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ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025
ABN 94 099 116 275

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CORPORATE DIRECTORY

Non-Executive Chairman	Mr Robert Annells
Managing Director	Mr Andrew Knox
Non-Executive Director	Mr Adrien Wing
Company Secretaries	Mr Adrien Wing Ms Pauline Moffatt
Registered & Principal Office	Level 2, 480 Collins Street Melbourne VIC 3000
Auditor	RSM Australia Partners Level 27 120 Collins Street Melbourne VIC 3000
Solicitors	Johnson Winter Slattery Level 9 211 Victoria Square Adelaide SA 5000
Website Address	www.redskyenergy.com.au
Stock Exchange Listings	Red Sky Energy Ltd shares are listed on the Australian Securities Exchange under the code ROG
Share Registry	XCEND Level 2, 477 Pitt Street Haymarket NSW 2000 Phone: 61 2 8591 8509

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MANAGING DIRECTOR'S LETTER

Dear Shareholders,

The year was a period of laying foundations and establishing a clear path forward as we close out the 2025 chapter. The first of several planned wells at Innamincka, Yarrow 1, was brought online and performed strongly. A farmout of the Killanoola North Well (KN2) was finalised and drilled during the year, and the ratification by the Angolan regulatory authorities, ANPG, of our participation in Block 6/24 was achieved. These were all matters your Company set out to achieve during the year, despite a range of challenges.

The Red Sky team, through perseverance and focus, delivered these milestones during the year. Looking back, it is clear the Company remained focused on executing the objectives it set at the beginning of the year.

The Yarrow 1 well was brought online and has performed strongly, complementing the existing Yarrow 3 well by more than doubling our overall gas production. It is pleasing to confirm that further development wells are planned in the Yarrow field, as well as potential drilling in an adjacent licence area, which could further enhance our production profile. These wells are expected to be drilled concurrently this year, subject to weather and drilling schedules.

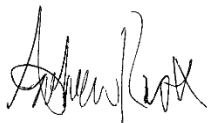
The East Coast gas reservation policy created significant market uncertainty about supply and pricing at a time when the Company's existing gas supply contract was ending and up for renewal. Pleasingly, the contract has now been successfully renegotiated and extended.

The Company received the government of Angola endorsement for our participation in block 06/24, offshore Angola. An independent expert's report has identified a best estimate in-place volume of 106 million barrels, and Red Sky holds a 35% working interest in the licence. There are, in addition, several nearby structures known as the Cegohna cluster that have substantial potential to contain recoverable resources. The Company continues to pursue other acquisition opportunities that could add to the portfolio.

The challenge of securing a market for Killanoola crude was resolved, paving the way for drilling the KN2 well. To manage costs and reduce risk, the Company brought in a farm-in partner to drill the well. This was successfully completed and, after several challenging delays, was drilled late in the year. The results were not as successful as hoped; only the upper zone appeared oil-bearing. Despite this outcome, the Company intends to progress completion options for both the KN2 well and the nearby DW1 well, subject to finalising terms with the farm-in partners.

Recent global and domestic developments continue to create an uncertain and challenging business environment. Despite this backdrop, the Company remains focused on advancing its existing assets and identifying new opportunities that can deliver value for shareholders.

On a final note, I wish to thank our tireless board, management and shareholders for your continued support and commitment on this journey forward. Watch this space.



Andrew Knox

Managing Director

DIRECTORS' REPORT

Your directors present their report consisting of Red Sky Energy Ltd (the Company) and controlled entities (the Group) as at the end of, or during, the year ended 31 December 2025.

Directors

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

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 activities of the Group during the year were the production of and exploration for economic deposits of oil and gas.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Group during the year.

Operating Results

The net operating loss of the Group for the year ended 31 December 2025 after tax was \$461,516 (31 December 2024: profit of \$272,410).

Review of Operations

HIGHLIGHTS

Highlights during the year ended 31 December 2025 were as follows:

Innamincka- Yarrow Gas Field

- Yarrow 3 has generated gross production receipts of \$2.18 million year-to-date.
- Approximately 82% of revenue comes from gas sales, with the remainder from LPG and condensate.
- Yarrow 3 continued stable gas production throughout 2025, generating consistent cash receipts under the existing gas sales arrangements.
- Yarrow 1 was successfully fracture stimulated in February 2025.
- Yarrow 1 successfully completed, tied in, and brought online, contributing to increased Innamincka production and cash flow.
- Initial production from Yarrow 1 exceeded pre-development expectations, supporting the effectiveness of the re-entry and stimulation program.
- Interpretation of the 3D seismic program over PRL 14 and PRL 17 progressed during the year, refining future drilling targets across the Innamincka Dome.
- Red Sky maintained its 20% working interest across six PRLs (14, 17, 18, 180, 181 and 182).

Killanoola Oil Project

- Red Sky signed a Farmin Agreement with Condor Energy and partners to drill the KN2 well at the Killanoola.
- Under the agreement, farminees will fund 75% of drilling and completion costs to earn a 45% interest in the KN2 well.
- Red Sky retains a 55% interest in KN2, 100% ownership of the remaining licence area, and operatorship of both the well and the licence.
- KN2 is a vertical well targeting a new zone identified through 3D seismic interpretation.
- Construction commenced at the KN2 well pad with equipment mobilised and earthworks initiated and completed.
- Killanoola-2 (KN2) drilling safely completed to total depth, with hydrocarbons confirmed in the Upper Sawpit Sandstone.
- Well cased and suspended as a future potential producer, with stimulation and completion options under evaluation.
- Planning ongoing for a workover rig to test KN2 and the DW1 well.

