

RED SKY ENERGY SUMMARY OF POTENTIAL CURRENT RESOURCES

HIGHLIGHTS

- **6.4m barrels of oil-equivalent potential contingent resources net to Red Sky**
- **Application to test wells at Killanoola pending**

Australian Oil and Gas explorer and developer, Red Sky Energy (ROG: ASX) (Red Sky or the Company) is pleased to provide a summary of the current resources associated with the Killanoola oil field project and the Innamincka Dome projects.

Killanoola Oil Field Project 100%

The Killanoola oil field is located near Penola South Australia and held under Petroleum Retention Licence 13 (PRL 13). The discovery well was drilled in 1998 and has produced oil consistently during tests. This well is currently undergoing petrophysical re-evaluation and results are expected next week. Killanoola SE-1 was drilled in 2011 into the same structural feature. ROG recently reported that petrophysical analysis had shown potential oil pay to be net 16m.

ROG plans to test both wells this year. Killanoola SE-1 will be tested first to confirm petrophysical evaluations. Killanoola-1-DW1 will be tested immediately afterwards. (see Attachment 1 - PRL13 Potential)

Innamincka Dome Projects with Santos 20% free carried work programme in Yarrow and Flax fields

- The Innamincka Dome projects comprise six Petroleum Retention Licences (PRLs) containing three oil and gas discoveries. The discoveries are Flax (PRL 14), Yarrow (PRL 17) and Juniper (PRL 18). The other three PRLs (180,181 and 182) are also prospective and being evaluated.

Flax Oil and Gas Project

- The Flax oil and gas field has produced about 180,000 bbl of oil from six wells. The production facility was shut-in by a previous operator during a time of low oil prices. Santos will fund 100% of a horizontal appraisal well in the Flax oil and gas field, up to a maximum gross cost of A\$5 million.

Yarrow Gas Project

- The Yarrow -1 discovery well and two appraisal wells have encountered gas. A fourth well is scheduled to be drilled in Q4 2021 targeting a highly prospective and untested part of the gas field. Santos will fund 100% of this appraisal well up to a maximum gross cost of A\$3.0 million and fund 100% of 50km² of 3D seismic over the existing Yarrow gas field in PRL 17, up to a maximum cost of A\$1.0 million. Subject to satisfactory appraisal outcomes, also initially fund 100% of any approved development of the fields, with Santos to be repaid for Red Sky's share of such development expenditure out of Red Sky's share of production.

Juniper Oil and Gas Project

- The Juniper oil field straddles both PRLs 17 and 18. It has been penetrated by three wells but is still not fully understood. Further subsurface work is being undertaken to fully evaluate its commercial potential.

Commenting on the current resources, Red Sky Managing Director, Andrew Knox, said:

“Red Sky is pleased to provide this summary of our contingent resources for our shareholders. At 2C they comprise potentially 5.1m bbls of oil and 7.6 BCF of gas. The company looks forward to commercialising these assets and moving them to reserves.”

Killanoola Oil Field Project Oil and Gas Contingent Resources, Net 100% ROG Volumes

Permit	Field	Oil/condensate			Sales gas		
		1C	2C	3C	1C	2C	3C
		mmbbl	mmbbl	mmbbl	bcf	bcf	bcf
PRL13	Killanoola	0.8	2.8	5.5	0.0	0.0	0.0
	Total	0.8	2.8	5.5	0.0	0.0	0.0

Reference c)

Innamincka Dome Projects with Santos Oil and Gas Contingent Resources, Net 20% ROG Volumes

Permit	Field	Oil/condensate			Sales gas		
		1C	2C	3C	1C	2C	3C
		mmbbl	mmbbl	mmbbl	bcf	bcf	bcf
PRL17	Yarrow	0.1	0.1	0.1	2.5	3.7	5.5
PRL14/18	Flax	0.9	2.0	3.4	1.7	3.5	6.0
PRL17/18	Juniper	0.1	0.2	0.3	0.1	0.4	1.8
	Total	1.1	2.3	3.8	4.3	7.6	13.3

Reference a)

Total Oil and Gas Contingent Resources, Net ROG Volumes

Permit	Field	Oil/condensate			Sales gas		
		1C	2C	3C	1C	2C	3C
		mmbbl	mmbbl	mmbbl	bcf	bcf	bcf
PRL17	Yarrow	0.1	0.1	0.1	2.5	3.7	5.5
PRL14/18	Flax	0.9	2.0	3.4	1.7	3.5	6.0
PRL17/18	Juniper	0.1	0.2	0.3	0.1	0.4	1.8
PRL13	Killanoola	0.8	2.8	5.5	0.0	0.0	0.0
	Total	1.9	5.1	9.3	4.3	7.6	13.3

Notes

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations. These project(s) are not currently considered to be commercial owing to one or more contingencies. Contingent Resources have an associated chance of development. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the range of uncertainty associated with the estimates and should be sub-classified based on project maturity and/or economic status (SPE Petroleum Resources Management System).

References

- a) 6 May 2019 ROG ASX and Media Announcement: Risc Report on Oil and Gas Resources In Innamincka Dome Fields.
- b) 17 June 2019 ROG ASX and Media Announcement: Red Sky Energy Completing Strategic Review to Target Near Term Revenue Projects with Low Capex.
- c) 19 November 2020 ROG ASX and Media Announcement: Maiden Reserves and Resources Statement Killanoola Oil Field; PRL 13, South Australia.

-ENDS-

Released with the authority of the board.

For further information on the Company and our projects, please visit: www.redskyenergy.com.au

Contact:

Andrew Knox
Managing Director
Red Sky Energy
+61 407 356 557

andrew.knox@redskyenergy.com.au

Mark Flynn
Investor Relations
irX Advisors

+61 416 068 733

mark.flynn@irxadvisors.com

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.

Attachment 1

