

INNAMINCKA: YARROW 1 WORKOVER RIG MOBILISED

HIGHLIGHTS

- ▣ Mobilisation of the workover rig to the Yarrow 1 well site has commenced, with rigging activities currently ongoing
- ▣ Pre-frac workover scope has commenced, advancing the planned fracture stimulation to enhance production capacity, contributing to Red Sky's future cash flows
- ▣ Re-entry of Yarrow 1 well in the Yarrow gas field will commence imminently
- ▣ All downhole work is expected to be completed by Jan 2025, with the well becoming fully operational in Q2 2025
- ▣ Production revenue from Yarrow 3 since inception totals >\$3 million, primarily driven by gas sales, with additional revenue from ethane, LPG, and condensate
- ▣ The Yarrow 1 re-entry is expected to further bolster Red Sky's cash flow in 2025, complementing revenue streams from Yarrow 3
- ▣ The re-entry at Yarrow 1 positions Red Sky for enhanced long-term cash flows from its Innamincka portfolio, supporting the Company's growth strategy

Red Sky Energy (ASX: ROG) (**Red Sky** or the **Company**) is pleased to announce that Santos Limited (ASX:STO) (**Santos**), operator of the Innamincka Dome project, has mobilised the workover rig to the Yarrow 1 well site. The rigging process is underway, with Santos commencing the pre-fracture stimulation workover scoping. This 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.

This milestone brings Red Sky and Santos closer to completing the re-entry and re-sleeving activities at Yarrow 1, which are aimed at optimising gas flow and improving production efficiency from the well. The pre-frac workover scope includes targeted interventions to prepare the well for fracture stimulation, expected to significantly enhance gas production capabilities.

Red Sky holds a 20% working interest in six Petroleum Retention Licences (PRLs 14, 17, 18, 180, 181, and 182) in the Innamincka Dome, with Santos operating the project with an 80% stake.

Commenting on Yarrow 1 Well's re-entry, Red Sky Managing Director, Andrew Knox, said:

"Santos' progress with these preparatory activities is encouraging, and we look forward to the outcomes of the fracture stimulation process, which has the potential to drive significant production increases."

