



Red Sky Energy Limited

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2015

THE INFORMATION CONTAINED IN THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE RED SKY ENERGY FULL YEAR REPORT DATED 31 DECEMBER 2014 AND ANY PUBLIC ANNOUNCEMENT MADE BY THE COMPANY IN ACCORDANCE WITH THE CONTINUOUS DISCLOSURE OBLIGATIONS ARISING FROM THE CORPORATIONS ACT 2001 AND THE ASX LISTING RULES.

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DIRECTORS' REPORT

Your directors present their report consisting of Red Sky Energy Ltd and controlled entities (the Group) as at the end of, or during, the half year ended 30 June 2015.

Directors

The following persons were directors of Red Sky Energy Ltd during the whole of the half year and up to the date of this report (unless otherwise stated):

Director	
Mr Kerry Smith	Executive Chairman (appointed 31 July 2015)
Mr Clinton Carey	Managing Director (appointed 12 January 2015)
Mr Adrien Wing	Non Executive Director
Mr Russell Krause	Non-Executive Director
Mr William Reinhart	Non-Executive Director (appointed 31 July 2015)
Mr Guy Le Page	Non Executive Chairman (resigned 2 February 2015)

Company Secretary

Mr Adrien Wing

Principal Activities

The principal activity of the Group during the period was exploration for economic deposits of oil and gas and the development of solar power energy projects. There have been no significant changes in the nature of these activities during the period.

Operating Results

The net operating loss of the Group for the period ended 30 June 2015 after income tax amounted to \$755,099 (30 June 2014: loss \$541,015).

Dividends Paid or Recommended

No dividend was paid or declared during the period and the Directors do not recommend the payment of a dividend.

Review of Activities

Summary

- During the Half Year ROG continued implementation of its first acquisition under its new strategy of developing a quality US based portfolio of onshore conventional oil and gas assets, including issuing a notice of meeting accompanied by an Independent Expert's Report and Independent Valuation Report* assessing the acquisition.
- Subsequent to the end of the first half, the acquisition of 50% of the Cache Oilfield, Montezuma County, Colorado, USA was completed on 31 July 2015 through the issue of 1.742bn shares.
- \$1.742m was raised through the issue of 1.742bn shares at \$0.001 as part of the Cache transaction on 31 July 2015.
- ROG has begun the process of securing a drilling permit to complete a new production well at Cache.
- Key technical and corporate expertise joined the ROG board on 31 July 2015 to drive the execution of ROG's new strategy.

Review of Operations

During the Half Year Red Sky Energy ('ROG', or the 'Company') continued implementation of the acquisition of 50% of the Cache Oilfield, located in Montezuma County, Colorado, USA (the 'Project') and associated capital raising.

The acquisition and associated capital raising were completed after the end of the Half Year on 31 July 2015.

Implementation of the transaction and capital raising was subject to shareholder & regulatory approvals. The notice of the Extraordinary General Meeting (EGM) to approve the transaction was sent to shareholders during the half on 16 June 2015. The meeting was held after the end of the Half Year on 17 July 2015, where all resolutions were passed. The Notice of Meeting despatched as part of supporting documentation for the EGM included an Independent Expert's Report and Independent Valuation Report* assessing the acquisition, which provided an opinion as to the fair market value for the 50% interest of Cache being acquired of between \$29.66m - \$35.27m, with a preferred valuation of \$30.02m.

Under the terms of the acquisition ROG has now acquired the 50% equity interest in Cache through the issue of 1.742bn fully paid ROG shares at a deemed price of \$0.001. As part of the acquisition, the Company completed a capital raising of \$1.742m through the issue of shares at an issue price of \$0.001.

