

## **SA GOVERNMENT APPROVAL RECEIVED TO COMMENCE SLICKLINE OPERATIONS AT KILLANOOLA SE-1 PRL13 SOUTH AUSTRALIA**

### **HIGHLIGHTS**

- **SA DEM approval received to commence slickline operations at Killanoola SE-1**
- **Activity to begin immediately to facilitate commencement of wireline perforation works**
- **Killanoola SE-1 well will be re-entered for the first time in over 10 years**
- **If the well bore is clear Red Sky will proceed directly to perforate and test the new pay zones  
If the well is not clear a rig will be brought in followed by perforation and testing**

Australian Oil and Gas explorer and developer, Red Sky Energy (ROG: ASX) (Red Sky or the Company) is pleased to advise that it has received approval from the Government of South Australian (SA) Department for Energy and Mining (DEM) to commence slickline operations at the Killanoola Oil Project (Killanoola) located in the Penola Trough, South Australia, within Red Sky's PRL13.

Commenting on the slickline approval, Red Sky Managing Director, Andrew Knox, said:

*"The Company is delighted that the operations at Killanoola SE-1 can now commence. Our preferred pathway is to go straight from the slickline results to perforation and testing of the well. If a rig is required, we will re-arrange activities at Killanoola-1 DW-1 so we can efficiently test both wells."*

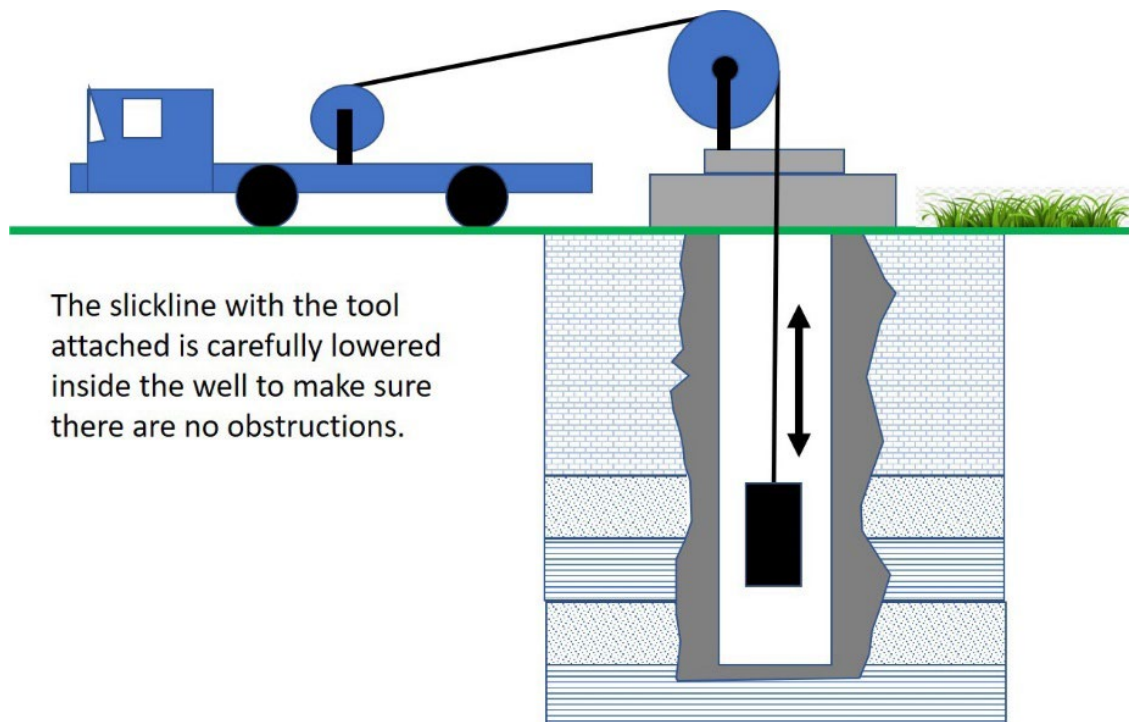


Figure 1 – Slickline diagram (not to scale)

This current approval follows an announcement on [29 July 2021](#) of SA Government approval to commence operations across the Killanoola Project. With this additional Government approval, slickline work can begin to ensure the well is clear whereupon work can begin immediately on wireline perforation works on the 16 metres of potential pay identified at SE-1. If successful, this will potentially increase production rates significantly.

A slickline is a metal rope used to lower tools down the well bore. This simple operation will inform us if the well has any obstructions. This is a cost-efficient exercise for planning wireline and rig activities as it allows the Company to take each step with the best available and latest knowledge to overcome any issues that may arise.

### **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 moving towards perforating and testing these newly identified potential pay zones in the wells. This testing, if successful, will allow Red Sky to book reserves associated with Killanoola-1DW-1 and Killanoola SE -1.

**-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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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.