



MEDIA RELEASE

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ISLAND SKY SHAREHOLDERS BACK CHANGE OF NAME TO PAWNEE ENERGY AND NEW CORPORATE FOCUS: ONSHORE OIL & GAS PLAYS IN THE U.S.

Shareholders in air-to-water making company, Island Sky Australia Limited (ASX: "ISK") have voted overwhelmingly for a change of name and corporate direction – with the Company's future now to be linked to onshore oil and gas exploration and development opportunities in the United States.

Meeting in Adelaide today, the Island Sky shareholders embraced proposals, including a share consolidation, to relist the Company on the ASX in December under the name Pawnee Energy Limited.

To be Adelaide-head quartered, Pawnee Energy plans to release a prospectus next week for its capital raising initiatives, targeting a new life on the ASX from early/mid December.

Pawnee has plans to participate in the drilling of horizontal and vertical development and exploration wells in oil producing provinces in Kansas and potentially Colorado within the next 18 months and has set its sights on first oil production in the June quarter next year.

The new entity, to be chaired by Beach Energy Chairman, Mr Glenn Davis, has already entered into agreements facilitated by former Sundance Energy founder and Managing Director, Mr Jayme McCoy, with a private, well established oil producer, to acquire low cost acreage acquisitions in tight oil plays with near-term production potential into existing transport, processing and sale infrastructure.

The transactions include in Kansas, an acquisition, and a proposed acquisition to be settled within around a month and thirdly, an exploration agreement over 21 counties in South East Colorado.

Pawnee Energy Chief Executive, Mr Neil Young, said today that if the offering was subscribed up to the planned level of \$8M, the Company would have net cash reserves of around \$5M post all acquisition, raising, etc, costs, to commence its aggressive drilling campaign.

Today's meeting also agreed to consolidate Island Sky's 328.6 million ordinary shares on a 1:50 basis to provide a revised capital structure of 6.571 million shares on issue ahead of the release of the prospectus to raise around A\$8 million through the issue of 40 million ordinary shares at \$0.20 cents each. The prospectus will be issued next week and available on the company's new website: www.pawneeenergy.com.au

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