Cache Oilfield, Colorado, USA

Cache was discovered in 1964 by Amoco and is located in the Paradox Basin, Montezuma County, Colorado, USA. The field covers 1,840 acres and is 16kms east of the Greater Aneth Field (1.5bn barrels original oil in place ("OOIP") & peak production of 100,000 BOPD). Production records indicate that approximately 5 million barrels of high quality, sweet, 44 - 45° API, oil have been produced from Cache. Early field studies indicated that OOIP was estimated to be ~24 million barrels, suggesting that only about 20% of the OOIP has been produced.*

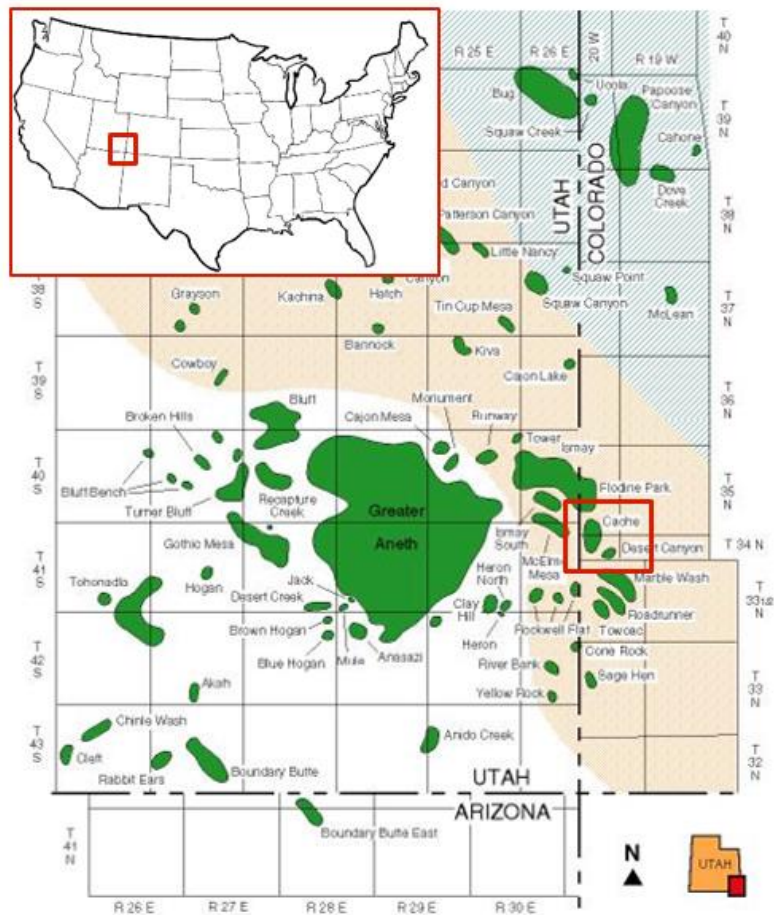


Figure 1. Regional Location map

At Cache the Pennsylvanian age Ismay reservoir is the main producing reservoir. It is generally found at a depth of ~1,700 metres, averages 55 metres thick and is comprised of a series of limestones, dolomites, shales and anhydrides deposited in a biohermal / biostromal carbonate mound. Like the Aneth field, the primary trapping mechanism at the Cache field is mostly stratigraphic, with a minor structural component as the porous and permeable limestones pinch out away from the core of the mound.

