,425	3,200	6,360	-	-
<b>TOTAL</b>	<b>8,314</b>	<b>9,530</b>	<b>18,510</b>	<b>10,200</b>	<b>20,000</b>
Acres	2,054,435				



# Basin Centred Gas Play

- ◆ **Toolachee Formation basin centred gas play is present in over 60% area of ATP 917P at depth from 2,600m to over 3,000m:**
  - ◆ Elevated gas readings recorded over the whole section;
  - ◆ Source rocks with TOC from 2% to over 30% (average >10%);
  - ◆ Source rocks in condensate-wet gas generative window with Tmax ranges of 460-474° C;
  - ◆ Where present, the Toolachee is over 70m thick
- ◆ **Toolachee & Patchawarra Formations basin centred gas play is most likely present over the whole area of ATP 927P at depth from approx. 2,200m to over 3,000m:**
  - ◆ Elevated gas readings recorded over the whole interval in offset wells on palaeo-highs;
  - ◆ Source rocks encountered in offset wells have TOC from 1% to over 30% (average >10% in Toolachee & > 8% in Patchawarra);
  - ◆ Source rocks in dry gas generative window with Tmax ranges of 474-484° C;
  - ◆ Toolachee section in offset wells on palaeo-highs ranges from 30m to over 60m thick;
  - ◆ Patchawarra section in offset wells on palaeo-highs ranges from 20m to over 90m thick;
  - ◆ Toolachee & Patchawarra sections in ATP 927P main block are likely thicker with Toolachee of over 60m & Patchawarra over 90m thick
- ◆ **Estimated unrisks OGIP 20 TCF (P10) in Toolachee and Patchawarra**

# Basin Centered Gas Play



# Vertical Wells around ATP 927 - All unfracted

Well	Operator	Total Depth (metres)	Peak flow rate (MMscfd) if applicable	Comment
<b>Recent Wells</b>				
<b>Marama West 1</b>	<b>Santos</b>	<b>3,028</b>	<b>NA</b>	<b>Well is cased and suspended as a future Panning Member, Toolachee and the Pre Permian Basement gas producer.</b>
<b>Kaiden -1</b>	<b>Santos</b>	<b>3,094</b>	<b>NA</b>	<b>Well is cased and suspended as a future Panning Member and Toolachee gas producer. Also good oil shows in the Poolowanna Formation indicating a possible oil discovery.</b>
<b>Bolah-1</b>	<b>Santos</b>	<b>2,863</b>	<b>NA</b>	<b>Well is cased and suspended as a future Toolachee and Patchawarra formations gas producer</b>
<b>Previous Wells</b>				
Wareena 1	Delhi	1,940	11.35	Toolachee test rate
Mt Howitt 2	Delhi	2,223	8.0	1.1 mmscfd flow from Toolachee. Also 10ft net gas pay in Nappamerri - 8 mmscfd on cased hole
Marama 1	Santos	3,001	7.1	Panning test rate + log interpreted gas pay in the Toolachee
Vernon 1	VE Falconer	2,316	6.2	Patchawarra test rate
Bunya 2	Energy Equity	2,753	6	Toolachee test rate
Bunya 1	MIMPEX	2,753	5.8	Toolachee & Patchawarra test rate
Whanto 1	Santos	3,143	3.8	Toolachee & Patchawarra gas discoveries. Patchawarra has high elevated gas readings over the whole interval
Cocos 1	MIMPEX	2,474	3.5	Toolachee test rate
Bunya North 2	Aust Gasfields	2,733	2.3	Patchawarra test rate
Sheoak 1	Energy Equity	2,322	0.87	Toolachee & Patchawarra test rate
Toby 1	Delhi	2,308	0.68	Elevated gas readings throughout Toolachee & Patchawarra. Log interpreted 7ft net gas pay in Toolachee & 48ft net gas pay in Patchawarra
Solitaire 2	MIMPEX	2,572	0.4	Toolachee & Patchawarra test rate
Cocos 2	MIMPEX	2,539	0.18	Toolachee & Patchawarra test rate
Cocos 3	Aust Gasfields	2,416	0.161	Air drilled Toolachee & Patchawarra test rate
Foxtail 1	MIMPEX	2,736	0.109	Patchawarra test rate
Alkina 1	Delhi	2,681	NA	Gas peaks recorded in the Toolachee and Patchawarra
Boldrewood 1	Delhi	2,049	NA	Gas peaks recorded in the Toolachee and Patchawarra
Buckaroola 1	Delhi	1,950	NA	Elevated gas shows of up to 19 units over background gas of ~1 unit above & below Toolachee
Bunya North 1	Aust Gasfields	2,686	NA	Elevated & continuous gas shows throughout Toolachee & Patchawarra
Clinton 1	Santos	3,056	NA	DST's failed. Log interpreted gas pays in Panning, Toolachee & Patchawarra

