Red Sky To Participate In Yarrow North 1 Well Re-Entry, Innamincka, South Australia

HIGHLIGHTS

- **Red Sky to participate in the Yarrow North 1 (IWB) opportunity, a re-entry of an existing well cased and suspended since 2008 in the producing Yarrow gas field, separate from the Yarrow 4 and Yarrow 5 wells in the current drilling program**
- **Program to perforate and hydraulically stimulate the Tirrawarra Sandstone in the existing Yarrow North 1 wellbore, adding a new drainage point to the field**
- **Targeting gross incremental gas volumes of 0.52 Bcf of raw gas (operator best estimate) at an initial rate of 2.1 MMscf/d, with Red Sky's 20% net share approximately 0.10 Bcf**
- **Gross project cost of approximately A$2.98 million, with Red Sky's 20% net share approximately A$0.60 million**
- **Well to be tied into the existing Yarrow 1 flowline, with the work scheduled to be executed alongside the Yarrow 4 and Yarrow 5 wells and first gas targeted in early 2027, subject to Joint Venture approval and operational scheduling**
- **Red Sky holds a 20% working interest in PRL 17, operated by Santos (ASX:STO), within the Innamincka Dome Joint Venture**
- **Follows Red Sky's binding AFEs with Santos (ASX:STO) for the Yarrow 4 and Yarrow 5 wells and the Willowie appraisal well, announced in April 2026**

Red Sky Energy (ROG: ASX) (**Red Sky** or the **Company**) advises that it will participate in the Yarrow North 1 in-wellbore (IWB) opportunity, a proposed re-entry and workover of an existing suspended well within the producing Yarrow gas field, operated by Santos Limited (ASX:STO). Yarrow North 1 is separate from the Yarrow 4 and Yarrow 5 wells in the current Innamincka Dome drilling program. The re-entry forms part of the Company's ongoing work program in the Yarrow field.

Yarrow North 1 was drilled as an exploration well and was cased and suspended in March 2008. The well has never produced gas. The proposed program will perforate and hydraulically stimulate the Tirrawarra Sandstone before tying the well into the existing Yarrow 1 flowline, establishing a new drainage point in a portion of the field not expected to be accessed by any existing or planned well.

Red Sky Managing Director, Andrew Knox, commented:

> *"Yarrow North 1 is a low-cost way to bring an idle cased and suspended well into production. The gas is incremental. No existing or planned Yarrow well is expected to access this part of the field. Using this existing wellbore and Santos-operated infrastructure already in place should keep our net capital exposure down and shorten the time to first gas. This is exactly the type of disciplined near-field work we intend to pursue in a proven part of the Cooper Basin."*

The operator's technical evaluation estimates gross incremental gas volumes of 0.52 Bcf of raw gas (best estimate) at an initial rate of 2.1 MMscf/d on a 100% basis. Red Sky's net share at its 20% working interest is approximately 0.10 Bcf of raw gas. Raw gas volumes include approximately 11% carbon dioxide, so that sales gas volumes will be lower. The operator's range of estimates is 0.24 Bcf (low), 0.52 Bcf (best) and 0.89 Bcf (high) on a gross basis. The operator estimates a corresponding initial rate range of 0.9 MMscf/d (low) to 3.2 MMscf/d (high). The evaluation carries an 80% confidence that the Yarrow North 1 volume is compartmentalised from Yarrow 1, meaning recovered gas is expected to be incremental rather than a re-allocation of gas already being drained by the existing Yarrow wells. These volumes are operator-prepared estimates and are not being booked as Reserves by Red Sky at this stage. Any recognition of Reserves or Resources will follow Joint Venture approval and Red Sky's normal reserves reporting process.

Metric	Value
Initial rate (Qi)	2.1 MMscf/d
Incremental raw gas, gross (best estimate)	0.52 Bcf
Target	Tirrawarra Sst
First production	Early 2027
Well life (to economic limit)	Approximately 21 months

Source: Santos

The proposed work scope comprises a pre-frac workover, a single-stage hydraulic stimulation of the Tirrawarra Sandstone, and surface tie-in works including a new gas metering skid and an approximately 950 metre flowline to the existing Yarrow 1 facilities. The gross project cost is estimated at approximately A$2.98 million, with Red Sky's 20% net share approximately A$0.6 million. The opportunity is not currently in the approved Joint Venture budget and remains subject to a supplementary budget approval and a JV Authority for Expenditure (AFE) vote. Yarrow North 1 has been suspended since 2008, and its downhole condition is not fully confirmed. The pre-frac workover scope includes wellbore integrity checks, a cement bond log and pressure testing, to be completed before any stimulation proceeds.

