ASX ANNOUNCEMENT
30 April 2025

Quarterly Activities and Cashflow Report – March 2025

HIGHLIGHTS

Innamincka

- **Yarrow 3 has generated gross production receipts of $0.57 million year-to-date.**
- **Approximately 85% of revenue comes from gas sales, with the remainder from LPG and condensate.**
- **The well's current flow rate remains steady, reflecting stable operational performance.**
- **At the Yarrow 1 well, fracture stimulation commenced, with all necessary equipment mobilised to site following the successful completion of pre-fracture workover operations.**
- **The joint venture between Santos (ASX:STO) and Red Sky successfully executed two hydraulic fracturing stages in Yarrow 1, targeting the Patchawarra and Tirrawarra formations to enhance reservoir productivity.**
- **Flowback operations commenced shortly after stimulation, with the well progressively cleaning up over several days.**
- **Peak flowback results indicate gas production of ~1.8 MMscf/d and ~87 bwpd at 467 psig flowing wellhead pressure (FWHP) on a 32/64" choke, with ~56% fluid recovery.**
- **An updated Back-Out Study incorporating flowback results is underway, after which approval for flowline construction will be submitted.**
- **Flowline construction is anticipated to commence in Q2 2025, with first gas from Yarrow 1 targeted for Q3 2025, subject to resource schedule optimisation.**
- **The Yarrow 1 re-entry is projected to boost Red Sky's cash flow in 2025, complementing the revenue streams from Yarrow 3.**
- **Successful re-entry at Yarrow 1 enhances Red Sky's potential for long-term cash flow from its Innamincka portfolio, supporting the Company's growth strategy.**

Killanoola

- Red Sky is in active negotiations with SACB for processing arrangements.
- The same rig will be utilised for the workover of DW1 and the drilling of KN2 well.
- Discussions are underway to reduce costs.

Block 6/24, Angola

- Red Sky awarded a 35% interest in Block 6/24, located offshore Angola in the Kwanza Basin.
- Block 6/24 spans 4,930 km², includes extensive seismic coverage and is located in a region with multiple oil discoveries and high prospectivity.
- Maiden resource estimates completed for Block 6/24, Offshore Angola.
- Net potential Contingent Resource (2C) of 5.1 million barrels (MMbbl) and Net 3C Contingent Resource of 10.8 MMbbl booked for the Cegonha oil field in the Cegonha Cluster Area (Red Sky's 35% working interest share).
- Net potential Prospective Resource (2U) of 11.0 MMbbl for 3 additional prospects identified in the Cegonha Cluster Area and known as IBIS, D2 and B2 (Red Sky's 35% working interest share).
- Independent petroleum consulting firm PetroAus conducted the resource assessment.
- The Cegonha Oil Field is positioned for appraisal and development, with a clear pathway to early production and cash flow generation.
- Based on encouraging oil shows from pre-existing wells in Block 6/24, from both the pre-salt and post-salt formations, further exploration potential will be evaluated within the Cegonha Cluster and elsewhere in Block 6/24.
- Initial studies indicate the possibility of a pre-salt structure beneath the Ibis prospect, which will be matured as part of the forward work program.

Corporate

- The Company has cash reserves as at 31 March 2025 of $2.76m.
- The Company continues to evaluate further acquisition opportunities.

Red Sky Energy (ASX: ROG) (**Red Sky** or the **Company**) is pleased to present its March 2025 Quarterly Activities Report. During the March quarter, Red Sky continued to deliver strong progress across its Innamincka operations. Yarrow 3 maintained stable flow rates, generating year-to-date gross production receipts of $0.57 million. At Yarrow 1, fracture stimulation was successfully completed in partnership with Santos (ASX:STO), targeting the Patchawarra and Tirrawarra formations. Flowback commenced shortly after. Flowline approval is now underway, with construction expected in Q2 and first gas targeted for Q3 2025. The successful re-entry of Yarrow 1 is expected to enhance Red Sky's cash flow in 2025, complement Yarrow 3 revenues, and strengthen the Company's long-term growth potential from its Innamincka portfolio.

At Killanoola, Red Sky is in commercial discussions with the South Australian Cooper Basin (SACB) JV (Operated by Santos Limited (ASX:STO)) for processing and offtake while planning a staged development program, which includes the workover of DW1 and drilling of KN2.

Red Sky's entry into Block 6/24, offshore Angola (with a 35% working interest), marks a strategic step forward, positioning the Company for its next phase of growth. Independent assessments confirmed 5.1 MMbbl of Net 2C potential Contingent Resources and 11.0 MMbbl of Net 2U potential Prospective Resources. This high-impact asset enhances portfolio scale, introduces valuable geographic diversification, and complements the existing Innamincka and Killanoola projects. The acquisition supports Red Sky's long-term growth strategy and unlocks significant potential for future value creation and shareholder returns.

INNAMINCKA DOME PROJECTS

YARROW 3 PRODUCTION CONTINUES TO DELIVER STRONG CASHFLOWS

Red Sky has reported cash receipts of $0.57 million for the March quarter, underpinned by ongoing production from the Yarrow 3 well. The majority of revenue continues to be derived from natural gas sales, supplemented by contributions from LPG and condensate. This consistent revenue generation highlights the asset's capacity to deliver positive operating cash flow.

As previously announced in December 2023, Red Sky received its inaugural revenue from gas sales in November under the executed bilateral Gas Sales Agreement with Origin Energy Limited (ASX:ORG). This followed the completion and commissioning of pipeline infrastructure by Santos Limited (ASX:STO), successfully connecting into the south of the Yarrow gas field. Since the commencement of production in August 2023 through to 31 March 2025, Yarrow 3 has generated total cash receipts of $3.88 million, with approximately 85% attributable to gas sales and the balance from associated liquids. This revenue performance reflects the asset's robust production profile and growing contribution to Red Sky's cash position.

