

Red Sky Energy: ROG-ASX

Killanoola Oil Field Acquisition

December 2020

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Red Sky Snapshot

- ASX Code: ROG
- Ordinary Shares 2036M
- Shareholders 2567
- Market Capitalisation \$4.0M
- Share Price \$0.002
- Top 20 Shareholders 954M (46.6%)
- Top 2 Shareholders:
 - D Nestor et al – 9.7%
 - Cashmere Dell Pty Ltd – 5.5%

Directors

Andrew Knox B Com
Executive Director

CLINTON CAREY B Com
Non-Executive Director
Resource developer

ADRIEN WING B Com
Non-Executive Director
Co Sec

Executives

ANDREW KNOX B Com
Chief Executive Officer/Managing Director
35 years experience, oil & gas
Joined ROG in 2018

BILL LODWICK B Sc
Exploration & Development Manager
39 years experience, oil & gas
Joined ROG in 2018

70+ years of oil and gas experience

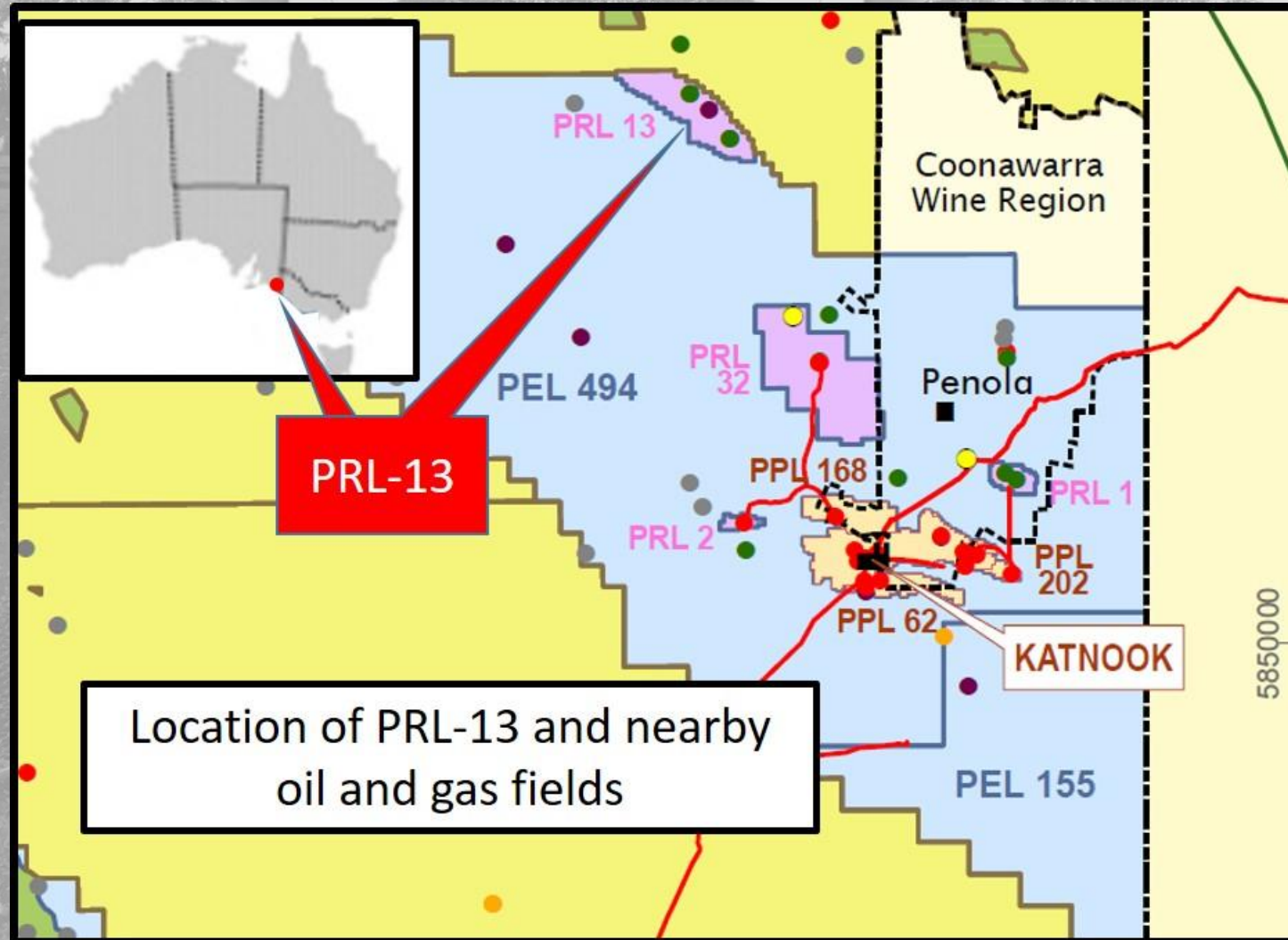
Current Position

- Free carry by Santos in Innamincka Project
- SE Asia/Australia Focus Area - obtaining spread of assets
- Development and cash-flow led
- Solid platform for growth
- Gold Nugget gas field
- E&P company on the ASX known by peers and market
- Clean balance sheet

Killanoola Opportunity

- ROG has finalised a purchase agreement for the Killanoola Oil field (PRL-13) from Beach Energy
- The SPA deadline is late February 2021 (120 days)
 - STOIIIP ranges up to 7 million barrels
- Recoverable oil ranges up to 40% or 2.8 million barrels
- Killanoola has passed through at least four operators since discovery which has severely disrupted development
- ROG is putting in place a novel wax mitigation plan by heating the tubing downhole, thus ensuring stable oil flow
- Best Estimate initial oil rate of 900 bopd is expected from a three wells development

