



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

Cleansing statement

On 14 November 2014, Red Sky Energy Ltd (ASX:ROG) ("Red Sky" or the "Company") issued 420,229,122 fully paid ordinary shares (**Placement Shares**) to persons who come within one of the exemptions set out in Section 708 of the Corporations Act.

The Company gives this notice pursuant to Section 708A(5)(e) of the Corporations Act.

The Placement Shares were issued without disclosure to investors under Part 6D.2, in reliance on Section 708A(5) of the Corporations Act.

The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
- (b) Section 674 of the Corporations Act.

There is no excluded information for the purposes of Sections 708A(7) and (8) of the Corporations Act.

Information under ASX Listing Rule 3.10.5A

The Company provides the following information in accordance with ASX Listing Rule 3.10.5A in relation to the shares issued under ASX Listing Rule 7.1A

- (a) Dilution to existing holders of ordinary shares as a result of the issue made under ASX Listing Rule 7.1A

The percentage of the Company's issued capital represented by the issue under ASX Listing Rule 7.1A is 10%. As the Placement Shares were issued under both Listing Rules 7.1 (15%) and 7.1A (10%), the overall dilutive effect of the placement is 25.00%. The holders of ordinary shares before the issue under ASX Listing Rule 7.1A will hold 90.9% of the issued capital following the issue under of Listing Rule 7.1A, and 80% of the issued capital following the issue of all the Placement Shares.

- (b) The Company conducted the placement rather than a pro-rata issue or other type of issue in which existing security holders would have been eligible to participate as it was considered a more efficient and expedient manner to raise capital given the Company's circumstances.
- (c) No underwriting arrangements were in place in relation to the issue of the Placement Shares.

- (d) A fee of 6% of the proceeds of the placement is to be paid to Halcyon Corporate Pty Ltd. Halcyon Corporate Pty Ltd will also be entitled to a corporate fee of \$176,000 (plus applicable GST) which will be used to subscribe for shares in the placement. Listing fees and out of pocket costs of approximately \$5,000 were also incurred in connection with the issue.

ENDS

For further information contact:

Shareholders/ Investors:

Mr Adrien Wing
Company Secretary
Red Sky Energy Limited
Tel: +61 9614 0600
Email: info@redskyenergy.com.au

Mr James Moses
Media and Investor Relations
Mandate Corporate
Tel: +61 (0)420 991 574
Email: james@mandatecorporate.com.au

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