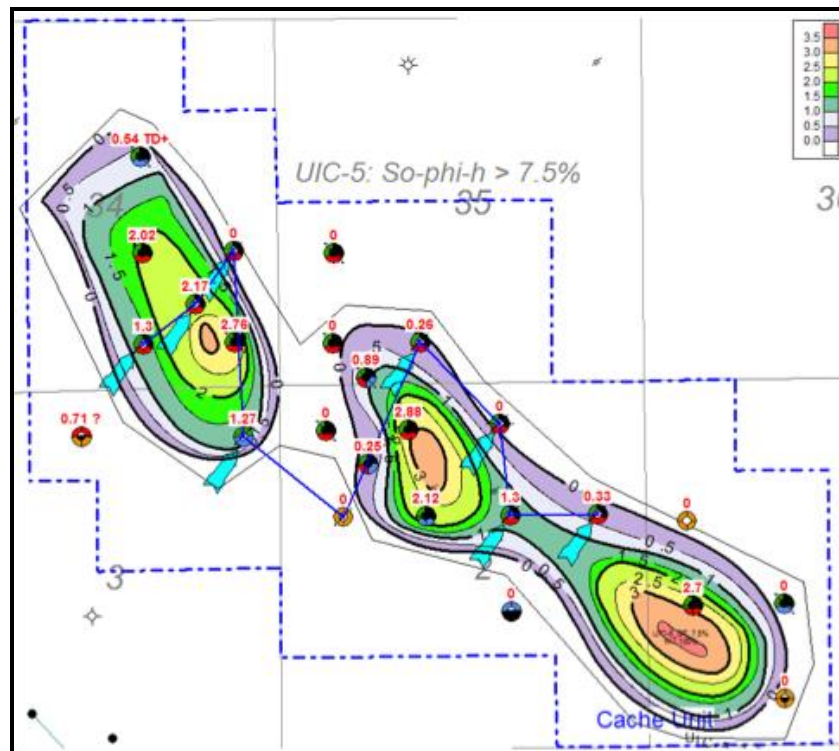


Figure 2. Plan view of carbonate mounds

The estimated reserve in the Independent Valuation Report (IVR), which form part of the recent notice of meeting, is 19.58 million barrels with an estimated recoverable reserve of between 5.1 and 6 million barrels providing the opportunity for substantial redevelopment. The IVR* identified a number of factors why recoverable oil reserve is still present at Cache which include:

- Only 20% of the OOIP has been produced to date,
- the reservoir interval displays significant vertical and lateral heterogeneity suggesting that historic vertical well intersections may have been inefficient in maximising oil production,
- most of the current wells failed for mechanical reasons, several very early in their history suggesting that the completion and enhanced recovery techniques failed to maximise production, and
- recent log analysis and interval mapping indicates that the southern part of Cache has been poorly drained and may in fact contain primary reservoir pressures.

The Company intends to use modern horizontal-multilateral drilling and completion techniques to potentially enhance the oil production rates. By drilling laterally within the reservoir intervals the Company believes it can maximise the probability of intersecting zones of higher porosity and permeability leading to sustainable oil flow rates. Within the IVR it has assumed production rates of between 250 and 500 BOPD for the first well, with a preferred production rate of 350 BOPD.

New Strategy

The Company is continuing to actively seek opportunities in brownfields oil and gas projects in the US that are operating on the margin, but are still at break even in the current environment of depressed energy prices.

The incoming Directors and management team are currently evaluating several additional projects for possible acquisition in the near term. ROG has assembled a team with a strong track record of in the development and operation of oil and gas fields with the United States.

The strategy is to acquire existing producing oil and gas fields which have been underexploited whereby modern techniques can enhance production. ROG's incoming management team have over 100 years combined experience in, locating, evaluating and developing oil and gas interests in mainland USA.

The success in horizontal drilling of oil resources, along with CO2 injection techniques used in older fields has shown that production has been increased and elongated. ROG will use these advances in oil extraction to its benefit by purchasing old oil fields and enhancing weakening production.

ROG has chosen Texas, the Mid-Continent and the Rocky Mountain regions as our initial areas of concentration since they are active oil and gas markets in which our team has a significant network, has successfully operated assets and within which numerous acquisition strategic partnership opportunities can arise.

Corporate

On March 11 2015, the Company held a general meeting of shareholders and all resolutions were passed without amendment.

On May 28 2015, the company held its Annual General Meeting and all resolutions were approved.

As described above, the Company held a general meeting of shareholders on 17 July 2015 and all resolutions were passed without amendment.

Further to the acquisition of Cache and associated capital raising, Mr Kerry Smith and Mr Bill Rinehart were also elected as directors at the Extraordinary General Meeting and under the terms of the transactions joined the ROG board upon completion of the acquisition on 31 July 2015. The incoming team forms a critical element to the overall success of the Company's new strategy. Mr Kerry Smith is the founder of Monument Global Resources Inc and the major vendor of the Cache field. He has 30+ years as an Independent Contractor and oil & gas operator. He is experienced in data interpretation, usage of new methods to enhance operations, evaluation of oil and gas reserves, and analysis of research together with seismic studies to design drilling programs. Experience in all areas of well exploration preparation, production enhancement and well stimulation and design.

Mr Rinehart has 36 years in Geology and Geophysics, with extensive geologic experience in most major oil & gas provinces of North America. He has held senior positions with Mobil Exploration, including as Head of Exploration for North America, and Producing unit for over a decade. BS in Geology from Washington State University with a primary focus on Mineralogy and Metallic Ore Deposits.

