



# Red Sky Energy Limited

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2024

THE INFORMATION CONTAINED IN THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE RED SKY ENERGY FULL YEAR REPORT DATED 31 DECEMBER 2023 AND ANY PUBLIC ANNOUNCEMENT MADE BY THE COMPANY IN ACCORDANCE WITH THE CONTINUOUS DISCLOSURE OBLIGATIONS ARISING FROM THE CORPORATIONS ACT 2001 AND THE ASX LISTING RULES.

For personal use only

## Contents

DIRECTORS' REPORT .....	2
AUDITOR'S INDEPENDENCE DECLARATION .....	4
FINANCIAL REPORT.....	5
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME .....	5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	6
CONSOLIDATED STATEMENT OF CASH FLOWS.....	7
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....	8
NOTES TO THE INTERIM FINANCIAL REPORT.....	9
DIRECTORS' DECLARATION.....	11
INDEPENDENT AUDITOR'S REVIEW REPORT .....	12

## DIRECTORS' REPORT

Your directors present their report consisting of Red Sky Energy Ltd and controlled entities (the Group) for the half-year ended 30 June 2024.

### Directors

The following persons were directors of Red Sky Energy Ltd during the whole of the half-year and up to the date of this report (unless otherwise stated):

Director	
Mr Robert Annells	Non-Executive Chairman
Mr Andrew Knox	Managing Director
Mr Adrien Wing	Non-Executive Director

### Company Secretaries

Mr Adrien Wing  
Ms Pauline Moffatt

### Principal Activities

The principal activity of the Group during the period was exploration for economic deposits of oil and gas. There have been no significant changes in the nature of these activities during the period.

### Operating Results

The net operating profit of the Group for the period ended 30 June 2024 after income tax amounted to \$321,219 (30 June 2023: loss \$712,251).

### Review of Activities

Highlights during the period were as follows:

#### Innamincka

- Since the beginning of the year, Red Sky has generated cash receipts totalling \$2.1 million from Yarrow 3 production
- The well's current flow rate is steady, indicating stable operational performance
- The re-entry of the Yarrow 1 well is scheduled for 4Q 2024, with online completion expected by Q2 2025
- Budgeted at a total cost of \$4.8 million gross, with \$0.96 million net to Red Sky, the Yarrow 1 well is expected to add to the Company's cash flow
- The expected ultimate recovery from Yarrow 1 is estimated at 2.4 BCF gross, evenly distributed between the Patchawarra and Tirrawarra formations

#### Killanoola

- Initial flow rates from the DW1 well showed promise despite subsequent mechanical issues
- Forward program at Killanoola has been further revised:
  - K1-DW1: To replace the faulty pump at DW1, a rig was selected as the most efficient option
  - ROG is planning to drill additional vertical wells from new well pads
- Discussions continue with parties for the offtake of the oil

#### Corporate

- The Company continues to actively pursue acquisition opportunities
- The Company had cash reserves as at 30 June 2024 of \$3.33m

## Subsequent Events

No matters or circumstances have arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires the consolidated entity's auditors, RSM Australia Partners, to provide the directors with a written Independence Declaration in relation to their review of the financial report for the period ended 30 June 2024. The written Auditor's Independence Declaration is set out in the following page of this report.

Signed in accordance with a resolution of directors made pursuant to s.306 (3) of the *Corporations Act 2001*.

On behalf of the Directors:



Andrew Knox  
Managing Director  
29 August 2024

For personal use only

**RSM Australia Partners**

Level 27, 120 Collins Street Melbourne VIC 3000  
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000  
F +61 (0) 3 9286 8199

[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the interim financial report of Red Sky Energy Limited for the half year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in dark ink that reads 'RSM'.

**RSM AUSTRALIA PARTNERS**

A handwritten signature in dark ink that reads 'R J Morillo Maldonado'.

**R J MORILLO MALDONADO**

Partner

Dated: 29 August 2024  
Melbourne, Victoria

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation



## FINANCIAL REPORT

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 30 June 2024

	Notes	Half-Year End 30/06/2024 \$	Half-Year End 30/06/2023 \$
Sales of oil and gas		1,801,615	-
Interest revenue		46,416	58,662
<b>Total Revenue</b>		<b>1,848,031</b>	<b>58,662</b>
Expenses:			
Cost of sales		(524,497)	-
Royalties expense		(128,057)	-
Amortisation of oil and gas assets		(24,098)	-
Administrative expenses		(246,183)	(225,726)
Employee entitlements		(275,170)	(220,512)
Employee entitlements – share based payments		(258,758)	(258,758)
Exploration costs expensed		(24,320)	(19,386)
Corporate advisory and investor relations		(45,729)	(46,531)
<b>Profit/(Loss) from continuing activities before income tax</b>		<b>321,219</b>	<b>(712,251)</b>
Income tax expense		-	-
<b>Profit/(Loss) for the period</b>		<b>321,219</b>	<b>(712,251)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>		-	-
<b>Total comprehensive income/(loss) for the period, net of tax</b>		<b>321,219</b>	<b>(712,251)</b>
<b>Basic and diluted profit/(loss) per share (cents)</b>	8	0.01	(0.01)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

