ASX ANNOUNCEMENT
7 November 2025

INNAMINCKA – YARROW 1 WELL COMPLETION AND PRODUCTION

HIGHLIGHTS

- **Completion of the Yarrow 1 well is underway, scheduled for finalisation by 9 November 2025**
- **Tie-in line construction to be completed by 16 November 2025, with first gas expected by 18 November 2025**
- **Yarrow 1 forecast to more than double current Innamincka production, substantially increasing cash flow from the field**
- **The well follows successful fracture stimulation of the Patchawarra and Tirrawarra formations, achieving ~1.8 MMscf/d during flowback**
- **Santos Limited (ASX: STO) – Operator (80%) | Red Sky Energy Limited – 20%**

Red Sky Energy (ROG: ASX) (**Red Sky** or the **Company**) is pleased to provide an update on operational progress at the Yarrow 1 well, part of the Innamincka Dome Project in South Australia's Cooper Basin.

The well completion program being conducted by Operator Santos Limited (ASX: STO) is now progressing on schedule, with completion operations expected to be finalised by 9 November 2025. Construction of the tie-in flowline connecting Yarrow 1 to the pipeline grid is expected to be completed by 16 November 2025, enabling the well to be brought online by 18 November 2025.

Upon start-up, Yarrow 1 is expected to more than double Red Sky's current gas production from Innamincka, materially increasing near-term revenue and strengthening cash generation from the Company's producing asset base.

Red Sky Managing Director, Andrew Knox, commented:

> *"We are very pleased to see Yarrow 1 entering its final completion phase and moving toward first gas in mid-November. Once online, the well is expected to more than double our existing production, providing a significant uplift in cash flow from Innamincka and positioning Red Sky for a strong finish to 2025. Our partnership with Santos continues to deliver operational success, and we look forward to updating shareholders once Yarrow 1 is producing."*