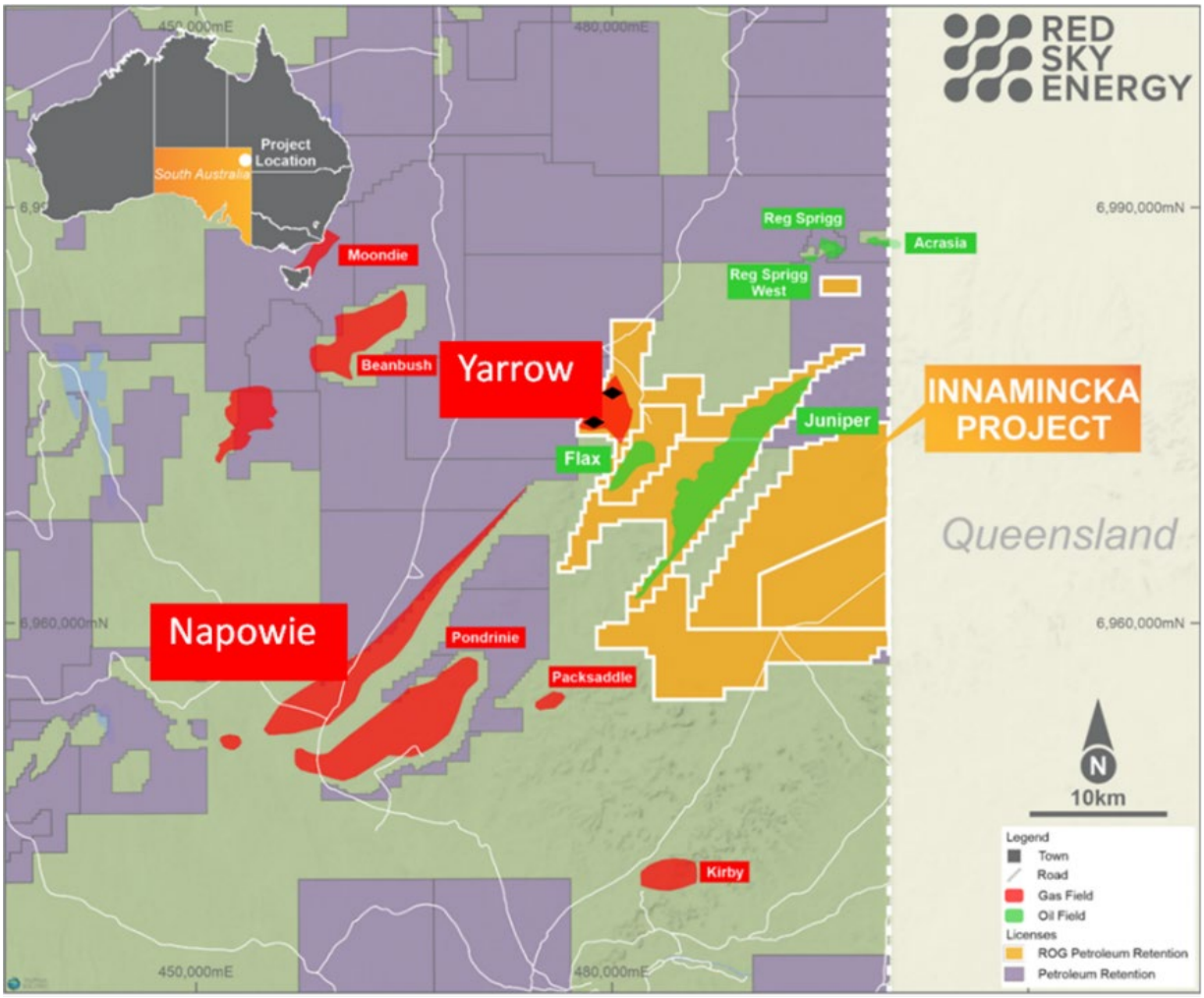

Figure 1: Innamincka Dome Projects location map with Yarrow and Napowie highlighted

Table 1: Receipts summary for the March Quarter

DESCRIPTION	VOLUME	$000's
Methane/Ethane GJs	32,685	485
LPG Tonnes	50	43
Condensate Bbls	343	40
TOTAL		569

RE-ENTRY OF YARROW 1

In late February, Red Sky announced that Santos Limited (ASX:STO), operator of the Innamincka Dome project, confirmed that the fracture stimulation of the Yarrow 1 well was scheduled to commence imminently. (Refer ASX Announcement 28 February 2025.) By the following week, the joint venture had successfully completed two hydraulic fracturing (frac) stages, injecting fluid and proppant into the Patchawarra and Tirrawarra formations to enhance gas flow. (Refer ASX Announcement 6 March 2025.)

Following the successful execution of two hydraulic fracturing (frac) stages in the Patchawarra and Tirrawarra formations, the well underwent flowback, a process in which the fluid used in fracturing is recovered along with initial gas production.

Initial flowback results indicated an early production rate of approximately 0.6 MMscf/d of gas and 300 barrels of drilling fluid and formation water per day at a flowing wellhead pressure of 80 psig on a 48/64" choke. Production rates varied as the well stabilised.

Flowback operations were concluded in March, with the well reaching a final gas rate of ~1.8 MMscf/d and ~87 bwpd at 467 psig FWHP on a 32/64" choke, with fluid recovery at ~56%. The joint venture has been closely monitoring flowback performance to ensure efficient clean-up while optimising gas production.

With flowback successfully completed, the remaining post-frac workover tasks commenced, including setting the E-Line packer tailpipe BHA and running a new 2-3/8" tubing completion to optimise well performance.

Preparations are underway for the construction of the flowline connection, which will allow gas to be transported from the well to processing facilities.

The joint venture approval process for the flowline build is in progress, with submission expected shortly after the updated Back-Out-Study incorporates the latest flowback data. The flowline build is expected to commence in Q2 2025, with first gas targeted for Q3 2025, subject to resource scheduling and final approvals.

Red Sky will provide further updates as operations progress, with the next scheduled update expected upon confirmation of flowline construction approvals.

Background

Red Sky announced in late October 2024 that Santos had advised that the re-entry of the Yarrow 1 well in the Innamincka Dome remained on schedule to commence in the first week of November (refer to ASX Announcement 28 October 2024). The re-entry is a critical milestone in the Company's growth strategy, expected to unlock significant gas production potential and enhance the Company's future cash flow profile.

Santos completed surveillance gathering for the Yarrow 1 well in September 2024. The static pressure survey and flow test results indicated negligible reservoir pressure depletion and low water production, positively reflecting the well's performance. During a repeatable flow test conducted over three days, sustained gas flow to the surface was estimated at approximately 1.8 million standard cubic feet per day at around 500 psig FTHP.