Block 6/24, Angola

- Following execution of the Risk Service Contract (RSC) on 31 December 2024, the Company progressed joint venture formalities and technical evaluation programs during 2025.
- Geological and geophysical studies commenced, including seismic reprocessing and subsurface reinterpretation across the Block.
- Independent technical evaluation work was initiated to assess the Cegonha discovery and broader prospectivity of the licence.
- Engagement with potential financing parties progressed, with interest expressed in funding appraisal and development activities.
- Parliamentary ratification processes and regulatory engagement continued in accordance with Angolan procedures.

Corporate

- The Company continued to assess acquisition opportunities aligned with its portfolio strategy.
- The Company had cash reserves as at 31 December 2025 of \$1.7m.

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INNAMINCKA DOME PROJECTS

Red Sky holds a 20% working interest across six Petroleum Retention Licences, PRL 14, 17, 18, 180, 181 and 182, within the Innamincka Dome in South Australia. During the year ended 31 December 2025, operational focus centred on optimising production performance from the Yarrow gas field and maximising value from existing infrastructure.

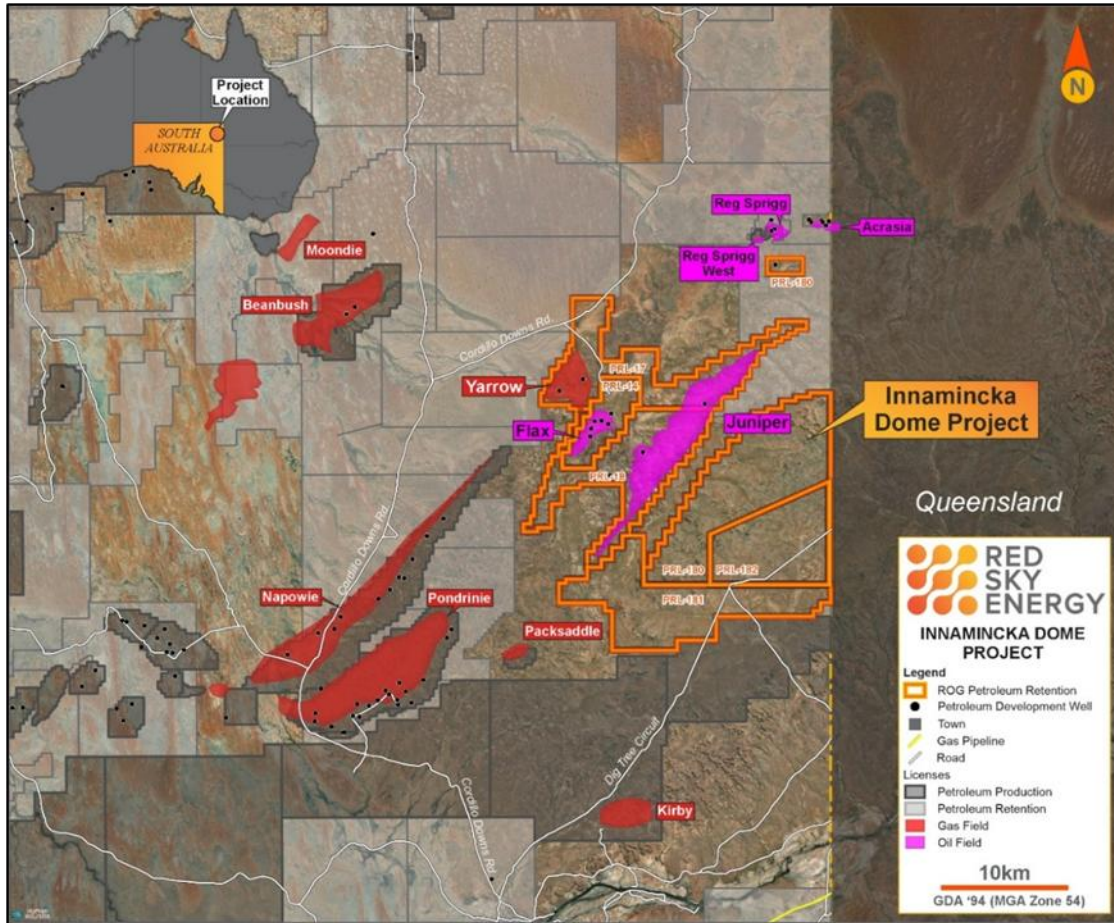


Figure 1: Innamincka Dome Projects location map with Yarrow and Napowie highlighted

YARROW 3 – ONGOING PRODUCTION

The Yarrow 3 project remains the Company's core producing asset and primary source of operating cash flow. Yarrow 3 continued to produce gas throughout the year under the existing bilateral gas sales arrangements. Production performance remained stable, with revenue derived primarily from gas sales, supplemented by LPG and condensate.

For the year ending December 2025, Yarrow 3 generated \$2.18 million in gross production cash receipts. Approximately 82% of this revenue was from gas sales, with the remainder from LPG and condensate.

Routine well surveillance and performance monitoring confirmed reservoir stability and predictable production decline. No material operational interruptions occurred during the period. The well continued to provide reliable cash receipts and remains the foundation of the Company's operating cash flow.

Yarrow 3 remains a low-risk producing asset, benefiting from established infrastructure and contracted sales arrangements.

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YARROW 1 - RE-ENTRY AND FRACTURE STIMULATION

Yarrow 1 is located within PRL 14 at the Innamincka Dome, operated by Santos Limited (ASX: STO), with Red Sky holding a 20% working interest. The well forms part of the Yarrow gas field and was identified as a candidate for productivity enhancement following detailed technical reassessment.