Yarrow North 1 sits within the producing Yarrow gas field. Yarrow 1 and Yarrow 3 have both produced from the Tirrawarra Sandstone since coming online. The deliverability observed at these nearby wells underpins the technical case for the Yarrow North 1 opportunity.

The operator has advised that the work is scheduled to be executed concurrently with the Yarrow 4 and Yarrow 5 wells. The Company will provide further updates as the opportunity progresses towards execution.

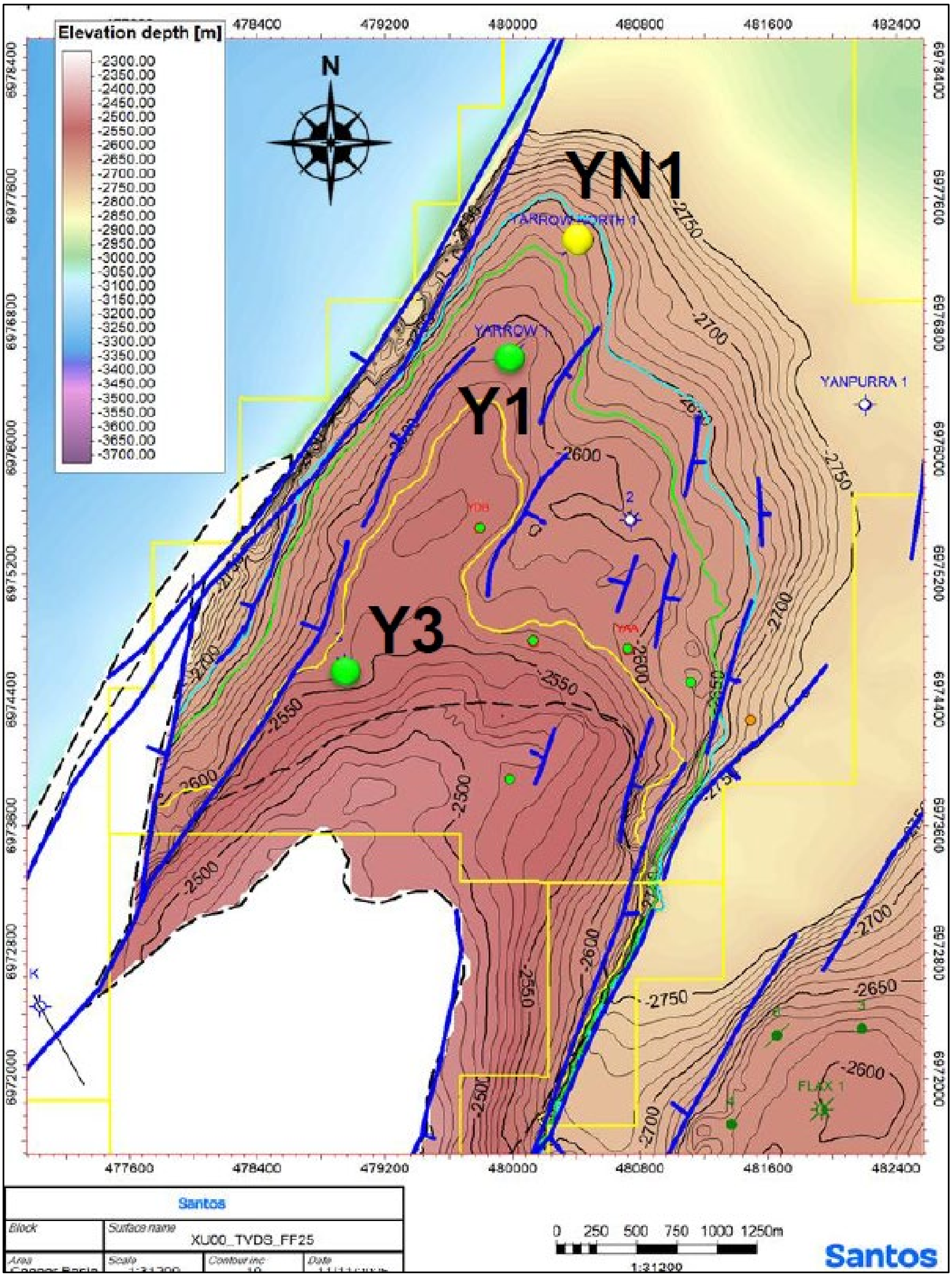

Figure 1: Location of Yarrow North 1 (YN1), Yarrow 1 (Y1) and Yarrow 3 (Y3) in the Yarrow Gas Field, which is located on the Packsaddle Nose in the Northern end of the Pondrinie Napowie structure. (Source: Santos)

Innamincka Dome – Production Base Established

The Innamincka Dome is a proven producing region of the Cooper Basin. Santos (ASX:STO) operates established gas-gathering, pipeline, and processing infrastructure that connects directly to the Moomba facility, thereby reducing well development costs and time to first production.

