

RED SKY ENERGY LIMITED
ACN 099 116 275
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2024 Annual General Meeting ("**Meeting**") of the shareholders of Red Sky Energy Limited, (ACN 099 116 275) ("**the Company**") will be held at the offices of RSM Australia Pty Ltd, Level 27, 120 Collins Street, Melbourne VIC 3000 on 31 May 2024 at 10.00am (Melbourne time).

Further details in respect of each of the Resolutions proposed in this Notice of Annual General Meeting ("**Notice**") are set out in the Explanatory Memorandum ("**Memorandum**") accompanying this Notice.

The details of Resolutions contained in the Memorandum should be read together with, and form part of, this Notice.

AGENDA

2023 ANNUAL FINANCIAL STATEMENTS

To lay before the meeting and consider the Annual Financial Statements of the Company in respect of the year ended 31 December 2023 and comprising the Annual Financial Report, the Directors' Report and the Auditor's Report.

RESOLUTION 1: NON-BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

To consider and, if thought fit, pass the following resolution as a non-binding ordinary resolution:

"That the Company approve the adoption of the Remuneration Report, included in the Directors' Report, for the year ended 31 December 2023."

Voting Prohibition:

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the key management personnel, details of whose remuneration are included in the Remuneration Report; or*
- (b) a closely related party of such a member.*

*(referred to herein as **Restricted Voters**).*

*However, a person (**voter**) may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a Restricted Voter and the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on Resolution 1. The Chair may also exercise undirected proxies if the vote is cast on behalf of a person entitled to vote on Resolution 1 and the proxy appointment expressly authorises the Chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of members of the key management personnel of the Company.*

Voting Note:

Directors of the Company who are key management personnel whose remuneration details are included in the 2023 Remuneration Report, any other key management personnel whose remuneration details are included in the 2023 Remuneration Report, or any of their closely related parties, will not be able to vote on Resolution 1 or to vote undirected proxies held by them on Resolution 1.

RESOLUTION 2: RE-ELECTION OF MR ROBERT ANNELLS AS A DIRECTOR

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Robert Annelles, who retires by rotation in accordance with the Company's constitution and, being eligible, offer himself for re-election, be re-elected as a Director of the Company."

RESOLUTION 3: APPROVAL OF 10% PLACEMENT FACILITY

To consider, and if thought fit, pass the following resolution as a **special resolution**:

“That for the purposes of ASX Listing Rule 7.1A, shareholders approve the Company having the capacity to issue fully paid ordinary shares in the capital of the Company up to the maximum number permitted under ASX Listing Rule 7.1A.2 at an issue price which is not less than 75% of the volume weighted average market (closing) price of the Company’s ordinary shares calculated over the last fifteen (15) days on which trades of the Company’s ordinary shares were recorded on ASX immediately before the date on which the issue price is agreed or the date the issue is made as described in the Memorandum which accompanied and formed part of this Notice.”

Voting Note:

If as at the time of the Meeting, the Company:

- is included in the S&P/ASX 300 Index; and
- has a market capitalisation of greater than AU\$300 million,

this Resolution will be withdrawn.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associate of that person or those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- *a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or*
- *the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or*
- *a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and*
 - *the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

RESOLUTION 4: APPROVAL OF LONG TERM INCENTIVE PLAN

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.2 Exception 13(b) and for all other purposes, approval is given for the Company to adopt the “Red Sky Energy Limited Long Term Incentive Plan”, including approval to issue equity securities under that plan, on the terms described in the Memorandum which accompanied and formed part of this Notice.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution 4 by or on behalf of a person who is eligible to participate in the employee incentive scheme or any associate of that person or those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- *a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or*
- *the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or*
- *a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and*
 - *the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

Proxy Voting Prohibition

Other than as set out below, a vote on Resolution 4 must not be cast as proxy by a Restricted Voter.

A Restricted Voter may cast a vote on Resolution 4 as a proxy if either:

- *the Restricted Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this resolution; or*
- *the Restricted Voter is the chair and the written appointment of the chair as proxy:*
 - *does not specify the way the proxy is to vote on this resolution; and*
 - *expressly authorises the chair to exercise the proxy even though this resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.*

OTHER BUSINESS

To consider any other business that may be brought before the Meeting in accordance with the constitution of the Company and the Corporations Act.