PRL 13 location

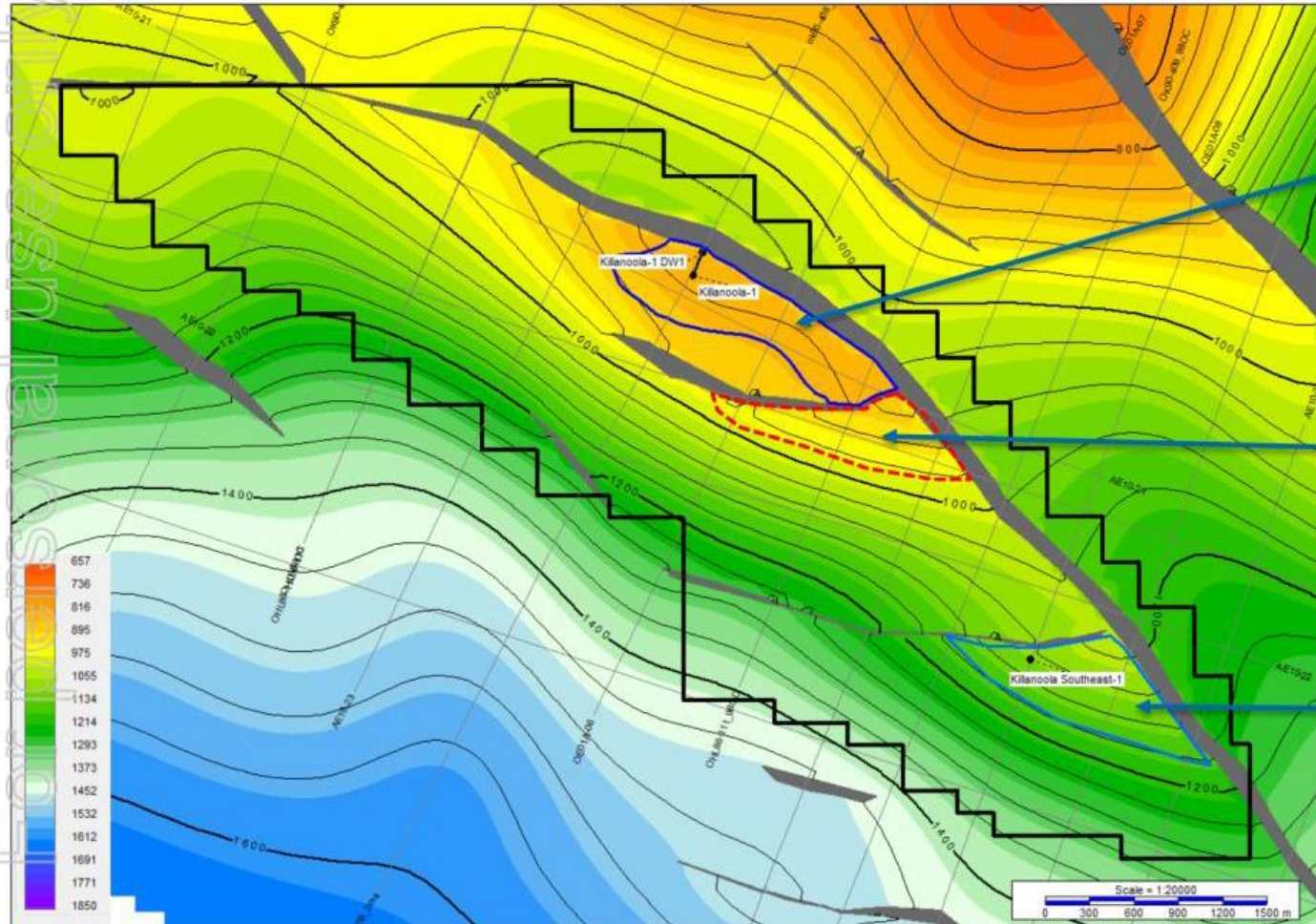


Economic Assumptions

Oil Price	USD45/bbl (flat real)
Starting Production rate	300 bopd per well (decline 15% p.a.)
Wells	Start with 1 (up to 6 producers high case)
Oil Originally In Place	7 million bbls
Best Estimate recoverable	2.8 million bbls (3 wells, 40% Recovery Factor)
Opex	\$0.75m pa (in production)
NPV10	\$14.2m post tax
NPV10 (three wells)	\$57.6m post tax

PRL 13 summary

Top Sawpit Sandstone Time Map



