

Red Sky Energy Completing Strategic Review to Target Near Term Revenue Projects with Low Capex

HIGHLIGHTS

- **Strategic review of four 100% owned oil and gas projects nearing completion**
- **Focus on near term cash flow projects with low capex**
- **Self funding or partnering options for larger exploration projects being considered**
- **Advanced discussions on remediation bond financing ongoing**

Australian Oil and Gas explorer and developer, Red Sky Energy (ROG: ASX) (“Red Sky” or “the Company”) is pleased to provide an update to the market with respect to its four 100% owned oil and gas projects located in Australia’s Cooper Basin.

Managing Director and CEO, Andrew Knox, commented:

“We are nearing completion of a strategic review on our four highly prospective 100% owned oil and gas projects located in Australia’s Cooper Basin. We are in a fortunate position with two development stage projects with large contingent resources and two major exploration projects with significant oil and gas potential.

Our focus is on early cash flow opportunities with low capex. We expect to deliver two development options over the coming weeks that will demonstrate the optionality of our projects.”

Background

On 20 May 2019, the Company completed the full acquisition of four Cooper Basin oil and gas projects known collectively as The Innamincka Dome Projects. The Projects are summarised as follows:

1. Flax

Oil and gas project that contains a 2C contingent resource of 9.9m barrels of oil and 24 BCF of natural gas with in place infrastructure and six production wells that produced around 180k barrels of oil between 2009 and 2015 when it was closed down due to low Australian dollar oil prices.

2. Yarrow

Gas project that contains a 2C contingent resource of 20 BCF of natural gas.

3. Juniper

Large oil and gas target with modest existing 2C oil and gas contingent resources with significant exploration potential.

4. PRLs 180/181/182

Large oil and gas target substantially unexplored.

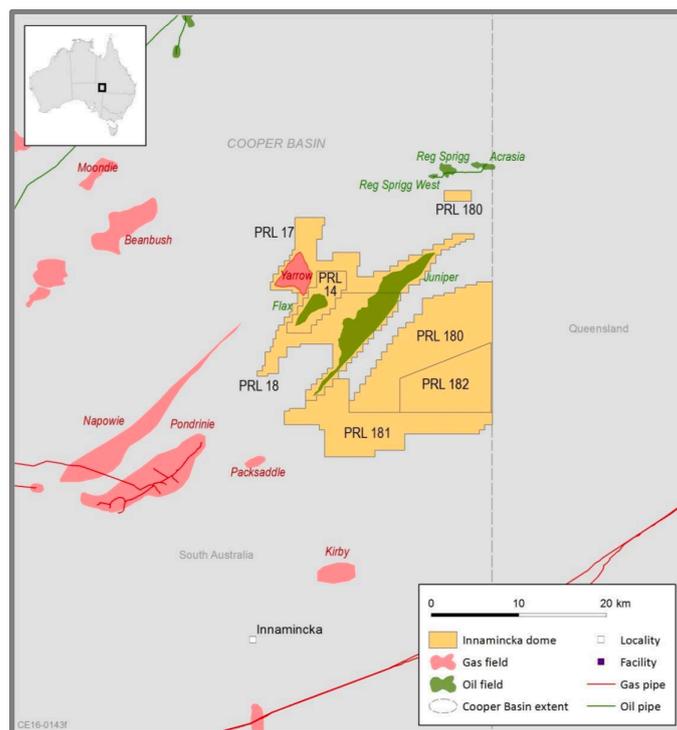


Figure 1: Map showing Company's Projects located in Cooper Basin, South Australia

Strategic Review

The Company is currently undergoing a strategic review with a focus on scoping near term cash flow projects with low capex designed to support exploration and further development activities on the larger projects.

Low capex projects are currently being scoped for both Flax and Yarrow with the results of the strategic review expected to be released shortly.

Options with respect to financing the larger projects are being explored with consideration of self funding or partner arrangements or a combination of the two.

Remediation Bond Financing

The Company has been exploring various options over the past few months with respect to refinancing the remediation bond attaching to the Company's Projects.

Advanced discussions regarding a corporate bond instrument are in train with a view to limiting dilution associated with the financing.

The Company expects to release further information relating to the corporate bond over the coming four weeks.

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About Red Sky Energy Limited

Red Sky Energy is an ASX listed oil and gas development company with four 100% highly prospective projects located in Australia's Cooper Basin. The Company's initial development targets are; 1) the Flax Project that contains a 2C contingent resource of 9.9m barrels of oil and 24 BCF of natural gas with in place infrastructure and six production wells that produced around 180k barrels of oil between 2009 and 2015 when it was closed down due to low Australian dollar oil prices; and 2) the Yarrow Project that contains a 2C contingent resource of 20 BCF of natural gas. These projects are expected to deliver near term revenues with modest capital expenditure requirements.

The Company's other two projects are significant with Juniper an oil and gas target with modest existing 2C oil and gas contingent resources with significant exploration potential, and PRLs 180/181/182 with an oil and gas target that is substantially unexplored.

Other assets include 100% working interest in the Gold Nugget gas production in Wyoming, USA.

The Company is focused on moving its near term revenue projects into production whilst establishing the optimum model to explore the larger two substantially unexplored projects.

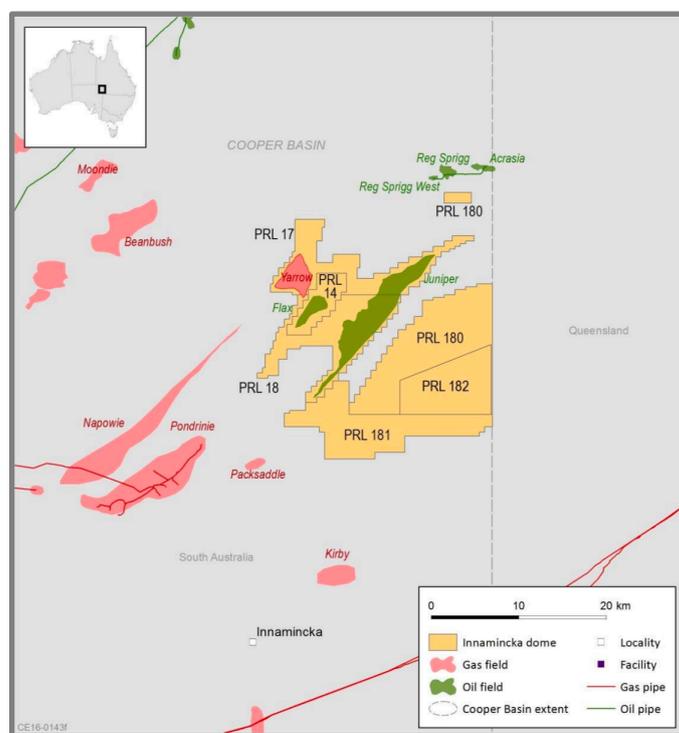


Figure 2: Map showing Company's Projects located in Cooper Basin, South Australia