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ASX Announcement

FARM-IN WITH CENTRAL PETROLEUM

Key Points:

- **Red Sky Energy makes remainder of cash calls for current coal seam gas drilling;**
- **Red Sky Energy will focus on the permits overlying the coals of the Pedirka Basin, the subject of the current drilling program;**
- **Red Sky Energy elects not to earn an interest in a number of permits outside of the Pedirka Basin.**

Red Sky Energy Limited (**ASX: ROG**) ("Red Sky" or "the Company") executed the Broadacre Farm-in on 30th September 2009 with Central Petroleum (ASX:CTP), which gave Red Sky the right to earn 10% in permits across several basins in central Australia.

In relation to this farm-in, the Company has decided to focus its interests on coal seam gas. The Company will meet the remaining cash calls for permits EP 93 and 107 in relation to the five well coal seam gas program currently underway.

In relation to other permits, the Company has elected not to earn its 10% interest in a number of permits outside of the Pedirka Basin. These permits contain oil and gas prospects, which are currently not a focus for Red Sky.

For further information contact:

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