

## **RED SKY ENERGY INITIATES ACTIVITY AT KILLANOOLA PRL13 SOUTH AUSTRALIA**

### **HIGHLIGHTS**

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- **Initiation of operations to ensure rods in the DW-1 well are free moving at Killanoola PRL13**
- **SA DEM approval previously received to commence this operation**
- **Plans for surface pump to be recommissioned and production restarted**
- **Rig to be brought in to commence perforation work and complete both the DW1 and SE1 wells as producers**

**Australian Oil and Gas explorer and developer, Red Sky Energy (ROG: ASX) (Red Sky or the Company)** is pleased to advise that as of this morning, it has initiated works onsite at the Killanoola Oil Project (**Killanoola**) located in the Penola Trough, South Australia, within PRL13. This on site activity follows the receipt of approval from the Government of South Australian (**SA**) Department for Energy and Mining (**DEM**) to commence operations as announced on [29 July 2021](#).

With the Government approval now in place, the rods will be checked to ensure free moving and potentially declared fit for purpose. Post this certification, Red Sky is planning a short test run and if the testing performs well, the pump will be turned on for the first phase of an extended production test. During this first phase Red Sky will be able to ascertain more about the quality of the oil, the reservoir and also test enhanced oil recovery solutions.

Once the first phase is completed Red Sky will re-enter the well to perforate the newly identified 37 metres of potential pay as well as the 16 metres of potential pay identified at SE-1. If successful, this should increase production rates significantly.

**Commenting on the onsite operations, Red Sky Managing Director, Andrew Knox, said:**

*“After an enormous amount of work and planning, it is great to see the Red Sky team onsite to start the testing of the rods at DW-1. We were able to mobilise quickly to Killanoola after receipt of the government approval to commence operations. The team hopes to make quick progress with the testing which will lead to recommissioning the pump and establishing the topside equipment. We look forward to keeping you up to date on this journey to extract the value from the resources at Killanoola.”*

**-ENDS-**

Released with the authority of the board.

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

[www.redskyenergy.com.au](http://www.redskyenergy.com.au)

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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.