In addition to Mr Smith and Rinehart joining the Board, Mr Edward Coalson will join the management team as the project consultant. Mr Coalson has 40+ years in geology and geophysics, Dr. Coalson has worked on a wide range of projects, most recently focused in the Piceance, Bighorn, Paradox and Green River basins. He is an expert in the Rocky Mountains and Mid-Continent. His prior experience includes roles with Coyote Oil & Gas Company, Strike Oil & Gas, LLC, Vecta Oil & Gas Company, Ltd., Cabot Oil & Gas Corporation, Bass Enterprises Production Company, and American Hunter Exploration Company. He holds a Ph.D. in Geology from the Colorado School of Mines, an MS in Geology from the University of Wyoming and a BS in Geology from Cal-State Long Beach.

In addition, the Company proudly appointed Mr. Clinton Carey as Director on 12 January 2015.

Mr. Carey has over 20 years Management and Director level experience in a range of listed companies specializing in mining, oil and gas and technology.

Mr. Carey specializes in reverse take over's (RTO) and has successfully completed 7 RTO's in Australia, The United States of America, Canada and England. In completing these RTO's Mr. Carey was responsible for all aspects of the transaction including corporate advisory services, capital raising and company development. Mr. Carey was a director of Roper River Resources Limited when it completed an RTO of Webjet Limited.

Mr. Carey also has extensive experience in the resources sector providing management, capital raising and corporate advisory services to a range of listed mining and energy companies. He has worked for mining companies in Russia, Brazil, Canada, Australia and England. He has worked in the mining and extraction industry for over 25 years.

Solar Opportunity

Red Sky acquired solar energy company, Soleir Limited ("Soleir"), in November 2012 (see ASX announcement, 28 November 2012). Soleir is a developer of utility scale photovoltaic (PV) solar power projects, and its first project is in the major regional city of Dubbo in central NSW.

The Company is undertaking a review of the Solier investment and will advise of any material outcome as such comes to hand.

Onshore Gas

The 20% interest in permits PEL 479 and 457 in the Clarence Moreton Basin were sold to ERM Power during the Half Year.

* **Independent Valuation Report:** Refer to the "Independent Valuation Report considering the Fair Market Value of the equity interest available to Red Sky Energy Limited in the Cache Oilfield, Colorado, USA" prepared by Global Resources & Infrastructure Pty Ltd [ABN 45 132 038 861] (the Independent Valuation Report or "IVR") which accompanied the Company's Notice of the General Meeting released to ASX as an announcement on 16 June 2015 under the Company's ASX code ROG). The IVR contains detailed assumptions and further information which should be referred to when considering references to the IVR in this announcement

QUALIFIED PETROLEUM RESERVES AND RESOURCES EVALUATOR

Information in this report relating to hydrocarbon reserve estimates have been compiled by Mr Ian Buckingham, Director of Global Resources and Infrastructure Pty Ltd and author of the Independent Valuation Report included in the Company's Notice of Meeting for extraordinary general meeting held on 17 July 2015, released to ASX as an announcement on 16 June 2015 with the consent of Mr Buckingham. Ian has over 40 years of experience in petroleum geophysics and geology and is a member of the AAPG. Ian consented to the inclusion of the information relating to prospective hydrocarbon reserves in the form and context in which it appears in the IVR. The prospective reserve estimates contained in this report are in accordance with the standard definitions set out by the Society of Petroleum Engineers, Petroleum Resource Management System. The Company confirms it is not aware of any new information or data that materially affects the information included in the IVR and that all the material assumptions and technical parameters underpinning the estimates in the IVR continue to apply and have not materially changed.

Subsequent Events

In accordance with shareholder approval at a General Meeting held on 17 July 2015, the following events occurred on 31 July 2015:

1. The issue of 1.369 billion shares at a price of 0.1 cents per share to Monument Global Resources Inc. as consideration for the acquisition of 50% of the units in Cache Martini No.1 LLC ("Cache"), a company incorporated in Wyoming, USA;
2. The receipt of 56,619,131 shares in the Company (being part of the shares issued as consideration for the acquisition of 50% of the units in Cache Martini No.1 LLC) at a deemed price of 0.1 cents per share by Cyprus Investments Pty Ltd, a company which is associated with Mr Clinton Carey, for sellers advisors fees;
3. Completion of an associated capital raising of \$1.742 million through the issue of 1.742 billion shares at a price of 0.1 cents per share;
4. Appointment of Mr Kerry Smith as a Director of the Company effective 31 July 2015; and
5. Appointment of Mr William Reinhart as a Director of the Company effective 31 July 2015.