By the order of the Board



Adrien Wing
Joint Company Secretary
Dated: 29 April 2024

The accompanying Proxy Instructions and Memorandum form part of this Notice.

PROXY AND VOTING INSTRUCTIONS

Proxy Instructions	How the Chair Will Vote Undirected Proxies
<p>A member who is entitled to vote at a meeting may appoint:</p> <ul style="list-style-type: none">• one proxy if the member is only entitled to one vote; and• one or two proxies if the member is entitled to more than one vote. <p>Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.</p> <p>The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged with the Company's share registry not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.</p> <p>The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.</p> <p>The proxy may, but need not, be a member of the Company.</p> <p>A proxy form is attached to this Notice.</p> <p>If you sign the proxy form and do not appoint a proxy, you will have appointed the Chair of the meeting as your proxy.</p>	<p>Subject to the restrictions as set out in the Notice, the Chair of the Meeting will vote undirected proxies in favour of all of the proposed Resolutions.</p> <p>Voting Restrictions on Resolution 1 (Remuneration Report)</p> <p>The Remuneration Report identifies key management personnel for the year ended 31 December 2023. Their closely related parties are defined in the Corporations Act 2001 (Cth) and include specified family members, dependents and companies they control.</p> <p>Directors of the Company who are key management personnel whose remuneration details are included in the 2023 Remuneration Report, any other key management personnel whose remuneration details are included in the 2023 Remuneration Report, or any of their closely related parties, will not be able to vote on Resolution 1 or to vote undirected proxies held by them on Resolution 1 provided however that the Chair may vote undirected proxies on behalf of persons eligible to vote where expressly authorised to do so on the proxy form.</p> <p>Voting restrictions on Resolution 4</p> <p>The Remuneration Report identifies key management personnel for the year ended 31 December 2023. Their closely related parties are defined in the Corporations Act 2001 (Cth) and include specified family members, dependents and companies they control.</p> <p>Directors of the Company who are key management personnel whose remuneration details are included in the 2023 Remuneration Report, any other key management personnel whose remuneration details are included in the 2023 Remuneration Report, or any of their closely related parties, will not be able to vote undirected proxies held by them on Resolution 4 provided however that the chair may vote undirected proxies on Resolution 4 on behalf of persons eligible to vote where expressly authorised to do so on the proxy form.</p> <p>Special resolution</p> <p>For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution. Resolution 3 is a special resolution.</p>

**RED SKY ENERGY LIMITED
ACN 099 116 275
ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM**

This Memorandum has been prepared for the information of members of Red Sky Energy Limited [ACN 099 116 275] (the "**Company**") in connection with the business to be conducted at the 2024 Annual General Meeting ("**Meeting**") of Shareholders of the Company to be held at the offices of RSM Australia, Level 27, 120 Collins Street, Melbourne VIC 3000 on 31 May 2024 at 10.00am (Melbourne time).

This Memorandum should be read in conjunction with, and forms part of, the accompanying Notice.

BUSINESS

2023 Annual Financial Statements

The Annual Financial Statements, comprising the Financial Report, Directors' Report and Auditor's Report for the year ended 31 December 2023 will be laid before the meeting. Shareholders will have the opportunity to ask questions about, or make comments on, the 2023 Annual Financial Statements and the management of the Company. A representative of the auditor will be invited to attend, to answer questions about the audit of the Company's 2023 Annual Financial Statements.

As permitted by the Corporations Act, a printed copy of the Company's 2023 Annual Report has been sent only to those shareholders who have elected to receive a printed copy. A copy of the 2023 Annual Report is available from the Company's website (www.redskyenergy.com.au) and the ASX announcements page of the Company (www.asx.com.au, search code "ROG"). A copy of the 2023 Annual Report can also be obtained upon request to Pauline Moffatt, the Joint Company Secretary, by email to pmoffatt@northerstargroup.com.au.

