

COMPANY INFORMATION

RED SKY ENERGY LIMITED
ABN [94 099 116 275]

COMPANY DIRECTORS

Kerry Smith: Executive Chairman
Clinton Carey: Managing Director
Russell Krause: Non Exec Director
Bill Rinehart: Non Exec Director
Adrien Wing: Non Exec Director

STOCK EXCHANGE LISTING

ASX Code: ROG

Current Shares on Issue:
5,798,056,921

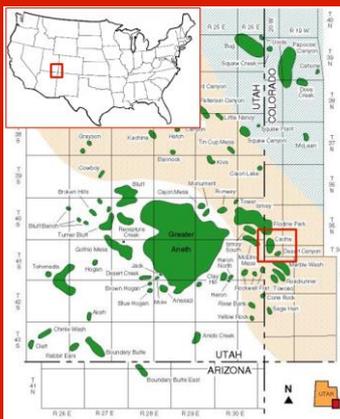
Options:
160,000,000

Market Capitalisation:
\$5.78m

PROJECT

Cache Oilfield, Montezuma County,
Colorado, USA

- Conventional Oil
- Discovered in 1964
- Produced over 5m barrels
- OOIP approx. 24m barrels
- Recoverable Reserve 5.1-6m barrels
- API 44-45°



Shareholder Update

4 Sep 2015

Highlights

- Location of first two production well sites now finalised at Cache
- Permitting process near finalised and ready for submission
- Recent market volatility has allowed ROG to expedite a number of further asset negotiations
- Inline with these asset opportunities ROG is developing a number of alternative funding arrangements that may allow it to take advantage of the current climate

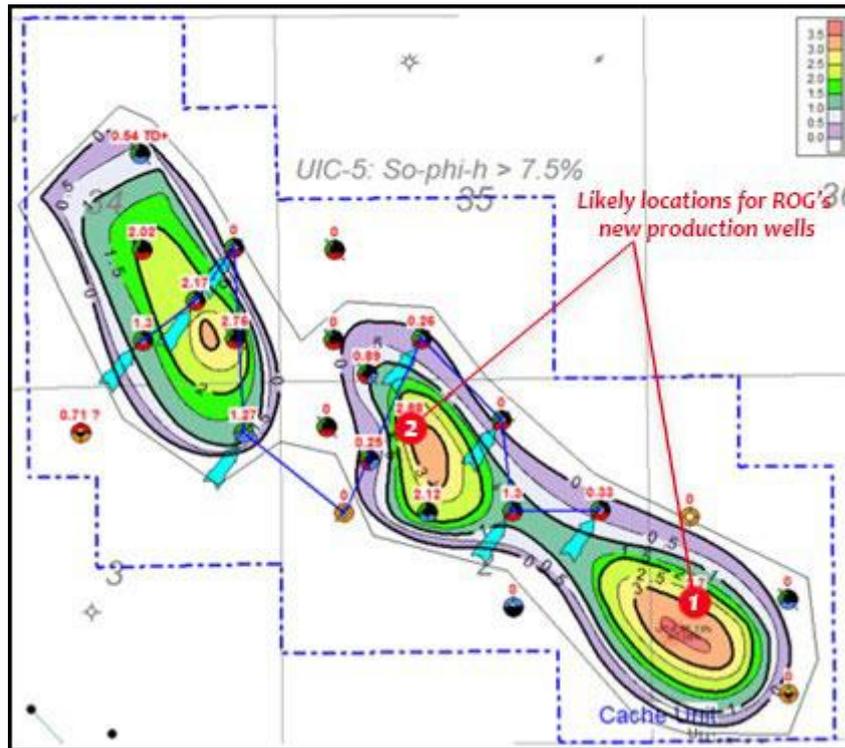
Red Sky Energy Limited (ASX:ROG) has continued to move forward in executing its business plan since the completion of its acquisition of the Cache Oilfield, Colorado, USA (Cache). ROG will complete a new production well at Cache, which will be the first new production well completed at Cache since mid 1970's. It is the Company's intention to use 2015 extraction techniques to target the extraction of the 5 million+ barrels of oil which remain within Cache.

Red Sky has now finalised the location of the first two production wells to be completed at Cache which were selected based on likely oil pressure and historical drilling data. The permitting process remains on track for approvals to be received in October as well as the required environmental approvals. The capital raising associated with the Cache acquisition will fund the completion of the first production well.

The location of the first well will be drilled in the middle of the field. This location has been selected due to the number of historic wells that have been drilled, completed and successful in this part of the Cache Oil Field. 9 holes were originally drilled in this part of the field with an average production per well of 400 barrels a day for the first 4 years.

The location of the second well, to be completed in H116, will be in the southern sector of Cache based on the likelihood of 'virgin' oil pressure being high. This location has been selected due to only two wells being drilled in this sector. Both of these wells produced were the best producing wells when initially completed, however due to mechanical failures associated with 1970's well development and extraction techniques, both of these wells were plugged early.

ROG's independent consultant forecast this first production well to operate for a minimum of 10 years and be producing between 250-500 barrels of oil per day (BOPD), with a preferred production rate of 350 BOPD.



Further to the Company's focus at Cache, ROG has continued to progress its investigations and negotiations on a number of potential opportunities to further broaden its US based oil and gas portfolio. The recent volatility in the oil price has allowed these discussions to be expedited. Due to this downturn the cost of drilling has continued to decrease providing the Company with an unexpected ability to leverage some funds into further production assets. In addition the Company is now assessing a number of alternative funding arrangements which would allow the Company to take advantage of increasingly attractive asset valuations for fields which have small profitable production but can be significantly expanded as energy prices move higher.

Clinton Carey, Managing Director commented "The team continues to work through the permitting process as quickly as possible in order for the Company to complete its first production well at Cache. Further to the work at Cache, the Company is excited by the opportunities being presented due to the current market conditions through which to expand its portfolio. The valuations now attached to number of these assets are now entering very attractive levels. As such the Company has entered discussions with a number of parties that have an ability to provide facilities through which to take advantage of these valuations.

Red Sky looks forward to updating the shareholders further as these discussions progress"

ENDS

For further information please contact:

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FORWARD-LOOKING STATEMENTS

This document may include forward-looking statements. Forward-looking statements include, but are not necessarily limited to the Company's planned exploration program and other statements that are not historic facts. When used in this document, words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although the Company believes that its expectations reflected in these statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.