

ASX and Media Announcement

Red Sky receives Government approval for Killanoola Licence transfer from Beach

Highlights

- **Killanoola licence approval and transfer complete with SA Government**
- **ROG to pursue long term production from existing wells**
- **ROG to achieve quick and positive cashflow**
- **Strong outlook for significant reserve growth from highly prospective tenement acreage**

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

License Registration

The Company has received approval for the application to the South Australian Minister for Energy and Mining to register the Sale and Purchase Agreement (SPA) and associated agreements for the acquisition of PRL13 from Beach Energy Ltd (Beach, ASX:BPT). The licence has now been transferred to ROG's wholly owned subsidiary Red Sky Killanoola Pty Ltd.

THE KILLANOOLA PROJECT

With the transfer now complete, ROG will now work towards developing the Killanoola oil field.

The field has two shut-in wells. The first well, Killanoola-1-DW1, was drilled in 1998 and subsequently put on an extended production test. Reports show that the initial flow rates were as high as 300 barrels per day but quickly declined and is attributed to the waxy nature of the crude oil.

We are currently investigating different methods of enhancement recovery techniques to achieve and maintain long term production at the highest rate. In North America many wells are heated to allow the oil to flow more readily to the surface and is not uncommon with crudes demonstrating these viscous attributes. It is intended to store the crude onsite before trucking it to the refinery.

This will provide Red Sky with a quick and positive cash flow.

In the longer term, ROG will complete geological and geophysical works, record a 3D seismic survey over the license and complete a Field Development Plan (FDP). The Killanoola oil field has estimated oil in place of 7 million barrels. Modern enhanced oil recovery (EOR) techniques indicate that recoveries of up to 40% can be achieved at Killanoola equating to 2.8 million barrels as advised in our announcement on 29 November 2020.

Red Sky's CEO and Managing Director, Andrew Knox, said,

"The Company is extremely pleased that the acquisition is finalised and thank both Beach and the Ministry for the expeditious manner in which the transaction was completed.

Red Sky is fully funded following the combined success of our recent rights issue and placements, debt free and is moving to effect our work programme and provide production for the Company.

This could not have been achieved without the participation of shareholders and again thank them for their support".

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

Released with the authority of the Board.

-ENDS-

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.