

Innamincka –Yarrow 3 Well to be Fraced Immediately

HIGHLIGHTS

- **Yarrow 3 well is to be fraced immediately by Santos**
- **Gas was encountered in both the Tirrawarra sandstone and Patchawarra formations**
- **Fracing to improve gas flow and assess well as a future producer**
- **Operations at Yarrow 3 expedited and to commence late October**

Red Sky Energy (ASX:ROG) (**Red Sky** or the **Company**) is pleased to provide an update post the completion of the drilling of and receipt of results for the Yarrow 3 well at the Innamincka Dome licenses (**Innamincka**). Red Sky holds 20% working interest in six PRLs (14, 17, 18, 180, 181, 182) at the Innamincka Dome in the Cooper Basin.

Santos Limited (**ASX:STO**) (**Santos**) previously advised their drilling operations at Yarrow 3 well in PRL17 in the Cooper Basin were an operational success, with no incidents. Preliminary wireline log evaluation indicated gas was encountered in the Tirrawarra sandstone and the Patchawarra formation.

Santos have informed Red Sky that they intend to expedite operations at Yarrow 3. The well will undergo a two stage fracing operation, followed by a flowback. The well performance during the flowback period will be closely monitored to assess completion as a future producer. Operations to frac and flowback Yarrow 3 may begin late October , subject to weather constraints.

Commenting on the Yarrow 3 gas well, Red Sky Managing Director, Andrew Knox, said:

“Red Sky is pleased with the decision to move quickly and frac Yarrow 3 in a very timely manner to move the well potentially to a producer.”

Next Steps

Post this expedited operation, on success, the next steps would be to bring a rig back and frac Yarrow 1. If this activity proved positive both Yarrow 3 and Yarrow 1 would be completed and a pipeline of approximately 18km would potentially be built to tie into the grid at Napowie to the south of the Yarrow gas field.

This in turn could be potentially followed by 3D seismic to interpret where to site further development wells.

Innaminka Projects

Yarrow has been estimated to have a 2C contingent resource of 18BCF. A further 20BCF 2C of associated gas is estimated at the Flax oil field 8km to the south east of Yarrow ([see ROG ASX announcement 6 May 2019](#)). Yarrow 3 is an appraisal gas well which targeted the Tirrawarra sandstone as primary objective and the Patchawarra formation as secondary objective.

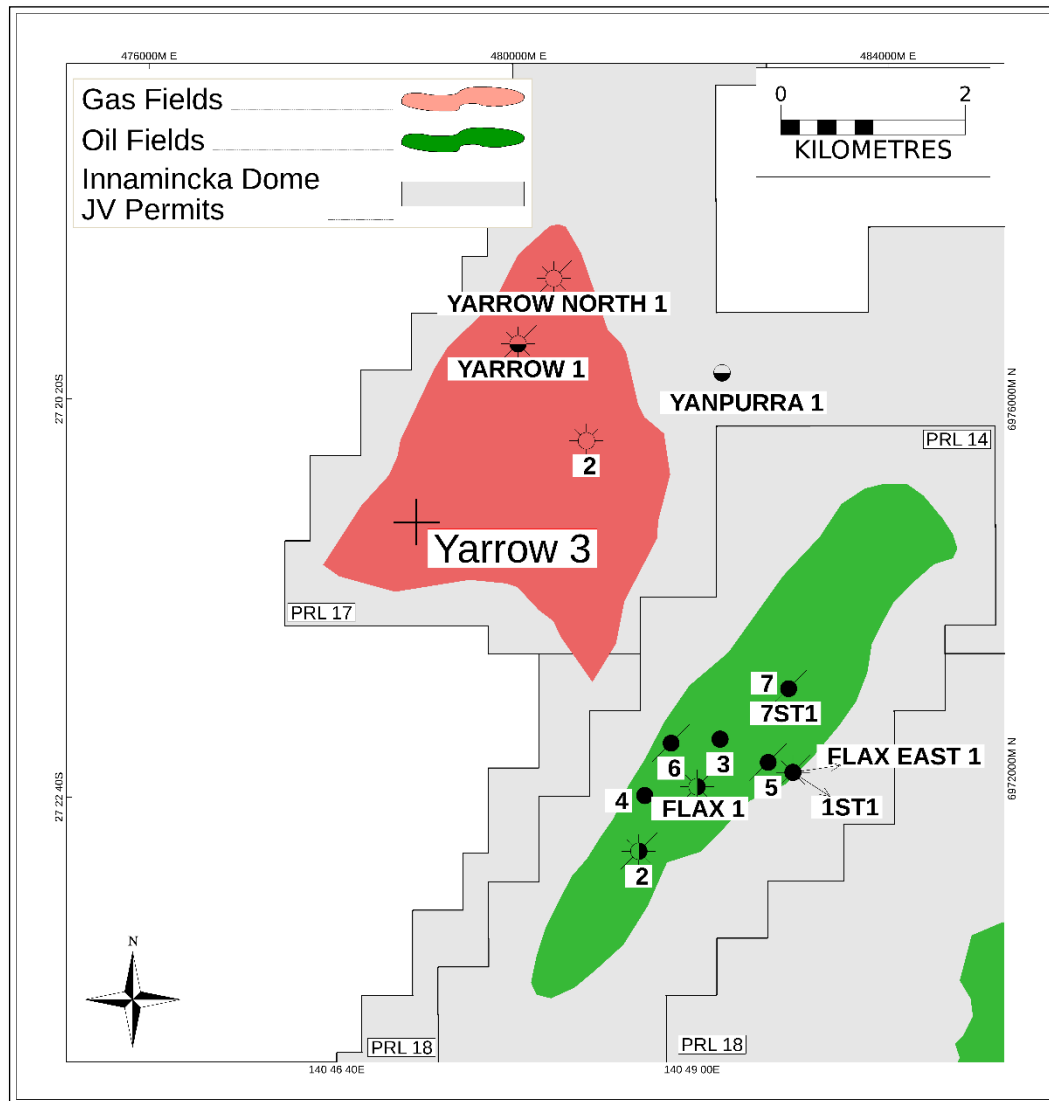


Figure 1: Yarrow and Flax Project Map

-ENDS-

Released with the authority of the board.

For further information on the Company and our projects, please visit:

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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.