Following completion of pre-fracture workover activities in late 2024, fracture stimulation operations at Yarrow 1 were successfully executed in February 2025, in accordance with the approved completion strategy. The program targeted both the Patchawarra and Tirrawarra intervals in two stages, with the objective of reducing near-wellbore damage, improving permeability and increasing gas deliverability.

Initial flowback results indicated an early production rate of approximately 0.6 MMscf/d of gas and 300 barrels of drilling fluid and formation water per day at a flowing wellhead pressure of 80 psig on a 48/64" choke. Production rates varied as the well stabilised.

Flowback operations were concluded in March, with the well reaching a final gas rate of ~1.8 MMscf/d and ~87 bwpd at 467 psig FWHP on a 32/64" choke, with fluid recovery at ~56%. With flowback successfully completed, the remaining post-frac workover tasks commenced, including setting the E-Line packer tailpipe BHA and running a new 2-3/8" tubing completion to optimise well performance.

In November, Red Sky reported the successful completion, tie-in and commissioning of the Yarrow 1. Completion operations were finalised in early November, followed by construction of the tie-in flowline connecting Yarrow 1 to the Santos-operated gas gathering system. The well was brought online on 15 November 2025, earlier than initial guidance, and commenced production shortly thereafter.

Early production data indicate that Yarrow 1 produced approximately 2.4 MMscf/d during initial ramp-up, exceeding the AFE P50 expectation of 1.6 MMscf/d. These rates reflect early-time performance under controlled choke conditions and should not be interpreted as long-term stabilised rates.

The Yarrow 1 re-entry follows a successful two-stage hydraulic fracture stimulation across the Patchawarra and Tirrawarra formations earlier in 2025, which delivered flowback rates of approximately 1.8 MMscf/d and confirmed commercial gas deliverability. Once stabilised, Yarrow 1 is expected to increase combined Innamincka production and contribute to near-term cash flow.

3D SEISMIC INTERPRETATION

Interpretation of the 3D seismic acquisition across PRL 14 and PRL 17 progressed during 2025. The seismic program, conducted in partnership with Santos, provides enhanced structural resolution and improved understanding of faulting, compartmentalisation and reservoir continuity.

Technical work undertaken during the year focused on:

- Seismic reprocessing and amplitude interpretation.
- Structural mapping refinement.
- Identification of potential infill and step-out drilling locations.
- Assessment of additional gas-bearing structures.

The data will inform future development and well planning and may support additional drilling opportunities, subject to commercial conditions and capital prioritisation.

The Company continues to adopt a measured approach to further development, prioritising cash flow stability and capital discipline.

KILLANOOLA PROJECT

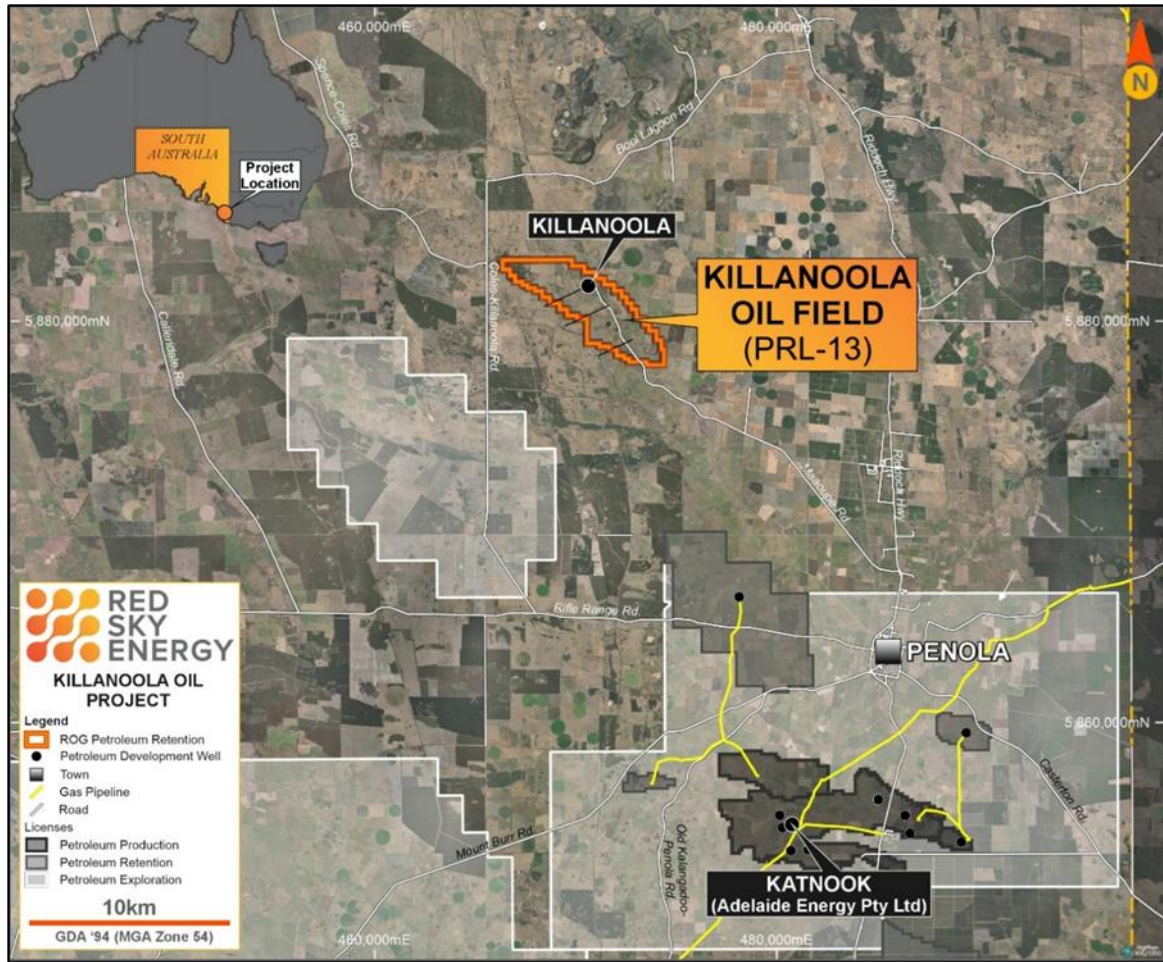


Figure 2: Killanoola Oil Field (PRL-13) location map
(Adelaide Energy Pty Ltd is a subsidiary of Beach Energy Ltd (ASX:BPT))