Additionally, the pressure transient analysis (PTA) of the surface pressure build-up (PBU) suggests a relatively high wellbore skin (+10), supporting the case for implementing fracture stimulation to enhance well productivity. As a result, Santos recommended proceeding directly with the full recompletion and fracture stimulation plan as scheduled to improve gas output and reduce wellbore skin effects.

Given the low water production observed during flow testing, the decision was made to skip the cased hole neutron logging scope. The remaining downhole work involved a 7-inch casing re-sleeve to selectively fracture and stimulate the Patchawarra and Tirrawarra formations in two stages. Following these enhancements, the updated project rate assessment post-fracture stimulation is expected to be between 1.6 and 3.6 million standard cubic feet per day with a 2-3/8 inch single tubing configuration.

In December 2024, Red Sky announced that pre-fracture workover activities proceeded as planned, with a critical milestone achieved through the successful cementing of the 4.5" sleeve. This step was essential in preparing the well for fracture stimulation. The workover rig was demobilised as scheduled on 19 December 2024, marking the completion of this preparatory phase.

The demobilisation of the workover rig involved safely dismantling and removing the rig and its associated equipment from the well site. This signified the site's readiness for the next critical phase: fracture stimulation, which is designed to enhance gas flow. During the workover, typical challenges associated with legacy wells were encountered but addressed safely, ensuring that the main fracture stimulation target remains uncompromised.

3D SEISMIC INTERPRETATION

In December 2023, in partnership with Santos, Red Sky successfully completed a 3D seismic acquisition program at the Innamincka Dome, specifically covering areas in PRL14 and PRL17. The program started in October and aimed to gather detailed subsurface data to inform future drilling and exploration decisions.

All field operations concluded with the demobilisation of crews and equipment. The joint venture with Santos was cost-effective, leading to a shared benefit from the seismic data, which will enhance understanding of the subsurface structures crucial for well placement and exploration. The focus has now shifted to the processing and interpretation of the acquired seismic data.

The operator has delayed the seismic data interpretation and is now expected to be completed by the third quarter of 2025, with new development wells anticipated in late 2025 at the earliest. This schedule will support Red Sky's strategy of optimising current production while setting the stage for future growth. This seismic acquisition is vital for Red Sky as it provides the necessary data to make informed decisions on where to drill the new development wells. It also offers further drilling opportunities, potentially increasing drilling operations' efficiency and success rate. Red Sky holds a 20% working interest in six PRLs (14, 17, 18, 180, 181, 182) at the Innamincka Dome.

KILLANOOLA PROJECT

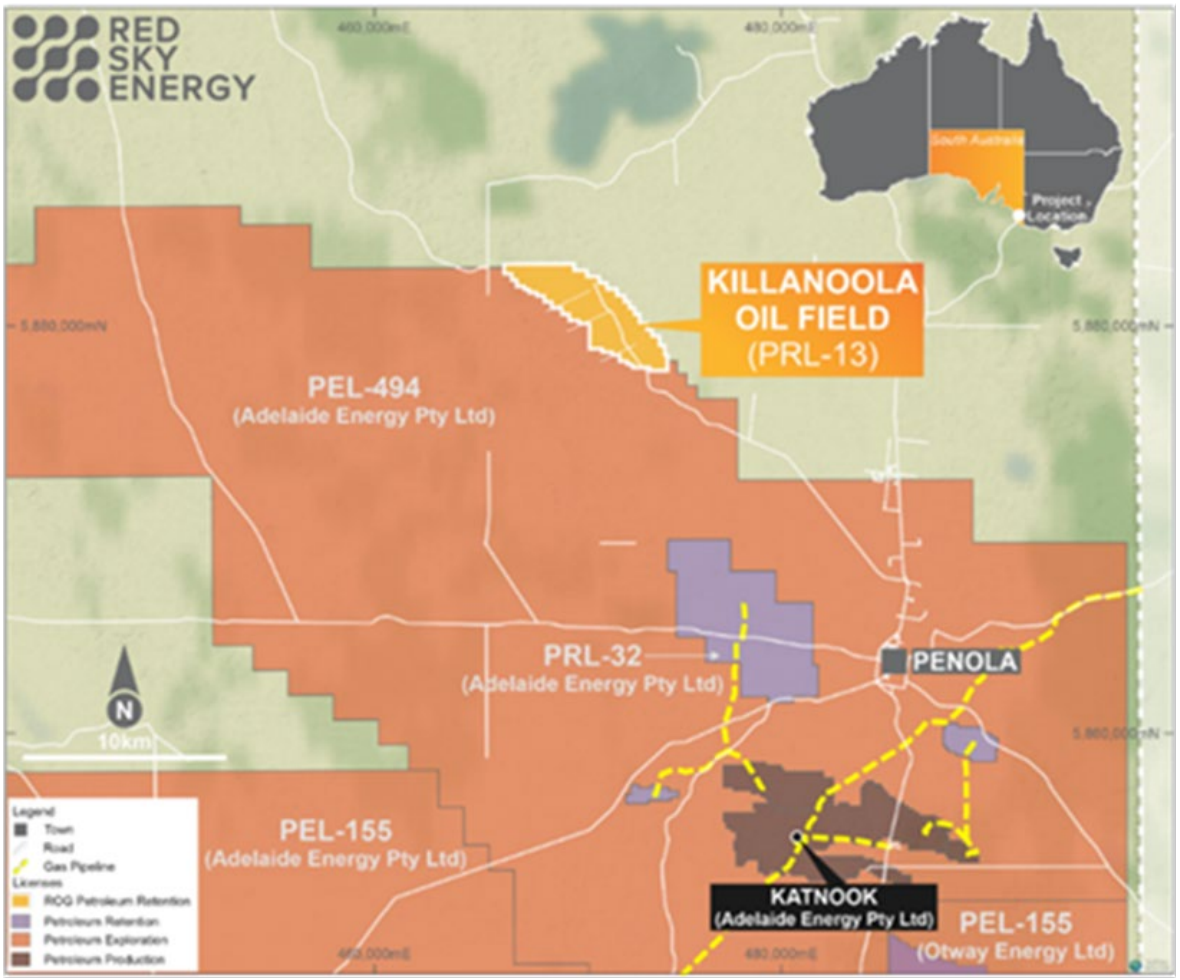

Figure 2: Killanoola Oil Field (PRL-13) location map
(Adelaide Energy Pty Ltd is a subsidiary of Beach Energy Ltd (ASX:BPT))

Red Sky is advancing a high-impact drilling program at Killanoola (PRL-13) in South Australia, targeting a material increase in production and cash flow.