There is no requirement for these reports to be formally approved by shareholders. No resolution is required to be moved in respect of this item.

Resolution 1: Non-binding Resolution - Remuneration Report

The Company is required pursuant to the Corporations Act 2001 (Cth) ("**the Corporations Act**"), to propose a non-binding resolution regarding the 2023 Remuneration Report, which forms part of the Director's Report in the 2023 Annual Financial Statements. The vote is advisory only and does not bind the Directors or the Company.

Shareholders attending the 2024 Annual General Meeting of the Company will have an opportunity to discuss and put questions in respect of the Remuneration Report.

The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies. Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings (**AGM**) (treating this AGM as the first such meeting), shareholders will be required to vote at the second of those AGM's on a resolution (a **spill resolution**) that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director and CEO) must be put up for re-election. The vote on the Remuneration Report contained in the Company's 2022 Annual Financial Statements was passed with the support of more than 75% of votes thus a spill resolution will not be required in the event 25% or more of votes that are cast are against the adoption of the 2023 Remuneration Report. However, in the event that 25% or more of votes that are cast are against the adoption of the 2023 Remuneration Report, shareholders should be aware that if there is a 'no' vote of 25% or more for the same resolution at the next AGM the consequences are that it may result in the re-election of the Board.

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice. In particular, Directors and other members of the key management personnel details of whose remuneration are included in the Remuneration Report or a closely related party of those persons must not vote on Resolution 1 and must not cast a vote as proxy, unless the proxy appointment gives a direction on how to vote provided however that the Chair may vote undirected proxies on behalf of persons eligible to vote where expressly authorised to do so on the proxy form.

Resolution 2: Re-election of Mr Robert Annells as a Director

Rule 5.1 of the Constitution requires one third of the Directors or, if their number is not 3 or a multiple of 3, then the number nearest to but not exceeding one third, is to retire from office as a Director at each annual general meeting. Rule 5.2 of the Constitution provides that the director or directors to retire at an annual general meeting are those who have been longest in office since their election. Rule 5.4 of the Constitution provides that a Director who retires is eligible for re-election.

Listing Rule 14.5 also requires that an entity which has directors must hold an election of Directors at each annual general meeting. Pursuant to these Rules, Mr Robert Annells will retire by rotation, and being eligible, will seek re-election.

Mr Annells has over 30 years of experience with public upstream oil and gas companies. He has worked extensively throughout Australia with several entities.

Mr Annells is a former member of the Australian Stock Exchange with over forty years of experience in the Securities Industry, and is also a qualified accountant. His experience includes Managing Director of Securities firms Credit Lyonnais and subsequent directorship of Daiwa Securities Ltd. He was Chairman of Lakes Oil Ltd for in excess of 30 years, founding Director of Gippsland Offshore Petroleum and founding Chairman of Greenearth Energy Ltd. Mr Annells was appointed Chairman on 8 February 2021.

The Board (excluding Mr Annells who abstains from making a recommendation) recommend that Shareholders vote in favour of Resolution 2. The Chairman intends to exercise all available proxies in favour of Resolution 2.

Resolution 3: Approval of 10% placement facility

ASX Listing Rule 7.1A enables eligible entities to issue equity securities (as that term is defined in the ASX Listing Rules) up to 10% of their issued share capital through placements over a 12-month period after an AGM (**10% Placement Facility**). The 10% Placement Facility is in addition to a company's 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is, at the date of the Notice, an eligible entity.

The Company is seeking shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Facility. The exact number of equity securities (if any) to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer below). The Company may use funds raised from any issue(s) under the 10% Placement Facility for development of its existing business and any acquired business, or funding new projects or business opportunities and/or general working capital.

The Company obtained shareholder approval to make issues under ASX Listing Rule 7.1A at its 2023 AGM. This Shareholder approval will lapse on 31 May 2024, being the date that is 12 months after the 2023 AGM.

The Company seeks to refresh the shareholder approval so as to continue to be able to make issues under the 10% Placement Facility after the Meeting in accordance with ASX Listing Rule 7.1A.