For personal use only

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	30 June 2024 \$	31 December 2023 \$
<b>Current Assets</b>			
Cash and cash equivalents		3,332,009	2,670,063
Receivables		122,705	259,432
Inventories		-	181,983
Prepayments		43,956	97,317
<b>Total Current Assets</b>		<b>3,498,670</b>	<b>3,208,795</b>
<b>Non-Current Assets</b>			
Plant and equipment		173,044	199,331
Other financial assets – security deposits		823,513	823,513
Exploration and evaluation assets		3,923,491	3,632,035
Oil and gas assets		59,259	83,357
<b>Total Non-Current Assets</b>		<b>4,979,307</b>	<b>4,738,236</b>
<b>Total Assets</b>		<b>8,477,977</b>	<b>7,947,031</b>
<b>Current Liabilities</b>			
Trade and other payables		480,405	595,255
Provisions – employee entitlements		116,141	100,977
<b>Total Current Liabilities</b>		<b>596,546</b>	<b>696,232</b>
<b>Non-Current Liabilities</b>			
Provisions - rehabilitation		800,000	800,000
Provisions – employee entitlements		49,765	31,454
<b>Total Non-Current Liabilities</b>		<b>849,765</b>	<b>831,454</b>
<b>Total Liabilities</b>		<b>1,503,220</b>	<b>1,527,686</b>
<b>Net Assets</b>		<b>7,031,666</b>	<b>6,419,345</b>
<b>Equity</b>			
Issued share capital	7	50,328,088	50,328,088
Reserves		2,438,268	2,147,166
Accumulated losses		(45,734,690)	(46,055,909)
<b>Total Equity</b>		<b>7,031,666</b>	<b>6,419,345</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

For personal use only

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the half-year ended 30 June 2024

	Notes	Half-Year End 30/06/2024	Half-Year End 30/06/2023
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers (GST inclusive)		2,102,198	-
Payments to suppliers (GST inclusive) and employees		(925,960)	(405,635)
Interest received		42,959	54,477
GST payments for prior periods		(78,785)	-
<b>Net cash provided by/(used in) operating activities</b>		<b>1,140,412</b>	<b>(351,158)</b>
<b>Cash flows from investing activities</b>			
Exploration and evaluation expenditure		(478,466)	(489,192)
<b>Net cash used in investing activities</b>		<b>(478,466)</b>	<b>(489,192)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>661,946</b>	<b>(840,350)</b>
Cash and cash equivalents at the beginning of the half-year period		2,670,063	4,169,953
<b>Cash and cash equivalents at the end of the half-year period</b>		<b>3,332,009</b>	<b>3,329,603</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

For personal use only



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 30 June 2024

Consolidated	2024			
	Issued Capital	Accumulated Losses	Reserves	Total Equity
Balance at beginning of period	50,328,088	(46,055,909)	2,147,166	6,419,345
Profit for the period	-	321,219	-	321,219
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	<b>321,219</b>	-	<b>321,219</b>
<i>Transactions with equity holders in their capacity as equity holders</i>				
Share based payments - Performance Rights	-	-	291,102	291,102
<b>Total transactions with equity holders in their capacity as equity holders</b>	-	-	<b>291,102</b>	<b>291,102</b>
<b>Balance at the end of the period</b>	<b>50,328,088</b>	<b>(45,734,690)</b>	<b>2,438,268</b>	<b>7,031,666</b>
Consolidated	2023			
	Issued Capital	Accumulated Losses	Reserves	Total Equity
Balance at beginning of period	50,328,088	(44,496,095)	1,260,673	7,092,666
Loss for the period	-	(712,251)	-	(712,251)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	<b>(712,251)</b>	-	<b>(712,251)</b>
<i>Transactions with equity holders in their capacity as equity holders</i>				
Share based payments - Performance Rights	-	-	291,102	291,102
<b>Total transactions with equity holders in their capacity as equity holders</b>	-	-	<b>291,102</b>	<b>291,102</b>
<b>Balance at the end of the period</b>	<b>50,328,088</b>	<b>(45,208,346)</b>	<b>1,551,775</b>	<b>6,671,517</b>

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

For personal use only

## NOTES TO THE INTERIM FINANCIAL REPORT

### 1. REPORTING ENTITY

Red Sky Energy Ltd is a company domiciled in Australia. The consolidated half-year financial statements of the Company as at and for the six months ending 30 June 2024 comprises Red Sky Energy Ltd and its subsidiaries (together referred to as the “consolidated entity” or “Group”) and the consolidated entities interests in associated and jointly controlled entities.

