

RED SKY COMPLETES PLACEMENT AND LAUNCHES SPP

HIGHLIGHTS

- **Commitments received to raise \$3m via share placement (before costs)**
- **Share Purchase Plan proposed to raise further \$4m (before costs)**
- **Funds to be applied to further expansion and development of the Killanoola Oil Project**

Australian Oil and Gas explorer and developer, Red Sky Energy (ROG: ASX) (Red Sky or the Company) is pleased to announce that it has received binding commitments to raise \$3 million (before costs) via a share placement to unrelated professional and sophisticated investors (**Placement**). Red Sky is also pleased to announce that it proposes launching a share purchase plan (**SPP**) to seek to raise up to \$4 million (before costs) to allow existing eligible shareholders the opportunity to subscribe for Red Sky shares at the same price as offered under the Placement. Further details are set out below.

Commenting on the Placement and SPP, Red Sky Managing Director, Andrew Knox, said:

"We are very pleased with the substantial interest from strategic investors for the placement. The additional funding will allow us to further expand and develop Killanoola. We welcome further shareholder support in the SPP as we embark on this valuable project."

Funds raised under the Placement and SPP in combination will be applied to further development and fast tracking of the Killanoola Oil Project, including but not limited to further expanded seismic acquisition and additional drilling in the wider project area at Killanoola, as well as for assessing new opportunities working capital and to meeting the costs of the Placement and the SPP.

Placement

The Placement is by way of the issue of 375,000,000 fully paid ordinary Red Sky shares (Placement Shares) at an issue price of \$0.008 (0.8 cents) per Placement Share, raising a total of \$3 million before costs.

The participants in the Placement are unrelated professional, sophisticated and other exempt investors who are clients of stockbroking firms who supported the Company's activities or who the Company identified as part of its investor relations program. The Placement Shares are to be issued under the existing placement capacity available to the Company under ASX Listing Rule 7.1A (375,000,000 shares). It is anticipated that the Placement Shares will be issued on or about 13 August 2021.

The Capital Raising price of A\$0.008 (0.8 cents) per New Share represents a 20.0% discount to the last traded price on Wednesday 4th August 2021 (A\$0.01)

An Appendix 3B for the Placement Shares was released to ASX at the same time as this announcement.

Share Purchase Place (SPP)

The Company is launching the Share Purchase Plan (SPP) to allow the holders of Red Sky shares at 7:00pm (Melbourne time) on 6 August 2021 (SPP Record Date) whose registered address is in Australia or New Zealand and are eligible to participate in the SPP (eligible shareholders) the opportunity to subscribe for Red Sky shares at the same price as offered under the Placement.

Under the SPP, eligible shareholders will each be able to apply for up to \$30,000 worth of fully paid ordinary Red Sky shares (SPP Shares) at \$0.008 (0.8 cents) per SPP Share. The Company proposes raising up to \$4 million before costs (500,000,000 SPP Shares) under the SPP, however the Board may at its discretion accept oversubscriptions (subject to compliance with applicable law including the Listing Rules and ASIC Instrument 2019/547). There is no minimum subscription amount under the SPP.

The issue price per SPP Share represents a 20.0% discount to the last closing price of Red Sky shares on 4 August 2021 (being the last trading day of Red Sky shares prior to this announcement) and a 20% discount to the 5 day volume weighted average price of the shares of the Company at that date.

If total applications exceed the maximum amount to be raised (following acceptance of oversubscriptions, if any, and subject to the Board's discretion to expand the SPP as set out above), the Company may scale back the number of SPP Shares issued in response to an application on a pro rata basis at the discretion of the Board based on the size of the applicant's holding as at the Record Date.

The Company reserves the right to place any shortfall to sophisticated, professional and other exempt investors (who may include existing shareholders), subject to compliance with applicable laws.

The Key Dates for the SPP are as follows:

SPP Record Date (7:00pm Melbourne time)	6 August 2021
SPP opening date and date of SPP Offer Booklet	11 August 2021
SPP Closing Date (5:00pm Melbourne time)	31 August 2021
Announcement of results of SPP and issue date	2 September 2021
Commencement of trading of SPP shares on ASX	3 September 2021

The above timetable (other than the SPP Record Date) is indicative only and may be changed by the Company.

Full details of the SPP are set out in the SPP Offer Booklet which is anticipated to be released to ASX and sent to shareholders on 11 August 2021. An Appendix 3B for the SPP Shares was released to ASX at the same time as this announcement.

-ENDS-

Released with the authority of the board.

For further information on the Company and our projects, please visit:

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About The Killanoola Project

The Killanoola oilfield was discovered by the Killanoola-1 well in 1998 at a depth of 850 metres. The oil is a 34° API waxy crude. Previous flow tests of the well have recorded rates of up to 300 bopd. A petrophysical report commissioned by Red Sky on the Killanoola-1DW-1 well identified potentially 37 metres of additional oil bearing pay zones within the 149 metre thick Sawpit Sandstone. This evaluation adds significantly to the currently perforated pay zone of 5 metres. Red Sky is now working to revise the work programme to include testing of the newly identified pay zones. ([See ASX Announcement 6 May 2021](#))

These results followed the recent exceptional result of 16m of Net Pay for the Killanoola SE-1 well. ([See ASX Announcement 22 March 2021](#)). Red Sky is preparing to perforate and test these newly identified pay potential zones in the wells. Planning is underway in line with our forward programme. This testing, if successful, will allow Red Sky to book reserves associated with Killanoola-1DW-1 and Killanoola SE -1.

Forward Looking Statements

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.