

**ASX**

AUSTRALIAN SECURITIES EXCHANGE

MARKET RELEASE

5 May 2011

Red Sky Energy Limited**TRADING HALT**

The securities of Red Sky Energy Limited (the "Company") will be placed in Trading Halt Session State at the request of the Company, pending the release of an announcement by the Company. Unless ASX decides otherwise, the securities will remain in Trading Halt Session State until the earlier of the commencement of normal trading on Monday, 9 May 2011 or when the announcement is released to the market.

Security Code: ROG
 ROGOA

Jill Hewitt
Senior Adviser Listings (Perth)



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ASX ANNOUNCEMENT

Manager Announcements
Company Announcements Office
Australian Securities Exchange
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Trading Halt Request

Red Sky Energy Limited ("Red Sky") (ASX: ROG) hereby requests a trading halt of its securities from ASX, pending an announcement regarding funding for the further development of its existing projects and other working capital.

Red Sky requests that the trading halt take immediate effect and continue until the release of announcement, in any case no later than the commencement of trading Monday, 9th May 2011.

Red Sky is not aware of any reason why the trading halt should not be granted.

Red Sky is not aware of any other information necessary to inform the market about the trading halt.

Should you have any queries regarding the above, please do not hesitate to contact me to discuss.

For further information contact:

Shareholders/ Investors:

Mr Rohan Gillespie (Managing Director)
Red Sky Energy Limited
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Red Sky Energy is an Australian exploration company focused on coal seam gas. It has extensive acreage in Queensland and New South Wales which could supply into the emerging LNG industry in eastern Australia. The Company has booked reserves in the prospective Clarence Moreton Basin, and has a drilling program underway to earn a 70% interest in four permits. The board of directors and management team have over 100 years of energy industry experience and have been involved in the coal seam gas industry since inception in Australia. Directors of the Company are Gerrit de Nys (Non Executive Chairman), Rohan Gillespie (Managing Director), Guy le Page (Non Executive Director) and Murray Durham (Non Executive Director).