

Mr Todd Lewis
ASX Compliance Pty Ltd
Level 4, North Tower Rialto
525 Collins Street
MELBOURNE VIC 3000

By Email: todd.lewis@asx.com.au

Dear Todd

Re: Red Sky Energy Limited Price Query

Further to your correspondence dated today, 19 September 2019 regarding the change in the price of the securities of Red Sky Energy Limited (“ROG” and “the Company”) from a low closing price of \$0.003 on 18 September 2019 to an intra-day high of \$0.004 today, and reference to the volume of shares traded, I wish to respond as follows:

- 1. Is ROG aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?**
No.
- 2. If the answer to question 1 is yes:**
N/a
- 3. If the answer to 1 is “no”, is there any other explanation that the Entity may have for the recent trading in its securities?**

The Board of Red Sky Energy Ltd can offer no explanation for the increased interest in the Company’s listed securities other than recent announcement regarding the farm out arrangement on its Innamincka project with Santos. The announcement dated 11 September 2019 highlighted the following material points:

- Red Sky Energy subsidiary Red Sky Energy (NT) Pty Ltd has entered into a Farmout Agreement with Santos Ltd (ASX: STO) subsidiary Santos QNT Pty Ltd in relation to Red Sky’s Cooper Basin licences PRLs 14, 17, 18, 180, 181 and 182 to inject A\$9m in capital into Red Sky’s Innamincka Dome projects
- This transaction accelerates the development strategy for Flax and Yarrow projects with a well-capitalised partner
- The terms of the Farmout Agreement provide for Santos to earn an 80% interest (and operatorship) in Red Sky’s Cooper Basin licences (collectively known as the Innamincka Dome), along with the following considerations:
 - a. Fund 100% of 50km² of 3D seismic over the Yarrow gas field in PRL17, up to a maximum gross cost of A\$1.0 million
 - b. Fund 100% of an appraisal well in the Yarrow gas field up to a maximum gross cost of A\$3.0 million

- c. Fund 100% of an appraisal well in the Flax oil and gas field in PRL14, up to a maximum gross cost of A\$5.0million
- d. Subject to satisfactory appraisal outcomes, initially fund 100% of any approved development of the fields, with Santos to be repaid for Red Sky's share of such development expenditure out of Red Sky's share in production
- e. The Farm Out Agreement, and the transfer of the 80% interest in the licenses, is conditional on a number of standard approvals including ministerial approval and licence registration

The Company also notes that it was in the process of engaging with a small number of professional and sophisticated investors to determine potential support for a capital raising. The Company was undertaking this process on a confidential basis with a limited number of parties and is not aware of any breach of such arrangements. In any case, in the Board's view, the existence of this process (if known) would not explain the recent trading activity. However, considering the recent trading activity, the Company has placed its securities in trading halt pending being able to clarify its intentions regarding the potential capital raising.

4. Please confirm that ROG is in compliance with the listing rules and, in particular, listing rule 3.1.

The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1

5. Please confirm that ROG's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ROG with delegated authority from the board to respond to ASX on disclosure matters.

The Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ROG with delegated authority from the board to respond to ASX on disclosure matters.

Please do not hesitate to contact the writer with any queries relating to this matter during office hours on 03 9614 0600.

Yours sincerely

For and on behalf of Red Sky Energy Limited



Adrien Wing
Red Sky Energy Limited
Company Secretary

For personal use only



19 September 2019

Mr Adrien Wing
Company Secretary
Red Sky Energy Limited
Level 17
500 Collins St
Melbourne Australia 3000

By email: amwing@northernstargroup.com.au

Dear Mr Wing

Red Sky Energy Limited ('ROG'): Price Query

We note the change in the price of ROG's securities from a low of \$0.03 on 18 September 2019 to an intraday high of \$0.04 today.

We also note the significant increase in the volume of ROG's securities traded today.

Request for Information

In light of this, ASX asks ROG to respond separately to each of the following questions and requests for information:

1. Is ROG aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is ROG relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in ROG's securities would suggest to ASX that such information may have ceased to be confidential and therefore ROG may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that ROG may have for the recent trading in its securities?
4. Please confirm that ROG is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that ROG's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of ROG with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4:00 PM AEST today Thursday, 19 September 2019**. If we do not have your response by then, ASX will likely suspend trading in ROG's securities under Listing Rule 17.3. You should note

that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ROG's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at ListingsComplianceMelbourne@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to ROG's obligations under Listing Rules 3.1 and 3.1A and also to Guidance *Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that ROG's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in ROG's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in ROG's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

For personal use only

Yours sincerely

Todd Lewis
Adviser, Listings Compliance (Melbourne)