If shareholders pass Resolution 3, the Company may be able to issue the number of equity securities under the 10% Placement Facility in accordance with the formula prescribed by ASX Listing Rule 7.1A.2 (as set out below). If Resolution 3 is not passed by shareholders then the Company will not be able to issue equity securities under the 10% Placement Facility.

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

DESCRIPTION OF LISTING RULE 7.1A

- **Shareholder approval**

The ability to issue equity securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an AGM.

- **Equity securities**

Any equity securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of equity securities of the Company. The Company, as at the date of the Notice, has one class of quoted equity securities, being ordinary shares (**ROG**).

- **Formula for calculating 10% Placement Facility**

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may, during the 10% Placement Period (defined below), issue a number of equity securities calculated in accordance with the following formula:

$$(A \times D) - E$$

where:

A is the number of shares on issue 12 months before the date of the issue or agreement to issue:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2 other than exception 9, 16 or 17;
- (ii) plus the number of fully paid ordinary shares issued in the relevant period on the conversion of convertible securities within ASX Listing Rule 7.2 Exception 9 where:
 - a. the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - b. the issue of, or agreement to issue, the convertible securities was approved, or taken under those rules to have been approved, under ASX Listing Rule 7.1 or 7.4;
- (iii) plus the number of fully paid ordinary shares issued in the relevant period under an agreement to issue securities within ASX Listing Rule 7.2 Exception 16 where:
 - a. the agreement was entered into before the commencement of the relevant period; or
 - b. the agreement or issue was approved, or taken under those rules to have been approved, under ASX Listing Rule 7.1 or 7.4;
- (iv) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rules 7.1 and 7.4;
- (v) plus the number of partly paid shares that became fully paid in the 12 months;
- (vi) less the number of fully paid shares cancelled in the 12 months.

Note: "A" has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holder of ordinary securities under ASX Listing Rule 7.4.

- ASX Listing Rule 7.1 and ASX Listing Rule 7.1A

The ability of an entity to issue equity securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

As at the date of this Meeting, the Company has 5,422,227,197 ordinary shares on issue and will therefore have capacity to issue:

- (i) 813,334,079 equity securities under Listing Rule 7.1 (15% capacity); and
- (ii) subject to shareholders approving this Resolution 3, 542,222,719 (provided such equity securities are in a class of quoted equity securities) under Listing Rule 7.1A.

The actual number of equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer above).

- Minimum Issue Price

The issue price of equity securities issued under ASX Listing Rule 7.1A must be not less than 75% of the VWAP of equity securities in the same class calculated over the 15 trading days immediately before:

- (i) the date on which the price at which the relevant equity securities are to be issued is agreed by the Company and the recipient of the relevant equity securities; or
- (ii) if the equity securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

- 10% Placement Period

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires (and ceases to be valid) on the earlier to occur of:

- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
- (ii) the time and date of the next AGM of the Company; or
- (iii) the date of the approval by shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

(10% Placement Period).

- ASX Listing Rule 7.1A

The effect of Resolution 3 will be to allow the Directors of the Company to issue the equity securities under ASX Listing Rule 7.1A during the 10% Placement Period separate to the Company's 15% placement capacity under ASX Listing Rule 7.1. Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

SPECIFIC INFORMATION REQUIRED BY ASX LISTING RULE 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- Any equity security issued will be issued at an issue price of not less than 75% of the VWAP for the Company's equity securities over the 15 trading days immediately before:
 - (i) the date on which the price at which the relevant equity securities are to be issued is agreed by the Company and the recipient of the relevant equity securities; or

- (ii) if the equity securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.
- If Resolution 3 is approved by the Shareholders and the Company issues equity securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company would be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Company's equity securities may be significantly lower on the date of the issue of the equity securities than on the date of the Meeting; and
 - (ii) the equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date,

which may have an effect on the quantum of funds raised by the issue of the equity securities.

The table below shows the dilution of existing shareholders on the basis of the current market price of the Company's ordinary shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of the Notice. The table also shows:

- Two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary shares the Company has on issue. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require shareholder approval (for example, a pro-rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future shareholders' meeting.
- Two examples of where the price of ordinary shares has decreased by 50% and increased by 50% as against the current market price (being \$0.004 (0.4 cents), the closing price of the Company's ordinary shares at close of trading on 9 April 2024).