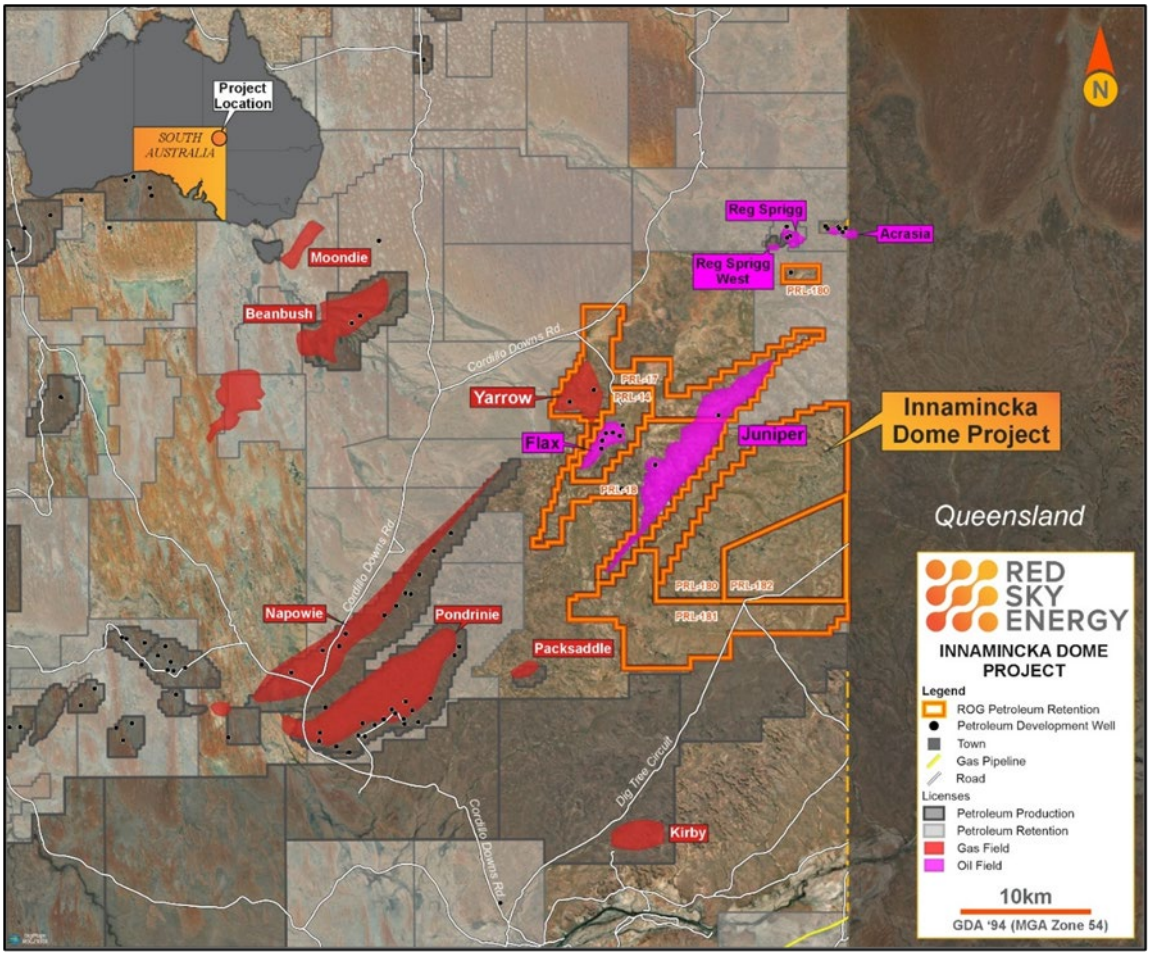


Figure 1: Innamincka Dome Projects location map with Yarrow and Napowie highlighted

Background – Yarrow 1 Re-Entry

The Yarrow 1 well is located within Petroleum Retention Licence 14 (PRL 14) at the Innamincka Dome Project in the Cooper Basin, South Australia, approximately 20 kilometres northwest of the Yarrow 3 production well. The Innamincka Dome Project is operated by Santos Limited (ASX: STO), which holds an 80% interest, with Red Sky Energy Limited retaining the remaining 20% working interest across six contiguous PRLs (14, 17, 18, 180, 181 and 182). The licences cover a proven hydrocarbon fairway containing multiple conventional gas accumulations within the Patchawarra, Tirrawarra, and Epsilon formations of the Permian sequence.

Yarrow 1 was originally drilled and cased by Santos as an exploration and appraisal well targeting gas-bearing sands within the Patchawarra Formation. The re-entry, undertaken jointly by Santos and Red Sky, was designed to evaluate and commercialise the remaining gas potential in multiple tight-sandstone reservoirs identified on legacy logs and 3D seismic data. The re-entry program formed a key step in Red Sky's strategy to unlock existing discovered resources within the Innamincka Dome through cost-efficient re-completions, leveraging existing wellbores and field infrastructure.

In early 2025, the joint venture completed a two-stage hydraulic fracture stimulation across the Patchawarra and Tirrawarra intervals to enhance reservoir permeability and improve gas deliverability. (Refer to ASX Announcement 6 March 2025.) Approximately 1,800 psi surface treating pressure was applied using proppant and cross-linked gel to stimulate both zones. Flowback operations commenced immediately following the frac and achieved a final gas rate of approximately 1.8 MMscf/d and ~87 bwpd at 467 psig FWHP on a 32/64" choke, with total fluid recovery of ~56%. These results confirmed the presence of commercial gas deliverability and demonstrated significant productivity improvements over pre-frac estimates.

Subsequent to the stimulation campaign, the joint venture undertook a post-frac workover, including the installation of a new 2-3/8" tubing string and the E-Line packer tailpipe BHA, optimising the well's production configuration for sustained gas flow. Engineering design for the tie-in flowline was completed shortly thereafter to connect Yarrow 1 to the nearby Santos-operated gas gathering system, enabling direct sales into the existing processing and export network.

Adverse regional flooding in the Cooper Basin temporarily delayed surface works, including the flowline build and site access. With conditions now improved, the operator remobilised crews and equipment to complete the outstanding well completion and tie-in tasks. Once online, Yarrow 1 is anticipated to more than double Red Sky's current production, materially enhancing cash flow generation from the Innamincka Dome portfolio and reinforcing the Company's low-cost, short-cycle growth strategy.

The re-entry success at Yarrow 1, together with continuing performance from Yarrow 3, provides a robust platform for further development, drilling and infill opportunities across the Innamincka Dome. Interpretation of the recent 3D seismic survey (PRLs 14 and 17), due for completion in Q4 2025, will inform the next phase of development and exploration wells planned for 2026.

Next Steps

- Complete well completion operations (estimated 9 November 2025)
- Finalise tie-in flowline construction (estimated 16 November 2025)
- Commence production from Yarrow 1 (estimated 18 November 2025)
- Continue planning for additional development and exploration wells in 2026

Red Sky will provide further updates as operations progress.

-ENDS-

Released with the authority of the board.

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

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Forward Looking Statements

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.