Red Sky holds a 100% interest in PRL-13 at the Killanoola Oil Project in the onshore Otway Basin, South Australia. The asset remains a near-term oil development opportunity, supported by 3D seismic coverage, existing well infrastructure and defined appraisal targets.

Following completion of the 3D seismic program in 2023, interpretation work confirmed a 46% uplift in Best Estimate Petroleum Initially In Place (PIIP) to 135.5 million barrels. The seismic dataset defined a previously undrilled structural high, which became the primary target for the Killanoola-2 (KN2) appraisal well. The KN2 location was selected to test this structural closure and assess reservoir continuity beyond the existing DW1 well. During the March quarter, the Company advanced planning for the next stage of development at Killanoola.

Workstreams focused on:

- Finalising the KN2 well design.
- Advancing regulatory submissions.
- Aligning drilling execution with processing and offtake pathways.
- Continuing engagement with potential processing and marketing counterparties.

Killanoola maintained a conditional offtake agreement with Viva Energy Australia Limited. Discussions also continued with Santos Limited regarding potential alternative processing arrangements through the Port Bonython facility. These discussions aimed to strengthen commercial flexibility and support a phased development strategy that incorporates both DW1 and KN2.

In May 2025, Red Sky executed a binding Farm In Agreement with Condor Energy Services Limited, Chawla Group Pty Ltd and VB Energy Pty Ltd.

The key terms were:

- The farminees will fund 75% of the drilling and completion costs of KN2.
- In consideration, the farminees will earn a 45% interest in the KN2 well only.
- Red Sky retains a 55% interest in KN2.
- Red Sky retains 100% ownership of the remainder of PRL-13.
- Red Sky remains Operator of PRL-13.

The farm-in converts to a working interest upon completion of the drilling program and receipt of Ministerial approval. The agreement materially reduced Red Sky's capital exposure to the KN2 drilling program while preserving operatorship and majority interest in the well. Following the execution of the farm-in, the Company progressed the regulatory approval pathway required for site preparation and drilling.

Activity Notifications were submitted to the South Australian Department for Energy and Mining, covering:

- Construction of the KN2 well pad.
- Drilling operations.
- Associated environmental and cultural heritage management plans.

In September 2025, following receipt of regulatory approvals, construction of the KN2 well pad commenced. The pad, approximately 80 metres by 70 metres in size, was located approximately 290 metres from the DW1 pad.

Site preparation included:

- Topsoil stripping and stockpiling.
- Cut and fill earthworks.
- Compaction and stabilisation.
- Installation of the cellar and conductor.
- Cultural and environmental monitoring throughout works.

Construction was completed in accordance with regulatory conditions and without incident.

Approval to drill was received on 22 October 2025. The KN2 well was spudded on 24 October 2025. The 12¼ inch surface hole was drilled to approximately 365 metres measured depth. Surface casing was installed and cemented. Drilling then proceeded with the 8½ inch production hole toward a planned total depth of approximately 1,050 metres measured depth. Operations were conducted safely and without lost time incidents. KN2 reached a total depth of 1,044 metres measured depth.

A full suite of wireline logs was acquired, including:

- Gamma ray.
- Sonic.
- Resistivity.
- Density.
- Neutron.

Petrophysical interpretation confirmed the presence of hydrocarbon-bearing zones within the Upper Sawpit Sandstone. Reservoir quality, however, was assessed as low permeability in its unstimulated state. On this basis, the Company elected not to conduct drill stem testing. The well was cased and suspended, with production tubing installed, preserving KN2 as a potential future producer subject to stimulation or further evaluation.

Following drilling completion, the Company commenced evaluation of completion and stimulation options for both KN2 and DW1. Planning advanced for the mobilisation of a workover rig to enable:

- Potential testing of KN2.
- Further evaluation of DW1.
- Assessment of production enhancement techniques.

