

Santos Innamincka Project Update

Highlights

- **2D Processing over Yarrow nearly complete**
- **New well at Yarrow Gas Field to be drilled in 2021**

Innamincka Dome, Cooper Basin

Red Sky Energy Limited (ASX: ROG) is pleased to provide an update on the work programme review for the Yarrow gas field by Cooper Basin operator Santos Ltd (ASX:STO) included in Red Sky's onshore Cooper Basin retention licences. These are PRL 14, 17, 18, 180, 181 and 182 collectively known as the Innamincka Dome Projects.

Since our last announcement Santos have advised:

- The reprocessing of the 2D over the Yarrow Gas Field is nearing completion
- Priority sites for the next Yarrow well have been identified
- The final location will be decided after re-interpretation of the seismic
- If proven commercial a pipeline will be built to deliver the gas to market

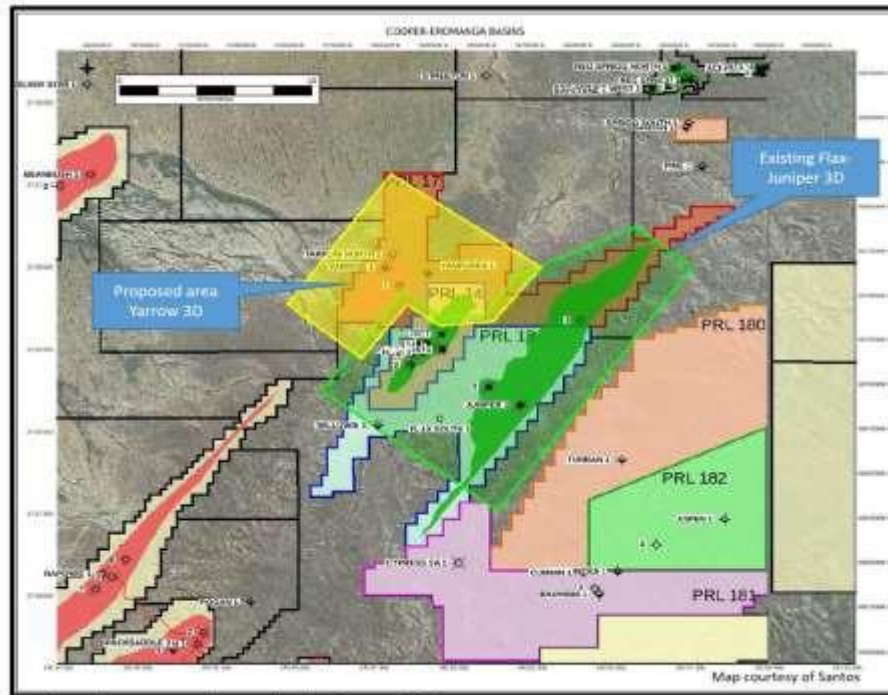
The Yarrow well is scheduled by Santos to be drilled in the second half of 2021. A pipeline of approximately 20km would potentially be built to tie into the grid at Napowie to the south of the Yarrow gas field. The pipeline is expected to have a gross capacity of 20mmcfpd (4mmcfpd net to Red Sky).

Yarrow has previously been estimated to have a 2C contingent resource of 18BCF. A further 20BCF 2C of associated gas is estimated at the Flax oil field 8km to the south east of Yarrow.

Santos Farm Out Terms

Santos to earn an 80% interest and operatorship (ROG: 20%) in Red Sky's onshore Cooper Basin retention licences PRL 14, 17, 18, 180, 181 and 182, collectively known as the Innamincka Dome Projects. The terms provide for Santos to:

- Fund 100% of 50km² of 3D seismic over the existing Yarrow gas field in PRL 17, up to a maximum cost of A\$1.0 million.
- Fund 100% of an appraisal well in the Yarrow gas field in PRL 17 up to a maximum gross cost of A\$3.0 million.
- Fund 100% of a horizontal appraisal well in the Flax oil and gas field in PRL 14, up to a maximum gross cost of A\$5 million.
- Subject to satisfactory appraisal outcomes, initially fund 100% of any approved development of the fields, with Santos to be repaid for Red Sky's share of such development expenditure out of Red Sky's share of production.



Location map: Innamincka Dome PRLs.

Released with the authority of the Board.

About Red Sky Energy Limited

Red Sky Energy is an Australian incorporated public company based in Melbourne, Australia and listed on the Australian Securities Exchange.

The Company's principal activities are the exploration for and production of hydrocarbons.

Current assets include 20% working interest in the Innamincka Dome oil and gas fields in the Cooper basin, South Australia and 100% working interest in the Gold Nugget gas production in Wyoming, USA. In addition, Red Sky is currently active in seeking to acquire near field development assets onshore and offshore Australasia and South East Asia.

Any queries regarding this announcement should be directed to the Company on +613 96140600 or e-mail: admin@redskyenergy.com.au.

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