The Company is actively progressing multiple initiatives to unlock value from Killanoola:

- Rig Contracting: Discussions are underway to secure a rig for the upcoming drilling program, with final contract execution anticipated shortly.
- Potential Cost Reductions: Red Sky is in discussions with potential partners that, if concluded successfully, would significantly reduce the Company's capital exposure to upcoming drilling and development costs.
- Processing and Offtake: Red Sky is in commercial discussions with the South Australian Cooper Basin (SACB) JV (Operated by Santos Limited (ASX:STO)) for processing and offtake while planning a staged development program, which includes the workover of DW1 and drilling of KN2.

Forward Plan:

- Drill the high-impact KN2 well, targeting a significant new zone identified by 3D seismic.
- Subject to final approvals, drilling is expected to commence this quarter (subject to rig availability and completion of commercial arrangements).
- The Company maintains a conditional offtake agreement with Viva Energy Australia (ASX:VEA); however, it continues to pursue alternative processing and sales options to maximise commercial flexibility and pricing outcomes.

Red Sky sees Killanoola as a near-term catalyst for added shareholder value, with operations designed to drive production growth, optimise capital efficiency, and accelerate cash generation.

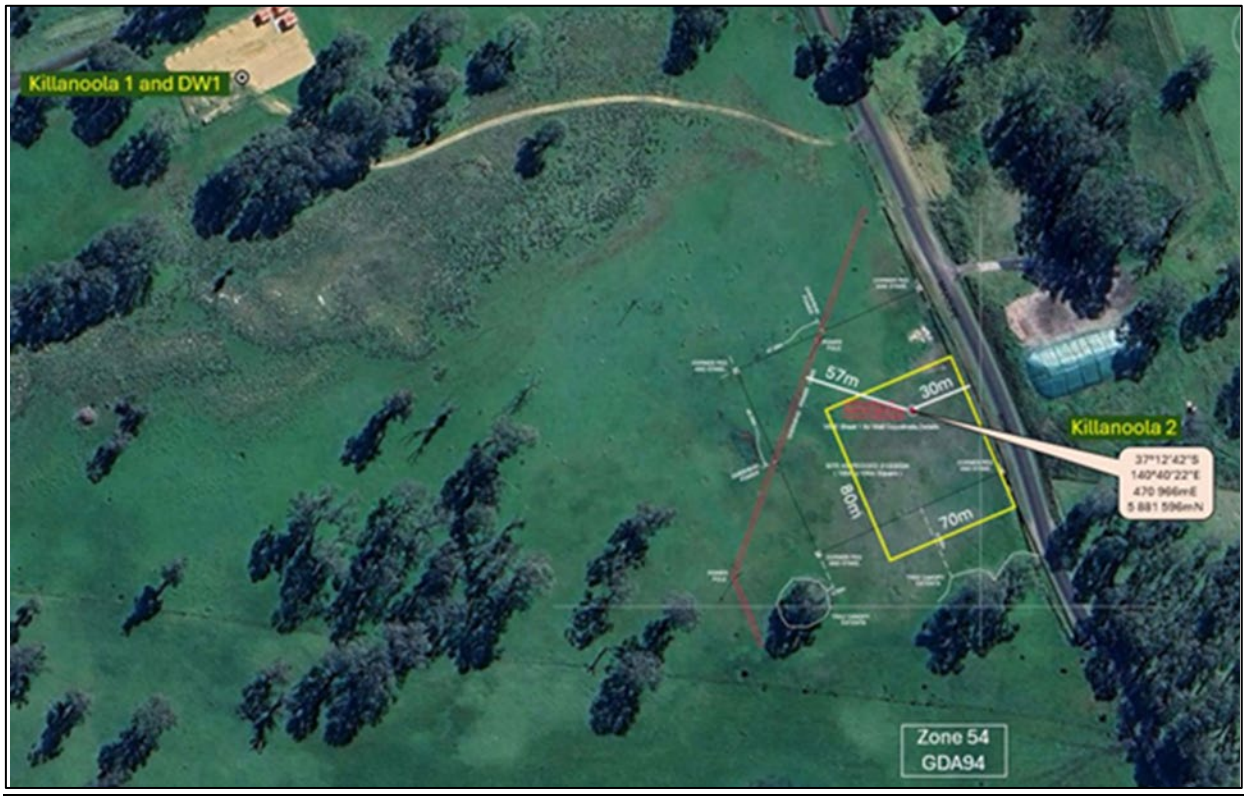

Figure 3: Location of well pad to be built at KN2

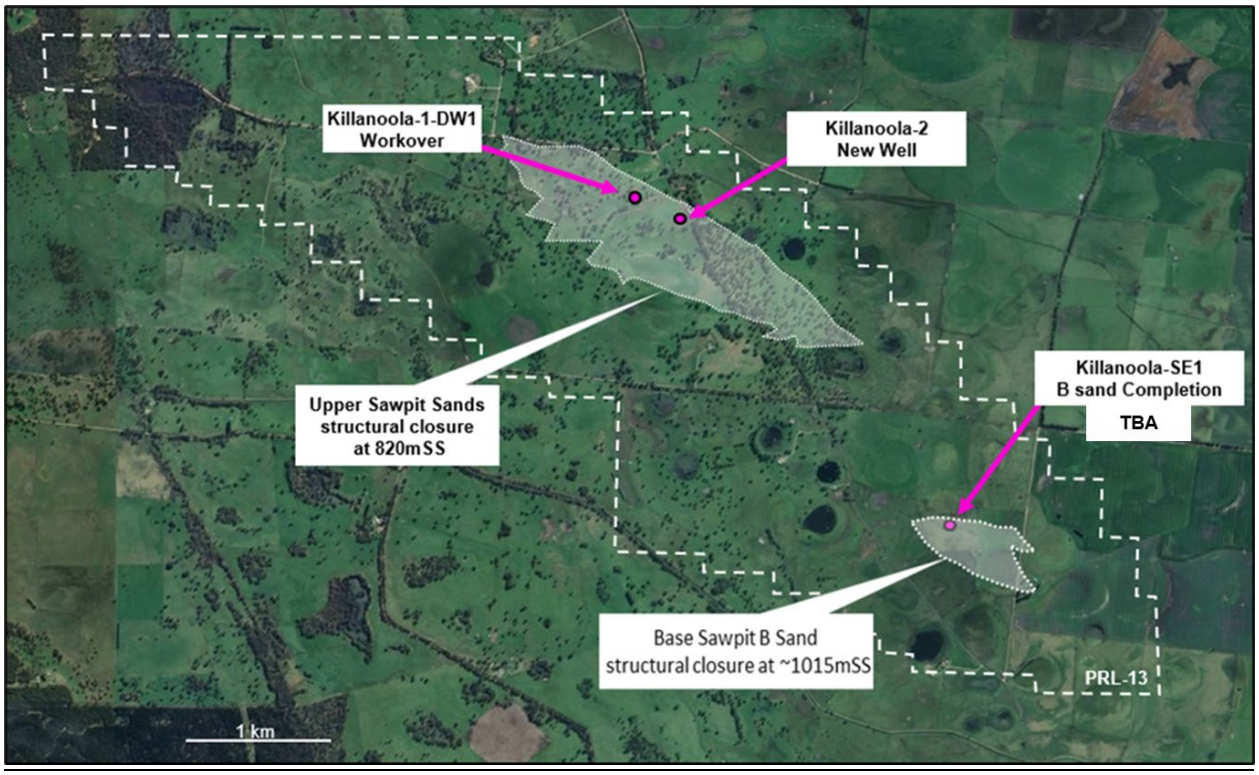

Figure 4: Aerial View of the eventual Forward Programme

BLOCK 6/24, ANGOLA

Following signing the Risk Service Contract (RSC) on 31 December 2024, Red Sky completed a comprehensive technical and economic review of the block, incorporating new seismic interpretation and petrophysical analysis, and commissioned a resource estimation by an independent petroleum consulting firm, PetroAus. (Refer ASX Announcement 10 April 2025.) Red Sky holds a 35% participating interest, alongside Sonangol E&P (50%) and ACREP (15%), in the Cegonha Cluster Area in Block 6/24, offshore Angola.

This assessment refined resource estimates, identified additional upside potential, and provided a strong foundation for future appraisal and development decisions.

The technical work undertaken also identified the presence of secondary porosity (fractures and/or vugs) in the Catumbela reservoir of the Cegonha well, potentially enhancing connectivity and recovery factors – Note: offset well, Falcao-1 (on Block, South-West of the Cegonha Field) reported the presence of oil from the pre-salt at the surface shakers, which was attributed to fractures. Analysis is ongoing.

As of 31 March 2025, PetroAus' assessment of potential gross and net potential contingent and prospective resources for Block 6/24 (with Red Sky having a 35% working interest) are as follows:

Total Petroleum Initially-In-Place (PIIP) and Resources Summary

Block 6/24 PIIP and Potential Contingent Resources as of 31 Mar 2025 (MMbbl)

	Discovered Petroleum Initially in Place MMBBLS			Gross Contingent Resource MMBBLS			Net Contingent Resource MMBLS		
	Low	Best	High	1C	2C	3C	1C	2C	3C
	59	100	161	6.2	14.6	30.9	2.17	5.10	10.82

Notes:

- *The above volumes are "Unrisked" in the sense that "Chance of Development" has not been applied to the contingent resources.*