# Cooper Basin Gas

- LNG gas demand to dramatically outstrip domestic gas market
- Domestic demand to moderate with large uncontracted positions of many large users of gas
- Gas prices expected to be \$8 - \$11 per gigajoule<sup>1</sup>
- Coal seam gas production required to grow 500%
- Cooper Basin well placed to meet looming shortfall
- It appears the 3 LNG operators are still looking for gas

## East Coast Gas Supply & Demand (PJ)



1. Source : Energy Quest



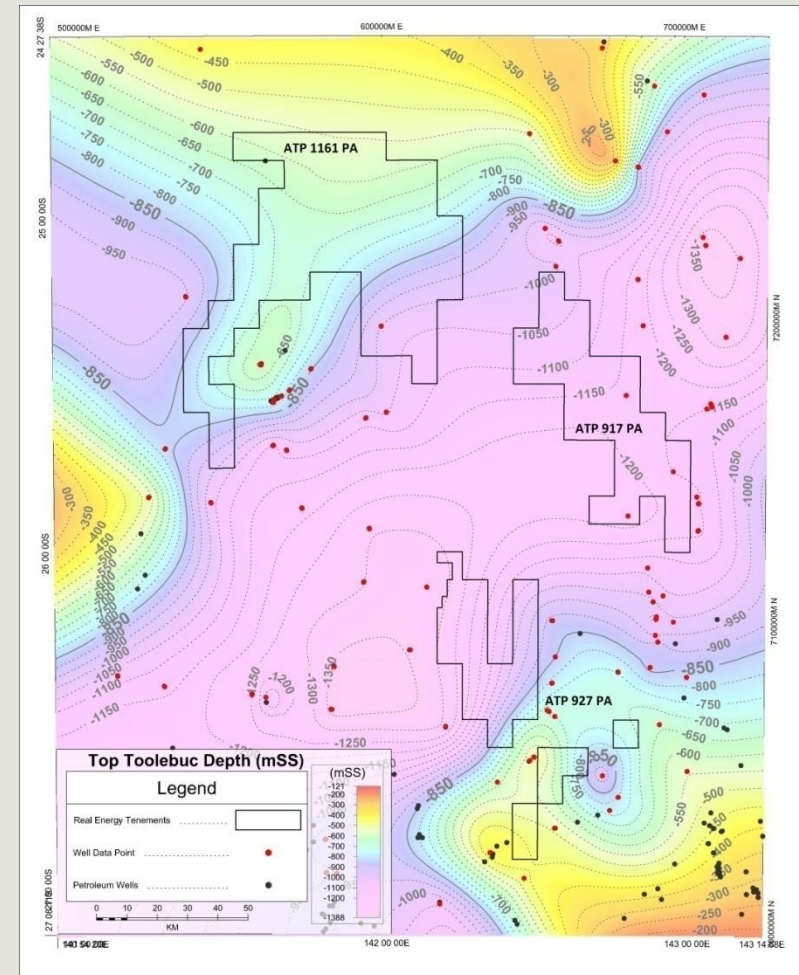
# Toolebuc Shale Oil





# Toolebuc Shale Oil Play

- ◆ Potential Total Petroleum Initially-in-Place for both shale oil and gas plays is independently estimated by AWT International.
- ◆ Interpreted shale oil play at depth below 1,000m which covers western parts of whole ATP917P, south-eastern part of ATP161PA and northern part of ATP927P.
- ◆ Significant exposure to the oil prone shale.
- ◆ High organic content – up to 20% total organic carbon (TOC).
- ◆ 20m to 40m thickness across most of fairway.
- ◆ Over 124 wells drilled in the area providing Toolebuc data.
- ◆ Matrix porosity is between 4% to 13%.



