ASX ANNOUNCEMENT
22 October 2025

Killanoola – KN2 Surface conductor installed following DEM approval

HIGHLIGHTS

- **DEM approved surface conductor installation on 21 Oct 2025**
- **Conductor installed the same evening and completed**
- **Work sequence: drilled 17-1/2" hole to 15.4 m, ran 14" OD conductor, cemented in place**
- **Preparations continue while awaiting drilling program approval**

Red Sky Energy Ltd (ASX: ROG) (**Red Sky** or **the Company**) advises that the Department for Energy and Mining (DEM) approved the installation of the surface conductor late yesterday. Condor mobilised that evening and completed the operation by 11:00 pm.

Operations were conducted as follows:

- Drilled a 17-1/2" hole to 15.4 m and circulated to clean up the hole.
- Picked up a 14" OD conductor and ran it in hole.
- Mixed cement slurry and successfully cemented the conductor in place.

Managing Director, Andrew Knox, commented:

Red Sky is pleased with the progress as we move closer to drilling. We continue to work closely with DEM and key stakeholders while we await approval of the drilling program, expected in the coming days."

-ENDS-

Released with the authority of the board.

Investor Q&A Now Open

Want to know more? Ask your questions directly on our website beside each announcement. Our team reviews submissions and will respond where appropriate.

For further information on the Company and our projects, please visit: **www.redskyenergy.com.au**

Contact:

Andrew Knox
Managing Director
Red Sky Energy
+61 407 356 557
andrew.knox@redskyenergy.com.au

Mark Flynn
Investor Relations
irX Advisors
+61 416 068 733
mark.flynn@irxadvisors.com

Figure 1: Installation of the surface conductor at Killanoola Oil Field (PRL-13)(October 2025)

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.

Notes

Methodology for Calculating discovered Petroleum Initially In Place

At its current stage of development, the Killanoola Oil project, in accordance with definitions established by the PRMS (2018), contains oil in the discovered Petroleum Initially In Place (PIIP) category. No greater levels of certainty have yet been established.

The discovered Petroleum Initially In Place is estimated deterministically by:

1. Extrapolating and analysing the estimated area and thickness of the structure. The boundaries to defining this volume are determined by the interpretation of the physical parameters of the top of the Sawpit Sandstone utilising seismic data,

2. Identifying the oil-water contact (OWC) identified in the wells drilled on the structure,

3. Estimating the net thickness of the oil column

4. Applying a porosity factor to obtain the potential total void space contained in that rock volume

5. Applying a generalised water saturation to the rock void volume.

6. The remaining porosity volume is then assumed to contain oil, which is then converted to barrels for ease of understanding.

Finally, to remain compliant with PRMS (2018) requirements and as a result of using the deterministic method, GRI used the Low/Best/High nomenclature to represent the discovered PIIP. These estimates were developed using various changes to the size of the structural compartments as interpreted.

Formula for Calculating PIIP

For undersaturated crude, the reservoir contains only connate water and oil with their respective solution gas contents. The initial or original oil in place can be estimated from the volumetric equation:

$$\mathbf{N}=7{,}758 V_b \phi S_{oi} B_{oi} = 7{,}758 A h \phi (1-S_{wi}) B_{oi}$$

- The constant 7,758 is the number of barrels in each acre-ft,
- V_b is bulk volume in acre-ft,
- ϕ is the porosity (ϕV_b is pore volume),
- S_{oi} is the initial oil saturation,
- B_{oi} is the initial oil formation volume factor in reservoir barrels per stock tank barrel,
- A is area in Acres,
- h is reservoir thickness in ft, and
- S_{wi} is the initial water saturation.

In addition to the uncertainty in determining the initial water saturation, the primary difficulty encountered in using the volumetric equation is assigning the appropriate porosity-feet, particularly in thick reservoirs with numerous non-productive intervals. One method is to prepare contour maps of porosity-feet that are then used to obtain areal extent. Another method is to prepare isopach maps of thickness and porosity from which average values of each can be obtained. Since recovery of the initial oil can only occur from permeable zones,

a permeability cut-off determined by ResEval was used to obtain the net reservoir thickness. Intervals with permeabilities lower than the cut-off value are assumed to be non-productive. The absolute value of the cut-off will depend on the average or maximum permeability and can depend on the relationship between permeability and water saturation.

A correlation between porosity and permeability is often used to determine a porosity cut-off. In cases in which reservoir cores have been analysed, the net pay can be obtained directly from the permeability data. This was not the case at any of the Killanoola wells as no cores were cut. When only logs are available, permeability will not be known; therefore, a porosity cut-off is used to select net pay. These procedures can be acceptable when a definite relationship exists between porosity and permeability.