- *Gross contingent resources represent total technically recoverable hydrocarbon volumes by application of future development projects. Net Contingent Resources represent technically recoverable hydrocarbon volumes net to Red Sky Energy, which holds a 35% interest in Block 6/24.*
- *ASX Listing Rule 5.25.4 Statement: Red Sky Energy does not currently report petroleum reserves for Block 6/24. The Contingent and Prospective Resources reported herein are based on Total Petroleum Initially-In-Place (PIIP) estimates, which are unrisked and have not been adjusted for the chance of development or discovery, respectively. All estimates are reported in accordance with the 2018 PRMS and ASX Listing Rules Chapter 5.*

Block 6/24 PIIP and Unrisked Prospective Resources as of 31 March 2025 (MMbbl)

Prospect	Undiscovered Petroleum Initially in Place MMBBLS			Gross Prospective Resource MMBBLS			Net Prospective Resource MMBBLS			Pg %	Pd %
	Low	Best	High	1U	2U	3U	1U	2U	3U		
IBIS	46	105	213	5.1	15.5	39.5	1.77	5.43	13.81	17	60
D2	46	99	196	4.5	14.7	36.5	1.59	5.15	12.77	20	60
B2	4	9	16	0.4	1.3	3.0	0.15	0.45	1.06	10	25

Notes:

- *The estimated quantities of petroleum that may potentially be recovered by the application of future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery, articulated via a Chance of Geological Discovery (Pg), and a risk of development in case of discovery, expressed via a Chance of Development (Pd). Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.*
- *Gross Prospective Resources represent total technically recoverable hydrocarbon volumes. Net Prospective Resources represent technically recoverable hydrocarbon volumes net to Red Sky Energy, which holds a 35% interest in Block 6/24.*
- *Low, Best and High recoverable volumes included in the table are unrisked, that is, before application of a Pg and Pd.*
- *ASX Listing Rule 5.25.4 Statement: Red Sky Energy does not currently report petroleum reserves for Block 6/24. The potential Contingent and Prospective Resources reported herein are based on Total Petroleum Initially-In-Place (PIIP) estimates, which are unrisked and have not been adjusted for the chance of development or discovery, respectively. All estimates are reported in accordance with the 2018 PRMS and ASX Listing Rules Chapter 5.*

Definitions:

- **Contingent Resources** are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies.
- **Prospective Resources** are those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.
- **Total Petroleum Initially-In-Place (PIIP)** is all quantities of petroleum that are estimated to exist originally in naturally occurring accumulations, discovered and undiscovered, before production.
- **Discovered PIIP** is the quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations before production.
- **Undiscovered PIIP** is that quantity of petroleum estimated, as of a given date, to be contained within accumulations yet to be discovered.
- **Chance of Geological Discovery (Pg)** is the estimated probability that exploration activities will confirm the existence of a significant accumulation of potentially recoverable petroleum.
- **Chance of Development (Pd)** The estimated probability that a known accumulation, once discovered, will be commercially developed.

Cautionary Statement

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to discovered accumulations. These estimates have an associated risk of development. Future appraisal and evaluation are required to determine the existence of a commercial quantity of potentially economically recoverable hydrocarbons.

