

INNAMINCKA REVENUES AND KILLANoola SITE ACTIVITY

HIGHLIGHTS

Innamincka

- Red Sky has generated cash receipts totalling \$2.05 million since inception from Yarrow 3 production
- The current flow rate of the well is steady at a raw gas rate of 3500 mcfpd, indicating increasingly stable operational performance
- Re-entry of the Yarrow 1 well remains scheduled for 4Q 2024, with on line completion expected by Q2 2025
- The expected ultimate recovery from Yarrow 1 is estimated at 2.4 BCF gross, distributed on a 50:50 basis between the Patchawarra and Tirrawarra formations

Killanoola

- Forward programme at Killanoola has been further revised:
 - K1-DW1: To replace the faulty pump at DW1, a conventional rig was selected over the use of a crane with specialist pipe-handling tools
 - KN2, SE2: Due to cost inflation, ROG has reverted to drilling additional wells from the existing well pads at K1 DW1 and SE1 as deviated wells
- Discussions continue for flow assurance on securing condensate supply for blending

Australian Oil and Gas producer and explorer Red Sky Energy (ROG: ASX) (Red Sky or the Company) wishes to provide an update on revenues received from its Innamincka Gas Project in the Cooper Basin and important developments at the Killanoola Oil project, both located in South Australia.

Innamincka Revenues

The Company is pleased to report significant progress in the Innamincka Gas Project. Since its inception, the Yarrow 3 production has generated cash receipts totalling \$2.05 million. Steady operational performance, reflected in the current raw gas flow rate of 3,500 mcfpd, underscores the project's stability and the Company's future ability to deliver consistent results.

Recent developments include discussions with the Santos operations team, confirming that the re-entry of the Yarrow 1 well remains on schedule for Q4 2024, with online completion expected by Q2 2025. This re-entry is anticipated to enhance production capabilities significantly, contributing to Red Sky's future cash flows. The Yarrow 1 well has an expected ultimate recovery of 2.4 BCF gross, divided equally between the Patchawarra and Tirrawarra formations.

Looking ahead, the completion of the 3D seismic interpretation is expected by Q1 2025, with no additional development wells planned until late 2025. This timeline aligns with Red Sky's strategic focus on optimising production while preparing for future expansions. The successful execution of these plans will reinforce Red Sky's position as a leading energy provider in the region.

Killanoola Forward Plan

The forward programme at Killanoola has been further revised. Initially, plans to replace the faulty pump at the DW1 well using a crane were reassessed due to potential well control risks and marginal cost savings. Instead, we have opted for a more conventional approach using a rig, which will prove more cost effective and is expected to enhance operational efficiency and safety.

Additionally, the forward program for the KN2 and SE2 wells has been revised due to cost inflation associated with building new well pads and ongoing costs. Red Sky will now drill these additional wells from the existing well pads at K1 DW1 and SE1 as deviated wells. This approach will significantly reduce costs and logistical challenges. Drilling from existing well pads also allows us to leverage existing infrastructure, thus avoiding the high expenses and complexities of constructing new well pads and ongoing costs from new lease agreements.

Discussions are ongoing to support the revised drilling plans regarding securing condensate supply for blending to ensure flow assurance. These discussions are crucial for optimising the production process and maintaining steady output. By drilling from existing well pads, we not only cut costs but also expedite the process. The SE2 site requires a deviation of 270 metres, and the KN2 site requires 500 metres, which are within industry standards.

The Company continues to engage with the Department for Energy and Mining (DEM) to secure the necessary approvals. Our revised approach aligns with our broader strategy to optimise resource utilisation, reduce operational risks, and enhance shareholder value through careful and calculated project management.

-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
+61 407 356 557
andrew.knox@redskyenergy.com.au

Mark Flynn
Investor Relations
+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.