# Cooper Basin Oil



# Conventional Oil & Gas Prospects & Leads

**Real Energy have a number of conventional oil & gas prospects & leads (up to 21.23 MMbbl & 111.45 BCF)**

PERMIT	LEAD NAME	PRIMARY TARGET	SECONDARY TARGETS	PROSPECTIVE RESOURCE (Best Estimate)
ATP917P	Ingella North West Oil	Hutton Sandstone	Namur, Murta	4.71MMBBL
ATP917P	Ingella South Oil	Hutton Sandstone	Namur, Murta	1.16MMBBL
ATP917P	Ingella South West Oil	Hutton Sandstone	Namur, Murta	0.52MMBBL
ATP917P	Ingella Updip Oil	Hutton Sandstone	Namur, Murta	0.70MMBBL
ATP927P	Alkina North Gas	Toolachee and Patchawarra	-	13.43bcf
ATP927P	Alkina West Gas	Toolachee and Patchawarra	-	98.02bcf
ATP927P	Alkina North Oil	Hutton Sandstone	Birkhead, Murta and Namur	0.28MMBBL
ATP927P	Alkina West Oil A	Hutton Sandstone	Birkhead, Murta and Namur	0.27MMBBL
ATP927P	Alkina West Oil B	Hutton Sandstone	Birkhead, Murta and Namur	0.54MMBBL
ATP927P	Boldrewood West	Hutton Sandstone	Birkhead, Murta and Namur	0.93MMBBL
ATP927P	Marama East	Hutton Sandstone	Birkhead, Murta and Namur	1.52MMBBL
ATP 1161P (A)	Lead A	Hutton Sandstone	Namur, Murta	7.95MMBBL
ATP 1161P (A)	Lead B	Poolowanna	Birkhead Hutton	2.65MMBBL
<b>TOTAL</b>				<b>21.23MMBBL / 111.45bcf</b>

Source : AWT International





# Cooper Basin Valuation & Program



# ASX Cooper Basin Comparables

*Real Energy has tremendous upside in just realising average peer group valuation.*

## Valuation Comparisons (per acre) Australian Cooper Basin players

Company	Ticker	Australian Basin	Net Acres (M) <sup>2</sup>	Market Cap (\$A) <sup>1</sup>	Enterprise Value (\$A)	EV/Acre
Senex Energy	SXY.ASX	Cooper/Eromanga/Surat	6.8	887	784.5	115.4
Cooper Energy	COE.ASX	Cooper/Otway/Gippsland	0.5	176	135.7	271.4
Drill Search	DLS.ASX	Cooper/Eromanga	3.3	629	681	206.4
Ambassador Energy	AQO.ASX	Cooper	0.3	27	20.7	69.0
Icon Energy	ICN.ASX	Cooper/Eromanga/Surat	1.9	89	53.4	28.1
<b>Total</b>			<b>13.1</b>		<b>1,675.30</b>	<b>127.9</b>
<b>Real Energy Corporation</b>	<b>RLE</b>	<b>Cooper/Eromanga</b>	<b>2</b>	<b>33.4</b>	<b>19.3</b>	<b>9.65</b>

<sup>1</sup> Priced at close of business 21/02/14

<sup>2</sup> Net acres held in the Cooper

Source : Company announcements and research



# Cooper Basin – The premium oil and gas province

## Recent Cooper Basin Transactions

Buyer	Seller/Acquired	Size	Date	Value / Acre	Deal Type
BG	Drillsearch	\$120M	Jul-11	\$317.90	Farm In
Beach	Adelaide	\$110M	Jul-11	\$554.20	Acquisition
New Hope	Bridgeport	\$76M	Jul-12	\$296.11	Acquisition
Drillsearch	Acer Energy	\$143M	Oct-12	\$490.00	Acquisition
Chevron	Beach	\$350M	Feb-13	\$900.00	Farm In
Santos	Drillsearch	\$15M	Jul-13	\$790.00	Farm In
Santos	Drillsearch	\$120M	Jul-13	\$460.00	Farm In
New Standard Energy	Ambassador Energy	\$42.5M	Dec-13	\$136.22	Farm In
Origin	Senex Energy	\$252M	Feb-14	\$838.24	Farm In

*Source : Company announcements and research*

## Reasons Real Energy focused on the Cooper

- Strong geological knowledge from good well control and seismic data set
- Proximity to good infrastructure
- The basin is well served with active international service providers
- The basin is home to the largest onshore oil and gas fields



# Unconventional Valuation Escalation – Key is to be early

## US shale oil and gas valuations escalated dramatically

- Exploration and production success.
- Acquisition activity to add acreage.

## Australian valuation multiples remain very low

- Early in the industry's development
- Catalyst such as:
  - Further investment by majors.
  - Exploration and production success.
  - Commercialisation likely to trigger substantial sector re-rating.

