



Real Energy Corporation Limited
Level 3, 32 Walker Street North Sydney NSW 2060
Telephone 02 9955 4008

Real Energy signs gas sale MOU with Weston Energy

- **MOU covers sale of gas to Weston Energy from the Windorah Gas Project – with Weston Energy becoming Real Energy’s foundation customer**
- **Real Energy to receive funding of A\$6 million via a gas prepayment**
- **Key terms agreed on purchase of 3 petajoules of gas per year for a five-year term and allows RLE to covert resources into reserves**
- **MOU represents key step towards commercialisation of the Windorah Gas Project following recent signing of MOU with Santos Limited (ASX: STO) for gas processing**

Sydney 17 July, 2017, Cooper Basin focused oil & gas exploration company, Real Energy Corporation Limited (ASX:RLE) (“Real Energy ” or “the Company”), is pleased to advise that it has executed a non-binding Memorandum of Understanding (“MOU”) with Weston Energy Pty Limited (“Weston Energy”) to sell gas from the Company’s Windorah Gas Project in the Cooper Basin, Queensland.

The MOU represents a significant step towards signing a binding Gas Sales Agreement (GSA) between the two parties and covers the purchasing by Weston Energy of 3 petajoules (“PJ”) gas per year for a period of five years. A future binding GSA is subject to a number of conditions, including Weston Energy finalising gas transportation arrangements.

The MOU also provides for Weston Energy making a prepayment of A\$6 million, which will give Real Energy additional financial flexibility to execute future field development activities. The MOU also allows the Company to convert its 2C and 3C resources into reserves. An independent petroleum engineering firm has assessed the 3C gas resources of the Project at 672 Billion cubic feet of gas.

Scott Brown, Managing Director of Real Energy commented: “We are delighted to have executed this MOU with Weston Energy, who will become our foundation customer for the Windorah Gas Project.

“Real Energy is continuing to make significant progress towards the commercialisation of the Windorah Gas Project, in what is a transformational period for the Company. The signing of Weston Energy as our foundation customer follows the signing of an MOU with Santos for Windorah’s gas processing – both are significant and impactful developments for the business. “

“We are pleased to be part of the broader gas supply solution that delivers certainty and dependable energy supply to the Australian industry, and we look forward to providing further updates on additional gas sales agreements.”

Garbis Simonian, Managing Director of Weston Energy added: “Our aim is to support Australian domestic businesses and jobs, and this MOU with Real Energy is a significant step in delivering competitively priced contract gas to our industrial and commercial gas customers on the East Coast of Australia.”

For further information, please contact:

Real Energy: Managing Director - Scott Brown +61 2 9955 4008.

Released through: Ben Jarvis, Six Degrees Investor Relations, +61 (0) 413 150 448

Or visit the website: www.realenergy.com.au

Twitter: <https://twitter.com/RealEnergyCor>

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 (ASX: RLE)

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 3 large permits in Queensland – ATP 917P, ATP 927P & ATP1194PA.

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 Weston Energy

Weston Energy is a gas retailer created by Weston Aluminium Pty Ltd, an established, privately owned manufacturing company. Weston Energy understands the importance of competitively priced gas supply to Australian businesses and their future energy security and survival.

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