



Level 17, 500 Collins Street,
Melbourne Victoria 3000

abn: 94 099 116 275
tel: +61 3 9614 0600
fax: +61 3 9614 0550
redskyenergy.com.au

ASX ANNOUNCEMENT

Acquisition Update - Cache Oilfield, Colorado, USA

Red Sky Energy Limited (“the Company” or “ROG”) is pleased to announce that it has now executed a definitive document to acquire a 50% interest in the US based Cache Oilfield, Colorado (“Cache. The board is delighted with this outcome as it believes Cache is an excellent acquisition and platform from which to restore shareholder value. It is the intention of the board to now implement a strategy of acquiring an onshore US oil and gas portfolio due the significant revisions in acreage valuations and the opportunity in which that brings.

A number of the key commercial parameters to the original Cache transaction have been amended. Firstly the Company will now acquire 50% of the Cache field through the issue of 1.29 billion ROG shares at a deemed issue price of \$0.001. As part of the acquisition there will also be an associated capital raising to now raise a minimum of A\$600,000 up to a maximum of A\$1.5 million through the issue of between 600 million and 1.5 billion shares at an issue price of \$0.001. Further to the capital raising component of this transaction the vendors of Cache will also receive a further issue of shares for any difference between the amounts of capital raised under the issue less than the maximum amount that could be raised. For example if only A\$1 million was raised then the vendors would receive a further 500 million shares again at a deemed issue price of \$0.001.

Implementation of the transaction remains subject to shareholder and regulatory approvals as well as completion of the capital raising. ROG is now preparing a notice of meeting (**NoM**) to convene a shareholder meeting to seek the approvals required for the capital raising and to implement the terms under the definitive document.

The Company has now received its technical and tenure report on Cache as part of its due diligence process which provided confidence to move ahead with the transaction. Subject to the completion the Vendor will be entitled to nominate three representatives to the board of ROG. Contemporaneously with these appointments, Mr Adrien Wing will step down from the board of ROG.

Subject to completion of due diligence & obtaining necessary regulatory approvals.

The Company will continue to update shareholders as this transaction progresses and is excited by the prospects for shareholder value creation that it brings.

ENDS

For further information contact:

Mr Clinton Carey
Managing Director
Red Sky Energy Limited
Tel: +61-3-9614-0600
Email: info@redskyenergy.com.au

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