Summary of Resource Estimation Procedures and Methods

PetroAus conducted an independent resource assessment for Block 6/24 (post-salt Catumbela reservoir only) and compiled the estimates shown above.

Analytical procedures, including volumetric analysis and analogues, were utilised for this assessment. Probabilistic method was applied to estimate potential contingent and prospective resources.

The potential contingent resources were estimated using volumetrics to obtain total PIIP and analogue recovery factors to obtain recoverable volumes, to which the net interest was applied. The 3D seismic data made available were interpreted to provide a gross rock volume (GRV) and structural uncertainty applied to generate a range of GRV. A petrophysical interpretation was carried out on the Cegonha-1 well to generate porosity, net-to-gross and oil saturation. Low, best, and high values for GRV, porosity, net-to-gross, saturation and recovery factor were combined probabilistically to obtain the total PIIP and contingent resource range.

The prospective resources were estimated using volumetrics to obtain total PIIP and analogue recovery factors to obtain recoverable volumes, to which the net interest was applied. The 3D seismic data made available were interpreted to provide a gross rock volume (GRV). A petrophysical interpretation was carried out on the Cegonha-1 well to generate porosity, net-to-gross and oil saturation, which was used as an analogue input for volumetrics. Low, best, and high values for GRV were obtained by applying a range in oilwater-contacts, along with a range in porosity, net-to-gross, saturation and recovery factors to obtain probabilistic total PIIP and prospective resource range.

Resource maturation plans

The key contingency that prevents the contingent resources from being classified as petroleum reserves is financial and technical appropriations sufficient to develop the recoverable hydrocarbon volume and can be addressed by further appraisal and evaluation of the Cegonha field. As with any proposed development plan, approval has to be sought from the regulator, this means a regulatory contingency also exists.

Future planned activities to mature the contingent resources, within an approximate time frame of 4 years, may include further evaluation of the Cegonha discovery, seismic studies in the Block, and the drilling of a new well in the Cegonha field to confirm commerciality.

Future activities to mature the prospective resources, within an approximate time frame of 4 years, may include geological and geophysical studies, seismic reprocessing, detailed subsurface evaluation, and drilling an exploration well to test the best prospect.

Heavy Crude Clarification

The oil discovered in Block 6/24 is classified as heavy crude, with a gravity of 18° API, not bio-degraded oil (this heavy crude is distinct from the underlying tar interpreted in Cegonha). Heavy crude is successfully produced globally, including in large-scale projects across Canada and South America, where advanced extraction and refining technologies ensure commercial viability. Red Sky Energy is confident in leveraging proven global technologies to optimise recovery and commercial outcomes from the Cegonha discovery.

Technical Insights

Catumbela Reservoir Quality & Hydrocarbon Mobility

- **The Catumbela Formation (the main reservoir at Cegonha) is predominantly limestone**, revising earlier interpretations that suggested an equal mix of limestone and dolomite.
- **Oil is heavy crude (18° API) but not biodegraded**, supporting commercial viability using globally established production techniques.
- **Presence of secondary porosity (fractures and/or vugs) is indicated**, potentially enhancing reservoir connectivity and recovery factors.

Seismic & Structural Mapping Enhancements

- **Two potential hydrocarbon migration pathways** identified:
    - Salt weld to the east of Cegonha.
    - Basement faults propagating through salt layers near both the Cegonha discovery and near-field prospects.
- **New near-field exploration targets** identified, warranting further de-risking.

Next Steps & Development Strategy

- **Seismic Reprocessing & Reservoir Studies**
    - Pre-Stack Depth Migration (PSDM) to refine the depth conversion and mapping of faults and stratigraphy, plus integration of the Cegonha-1 digital log data and relevant regional wells into the interpretation.
    - Improved structural interpretation to confirm trap integrity.
- **Advanced Petrophysical & Well Log Analysis**
    - Digital log acquisition and reinterpretation of Cegonha-1 well data to reduce petrophysical uncertainty.
    - Secondary porosity assessment to refine hydrocarbon mobility models. Note - offset well, Falcao-1 (on Block, South-West of the Cegonha Field) reported the presence of oil from the pre-salt at the surface shakers, which was attributed to fractures.
- **Appraisal Drilling & Field Development Planning**
    - Targeted near-field appraisal/exploration drilling decision in Year 4 of the RSC.
    - Evaluation of enhanced oil recovery (EOR) options to optimise production.

- **Exploration & Additional Prospects**
    - Cegonha Cluster:
        - Further de-risking of Ibis, B2, and D2 prospects, potentially expanding the resource base.
        - Evaluation of a fourth high-potential prospect, called D1.
        - Investigation of pre-salt potential, based on insights from regional analogues, including previous exploration wells in the license (initial studies indicate the possibility of a pre-salt structure beneath the Ibis prospect).
    - Elsewhere in Block 6/24:
        - Evaluation of pre-salt and post-salt opportunities

Block 6/24 Ownership and Location

Sonangol E&P is the operator of the Block, with a 50% participating interest. Red Sky Energy holds a 35% the participating interest, and ACREP has a 15% interest. Block 6/24 is located 12 kilometres offshore, in water depths ranging from 70 to 80 metres. The Block is covered by seismic data and has shown significant oil discovery potential.