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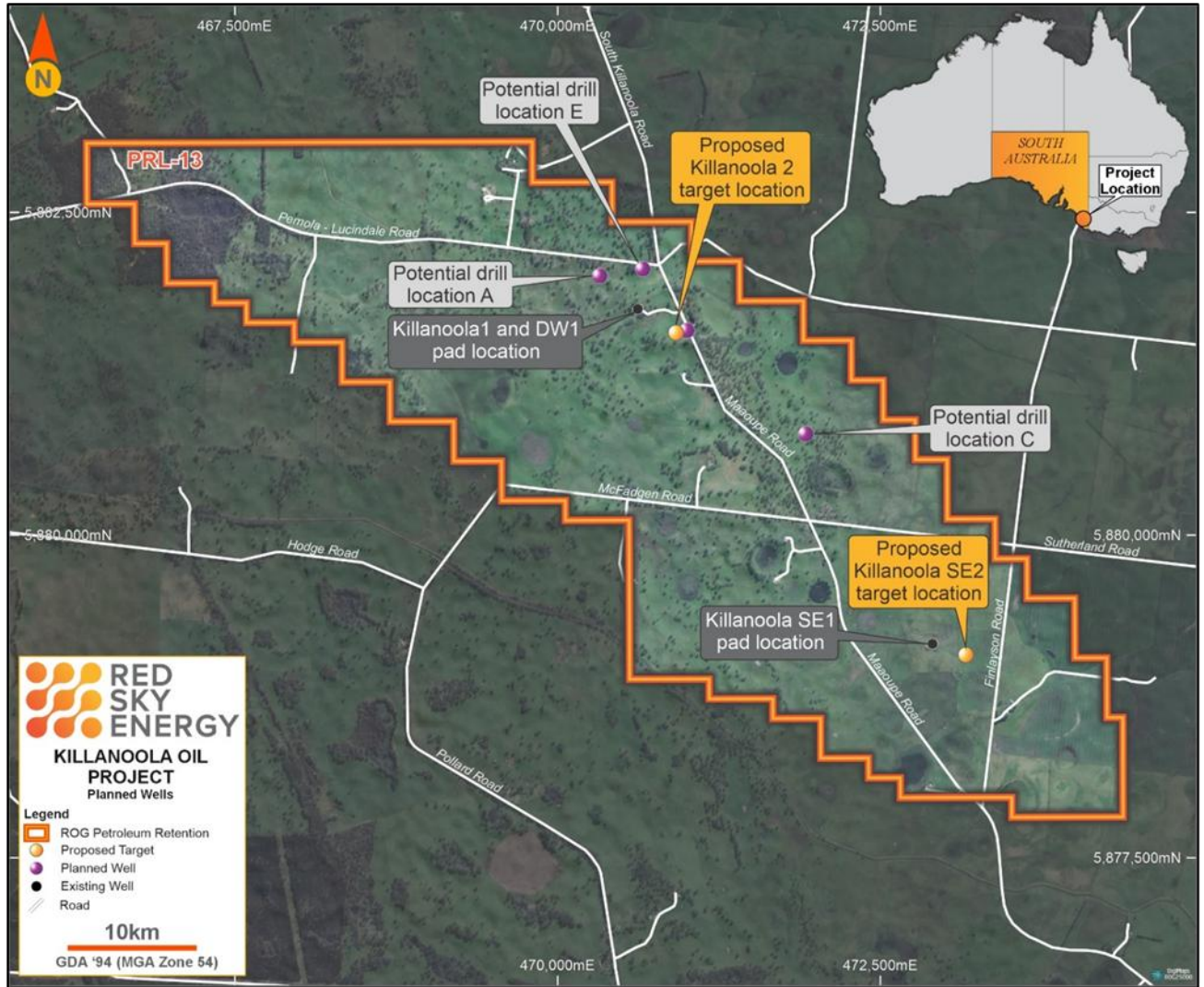


Figure 3: Killanoola Oil Project – Planned Wells (July 2025)

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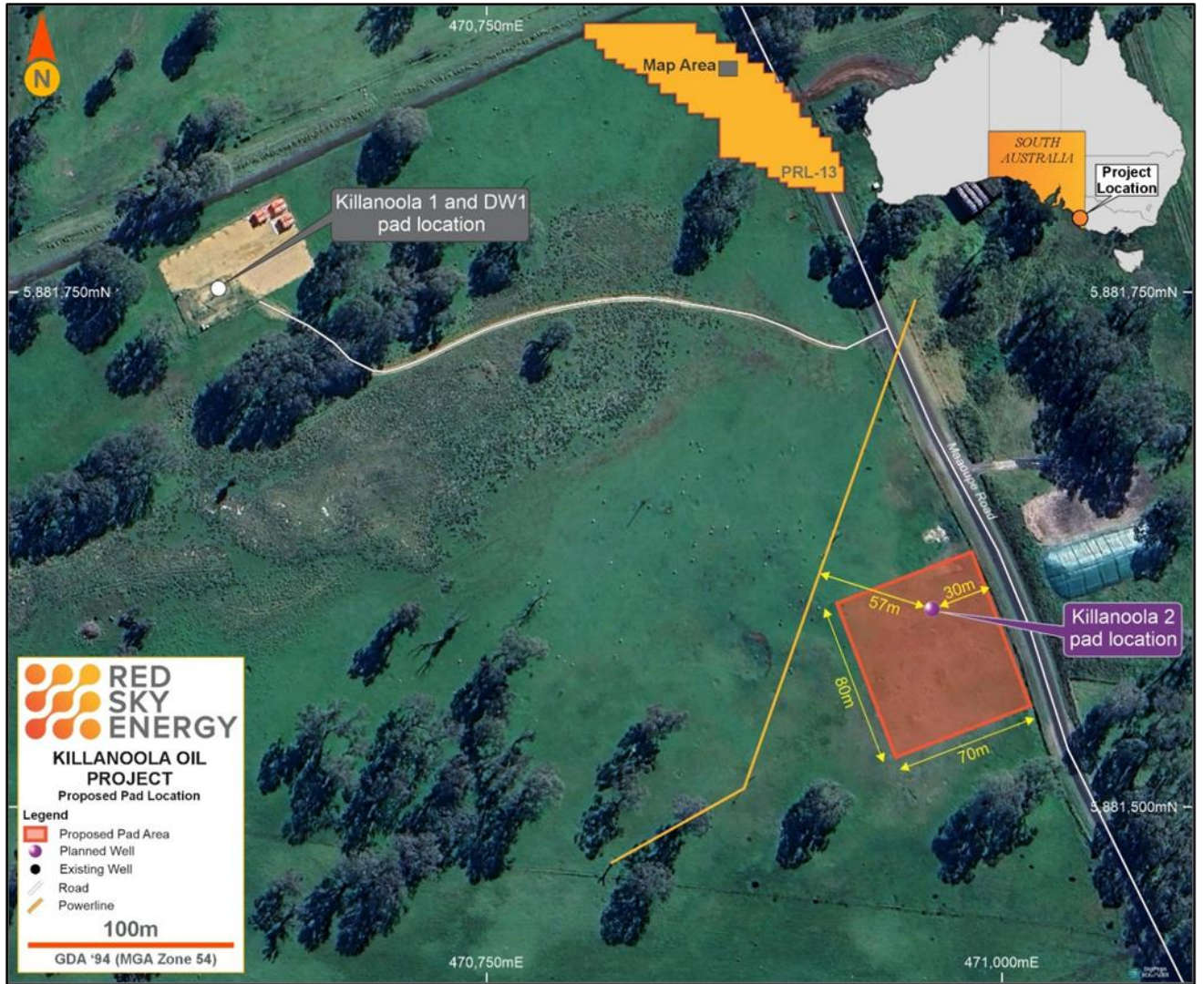