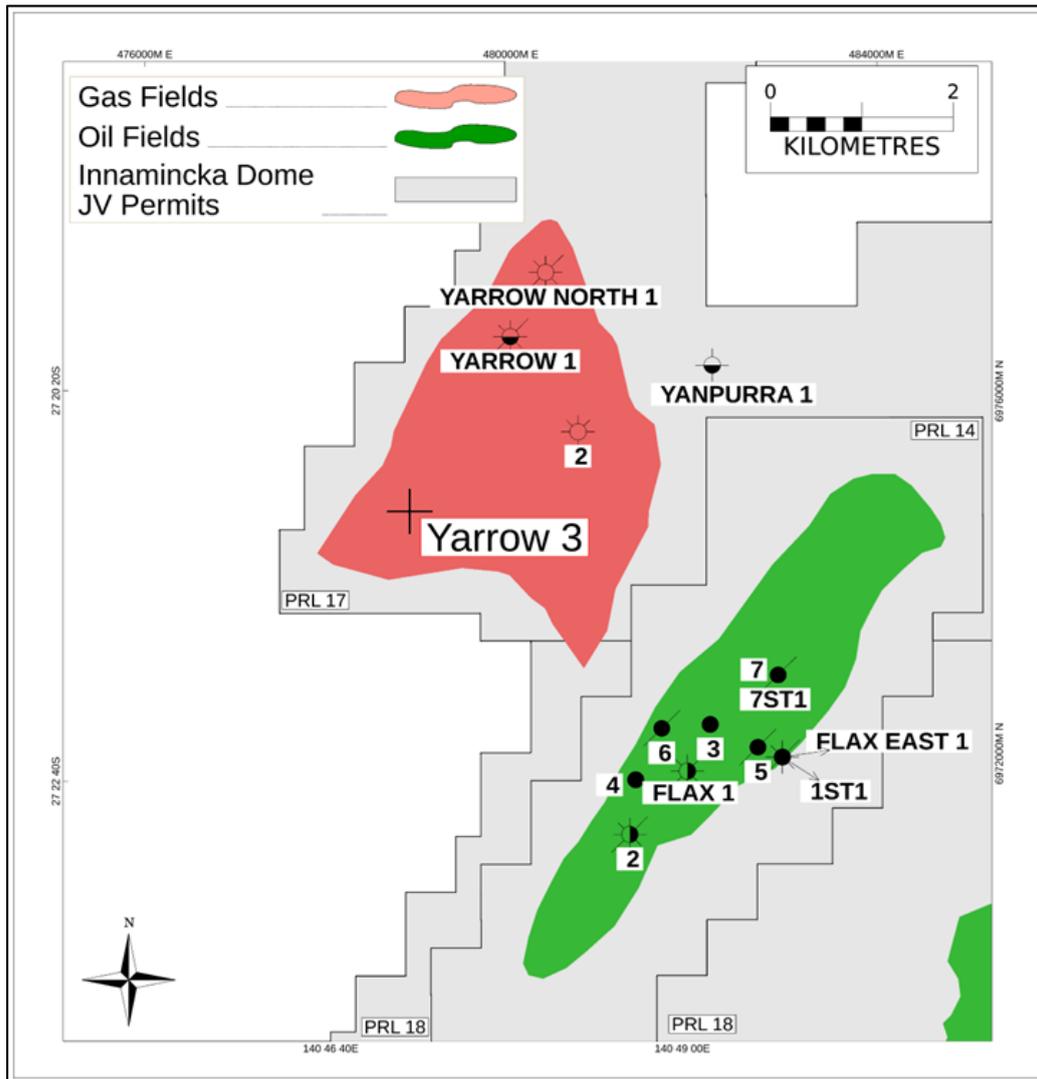


Figure 1: Location of Yarrow 1 Well

Technical Details on the Workover and Rigging Process

As part of the Yarrow 1 re-entry, the workover rig is being utilised to perform critical preparatory tasks for the fracture stimulation. The current rigging-up phase involves assembling and securing rig components, including the derrick, blowout preventers (BOP), and other control equipment necessary for safe well intervention. This setup is essential to allow for the re-sleeving of the casing, which will selectively isolate certain zones within the wellbore, optimising the focus of the fracture stimulation on high-potential gas-bearing formations.

Once rigging is complete, the pre-frac workover scope will involve:

1. Cleaning and Conditioning the Wellbore: Ensuring all obstructions are cleared for optimal flow.
2. Re-sleeving Operations: The insertion of sleeves to isolate zones that will be selectively fractured, maximising the flow from the most productive formations.
3. Pressure Testing and Pre-Fracture Diagnostics: These assessments will verify the well's readiness for stimulation and ensure pressure integrity, crucial for safe and efficient fracture stimulation.

This multi-step process not only prepares the well for enhanced production but also contributes to greater long-term asset efficiency by optimising gas extraction. The full scope of downhole activities remains on track for completion by January 2025, with anticipated operational capacity in Q2 2025.

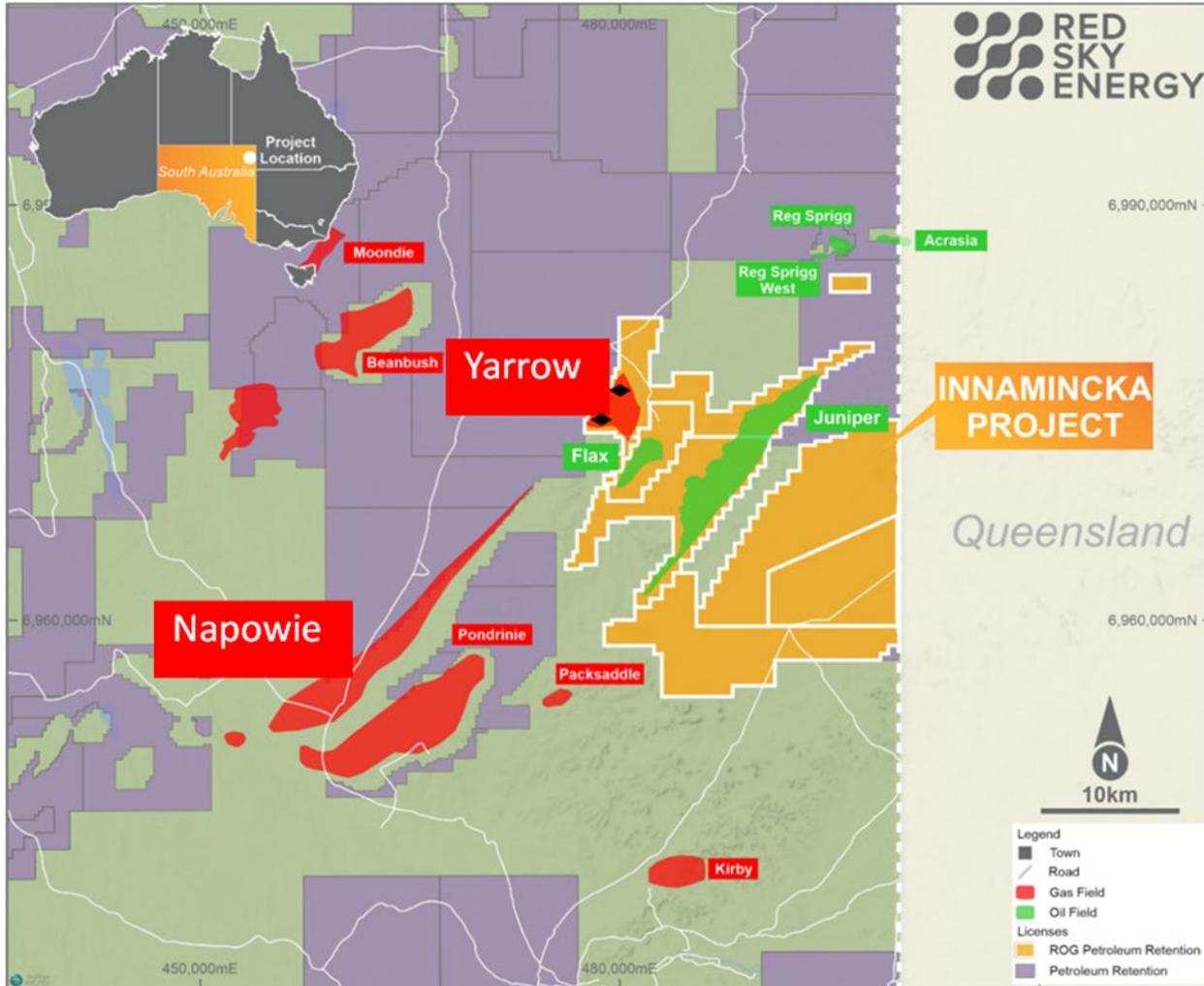


Figure 2: Innamincka Dome Projects location map with Yarrow and Napowie highlighted

-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.