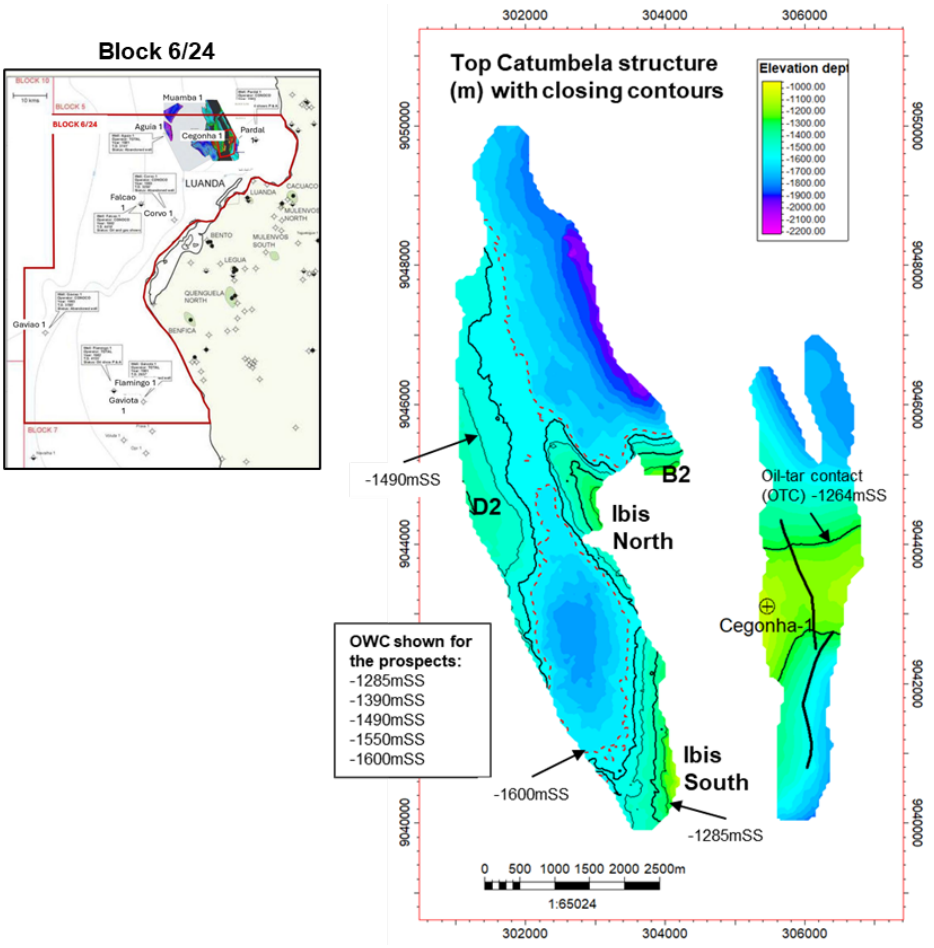

Figure 5: The main map shows the prospectivity in the Cegonha Cluster area within Block 6/24

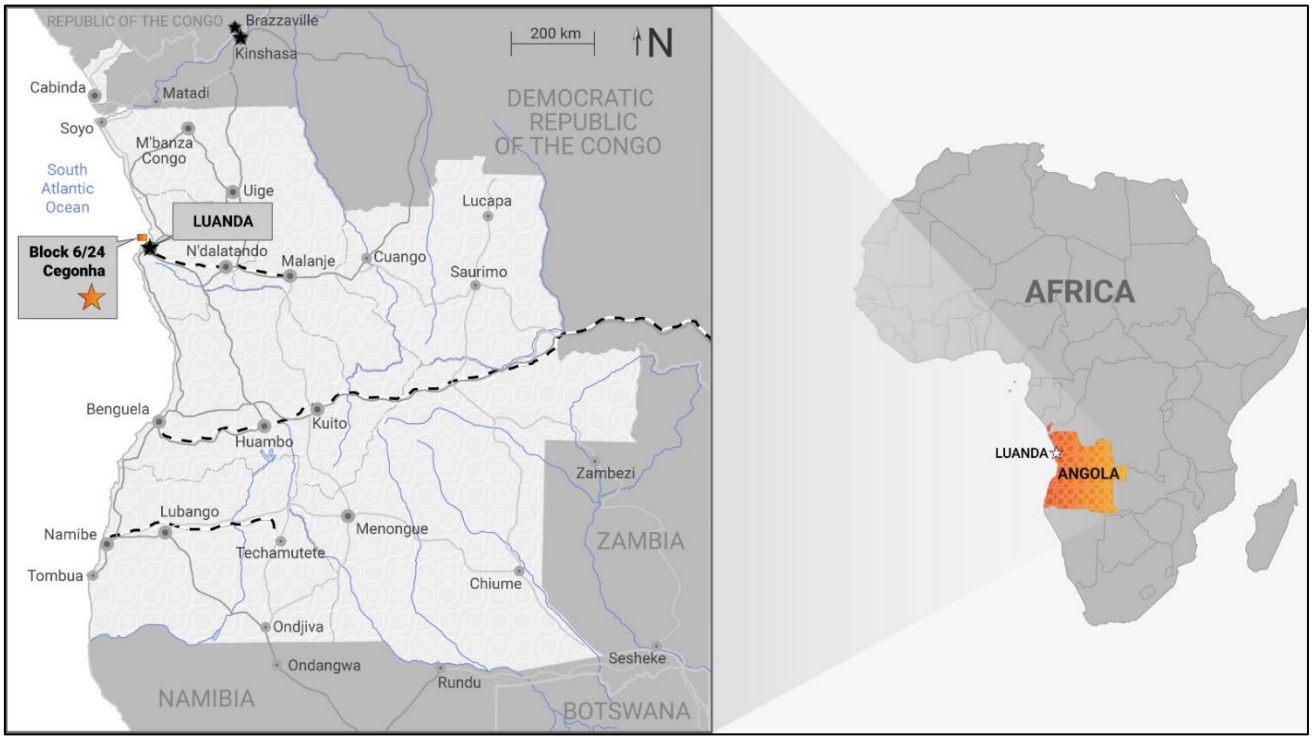

Figure 6: Angola location map with the approximate location of Block 6/24

OUTLOOK

Innamincka Projects – Red Sky anticipates steady cash flows from Yarrow 3 through 2025, underpinned by its bilateral gas sales agreement with Origin Energy, with additional revenue expected from the operator's sale of associated condensate, LPG, and ethane. At Yarrow 1, fracture stimulation was successfully completed, with flowback operations achieving peak gas rates of ~1.8 MMscf/d and ~87 bwpd. An updated Back-Out Study is underway, with flowline construction expected to commence in Q2 2025 and first gas targeted for Q3 2025, subject to scheduling. The Yarrow 1 re-entry is expected to significantly enhance Red Sky's cash flow in 2025 and strengthen long-term value creation from its Innamincka portfolio.

The 3D seismic interpretation for Yarrow 3 is expected to be finalised 2025, with additional development wells anticipated to commence drilling from late 2025 at the earliest. This timeline aligns with Red Sky's strategic focus on optimising current production while laying the groundwork for future growth and expansion opportunities.

Killanoola Oil Projects – Despite adjustments to the Killanoola forward plan, the project remains on track to becoming a significant contributor to Red Sky's future cash flow. The Company is actively pursuing other offtake options. Subject to this, plans have been formulated to drill the high-impact KN2 well, guided by 3D seismic data, with a vertical approach designed to enhance operational efficiency. Red Sky is focused on maximising recoverable oil volumes to strengthen the project's long-term value.