Cache owns and controls a 100% operated working interest and an 80% net revenue interest in an oil and gas project in Montezuma County, Colorado, USA.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires the consolidated entity's auditors, RSM Bird Cameron Partners to provide the directors with a written Independence Declaration in relation to their review of the financial report for the period ended 30 June 2015. The written Auditor's Independence Declaration is attached to the Auditor's Independent Review Report to the members and forms part of this Director's Report.

This report is made in accordance with a resolution of directors.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors



Clinton Carey
Managing Director
9 September 2015

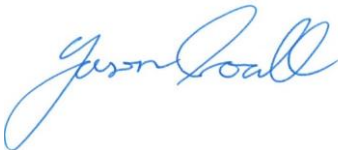
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Red Sky Energy Limited for the half year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



J S CROALL
Partner

09 September 2015
Melbourne, Victoria

FINANCIAL REPORT**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the half-year ended 30 June 2015

	Notes	Half Year End 30/06/2015 \$	Half Year End 30/06/2014 \$
Disposal of controlled entity	7	50,000	-
Research and development grant		-	143,934
Interest revenue		5,285	4,817
Other income		3,212	1,666
Administrative expenses		(188,973)	(174,269)
Consultancy		(306,834)	(241,973)
Director fees		(78,694)	(211,261)
Director - share based remuneration		(120,000)	-
Solar project expenses		(9,596)	-
Legal fees		(109,499)	(27,567)
Exploration costs impaired		-	(36,364)
Loss from continuing activities before income tax		(755,099)	(541,015)
Income tax expense		-	-
Loss for the period		(755,099)	(541,015)
Other comprehensive income		-	-
Total comprehensive loss for the half year		(755,099)	(541,015)
Basic and diluted (loss) per share (cents)	9	(0.03)	(0.03)
Basic and diluted (loss) per share- continuing operations (cents)	9	(0.03)	(0.03)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 As at 30 June 2015

	Notes	30 June 2015 \$	31 December 2014 \$
Current Assets			
Cash and cash equivalents		202,003	391,724
Receivables		59,603	283,539
Prepayments		18,876	42,151
Total Current Assets		280,482	717,414
Non Current Assets			
Receivables		390,348	300,890
Other financial assets		40,294	40,000
Total Non Current Assets		430,642	340,890
Total Assets		711,124	1,058,304
Current Liabilities			
Trade and other payables		32,465	10,900
Accrued expenses		72,585	66,528
Total Current Liabilities		105,050	77,428
Total Liabilities		105,050	77,428
Net Assets		606,074	980,876
Equity			
Issued share capital	8	32,081,022	31,820,725
Reserves		1,610,000	1,490,000
Accumulated losses		(33,084,948)	(32,329,849)
Total Equity		606,074	980,876

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 30 June 2015

	Notes	Half Year End 30/06/2015 \$	Half Year End 30/06/2014 \$
Cash flows from operating activities			
Payments to suppliers (GST inclusive) and employees		(505,657)	(724,211)
Receipts from other income		1,920	1,833
Interest received		2,462	3,985
Net cash used in operating activities		(501,275)	(718,393)
Cash flows from investing activities			
Loan advanced – Cache Project		(86,259)	-
Net proceeds from sale of controlled entity	7	40,000	-
Proceeds from sale of interest in permits		250,000	1,000,000
Solar technology expenditure		(8,469)	(91,465)
Exploration and evaluation costs		-	(15,364)
Acquisition of Soleir Pty Ltd – deferred consideration		-	(146,200)
Net cash provided by investing activities		195,272	746,971
Cash flows from financing activities			
Proceeds from issues of shares		120,000	-
Capital raising costs		(3,718)	-
Net cash flows provided by / (used in) financing activities		116,282	-
Net (decrease) / increase in cash and cash equivalents		(189,721)	28,578
Cash and cash equivalents at the beginning of the half year period		391,724	571,364
Cash and cash equivalents at the end of the half year period		202,003	599,942