Figure 4: Killanoola Oil Project – Proposed Pad Location (July 2025)

BLOCK 6/24, ANGOLA

On 31 December 2024, Red Sky executed a Risk Service Contract (RSC) with the Angolan National Agency for Oil, Gas and Biofuels in respect of offshore Block 6/24 in the Kwanza Basin. Block 6/24 is located just 12 kilometres offshore in Angola's Kwanza Basin and includes the Cegonha oil field.

Sonangol E&P is the operator of the Block, with a 50% participating interest. Red Sky Energy holds a 35% participating interest, and ACREP holds a 15% interest. Block 6/24 is located 12 kilometres offshore, in water depths ranging from 70 to 80 metres. The Block is covered by seismic data and has shown significant oil discovery potential.

Block 6/24 represents a material portfolio expansion and provides exposure to a large-scale offshore oil opportunity.

In September 2025, Red Sky Managing Director Andrew Knox attended a formal signing ceremony in Angola to complete the Risk Service Contract (RSC) for Block 6/24, following parliamentary ratification.



Figures 5-8: Red Sky Managing Director Andrew Knox in Angola for the signing Ceremony

MAIDEN CONTINGENT RESOURCE ESTIMATE

In April 2025, the Company announced a maiden independent contingent resource estimate for the Cegonha oil discovery within Block 6/24.

The resource estimate was prepared in accordance with internationally recognised petroleum resource classification standards and was based on:

- Reprocessed 2D and 3D seismic data.
- Historical well logs and test data.
- Reservoir mapping and volumetric analysis.
- Independent technical review.

A fault-bounded closure within proven hydrocarbon-bearing sequences of the Kwanza Basin defines the Cegonha structure. The discovery well encountered oil-bearing intervals with characteristics consistent with nearby producing analogues.

The maiden contingent resource estimate:

- Confirmed the presence of material recoverable oil volumes.
- Established a technical foundation for appraisal planning.
- Provided volumetric confidence across mapped structural closures.
- Demonstrated development scale potential.

The estimate supports the view that Cegonha has the potential to progress to commercial development, subject to further appraisal, reservoir modelling and development planning.

The resource estimate does not include additional prospective structures identified within Block 6/24, which remain subject to ongoing geological and geophysical interpretation.

The Block also benefits from:

- Extensive 2D seismic coverage of approximately 1,531 km².
- 3D seismic coverage of approximately 1,465 km².
- Nine historical wells drilled within the Block area.
- Proximity to existing offshore infrastructure.

The maiden resource announcement marked a significant de-risking milestone and materially advanced the technical credibility of the asset.

Total Petroleum Initially-In-Place (PIIP) and Resources Summary – Block6/24, Offshore Angola

Block 6/24 PIIP and Potential Contingent Resources as of 31 Mar 2025 (MMbbl)

	Discovered Petroleum Initially in Place MMBBLS			Gross Contingent Resource MMBBLS			Net Contingent Resource MMBLS		
	Low	Best	High	1C	2C	3C	1C	2C	3C
	59	100	161	6.2	14.6	30.9	2.17	5.10	10.82

Notes:

- The above volumes are “Unrisked” in the sense that “Chance of Development” has not been applied to the Contingent Resources.
- Gross Contingent Resources represent total technically recoverable hydrocarbon volumes by application of future development projects. Net Contingent Resources represent technically recoverable hydrocarbon volumes net to Red Sky Energy, which holds a 35% interest in Block 6/24.
- ASX Listing Rule 5.25.4 Statement: Red Sky Energy does not currently report petroleum reserves for Block 6/24. The Contingent and Prospective Resources reported herein are based on Total Petroleum Initially-In-Place (PIIP) estimates, which are unrisks and have not been adjusted for the chance of development or discovery, respectively. All estimates are reported in accordance with the 2018 PRMS and ASX Listing Rules Chapter 5.

