

Innamincka – Transportation and Processing Agreements Finalised

HIGHLIGHTS

- **Agreements reached with the South Australian Cooper Basin Joint Venture (SACBJV) for the transport of Yarrow gas through the SACBJV pipeline network and processing at Moomba Plant**
- **Red Sky to be reimbursed for transferring a portion of the flowline to the SACBJV**
- **Further agreements finalised for the sale of ethane, LPG and condensate with the SACBJV**

In August 2023, **Red Sky Energy** (ASX:ROG) (**Red Sky** or the **Company**) advised of the completion of construction of the pipeline of approximately 18km, tie in to the network to the south of the Yarrow gas field and completion of the Yarrow 3 well. ([See ASX Announcement 18 August 2023](#)).

Red Sky is now pleased to announce that agreements have been finalised with the South Australian Cooper Basin Joint Venture (SACBJV) pertaining to the tie-in, transport and processing of Yarrow gas through the SACBJV network.

The tie-in agreement also entails the transfer of the southern 4km of the Yarrow flowline to the SACBJV, with the reimbursement to be received by Red Sky effectively mitigating a significant portion of our project's farm-in costs. Following this integration, the Yarrow-Flax-Juniper line (**YFJ line**) will span 14km.

Additionally, we have successfully reached agreements for the separate onward sale of ethane, LPG and condensate. These milestones mark significant progress for Red Sky Energy and reinforce our commitment to optimising our operations at Yarrow.

Red Sky Managing Director, Andrew Knox, commented:

"In light of our recent achievements, Red Sky is delighted with the significant progress achieved, from the successful Yarrow 3 well late last year to securing the Final Investment Decision (FID) and reaching the pivotal milestone of first gas production within a relatively short time frame. We eagerly anticipate the forthcoming revenue streams and are actively exploring opportunities for the continued expansion of the Yarrow project."

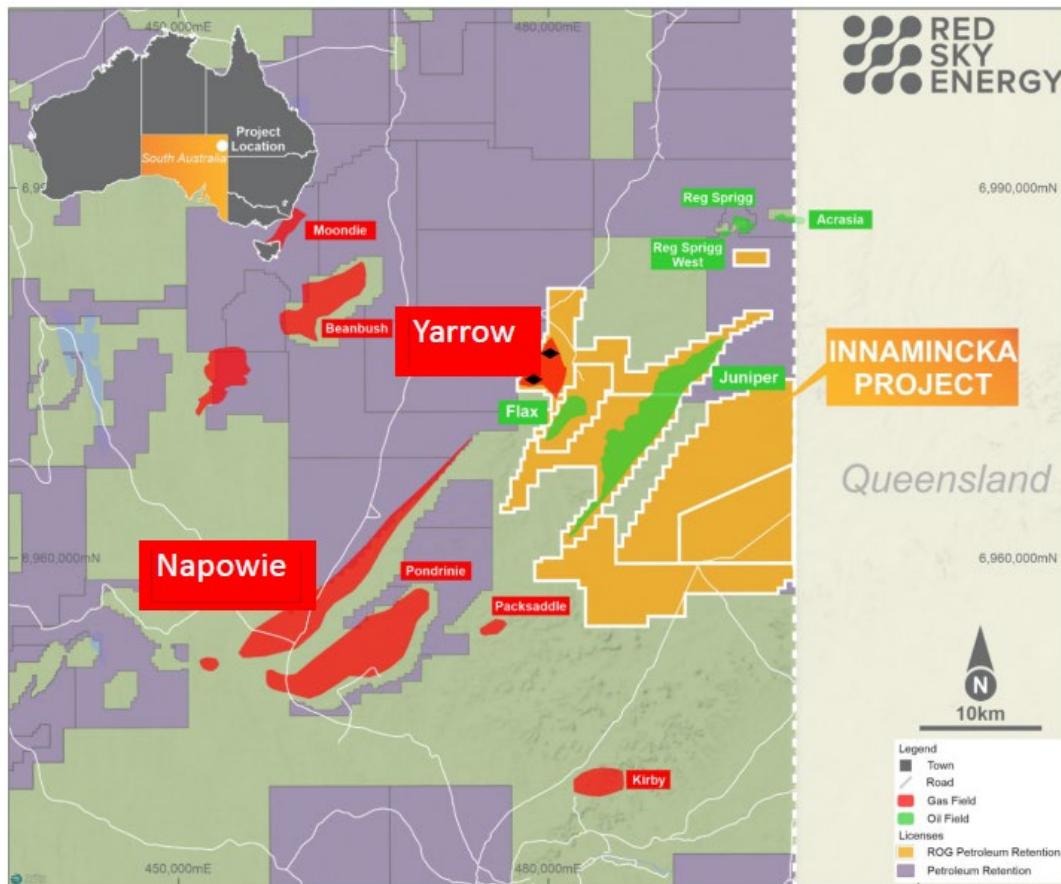


Figure 1: Innamincka Dome Project location map

Background

The Yarrow field has been estimated to have a 2C contingent resource of up to 18BCF. A further potential of 20BCF 2C of associated gas is estimated at the Flax oil field 8km to the south east of Yarrow (Flax is a shut in oil field with associated gas that has not yet been produced). Preliminary analysis of pressure data indicated connected volume from the Yarrow 3 well, our first producing well, is >1.7 BCF (EUR 1.3 BCF) with some residual water production. Peak rate of approximately 5MMscfd through a 36/64" choke with tubing head pressure of 780psi.

Memory Production Logging Tool (MPLT) was completed and this confirmed the flow was in line with initial data from the fracc with 85% from the Patchawarra formation and 15% from the Tirrawarra sandstone. Post receipt of this analysis, Santos' Cooper Basin based team recommended proceeding with the 18km pipeline connection in parallel with a proposal to re-enter Yarrow 1 and test the well with the view to also moving it to production and eventually tie in to the same pipeline.

Yarrow 3 was an appraisal gas well targeting the Tirrawarra sandstone as the primary objective and the Patchawarra formation as the secondary objective. Tested at Yarrow 1, the Tirrawarra sandstone was shown to flow gas to surface. Preliminary wireline evaluation of the Tirrawarra Sandstone and Patchawarra Formation had been conducted and gas was encountered at both horizons.

-ENDS-

Released with the authority of the board.

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

www.redskyenergy.com.au

For more information:

Andrew Knox
Managing Director
+61 407 356 557
andrew.knox@redskyenergy.com.au

Mark Flynn
Investor Relations
+61 416 068 733
mark.flynn@irxadvisors.com

Various statements in this report constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward-looking statements and involve unknown risks, expectations, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or impliedly portrayed herein.

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.