Block 6/24, Offshore Angola - Red Sky's 35% interest in Block 6/24, offshore Angola, provides a high-impact growth opportunity in the proven Kwanza Basin. Independent resource estimates by PetroAus have confirmed potentially 5.1 MMbbl (2C) and 10.8 MMbbl (3C) at the Cegonha Oil Field, along with potentially 11.0 MMbbl (2U) across three nearby prospects - IBIS, D2, and B2. With strong existing seismic coverage and encouraging oil shows, the block is well positioned for appraisal and early development. Ongoing technical work, including the evaluation of a potential pre-salt structure, will support a clear pathway to future production and long-term value creation.

CORPORATE

The Company has cash reserves as at 31 March 2025 of $2.76m.

Related party disclosure

In line with its obligations under ASX Listing Rule 5.3.5, Red Sky Energy Limited notes that the only payments to related parties of the Company, as advised in the Appendix 5B for the period ended 31 March 2025, pertain to payments to directors for fees, salary and superannuation.

-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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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.

Appendix 1

EXPLORATION PROJECTS as of 31 March 2025

Australian Interests

Project		Interest owned %
Innamincka Dome, South Australia	PRL 14	20.00
Innamincka Dome, South Australia	PRL 17*	20.00
Innamincka Dome, South Australia	PRL 18	20.00
Innamincka Dome, South Australia	PRL 180	20.00
Innamincka Dome, South Australia	PRL 181	20.00
Innamincka Dome, South Australia	PRL 182	20.00
Killanoola, South Australia	PRL 13	100.00

* Production occurred on this licence during the quarter.

Angolan Interests

Project		Interest owned %
Kwanza Basin	Block 6/24	35.00

Notes

Methodology for Calculating discovered Petroleum Initially In Place

At its current stage of development, the Killanoola Oil project, in accordance with definitions established by the PRMS (2018), contains oil in the discovered Petroleum Initially In Place (PIIP) category. No greater levels of certainty have yet been established.

The discovered Petroleum Initially In Place is estimated deterministically by:

1. Extrapolating and analysing the estimated area and thickness of the structure. The boundaries to defining this volume are determined by the interpretation of the physical parameters of the top of the Sawpit Sandstone utilising seismic data,
2. Identifying the oil-water contact (OWC) identified in the wells drilled on the structure,
3. Estimating the net thickness of the oil column
4. Applying a porosity factor to obtain the potential total void space contained in that rock volume
5. Applying a generalised water saturation to the rock void volume.
6. The remaining porosity volume is then assumed to contain oil, which is then converted to barrels for ease of understanding.

Finally, to remain compliant with PRMS (2018) requirements and as a result of using the deterministic method, GRI used the Low/Best/High nomenclature to represent the discovered PIIP. These estimates were developed using various changes to the size of the structural compartments as interpreted.

Formula for Calculating PIIP

For undersaturated crude, the reservoir contains only connate water and oil with their respective solution gas contents. The initial or original oil in place can be estimated from the volumetric equation:

$$\mathbf{N}=7{,}758V_b\phi S_{oi}B_{oi}=7{,}758Ah\phi 1-S_{wi}B_{oi}$$

- The constant 7,758 is the number of barrels in each acre-ft.
- Vb is bulk volume in acre-ft,
- ϕ is the porosity (ϕVb is pore volume),
- Soi is the initial oil saturation,
- Boi is the initial oil formation volume factor in reservoir barrels per stock tank barrel.
- A is area in ft2,
- h is reservoir thickness in ft, and
- Swi is the initial water saturation.

In addition to the uncertainty in determining the initial water saturation, the primary difficulty encountered in using the volumetric equation is assigning the appropriate porosity-feet, particularly in thick reservoirs with numerous non-productive intervals. One method is to prepare contour maps of porosity-feet that are then used to obtain a real extent. Another method is to prepare isopach maps of thickness and porosity from which average values of each can be obtained. Since recovery of the initial oil can only occur from permeable zones, a permeability cut-off determined by ResEval was used to obtain the net reservoir thickness. Intervals with permeabilities lower than the cut-off value are assumed to be non-productive. The absolute value of the cut-off will depend on the average or maximum permeability and can depend on the relationship between permeability and water saturation. A correlation between porosity and permeability is often used to determine a porosity cut-off. In cases in which reservoir cores have been analysed, the net pay can be obtained directly from the permeability data. This was not the case at any of the Killanoola wells as no cores were cut. When only logs are available, permeability will not be known; therefore, a porosity cut-off is used to select net pay. These procedures can be acceptable when a definite relationship exists between porosity and permeability.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
RED SKY ENERGY LIMITED	
ABN	**Quarter ended ("current quarter")**
99 099 116 275	31 MARCH 2025

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	569	569
1.2	Payments for		
	(a) exploration & evaluation – including assessing potential new projects	(2)	(2)
	(b) development		
	(c) production	(265)	(265)
	(d) staff costs (not included above)	(104)	(104)
	(e) administration and corporate costs	(145)	(145)
1.3	Dividends received (see note 3)		
1.4	Interest received	28	28
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other – net GST from prior quarter	(18)	(18)
1.9	**Net cash from / (used in) operating activities**	**63**	**63**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation	(261)	(261)
	(e) investments		
	(f) other – security bond		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of: (a) entities (b) tenements (c) property, plant and equipment (d) investments (e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other – bond refund		
2.6	**Net cash from / (used in) investing activities**	**(261)**	**(261)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**		

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,965	2,965
4.2	Net cash from / (used in) operating activities (item 1.9 above)	63	63
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(261)	(261)
4.4	Net cash from / (used in) financing activities (item 3.10 above)		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**2,767**	**2,767**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	611	835
5.2	Call deposits	2,156	2,130
5.3	Bank overdrafts		
5.4	Other		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,767**	**2,965**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	169
6.2	Aggregate amount of payments to related parties and their associates included in item 2	115

Payments in 6.1 relate to Director salaries and company secretary consulting services.

Payments in 6.2 relate to a portion of the Managing Director salary.

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (insurance funding)		
7.4	**Total financing facilities**		
7.5	**Unused financing facilities available at quarter end**		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	63
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(261)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(198)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,767
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,767
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	13.97

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: n/a

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: n/a

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: n/a	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: ……..30 April 2025.....

Authorised by: .....Board of Directors.....

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.