Block 6/24 PIIP and Unrisked Prospective Resources as of 31 March 2025 (MMbbl)

Prospect	Undiscovered Petroleum Initially in Place MMBBLS			Gross Prospective Resource MMBBLS			Net Prospective Resource MMBBLS			Pg %	Pd %
	Low	Best	High	1U	2U	3U	1U	2U	3U		
IBIS	46	105	213	5.1	15.5	39.5	1.77	5.43	13.81	17	60
D2	46	99	196	4.5	14.7	36.5	1.59	5.15	12.77	20	60
B2	4	9	16	0.4	1.3	3.0	0.15	0.45	1.06	10	25

Notes:

- The estimated quantities of petroleum that may potentially be recovered by the application of future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery, articulated via a Chance of Geological Discovery (Pg), and a risk of development in case of discovery, expressed via a Chance of Development (Pd). Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.
- Gross Prospective Resources represent total technically recoverable hydrocarbon volumes. Net Prospective Resources represent technically recoverable hydrocarbon volumes net to Red Sky Energy, which holds a 35% interest in Block 6/24.
- Low, Best and High recoverable volumes included in the table are unrisked, that is, before application of a Pg and Pd.
- ASX Listing Rule 5.25.4 Statement: Red Sky Energy does not currently report petroleum reserves for Block 6/24. The potential Contingent and Prospective Resources reported herein are based on Total Petroleum Initially-In-Place (PIIP) estimates, which are unrisked and have not been adjusted for the chance of development or discovery, respectively. All estimates are reported in accordance with the 2018 PRMS and ASX Listing Rules Chapter 5.

Definitions:

- Contingent Resources** are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies.
- Prospective Resources** are those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.
- Total Petroleum Initially-In-Place (PIIP)** is all quantities of petroleum that are estimated to exist originally in naturally occurring accumulations, discovered and undiscovered, before production.
- Discovered PIIP** is the quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations before production.
- Undiscovered PIIP** is that quantity of petroleum estimated, as of a given date, to be contained within accumulations yet to be discovered.
- Chance of Geological Discovery (Pg)** is the estimated probability that exploration activities will confirm the existence of a significant accumulation of potentially recoverable petroleum.
- Chance of Development (Pd)** The estimated probability that a known accumulation, once discovered, will be commercially developed.

Cautionary Statement

The estimated quantities of petroleum that may potentially be recovered by the application of future development project(s) related to discovered accumulations. These estimates carry a risk of development. Future appraisal and evaluation are required to determine the existence of a commercial quantity of potentially economically recoverable hydrocarbons.

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Summary of Resource Estimation Procedures and Methods

PetroAus conducted an independent resource assessment for Block 6/24 (post-salt Catumbela reservoir only) and compiled the estimates shown above.

Analytical procedures, including volumetric analysis and analogues, were utilised for this assessment. Probabilistic method was applied to estimate potential contingent and Prospective Resources.

The potential Contingent Resources were estimated using volumetrics to obtain total PIIP and analogue recovery factors to obtain recoverable volumes, to which the net interest was applied. The 3D seismic data made available were interpreted to provide a gross rock volume (GRV) and structural uncertainty applied to generate a range of GRV. A petrophysical interpretation was carried out on the Cegonha-1 well to generate porosity, net-to-gross and oil saturation. Low, best, and high values for GRV, porosity, net-to-gross, saturation and recovery factor were combined probabilistically to obtain the total PIIP and contingent resource range.

The prospective resources were estimated using volumetrics to obtain total PIIP and analogue recovery factors to obtain recoverable volumes, to which the net interest was applied. The 3D seismic data made available were interpreted to provide a gross rock volume (GRV). A petrophysical interpretation was carried out on the Cegonha-1 well to generate porosity, net-to-gross and oil saturation, which was used as an analogue input for volumetrics. Low, best, and high values for GRV were obtained by applying a range in oilwater-contacts, along with a range in porosity, net-to-gross, saturation and recovery factors to obtain probabilistic total PIIP and prospective resource range.

Resource maturation plans

The key contingency that prevents the Contingent Resources from being classified as petroleum reserves is financial and technical appropriations sufficient to develop the recoverable hydrocarbon volume, which can be addressed by further appraisal and evaluation of the Cegonha field. As with any proposed development plan, approval has to be sought from the regulator; this means a regulatory contingency also exists.

Future planned activities to mature the Contingent Resources, within an approximate time frame of 4 years, may include further evaluation of the Cegonha discovery, seismic studies in the Block, and the drilling of a new well in the Cegonha field to confirm commerciality.

Future activities to mature the Prospective Resources, within an approximate 4-year time frame, may include geological and geophysical studies, seismic reprocessing, detailed subsurface evaluation, and drilling an exploration well to test the best prospect.

TECHNICAL WORK PROGRAM

During 2025, the Joint Venture advanced early-stage technical work programs under the RSC framework. The JV continued preparatory technical and commercial workstreams, including joint venture documentation and planning for geological and geophysical studies.