Variable "A" in ASX Listing Rule 7.1A.2		Dilution		
		\$0.002 50% decrease in Deemed Price	\$0.004 Deemed Price	\$0.008 100% Increase in Deemed Price
Current Variable A 5,422,227,197 Shares	10% Voting Dilution	542,222,719 shares	542,222,719 shares	542,222,719 shares
	Funds raised	\$1,084,445.44	\$2,168,890.88	\$4,337,781.75
50% increase in current Variable A 8,133,340,795 shares	10% Voting Dilution	813,334,079 shares	813,334,079 shares	813,334,079 shares
	Funds raised	\$1,626,668.16	\$3,253,336.32	\$6,506,672.63
100% increase in current Variable A 10,844,454,394 shares	10% Voting Dilution	1,084,445,439 shares	1,084,445,439 shares	1,084,445,439 shares
	Funds raised	\$2,168,890.88	\$4,337,781.75	\$8,675,563.51

The table above has been prepared on the following assumptions:

- *The figures contained in the table are subject to rounding.*
- *The Company issues the maximum securities available under the ASX Listing Rule 7.1A being 10% of the Company's shares on issue at the date of the Meeting.*

- *No performance rights or other convertible securities (if any) convert into fully paid ordinary securities before the date of the issue of securities under ASX Listing Rule 7.1A.*
- *The table does not demonstrate an example of dilution that may be caused to a particular Shareholder by reason of placements under ASX Listing Rule 7.1A, based on that shareholder's holding at the date of the Meeting.*
- *The table only demonstrates the effect of issues of securities under ASX Listing Rule 7.1A. It does not consider placements made under ASX Listing Rule 7.1.*
- *The deemed price in the table is indicative only and does not consider the maximum 25% discount to market that the securities may be placed at under ASX Listing Rule 7.1A.*

The Company may issue the equity securities for cash consideration. In such circumstances, the Company intends to use the funds raised (if any) towards developing its existing business and any acquired business, or to fund new projects or business opportunities and/or for general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 upon issue of any equity securities under the 10% Placement Facility.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to factors including but not limited to the following:

- the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- the effect of the issue of the equity securities on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisers (if applicable).

Due to the forward-looking nature of the approval, the allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

The Company has previously obtained shareholder approval under ASX Listing Rule 7.1A at its 2023 AGM. During the 12-month period preceding the proposed date of the Meeting, the Company did not issue any securities under the Company's 10% Placement Capacity under ASX Listing Rule 7.1A.

As at the date of that Notice, the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the equity securities. Accordingly, no existing shareholder's votes will be excluded under the voting exclusion statement for Resolution 3 in the Notice.

The directors of the Company unanimously recommend shareholders vote in favour of Resolution 3.

Resolution 4: Adoption of long term incentive plan

Background

Resolution 4 seeks shareholder approval for the adoption of a new long term incentive plan, and the issue of equity securities under that scheme, being the Red Sky Energy Limited Long Term Incentive Plan (**LTIP**).

The LTIP provides for the issue of performance rights. A performance right is a contractual right to acquire shares in the Company at a future date, subject to the satisfaction of applicable vesting conditions including the achievement of Board determined performance hurdles.

The performance rights issued under the LTIP will be used to attract, motivate and retain eligible participants and to provide them with an incentive to deliver growth and value to all Shareholders. The performance rights will also be

used to attract and retain non-executive directors in a market place that is experiencing increased competition for talented directors who bring value to the Board and the Company.

Under the LTIP, the Board may offer eligible participants the opportunity to subscribe for such number of performance rights in the Company as the Board may decide, on the terms set out in the rules of the LTIP and the invitation letter given to the proposed participant.

A summary of the terms of the LTIP is set out in **Annexure A** to this Memorandum.