Red Sky holds a 20% working interest across six PRLs (14, 17, 18, 180, 181 and 182) within the Santos-operated Innamincka Dome Joint Venture. The Yarrow gas field, including Yarrow North 1, is located within PRL 17. Yarrow 1 and Yarrow 3 are currently producing gas into the Santos-operated gathering system

Red Sky's recently executed binding Authorities for Expenditure (AFEs) with Santos for both a Yarrow two-well program (Yarrow 4 and Yarrow 5) (See ASX Announcement 1 April 2026) and the Willowie appraisal well (See ASX Announcement 13 April 2026). Willowie is located within the same structural trend as Yarrow and targets the Patchawarra and Tirrawarra formations. If successful, the well is expected to be connected to existing Santos-operated infrastructure. Site preparation works commenced at the Yarrow gas field in June 2026, marking the start of field operations for the Innamincka Dome drilling campaign (See ASX Announcement 4 June 2026). The campaign comprises the two Yarrow wells within PRL 17 and the Willowie well within PRL 18. The two Yarrow wells (Yarrow 4 and Yarrow 5) will be drilled from a single dual-well pad location. Both wells will be directionally drilled from the same pad to intersect their subsurface targets.

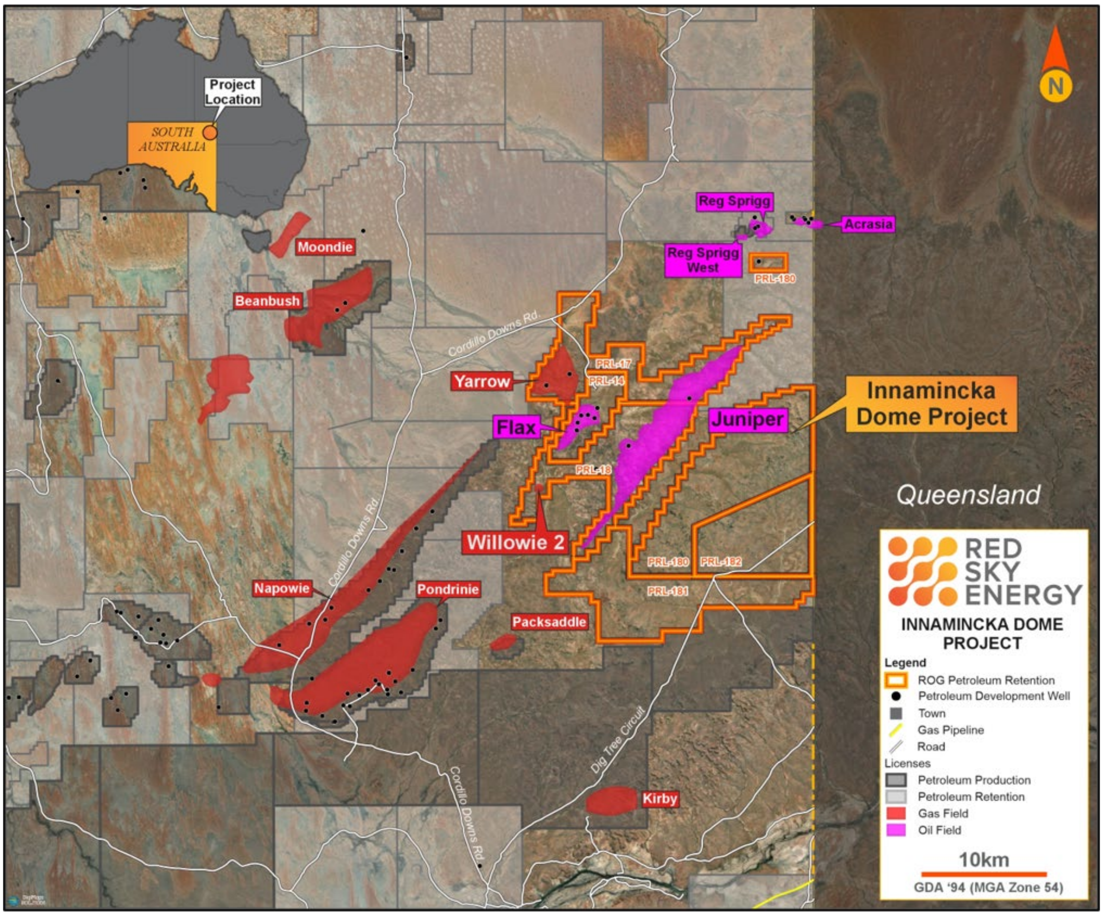

Figure 2: Innamincka Dome Projects location map with Yarrow and Willowie highlighted

-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.