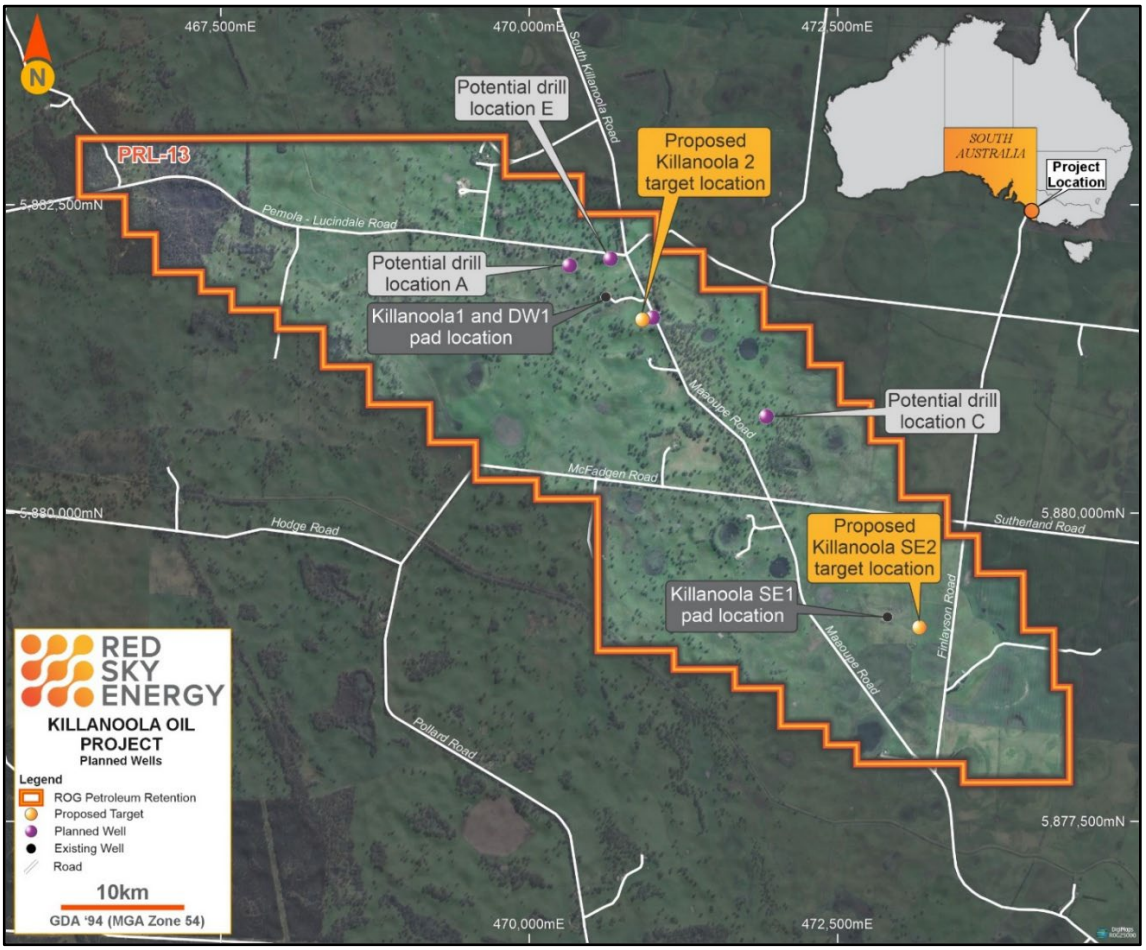
Appendix

About Killanoola and KN2

The Killanoola Oil Project is located within PRL 13 in South Australia's Penola Trough (refer Figure 1). Red Sky's 3D seismic programme, completed in 2023, resulted in a 46% uplift in the field's Best Estimate Petroleum Initially In Place (PIIP), increasing to 135.5 million barrels. KN2 targets a previously undrilled structural high identified from this new data. (Refer Table 1and ASX Announcement 21 April 2023.)

Killanoola has a conditional offtake agreement with Viva Energy Australia Limited (ASX: VEA) and is in discussions with Santos Limited (ASX:STO) (operator of the SACB JV) regarding alternative offtake and processing at the Port Bonython facility.

Once its production infrastructure is in place, KN2 has the potential to increase output and drive material revenue growth significantly in the near term.



Killanoola Oil Project – Planned Wells (July 2025)

Table 1: Summary of discovered Petroleum Initially In Place (PIIP) of the PRL-13 Killanoola Oil Field (100%)

Killanoola Oil Field	Discovered Petroleum Initially In Place (mmbbls)		
	Low	Best	High
31 March 2022	57.2	93.0	98.6
19 April 2023	28.9	135.5	157.4
% Increase	(49.5)%	45.7%	59.6%

Table 1 above summarises the discovered petroleum initially in place of the Killanoola Oil Field as announced on 5 May 2022 and updated by GRI as at 19 April 2023. This evaluation was carried out in accordance with the Petroleum Resources Management System (PRMS) approved in 2018 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, and the Society of Petroleum Evaluation Engineers. The report was prepared and supervised by the Competent Person.

For the updated Independent Competent Person's Report (CPR), refer to: Independent Competent Person's Report on the Discovered Petroleum Initially In Place (PIIP) in the Killanoola Oil Project, PRL-13, Penola Trough, South Australia (19 April 2023)