ASX Listing Rules

ASX Listing Rule 7.1 requires that shareholder approval is required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.2 Exception 13(b) provides an exception to ASX Listing Rule 7.1 for securities issued under an employee incentive scheme within 3 years of shareholder approval of the scheme. The Company therefore seeks approval of the LTIP for the purposes of ASX Listing Rule 7.2 Exception 13 so that issues of securities under the LTIP do not impede the capacity of the Company to issue up to a further 15% of its capital without shareholder approval.

If Shareholders pass Resolution 4, the Company will be able to issue securities under the LTIP within 3 years of shareholder approval without using the placement capacity available to the Company under the ASX Listing Rules (provided no more than the maximum number of securities that may be issued under the LTIP as approved by shareholders are issued). If Resolution 4 is not passed by shareholders then the Board will still adopt the LTIP as an incentive scheme of the Company, however any securities issued under the LTIP in this circumstance will use the placement capacity available to the Company under the ASX Listing Rules.

Notwithstanding if shareholders pass, or do not pass, Resolution 4, any issues of securities to Directors and other related parties would continue to require shareholder approval under Chapter 10 of the ASX Listing Rules.

The following information is provided in accordance with Listing Rule 7.2 Exception 13(b):

- A summary of the terms of the LTIP is set out in Annexure A to this Memorandum.
- The Company has not issued any securities pursuant to the LTIP as at the date of the Notice. The Company did however issue an aggregate of 475,000,000 performance rights pursuant to the prior edition of the LTIP as approved by shareholders at the 2021 AGM, being the last approval received in respect of the LTIP.
- The maximum aggregate number of securities that may be issued under the LTIP is 542,222,719, representing 10% of the issue capital of the Company at the date of the Notice.
- A voting exclusion statement and proxy voting prohibition as set out in the Notice applies to Resolution 4.

Note: references in the Notice and this Memorandum to “\$” are to Australian currency.

ANNEXURE A
SUMMARY OF MATERIAL TERMS OF LTIP

Item	LTIP Terms
Purpose	<p>The Red Sky Energy Limited Long Term Incentive Plan (LTIP) forms part of the Company's remuneration strategy. The LTIP is designed to align the interests of employees and directors eligible to participate in the LTIP (Eligible Participants) and shareholders of the Company and to assist the Company in the reward, retention and motivation of Eligible Participants. In particular, the LTIP aligns the interests of Eligible Participants with shareholders by providing an opportunity to Eligible Participants to receive an equity interest in the Company through the grant of Performance Rights.</p>
Administration	<p>The LTIP will be administered by the Board in accordance with the rules of the LTIP (LTIP Rules) and the terms and conditions of specific grants of Performance Rights to eligible participants in the LTIP.</p> <p>Every exercise of a discretion by the Board and any decision by the Board regarding the interpretation, effect or application of the LTIP Rules and all calculations and determinations made by the Board under the LTIP Rules are final, conclusive and binding in the absence of manifest error.</p>
Eligibility and Participation	<p>A grant of Performance Rights by the Company is subject to both the LTIP Rules and the specific terms of the grant as determined by the Board in the recipient's invitation and application form.</p> <p>The Board may, from time to time and in its absolute discretion, invite any Eligible Participant to participate in a grant of Performance Rights under the LTIP.</p> <p>Acceptance of an invitation by an Eligible Participant must be made on an application form in accordance with the instructions that accompany the invitation, or in any other way the Company determines.</p> <p>After receiving an application form and any applicable ancillary documents, the Board may in its discretion accept such application and grant the Performance Rights to the participant.</p>
Terms of grant of the Performance Rights	<p><i>Nature of Performance Right</i></p> <p>A Performance Right is a right to receive a fully paid ordinary share in the capital of the Company, subject to satisfaction of one or more vesting conditions set by the Board.</p> <p>Each Performance Right will entitle the holder to one fully paid ordinary share in the capital of the Company upon the relevant vesting conditions being satisfied. If the vesting conditions are not satisfied prior to the relevant date for satisfaction of the vesting conditions, the Performance Right will lapse and will be forfeited by the holder.</p> <p><i>Participant's right prior to exercise</i></p> <p>Prior to the exercise of a Performance Right and the issue of a share upon that exercise, a participant does not have any interest in any shares the subject of the Performance Right, other than those expressly set out in the LTIP Rules. In addition, prior to the exercise of a Performance Right and the issue of a share upon that exercise, the holder does not have any right to attend or vote on any resolutions proposed at a general meeting of shareholders of the Company or to any dividends, or to any profits or assets in a winding up of the company.</p> <p><i>No Dealing in Performance Rights</i></p> <p>Any dealing in respect of a Performance Right is prohibited unless the Company determines otherwise, or the dealing is required by law.</p> <p><i>Prohibition on Hedging</i></p> <p>A participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Performance Right that has been granted to them.</p> <p><i>Listing</i></p>