Killanoola

- Two-way dip two-way fault closure
- Discovery well Killanoola-1 drilled in 1999
- Killanoola-1 DW-1 drill 1999
- Flowed on DST at 118 bopd
- Suspended as future production well

Killanoola South

- Two-way dip two-way fault closure
- Remains untested

Killanoola Southeast

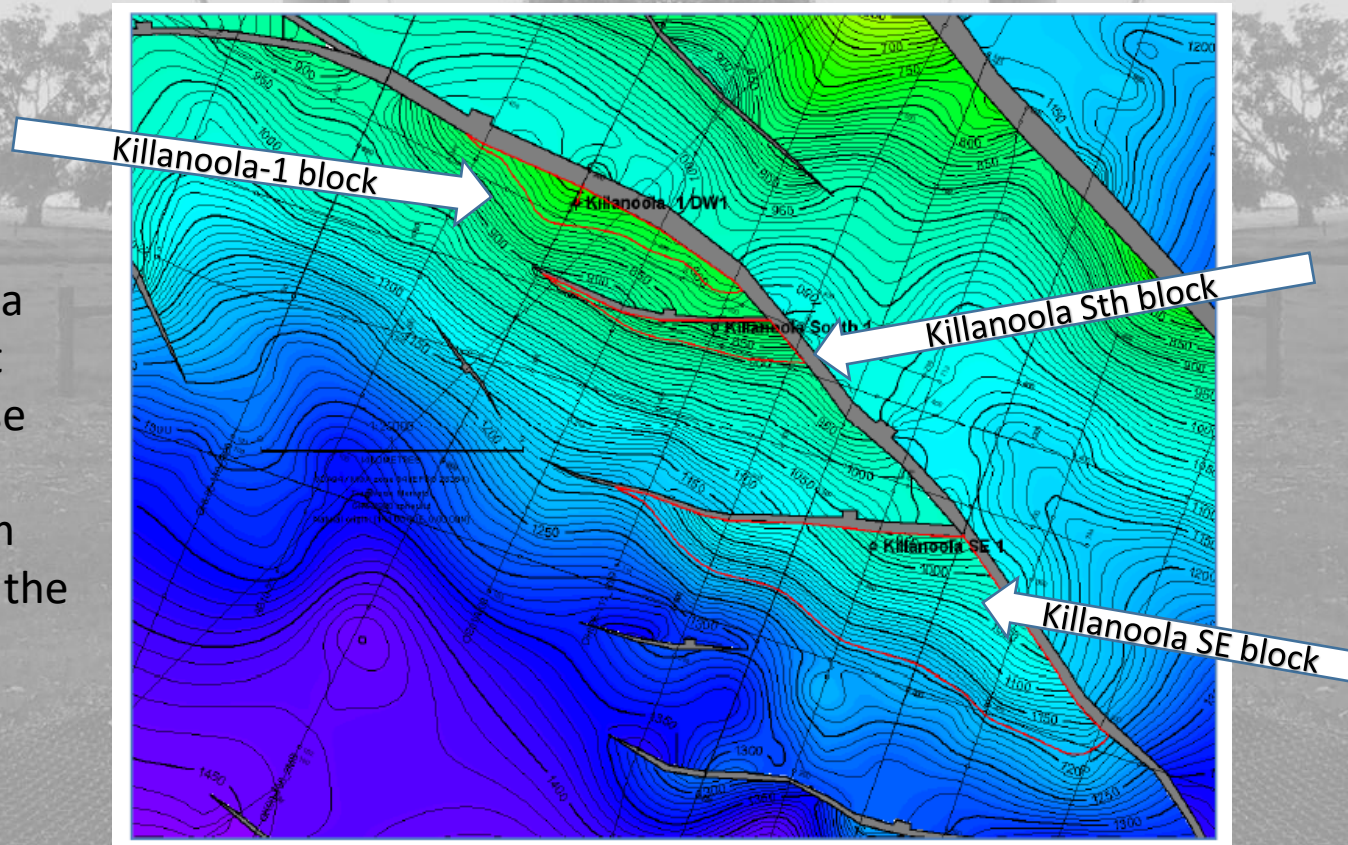
- Two-way dip two-way fault closure
- Killanoola SE-1 drilled in 2011
- Produced oil in DST
- Suspended as future production well