**US PRODUCTION SUCCESS  
LIKELY TO BE REPLICATED  
IN AUSTRALIA**

DATE	ACQUIROR/ASSETS	ACQUISITION VALUE (USD MM)	AV/ACRE (USD/acre)
<b>Haynesville Shale</b>			
Jul-10	BG and Exco Resources / Southwestern	695	15,109
Jun-10	BG / Exco Resources	355	17,694
Jun-09	BG / Exco Resources	1,055	12,560
<b>Barnett Shale</b>			
Nov-11	EV Energy and EnerVest / Encana Assets	1,208	14,732
Feb-11	Legend / Range Resources	900	17,308
<b>Eagle Ford Shale</b>			
Jun-11	Mitsui / SM Energy	735	18,846
Jun-11	Statoil and Talisman Energy / SM Energy	225	14,610
Jun-11	Marathon Oil / Hilcorp/KKR	3,500	24,823
Mar-11	KNOC / Anadarko	1,550	16,146
Oct-10	CNOOC / Chesapeake	2,160	8,971
Oct-10	Statoil / Talisman Energy	180	9,730
Oct-10	Statoil / Enduring Resources	1,325	10,900
Oct-10	Plains Exp and Prod / Dan A Hughes	578	8,433
Jun-10	Reliance / Pioneer Natural Resources	1,150	12,067
Jan-12	Marubeni Corporation/Hunt Oil	1300	14,460
<b>Bakken Shale</b>			
Dec-10	Occidental / Undisclosed Sellers	1,400	7,778
Nov-10	Williams / Undisclosed Sellers	925	10,781
Sep-12	QEP Resources/Undisclosed Sellers	1,400	50,000
Dec-12	Sinochem/Pioneer	1700	20,531
Dec-12	Continental Resources/Undisclosed Sellers	649	5,446
		Median	15,546

Source: Company announcements and research



# Summary: A Compelling Investment

- ◆ **Significant asset position** with a material footprint in the **proven hydrocarbon province** Cooper Basins (2 million acres) – relatively underexplored regions with **high exploration success** rate held at 100% interest by Real Energy. Real Energy is the only junior in the Cooper with 100% and large acreage position.
- ◆ Several large players have committed very large programs to develop the unconventional oil and gas within the Cooper Basin. Real Energy will potentially benefit from the work of these larger players in the Basin.
- ◆ Real Energy focuses on exploiting the Large Unconventional Basin Centred gas play in the Permian Toolachee and Patchawarra sections.
- ◆ Unconventional shale oil resource of 18.5 Billion bbls (best estimate initially in place) in the shallow Cretaceous Toolebuc and Unconventional basin centred gas play with significant resource potential (20 TCF of GIIP at P10) in the deeper Toolachee and Patchawarra Formations.
- ◆ Conventional oil (Best Estimate Prospective Resources of 21 MM bbls) with conventional gas plays with **significant resource potential**.
- ◆ **Seriously undervalued** compared to peers.
- ◆ Ready access to key services, infrastructure and markets.
- ◆ A successful and experienced board.
- ◆ Building an outstanding oil and gas company.



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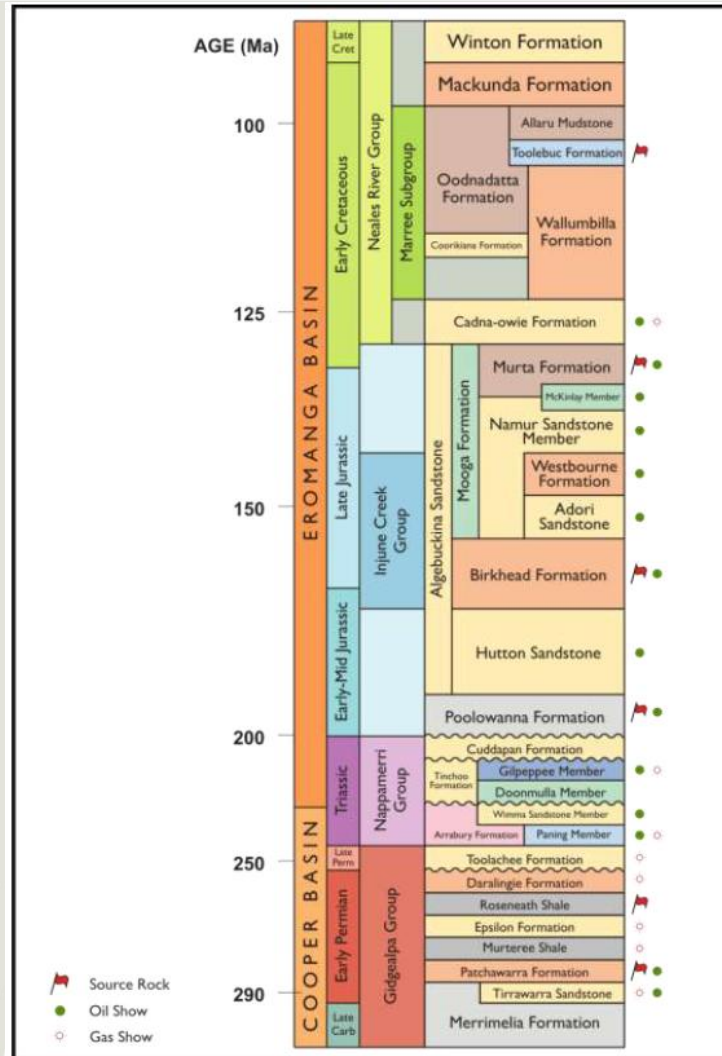
North Sydney NSW 2060