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2015

	Half Year Ended 30/06/2015				Half Year Ended 30/06/2014			
	\$				\$			
	Issued Capital	Accumulated Losses	Option Reserve	Total Equity	Issued Capital	Accumulated Losses	Option Reserve	Total Equity
Balance at beginning of the half year	31,820,725	(32,329,849)	1,490,000	980,876	31,505,176	(30,522,030)	1,490,000	2,473,146
Comprehensive loss for the half year	-	(755,099)	-	(755,099)	-	(541,015)	-	(541,015)
Total comprehensive loss for the half year	-	(755,099)	-	(755,099)	-	(541,015)	-	(541,015)
Share based payments	143,817	-	120,000	263,817	-	-	-	-
Issues of share capital	120,000	-	-	120,000	-	-	-	-
Equity raising costs	(3,520)	-	-	(3,520)	-	-	-	-
Total transactions with equity holders in their capacity as equity holders	260,297	-	120,000	380,297	-	-	-	-
Balance at the end of the half year	32,081,022	(33,084,948)	1,610,000	606,074	31,505,176	(31,063,045)	1,490,000	1,932,131

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE INTERIM FINANCIAL REPORT

1. REPORTING ENTITY

Red Sky Energy Ltd is a company domiciled in Australia. The consolidated half year financial statements of the Company as at and for the six months ending 30 June 2015 comprises Red Sky Energy Ltd and its subsidiaries (together referred to as the "consolidated entity" or "Group") and the consolidated entities interests in associated and jointly controlled entities.

The annual financial report of the entity as at and for the year ended 31 December 2014 is available upon request from the Red Sky Energy website www.redskyenergy.com.au, the ASX website or the Company's registered office at Level 17, 500 Collins Street, Melbourne, Victoria, Australia 3000.

2. STATEMENT OF COMPLIANCE

The consolidated half year financial statements are general purpose financial statements which have been prepared in accordance with AASB 134: Interim Financial Reporting and the Corporations Act 2001.

The consolidated half year financial statements do not include all of the notes and information normally included in annual financial statements. Accordingly this report should be read in conjunction with the consolidated annual financial statements for the year ended 31 December 2014 and any public announcements made by Red Sky Energy Ltd during the half year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the consolidated entity in the consolidated half year financial statements are the same as those applied by the consolidated entity in its consolidated financial statements for the year ended 31 December 2014. Comparative figures have been adjusted to conform to changes in presentation for the current period.

4. ESTIMATES

The preparation of the half year financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing the consolidated half year financial statements the judgments made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2014.

5. GOING CONCERN

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The consolidated entity incurred a loss of \$755,099 (2014: loss \$541,015) and had net cash outflows from operating activities of \$501,275 (2014: net outflow \$718,393) for the half year ended 30 June 2015. Notwithstanding this, the Directors are satisfied that the consolidated entity will have sufficient cash resources to meet its working capital requirements in the future. They have reviewed the cashflow forecasts and believe that for a period in excess of 12 months from the date of signature of the financial report, the consolidated entity will be capable of meeting its minimum expenditure commitments and that it has the ability to meet its debts as and when they fall due. The Directors also believe that along with detailed monitoring of the cashflow movements going forward, there are sufficient funding strategies and alternatives to meet working capital requirements should the need arise.

The consolidated entity completed a capital raising on 31 July 2015 of \$1.742 million through the issue of 1.742 billion shares at a price of 0.1 cents per share. On the basis that sufficient cash inflows are expected to be raised from future capital raising (pursuant to ASX listing rules 7.1 and 7.1A) to fund the further activities for at least 12 months after the date of this report, the Directors consider the consolidated entity remains a going concern and these financial statements have been prepared on this basis. Although the Directors believe they will be successful in these measures, there remains a material uncertainty that may cast significant doubt on the Company and its controlled entities' ability to continue as a going concern and therefore their ability to realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

6. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. Based on these reports, management has determined that the Company has one operating segment, being the exploration and development of properties for the development of gas and solar energy.

7. DISPOSAL OF CONTROLLED ENTITY

During the period, the Company sold a controlled entity, Rhythm Section Investment Management Pty Ltd for a consideration of \$50,000. An amount of \$40,000 after deducting selling costs of \$10,000 was received upon settlement.