The annual financial report of the entity as at and for the year ended 31 December 2023 is available upon request from the Red Sky Energy website [www.redskyenergy.com.au](http://www.redskyenergy.com.au), the ASX website or the Company’s registered office at Level 2, 480 Collins Street, Melbourne, Victoria, Australia 3000.

### 2. STATEMENT OF COMPLIANCE

The consolidated half-year financial statements are general purpose financial statements which have been prepared in accordance with AASB 134: Interim Financial Reporting and the Corporations Act 2001.

The consolidated half-year financial statements do not include all of the notes and information normally included in annual financial statements. Accordingly, this report should be read in conjunction with the consolidated annual financial statements for the year ended 31 December 2023 and any public announcements made by Red Sky Energy Ltd during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

### 3. MATERIAL ACCOUNTING POLICIES

The accounting policies applied by the consolidated entity in the consolidated half-year financial statements are the same as those applied by the consolidated entity in its consolidated financial statements for the year ended 31 December 2023. Comparative figures have been adjusted to conform to changes in presentation for the current period.

### 4. ESTIMATES

The preparation of the half-year financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing the consolidated half-year financial statements the judgments made by management in applying the consolidated entity’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2023.

### 5. GOING CONCERN

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

### 6. SEGMENT INFORMATION

The Group has identified its operating segments based on internal reports reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. Based on these reports, management has determined the Company has one operating segment, being the exploration and development of properties in the oil and gas industry.

## 7. EQUITY SECURITIES ISSUED

### (a) Share Capital

	<b>2024</b>
	<b>\$</b>
5,422,227,197 fully paid ordinary shares (31 December 2023: 5,302,227,197)	50,328,088

On 9 February 2024, 120,000,000 shares were issued to Mr Andrew Knox following the achievement of production (being production of a saleable quantity) at the Innamincka Dome Project. This was a vesting condition of Performance Rights issued following shareholder approval on 15 May 2019.

No other movements occurred during the half-year.

### (b) Options

No Options were issued or exercised during the period.

## 8. EARNINGS PER SHARE

	<b>Half-year 30 June 2024</b>	<b>Half-year 30 June 2023</b>
	<b>\$</b>	<b>\$</b>
Net profit/(loss)	321,219	(712,251)
Basic earnings per share (EPS) (cents)	0.01	(0.01)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	5,396,512,911	5,302,227,197
Dilutive EPS	0.01	(0.01)
Weighted average number of ordinary shares outstanding during the period used in the calculation of diluted EPS	5,846,512,911	5,302,227,197

## 9. EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

For personal use only

## DIRECTORS' DECLARATION

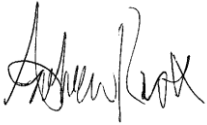
### FOR THE HALF-YEAR ENDED 30 JUNE 2024

In the opinion of the directors of Red Sky Energy Ltd ("the Company"):

1. the financial statement and notes set out on pages 5 to 10, are in accordance with the Corporations Act 2001 including:
  - (a) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2024 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors:



Andrew Knox  
Managing Director

29 August 2024

For personal use only



**RSM Australia Partners**

Level 27, 120 Collins Street Melbourne VIC 3000  
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000

F +61 (0) 3 9286 8199

[www.rsm.com.au](http://www.rsm.com.au)

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Red Sky Energy Limited

### Report on the Half-Year Financial Report

#### *Conclusion*

We have reviewed the accompanying half-year financial report of Red Sky Energy Limited ('the Company') and its controlled entities (together 'the Group') which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information, and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ('ASRE 2410'). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Red Sky Energy Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### **THE POWER OF BEING UNDERSTOOD** AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation



*Directors' Responsibility for the Half-Year Financial Report*

The directors of the Red Sky Energy Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink, appearing to read "RSM".

**RSM AUSTRALIA PARTNERS**

A handwritten signature in black ink, appearing to read "R J Morillo Maldonado".

**R J MORILLO MALDONADO**

Dated: 29 August 2024

Melbourne, Victoria