Field History

- Field was discovered in 1998 by the Killanoola-1 well
- Discovery well was deviated to an up-dip position by the Killanoola-1 Dw-1 well and a drill stem test produced about 120 bopd
- A second well Killanoola SE-1 was drilled in 2011 to test a separate fault block. A production test is planned
- Killanoola has estimated in-place oil of 7 million bbl
- Best Estimate oil recovery is 2.8 million bbl, which is 40% recovery factor. A downhole heating techniques to mitigate the wax issue is assumed
- Exceeds earlier estimates of 14% (0.8 million bbl EPR:ASX 2008)
- 6.5m of net pay was intersected in the side track, Killanoola-1 DW-1, and it was cased and suspended as an oil well on 2 May 1998
- The licence also include an additional untested fault closure, called Killanoola south. This fault block is considered a success in the high case

PRL 13 potential

- Killanoola-1 can be brought back into production quickly
- ROG plans to engage a proven enhancement technology to increase production
- Better flow rates from the well will increase the final recoverable volumes



Near Top Reservoir Depth Map

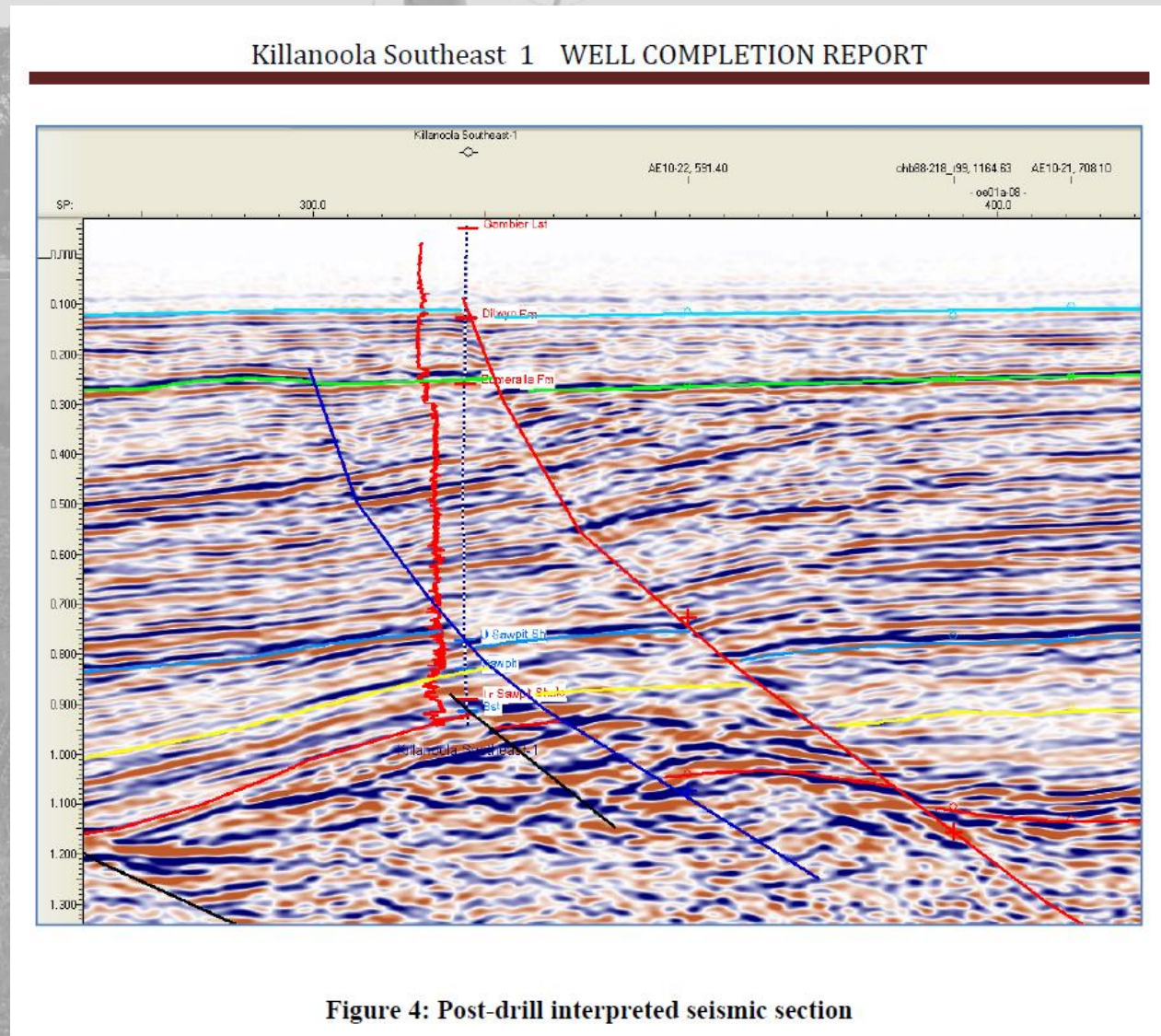
- The Killanoola South block is untested and has the same geological setting as Killanoola-1 and SE-1. ROG aims to drill this prospect after testing Killanoola SE-1
- The Killanoola SE-1 well discovered oil in 2011 and is suspended awaiting commercial testing. ROG plans to test after K-1 is in production.

Reserves Summary from Previous Operators

- Beach Energy estimated reserves at:
 - P90= 500,000 bbls,
 - P50= 2,900,000 bbls
 - P10= 6,700,000 bbls
- Essential Petroleum (EPR) stated:
 - 7 million bbls in place
 - 800,000 bbls recoverable (only 14%)

Technical Data

- 2D seismic – No 3D. ROG plans to acquire 3D before drilling any new wells
- Well data, small amount of production data
- Geological and petrophysical data
- Shallow relatively inexpensive drilling to reservoir