	Unless determined otherwise by the Board, a Performance Right granted under the LTIP Rules will not be quoted on the ASX or any other recognised securities exchange.
Vesting	Subject to any earlier lapse and forfeiture of Performance Rights under the terms of the LTIP Rules, a Performance Right that is subject to vesting conditions will only vest where each vesting condition, and all other relevant conditions advised to the participant have been satisfied or waived and a vesting notice in respect of that Performance Right has been given to the participant.
Exercise and settlement of Performance Rights	<p>Following receipt of a vesting notice a participant will be entitled to exercise a Performance Right that has vested by delivering an exercise notice to the Company at any time before the expiry date, being the 15th anniversary of the date of grant of the Performance Right (Expiry Date). Where a participant ceases to be employed or engaged by a member of the group, all Performance Rights that have vested may be exercised by the participant within a period of 90 days following the date of cessation (or such other period determined by the Board at its absolute discretion), otherwise they will be forfeited.</p> <p>Upon receipt of an exercise notice the Company will issue or cause to be transferred to the participant the number of shares to which the participant is entitled or, if expressly permitted by the original invitation, in the Company's sole and absolute discretion, settle the exercise of the Performance Rights by way of a cash payment equal to the market value of the shares that would otherwise have been issued or transferred.</p>
Rights attaching to shares	<p><i>Shares to rank equally</i></p> <p>All shares issued on exercise of a Performance Right will rank <i>pari passu</i> in all respects with the shares of the same class for the time being on issue except for any rights attaching to the shares by reference to a record date prior to the date of issue or transfer of the plan shares.</p> <p><i>Listing and Dividends</i></p> <p>If shares issued on exercise of a Performance Right are in the same class as shares which are listed on the ASX, the Company will apply for quotation of the shares issued.</p> <p>A participant will be entitled to any dividends declared and distributed on the shares. A participant may participate in any dividend reinvestment plan operated by the Company in respect of the shares which they hold.</p> <p><i>Voting rights</i></p> <p>Following the issue of a share on exercise of a Performance Right, a participant may exercise any voting rights attaching to shares which they hold.</p> <p><i>Dealing restrictions</i></p> <p>A participant's invitation may specify restrictions as to how the participant may deal in the shares for a period. The Board may implement any procedure it deems appropriate to ensure the compliance by the participant with this restriction, including but not limited to imposing an ASX holding lock on the shares or using an employee share trust to hold the shares during the relevant restriction period.</p> <p>If the shares are subject to any disposal restrictions, the participant must not deal with a share or take any action to remove or circumvent the disposal restrictions without the Company's consent.</p> <p>Subject to the Company's Securities Trading Policy, upon expiry of any dealing restrictions over a share, the Company will take all action necessary to ensure that the participant can deal with the share.</p>
Lapse and Forfeiture of Incentive Securities	In certain circumstances, performance rights granted to participants, will lapse and be forfeited. This may include a situation where the participant acts fraudulently or dishonestly, negligently, wilfully breaches their duties to the Company or the participant is convicted of an offence in connection with the affairs of the Company or its subsidiaries. In that case the Board may determine in its absolute discretion that any unvested Performance Rights held by the participant are forfeited and any vested Performance Rights held by the participant that have not yet been exercised are dealt with in accordance with the Board's direction which may include forfeiture or the exercise of the Performance Rights within a fixed period of time, otherwise they will be forfeited.

