

24 October 2018

## RED SKY TO ACQUIRE REMAINING 25% OF PRL182 FROM BENGAL ENERGY

### Highlights

- **Red Sky** enters a conditional sale and purchase agreement to acquire Bengal Energy's 25% interest in PRL182, part of the Innamincka Dome oil & gas project ("**Innamincka Dome Project**"), comprising six PRLs.
- The acquisition (which is subject to regulatory approval) offers:
  - 100% ownership in the PRL
  - Complete 100% ownership across all PRLs

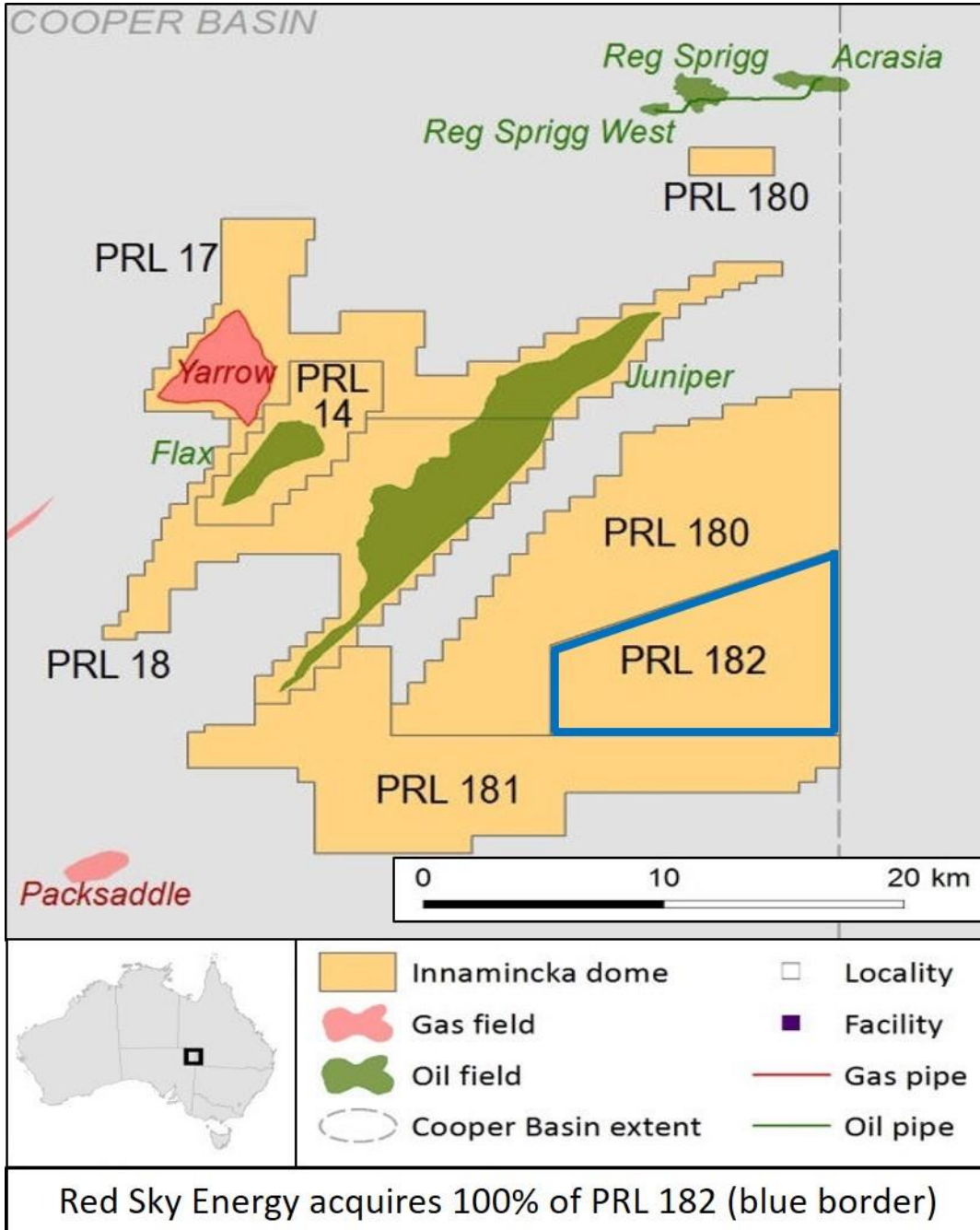
### Overview

Red Sky Energy Limited ("**Red Sky**" or "**the Company**", ASX: **ROG**) is pleased to advise that it, through its wholly owned subsidiary Red Sky (NT) Pty Ltd, has entered into a conditional Sale and Purchase Agreement (**SPA**) with Bengal Energy (Australia) Pty Ltd ("**Bengal Energy**"), a Bengal Energy Ltd subsidiary to acquire that subsidiary's interest in PRL182, part of the Innamincka Dome Project in the Cooper Basin, South Australia. A summary of the key terms of the SPA are set out in Annexure A.

The Innamincka Dome Project comprises a portfolio of six highly prospective petroleum permits (PRLs) near the township of Innamincka in northeast South Australia. Red Sky executed a Sale and Purchase Agreement to acquire an operating interest in these permits with Acer Energy Pty Ltd, a Beach Energy Limited ("**Beach**", ASX: BPT) subsidiary in July 2018, which remains conditional. With the execution of its agreement with Bengal Energy, Red Sky has now entered into conditional agreements to acquire a 100% stake in all six permits:

- PRL14 (Flax oil field which was previously producing);
- PRL17 (Yarrow gas field);
- PRL18 (Juniper oil field);
- PRL180;
- PRL181; and
- PRL182

The acquisition of Bengal's 25% interest will provide consolidation of 100% in the entire Innamincka Dome Project which represents a significant opportunity for Red Sky."



## **ANNEXURE A**

### **Summary of key terms of the SPA**

The transaction the subject of the sale and purchase agreement (**SPA**) involves the following elements:

- Red Sky will acquire a 25% interest in PRL 182 and all associated joint venture property