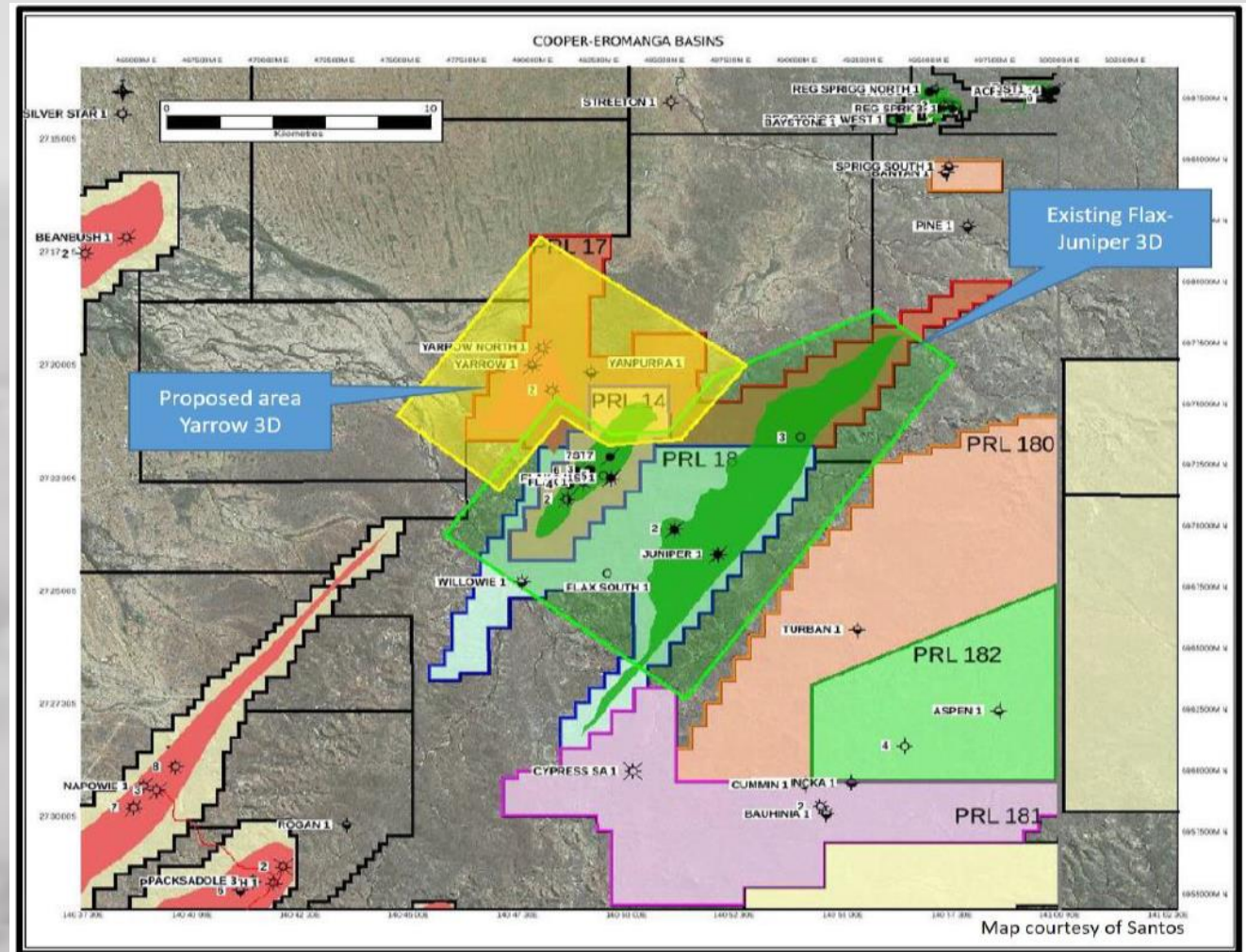


Other interests

- ROG holds a 20% working interest in the Innamincka Dome Project
- ROG holds a 100% working interest in the Gold Nugget-1/23 gas field and pipeline in Wyoming, USA
- ROG is actively engaging with various companies worldwide to acquire producing assets

Innamincka Dome

- ROG holds 20% working interest in the six PRLs.
- Santos, the operator, holds the other 80%.
- Commitments include: a new 3D over the Yarrow gas field & a vertical well
- A horizontal well in Flax
- Further exploration and evaluation of other blocks



Location map: Innamincka Dome PRLs.

Yarrow Gas

- Vertical well in Santos drilling programme to be drilled in 2nd half 2021
- Probable locations identified already
- Reprocessed 2D seismic will confirm final well location after interpretation
- 20km 4in. pipeline to tie into Napowie with circa 20mmcfpd capacity

Gold Nugget Gas

- ROG holds 100% working interest in the gas well and the gas pipeline
- Planned well intervention to improve production
- Potential to produce during winter months
- Engaging with nearby operators regarding future exploration and development activities
- Looking to farmout new exploration well
- Pipeline can be used to service new discoveries

THANK YOU FOR YOUR ATTENTION

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