

\$4.3M Capital Raising to Initiate Work Programme at Killanoola Project, SA

Raising to underpin new work programme at Red Sky's newly acquired Killanoola oil field in the
Penola Trough, South Australia

Highlights

- Funds received for \$4.3M rights issue shortfall and new share placement at 0.2 cents per share.
- Major new shareholders participated in the placement in the Company.
- Red Sky undertook a one-for-one non-renounceable rights issue at 0.2 cents late last year and raised a further \$0.77M ("Rights Issue"), bringing the total amount of the capital raisings to \$5.07M.
- Proceeds from the placement will underpin the work programmes across the Killanoola Project, where the Company intends to re start oil production.
- Field work is expected to commence next quarter once the acquisition is completed.

Red Sky's Managing Director Andrew Knox said: *"We are very pleased by the strong support for the share placement, which has introduced a number of new investors to our register."*

"This strong outcome reflects the market's growing awareness of the sustained increase in oil prices and the inherent value in the resources at Killanoola as well as our existing Innamincka dome projects."

"The funds raised through the combined placements and rights issue will enable us to progress a focused, multi-faceted work programme across our license, focused initially on recommencing production at the Killanoola-1 well and testing of the Killanoola south east-1 well; but also the acquisition of 3D seismic leading to a full field development plan."

"We were also pleased to have offered at the end of last year existing eligible shareholders with the opportunity to participate in the capital raising on the same terms as the placement, and I would like to thank all our existing and new shareholders for their ongoing support."

Red Sky Energy Ltd (ASX: ROG) ("Red Sky" or the "Company") is pleased to announce it has received funds from sophisticated and professional investors to raise \$4.3 million through share placements ("Placement") in addition to the non-renounceable rights issue conducted in Nov/Dec 2020 raising \$0.77 million ("Rights Issue"), for a total of \$5.07 million before costs.

The proceeds of the capital raising will strengthen Red Sky's balance sheet and allow it to complete on the acquisition of Petroleum Retention License (PRL) 13 which contains the Killanoola oil field and commence the planned work programme at the Company's 100%-owned **Killanoola oil Project** in the Penola Trough in the south east of SA.

Initial fieldwork programmes are scheduled to commence next quarter post completion of the acquisition.

Capital Raising Details

Red Sky has received placement funds from sophisticated and professional investors, comprising of 2,169,500,000 fully-paid ordinary shares in the Company (**New Shares**) at an issue price of 0.2 cents to raise approximately A\$4.3 million (before costs).

The Placement was conducted through the previously advised rights issue shortfall (1,600,000,000 shares) in conjunction with the Company's placement capacity under ASX Listing Rule 7.1(166,307,780 shares) and Listing Rule 7.1A (403,192,220 shares) which settled today per the Appendix 2A provided separately. Shareholder approval is not required for the issue of New Shares under the Placement.

The Placement was partially conducted by Beer & Co Pty Ltd as Lead Managers. A fee of up to 6% will be paid on the Placement. In addition, the Lead Managers will receive 70 million 2 year options exercisable at 0.5cents.

The Company previously late last year offered eligible shareholders the opportunity to acquire new shares through a pro-rata non-renounceable rights issue at the same price as the Placement (**Rights Issue**) which raised approximately A\$0.77 million (before costs).

The Capital Raising price of A\$0.2 cents per New Share does not represent a discount to the market.

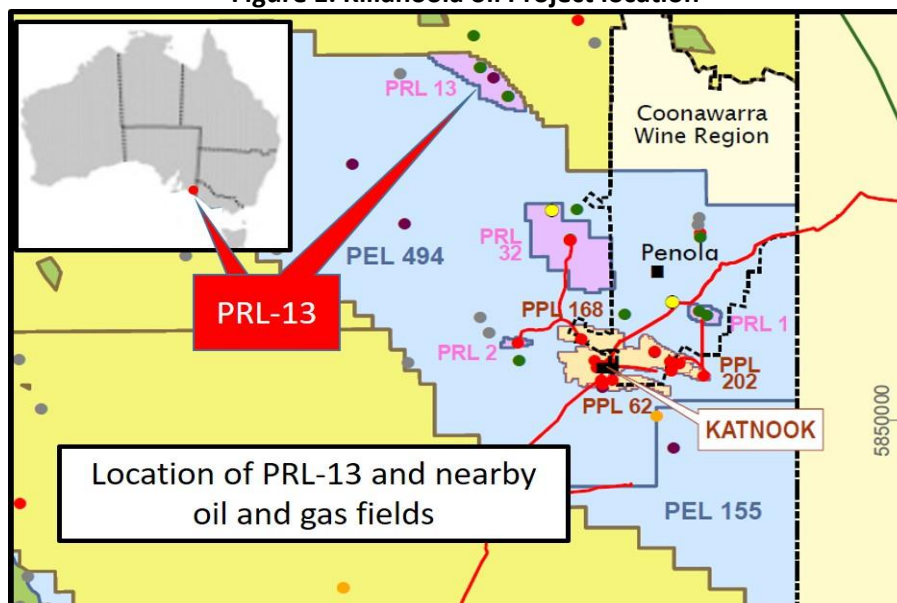
Use of Funds

- Security bond with the SA government.
- Field work programme
- 3D seismic acquisition
- Assess other opportunities
- Working capital.

Project Location

PRL13 (Killanoola) is located in the Penola trough, south east SA (Figure 1).

Figure 1. Killanoola oil Project location



Released with the authority of the Board.

Andrew Knox
Managing Director

Various statements in this report constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve unknown risks, expectations, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or impliedly portrayed herein.

Some of the more important of these risks, expectations and uncertainties are pricing and production levels from the properties in which the Company has interests and the extent of the recoverable reserves at those properties. In addition, the Company has a number of exploration permits. Exploration for oil and gas is expensive, speculative and subject to a wide range of risks. Individual investors should consider these matters in light of the personal circumstances (including financial and taxation affairs) and seek professional advice from their accountant, lawyer or other professional advisor as to the suitability for them of an investment in the Company.