8. EQUITY SECURITIES ISSUED

	Half year 30 June 2015	Half year 30 June 2014
	\$	\$
a) Issued Capital		
Opening balance – 2,101,145,608 ordinary shares (2014: 1,680,916,486)	31,820,725	31,505,176
Share issues during the half year:		
- 150,000,000 shares issued @ \$0.0008	120,000	-
- 179,770,878 shares issued @ \$0.0008	143,817	-
- Equity raising costs	(3,520)	-
Closing Balance – 2,430,916,486 ordinary shares (2014: 1,680,916,486)	32,081,022	31,505,176

b) Options

Expiry Date	Exercise Price (cents)	Number on issue – Dec 2014	Granted during half year	Lapsed during half year	Exercised during half year	Number on issue - June 2015
31/03/2016	2.25	60,000,000	-	-	-	60,000,000
20/12/2016	0.90	100,000,000	-	-	-	100,000,000
Total		160,000,000	-	-	-	160,000,000

9. LOSS PER SHARE

	Half year 30 June 2015	Half year 30 June 2014
	\$	\$
Net loss	(755,099)	(541,015)
Basic earnings per share (EPS) (cents)	(0.03)	(0.03)
	Number	Number
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	2,222,261,299	1,680,916,486
Dilutive EPS is not adjusted as it would result in a reduction of the loss per share.	(0.03)	(0.03)

10. RELATED PARTY TRANSACTIONS

A former director held a position in another entity that resulted in them having control or significant influence over the financial or operating policies of that entity.

Entity	Half Year 6 months	Amount \$	Relationship
Energy Infrastructure and Resources Ltd	2015	-	Energy Infrastructure and Resources Ltd is a consulting company which invoiced the Company for directors' fees and other reimbursement charges for Mr Rohan Gillespie in the prior period. During the prior period half year Energy Infrastructure and Resources Ltd has also invoiced consulting charges for other personnel. Mr Rohan Gillespie was a director of Energy Infrastructure and Resources Ltd and he is the former Managing Director of Red Sky Energy Ltd.
	2014	323,320	

11. EVENTS SUBSEQUENT TO BALANCE DATE

In accordance with shareholder approval at a General Meeting held on 17 July 2015, the following events occurred on 31 July 2015:

1. The issue of 1.369 billion shares at a price of 0.1 cents per share to Monument Global Resources Inc. as consideration for the acquisition of 50% of the units in Cache Martini No.1 LLC ("Cache"), a company incorporated in Wyoming, USA;
2. The receipt of 56,619,131 shares in Red Sky Energy Limited (being part of the shares issued as consideration for the acquisition of 50% of the units in Cache Martini No.1 LLC) at a deemed price of 0.1 cents per share by Cyprus Investments Pty Ltd, a company which is associated with Mr Clinton Carey, for sellers advisors fees;
3. Completion of an associated capital raising of \$1.742 million through the issue of 1.742 billion shares at a price of 0.1 cents per share;
4. Appointment of Mr Kerry Smith as a Director of the Company effective 31 July 2015; and
5. Appointment of Mr William Reinhart as a Director of the Company effective 31 July 2015.

Cache owns and controls a 100% operated working interest and an 80% net revenue interest in an oil and gas project in Montezuma County, Colorado, USA.

Subsequent to balance date, Mr Clinton Carey, Mr Russell Krause and Mr Adrien Wing each received 75,000,000 shares (225,000,000 shares issued in total) as a result of the milestone conditions of the Performance Rights held by each Director being met. These Performance Rights were approved by shareholders at a General Meeting held on 11 March 2015.

12. CONTINGENT ASSETS AND LIABILITIES

There are no contingent liabilities or contingent assets.

DIRECTORS DECLARATION FOR THE HALF YEAR ENDED 30 JUNE 2015

In the opinion of the directors of Red Sky Energy Ltd ("the Company"):

1. the financial statement and notes set out on pages 5 to 15, are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2015 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



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Managing Director
Clinton Carey

9 September 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

RED SKY ENERGY LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Red Sky Energy Limited which comprises the condensed statement of financial position as at 30 June 2015, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Red Sky Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Red Sky Energy Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Red Sky Energy Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year then ended; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of Matter

Without qualifying our conclusion expressed above, we draw attention to Note 5 in the interim financial report, which indicates that the consolidated entity reported an operating loss of \$755,099 and net cash outflows from operating activities of \$501,275 for the half year ended 30 June 2015. These conditions, along with other matters as set forth in Note 5, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



J S CROALL

Partner

09 September 2015

Melbourne, Victoria