- Only nominal consideration of \$1 is payable by Red Sky for the license to be acquired under the SPA. However, Red Sky will be responsible for discharging all obligations arising in respect of the assets purchased as from completion of the transaction, including all liabilities relating to the decommissioning, abandonment, rehabilitation, remediation or restoration of those assets.
- Completion of the acquisition is subject to the satisfaction of certain conditions precedent including regulatory approvals as well as completion of the acquisition of the other interests in the Innamincka Dome project from Beach Energy Limited.
- Where ministerial consent is required for a dealing effected on completion of the acquisition, the parties have agreed to seek that consent within 180 days of completion. Where ministerial consent is required but not obtained, unless a suitable alternative agreement can be reached, the sale and transfer contemplated under the SPA will not be completed.
- The SPA will be terminated if not all the conditions precedent are satisfied and/or waived within 180 days of the date of the SPA. The SPA may also be terminated if either party materially breaches a term of the SPA and fails to remedy such breach within 5 business days of notice from the other party (or such longer time as the non-defaulting party determines).
- The obligations of Red Sky (NT) Pty Ltd under the SPA are to be guaranteed by Red Sky.
- The SPA otherwise contains terms typical of arrangements of this nature, including the imposition of obligations of confidentiality on the parties, warranties from each party and provisions for the limitation of liability.

### **About Red Sky Energy Limited**

**Red Sky** Energy is an Australian incorporated public company based in Melbourne, Australia and listed on the Australian Securities Exchange.

The Company's principal activities are the exploration for and production of hydrocarbons.

Current assets include 100% working interest in the Gold Nugget gas production in Wyoming, USA however Red Sky is currently active in seeking to acquire near field development assets onshore and offshore Australasia and South East Asia.

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

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