

SA GOVERNMENT APPROVAL RECEIVED TO COMMENCE PRODUCTION AT KILLANOOLA DW1 SOUTH AUSTRALIA

HIGHLIGHTS

- **SA DEM approval received to commence production at Killanoola DW1**
- **Activity to begin immediately with contractors to be mobilised to site**
- **Sale agreement signed for all crude produced**
- **Benchmarked against dated Brent for pricing**

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 Australia (**SA**) Department for Energy and Mining (**DEM**) to commence production from the existing pay zone at the DW1 well within the Killanoola Oil Project (**Killanoola**) located in the Penola Trough, South Australia.

Red Sky Managing Director, Andrew Knox, commented:

“The Red Sky team is pleased to have received government approval to commence production at DW-1. We continue to push to extract full value from the resources at Killanoola as soon as possible.”

In August, Red Sky announced the signing of an agreement with Viva Energy Australia Pty Ltd (ASX:VEA) (**Viva Energy**) to purchase all crude produced from the Killanoola oil field project subject to specifications. All crude produced and sold will be subject to required quality specifications. Delivery will be made into Viva Energy’s Geelong refinery by road tanker approximately four hours to the southeast of the Killanoola Project. The crude will be benchmarked against dated Brent for pricing.

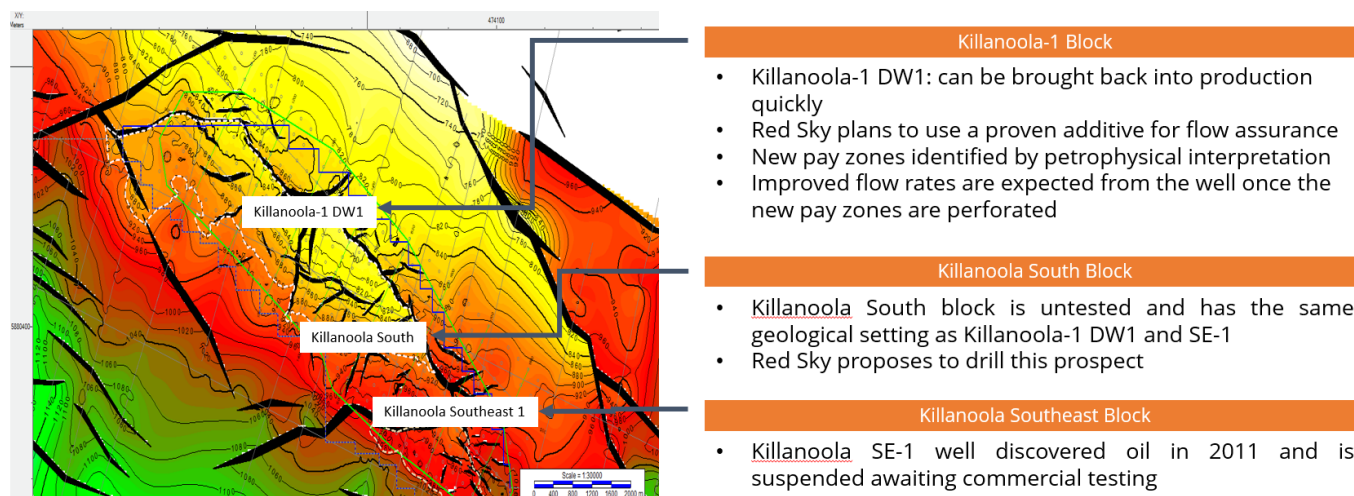
Background

The Killanoola oil field Discovered Petroleum Initially In Place (PIIP) report was updated following the acquisition of 3D seismic data. In an ASX Announcement on 5 May 2022, it was released to the market that an Independent Competent Person’s Report on the Discovered Petroleum Initially In Place (PIIP) in the Killanoola Oil Project had been carried out by Global Resources & Infrastructure Pty Ltd. The newly estimated Discovered PIIP values took into account the additional net pay identified in the wells Killanoola SE-1 and Killanoola-1 DW-1.

On 21 April 2023, the Company made an announcement stating that the analysis of the recently acquired 3D seismic data led to modifications in the dimensions of the structural compartments. Following this, an Independent Competent Person’s Report was published, which updated the estimated amount of Discovered Petroleum Initially In Place (PIIP) for Killanoola potentially up to 135.5 mmbbls from its earlier value of 93.0 mmbbls. The details of the Killanoola oil field PIIP can be found in Table 1 provided below.

Table 1: Summary Discovered Petroleum Initially In Place (PIIP) Killanoola Oil Field

Killanoola Oil Field	Discovered Petroleum Initially In Place (mmbbls)		
	Low	Best	High
9 April 2021	2.0	7.0	13.8
31 March 2022	57.2	93.0	98.6
19 April 2023	28.9	135.5	157.4


Figure 1: Top Sawpit Sandstone Depth Structure Map
References

- [22 March 2021](#) ROG ASX and Media Announcement: NET PAY OF 16 METRES AT KILLANOOLA OIL PROJECT, SOUTH AUSTRALIA.
- [9 April 2021](#) ROG ASX and Media Announcement: RED SKY ENERGY SUMMARY OF POTENTIAL CURRENT RESOURCES.
- [6 May 2021](#) ROG ASX and Media Announcement: ADDITIONAL NET PAY OF 37 METRES AT KILLANOOLA - 1DW-1.

-ENDS-

Released with the authority of the board.

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