Australia



# Appendices

# Stratigraphy of Cooper – Eromanga Basins



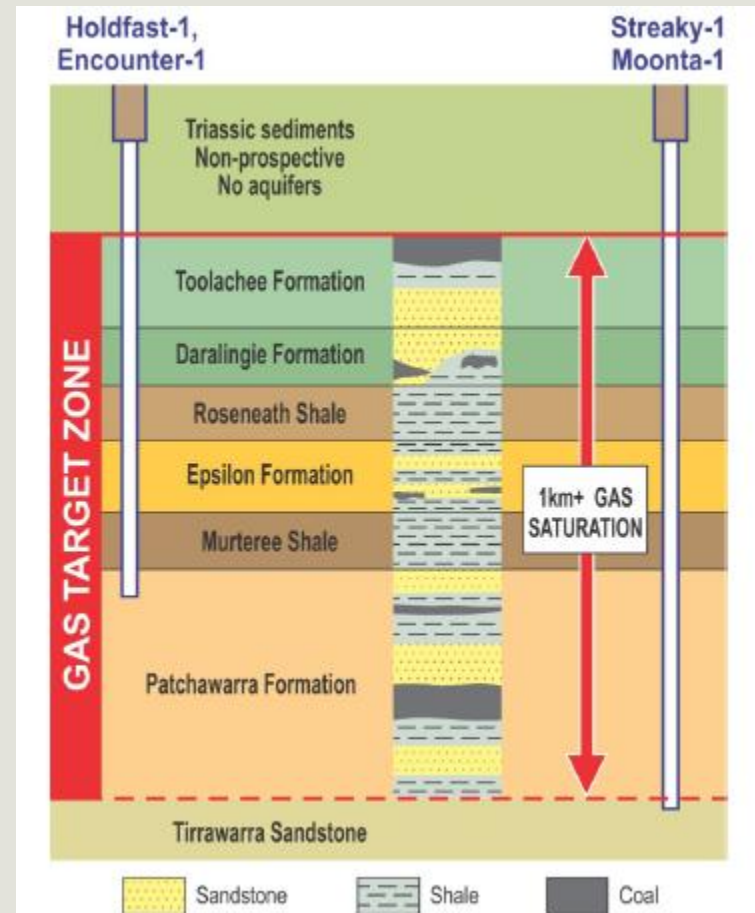
COOPER / EROMANGA BASIN STRATIGRAPHY



# Basin Centred Gas Play – Recent Successes by Beach Energy

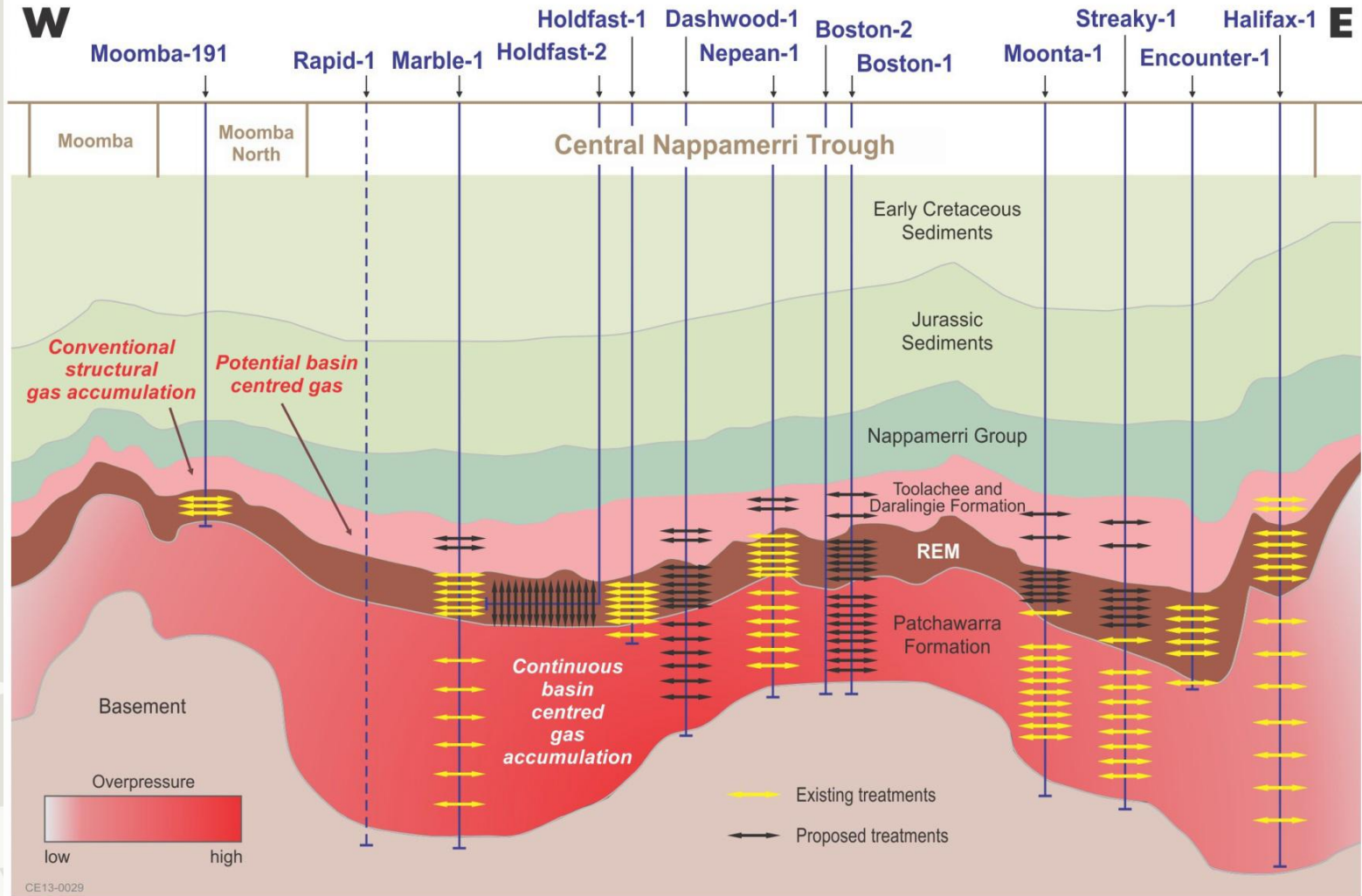
## Program highlights to date

- ◆ Holdfast-1, Encounter-1 proved up the shale play with flow rates at up to 2.1 MMscfd
- ◆ Moonta-1 proved up the basin centred gas concept throughout the Patchawarra, with gas flow rates at up to 2.6 MMscfd
- ◆ Holdfast-2 horizontal well drilling ahead laterally through the Murteree Shale
- ◆ March/April batch stimulation to include Streaky-1, Boston-1, Marble-1, Nepean-1 and Holdfast-2
- ◆ Halifax-1 vertical exploration well in ATP 855 reached total depth at ~4,300 metres
- ◆ Initial constrained gas flows from Halifax-1 at 2.2 MMscfd through a 24/64" choke



**300+ Tcf of gas in place estimated for PEL 218**

# Beach Energy & Santos Wells: Fracture Stimulation Stages



Source : Beach Energy Presentation September 2013

# Basin Centred Gas Play – Recent Successes by Senex

WELL	FORMATIONS	STAGES <sup>1</sup>
Kingston	Patchawarra	4
Rule-1	Epsilon	1
Hornet-1	Patchawarra	5
Skipton-1	Patchawarra	7
	Murteree	1
Talaq	Patchawarra coal	1
Panning-2 <sup>2</sup>	Toolachee	1
	Epsilon	2
	Patchawarra	2

<sup>1</sup> Number of stages attempted or planned, subject to change

<sup>2</sup> Target zones under evaluation

Source : Senex Energy Presentation 10 April 2013

