

Consistent production at Gold Nugget

24 October 2015

Red Sky Energy Limited (“Red Sky” or “the Company”) is pleased to announce that the production from its Gold Nugget Gas Field in Wyoming, USA (“Gold Nugget”) has reported consistent production volumes for the month of September of between 300-500MCF per day.

Gold Nugget did experience production some initial difficulties due to the high pressures that were being produced at the wellhead. However with the introduction of a compressor and constant monitoring this pressure is being managed and the well is now producing a consistent flow of gas.

Although initial daily rates returned did reach above 500 MCF per day, management has elected to take a conservative approach to the well. Management intends to maintain this level of production over the next 2 months before gradually increasing production. Whilst the initial production rates are slightly lower this production rate has been more than offset by the recent rise in the price of gas.

Clinton Carey, Managing Director commented “This is a great step forward. As we become increasingly confident in the production rates we will look to increase production, however the Company will maintain a conservative approach to Gold Nugget.”

ENDS

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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

STOCK EXCHANGE LISTING

ASX Code: ROG

Current Shares on Issue:
6,161,000,000

Options:
100,000,000

Market Capitalisation:
\$6.161m

EXISTING PROJECTS

Gold Nugget Gasfield, Wind River Basin, Wyoming, USA

- Field located is one of largest producing basins in USA
- Discovery well completed to 14,000 ft
- Existing well and associated pipeline cost over \$8 million
- Field is 320 acres
- Wells can be drilled at 5 acre spacing's,
- Each well expected to contain between 2-5BCF of gas with expected production life of 30-50 years

Cache Oilfield, Montezuma County, Colorado, USA

- Conventional Oil
- Produced over 5m barrels
- OOIP approx. 24m barrels
- On Care and Maintenance

www.redskyenergy.com.au

Information in this report relating to hydrocarbon reserve estimates have been compiled by Mr Ian Buckingham, Director of Global Resources and Infrastructure Pty Ltd. 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.

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