	<p>The performance rights will automatically lapse on the Expiry Date unless vesting and exercise occurs prior to that time.</p> <p>Notwithstanding the terms of forfeiture set out in the LTIP Rules, the Board may decide (on any conditions it thinks fit) that some or all of the participant's Performance Rights will not be forfeited at that time, but will be forfeited at the time and subject to the conditions it specifies to the participant.</p> <p>Where Performance Rights have been forfeited in accordance with the LTIP Rules, the participant must sign any transfer documents to effect the forfeiture required by the Company and the Company will not be liable for any damages or other amounts to the participant in respect of that forfeited performance right.</p> <p><i>Cessation of employment before Vesting</i></p> <p>Where a participant ceases to be employed or engaged by a member of the Company, all unvested Performance Rights held by the participant will be forfeited, unless the Board determines otherwise.</p> <p>The Board may, in its sole and absolute discretion, determine that some or all of the unvested Performance Rights held by a participant will not be forfeited where a participant ceases to be employed or engaged by a member of the Red Sky Energy Group, which may include circumstances where the participant is considered to be a "Good Leaver" (as defined in the LTIP Rules).</p>
Change of Control	<p>If there is a change in control of the Company (whether by way of compromise or arrangement or takeover bid) (Change of Control Event), or the Board determines that such an event is likely to occur, the Board may determine the manner in which any or all of the participant's Performance Rights will be dealt with, including, without limitation, in a manner that allows the participant to participate in and/or benefit from any transaction arising from, or in connection with, the Change of Control Event.</p>
Adjustment of Performance Rights	<p><i>Reorganisation</i></p> <p>In the event of any reorganisation of the issued share capital of the Company (including any bonus issues), the rights of each participant holding Performance Rights will be changed to the extent necessary to comply with the ASX Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.</p> <p><i>Rights Issue</i></p> <p>Unless otherwise determined by the Board, a holder of Performance Rights does not have the right to participate in a pro rata issue of shares made by the Company or to sell renounceable rights.</p> <p><i>Application of Adjustment</i></p> <p>The Board may (as far as possible) make whatever adjustments are deemed necessary or desirable to ensure that the consequences of any application of an adjustment are fair as between the participants and the holders of other securities in the Company, subject to the ASX Listing Rules and other applicable laws.</p>
Compliance with law and limitations	<p>When making an invitation, the Company must have reasonable grounds to believe that the total number of shares that may be issued, or acquired upon exercise of Performance Rights offered, under an invitation, when aggregated with the number of shares that may be issued or that have been issued in the previous 3 year period under the LTIP, will not exceed 542,222,719.</p> <p>Notwithstanding the maximum aggregate limit set out above, when making an invitation in reliance upon Division 1A of Part 7.12 of the Corporations Act (ESS Regime), the Company must have reasonable grounds to believe that the total number of shares that may be issued, or acquired upon exercise of Performance Rights offered, under an invitation, when aggregated with the number of shares issued or that may be issued as a result of offers made in reliance on the ESS Regime at any time during the previous 3 year period under:</p> <ul style="list-style-type: none"> (a) an employee incentive scheme covered by the ESS Regime; or (b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,

	<p>but disregarding any offer made or securities issued in the capital of the Company by way of or as a result of:</p> <ul style="list-style-type: none">(c) an offer to a person situated at the time of receipt of the offer outside Australia;(d) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (other than under section 708(15) of the Corporations Act); or(e) an offer made under a disclosure document, <p>will not exceed 5% (or such other maximum permitted under any applicable law) of the total number of Shares on issue at the date of the invitation.</p>
Amendment	<p>The Board may at any time amend the LTIP Rules except that no amendment may be made if the amendment materially reduces the rights of any participant as they existed before the date of the amendment, other than an amendment either (i) agreed to in writing by all participants; or (ii) for the purpose of complying with law or the Company's constitution or due to manifest error or mistake or to take into consideration possible adverse tax reasons.</p>

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

Proxy Voting Form

If you are attending the Meeting in person, please bring this with you for Securityholder registration.

Your proxy voting instruction must be received by **10.00am (AEST) on Wednesday, 29 May 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE:

<https://automicgroup.com.au/>

PHONE:

1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

