

ASX and Media Announcement

Red Sky Completes on Acquisition of Killanoola Licence from Beach

Red Sky Energy Limited (ASX: "ROG" or "the Company") is pleased to advise of the following:

Completion

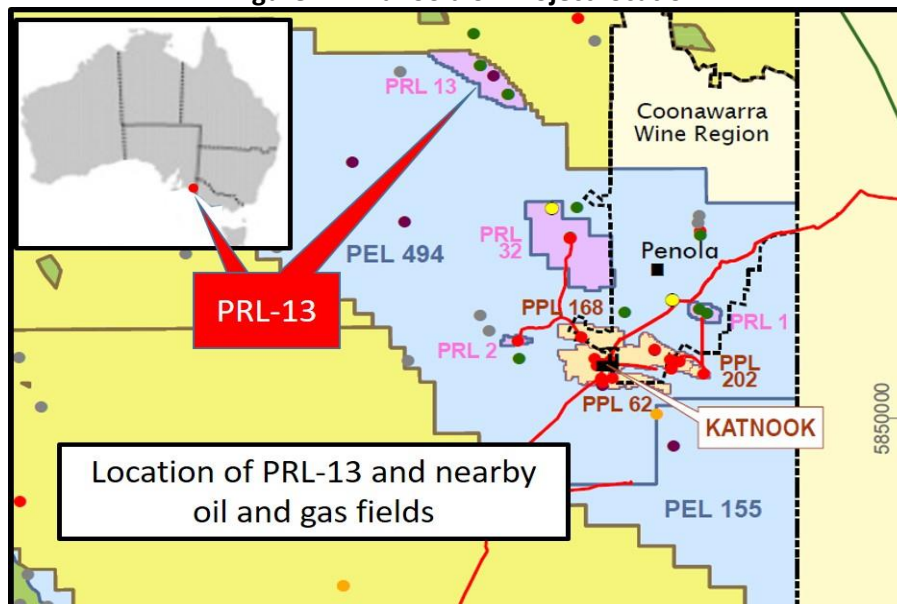
The Company has completed the acquisition of Petroleum Retention Licence 13 (PRL13) through its wholly owned subsidiary Red Sky Killanoola Pty Ltd from a subsidiary of Beach Energy Ltd (Beach, ASX:BPT).

The Company has applied to the South Australian Minister for Energy and Mining for approval and the registration of the Sale and Purchase Agreement (SPA) and associated agreements for PRL13. Upon approval the licence will be transferred to Red Sky Killanoola Pty Ltd. The purchase under the SPA is inclusive of all existing production infrastructure.

The Company has commenced planning for the Killanoola Project with a focus on commencing oil production at the Killanoola-1-DW1 well as soon as possible and is currently investigating different enhanced oil recovery techniques to maintain long term production at the highest rate possible.

PRL13 is located near the township of Penola in southeast South Australia.

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.