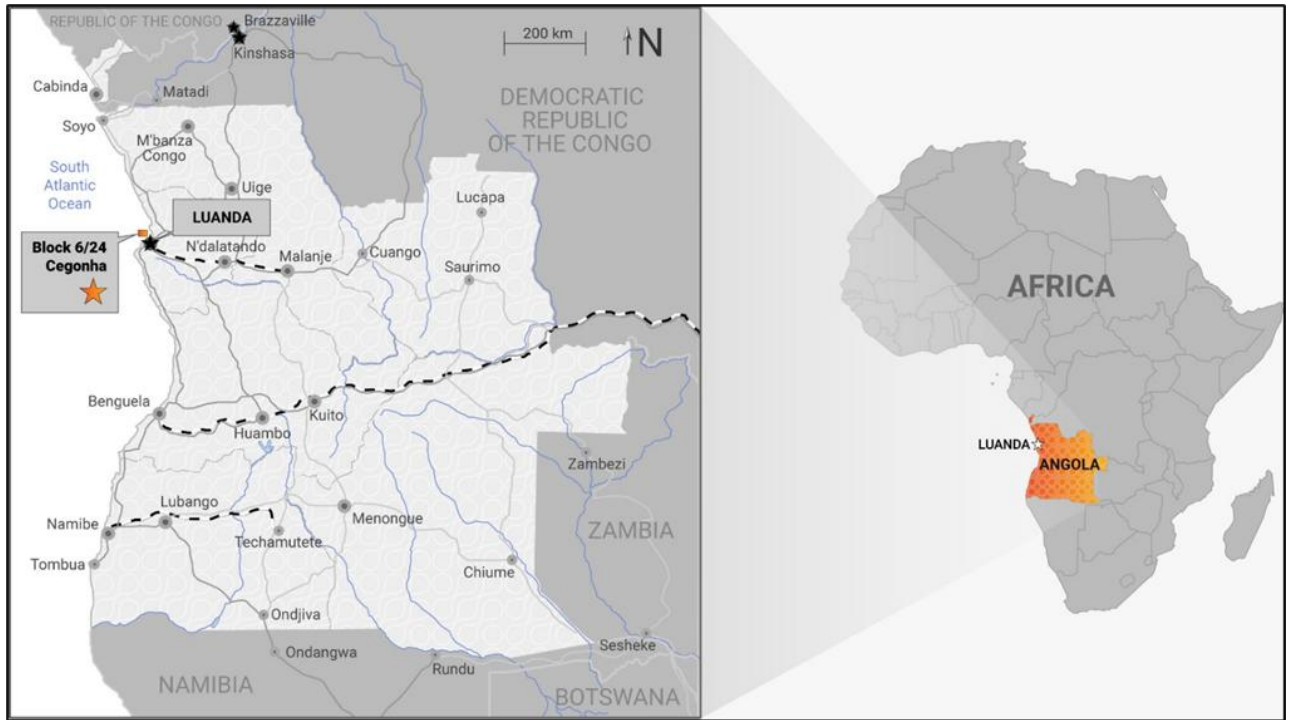


Figure 9: Angola location map with the approximate location of Block 6/24

Risks and Uncertainties

The business and operations of Red Sky are subject to numerous risks, many of which are beyond Red Sky's control. Red Sky considers the risks set out below to be some of the most significant to the Company, but not all of the risks associated with the Company. If any of these risks materialise into actual events or circumstances or other possible additional risks and uncertainties of which Red Sky is currently unaware or which it considers to be material in relation to Red Sky's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected.

- (a) Red Sky has limited financial resources and limited operating revenues. To earn and/or maintain its interest in its oil and gas projects, the Company has contractually agreed or is required to make certain payments and expenditures for and on such projects. Red Sky's ability to continue as a going concern is dependent upon, among other things, Red Sky establishing commercial quantities of oil and gas reserves on its projects and obtaining the necessary financing and permits to develop and profitably produce such products or, alternatively, disposing of its interests on a profitable basis, none of which is assured.
- (b) Aside from revenue being generated from the Innamincka project, the only sources of funds for exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, presently available to Red Sky are the sale of equity or farming out its oil and gas projects to third party for further exploration or development. Red Sky's ability to arrange financing in the future will depend, in part, upon the prevailing capital market conditions as well as its business performance. There is no assurance such additional funding will be available to Red Sky when needed on commercially reasonable terms or at all. Additional equity financing may also result in substantial dilution thereby reducing the marketability of Red Sky's shares. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and the possible, partial or total loss of the Company's interest in its projects.
- (c) Oil and gas production and exploration are subject to a high degree of risk, which even a combination of experience, knowledge and careful evaluation may fail to overcome. These risks may be even greater in Red Sky's case given its formative stage of development and the fact that its oil and gas projects are still in their early stage. Furthermore, exploration activities

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are expensive and seldom result in the discovery of a commercially viable resource. There is no assurance that Red Sky's exploration will result in the discovery of an economically viable project.

- (d) Red Sky activities are subject to the risks normally encountered in the petroleum production and exploration business. The economics of exploring, developing and operating resource projects are affected by many factors including the cost of exploration and development operations, variations of the quality of the oil and gas and the rate of resource extraction and fluctuations in the price of resources produced, government regulations relating to royalties, taxes and environmental protection and title defects.
- (e) Red Sky's oil and gas projects may be subject to prior unregistered agreements, interests or land claims and title may be affected by undetected defects. In addition, the Company's activities require certain licences and permits from various governmental authorities. There is no assurance that Red Sky will be successful in obtaining the necessary licences and permits on a timely basis or at all to undertake its activities in the future or, if granted, that the licences and permits will be on the basis applied or remain in force as granted.
- (f) Red Sky must comply with environmental laws and regulations governing air and water quality and land disturbance and provide for reclamation and closure costs in addition to securing the necessary permits to advance activities at its oil and gas projects. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. Furthermore, environmental hazards may exist on the Company's projects that are unknown to the Company at present and that have been caused by the Company or by previous owners or operators of the projects, or that may have occurred naturally. The Company may be liable for remediating such damages.
- (g) Although the Company's immediate focus will be on the existing projects, as with most exploration entities, it will pursue and assess other new business opportunities in the resource sector over time which complement its business. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation. The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company. If an acquisition is completed, the Directors will need to reassess at that time the funding allocated to current projects and new projects, which may result in the Company reallocating funds from the projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.
- (h) Several of the Permits overlap with certain third-party interests that may limit or impose conditions on the Company's ability to access the Permits to conduct exploration and production activities or that may cause delays in the Company's activities. In particular, under South Australia and Commonwealth legislation, the Company may be required to obtain the consent of and/or pay compensation to the holders of third-party interests, including private land, pastoral leases, petroleum tenure and other mining tenure which overlay areas within the Permits in respect of any proposed exploration or production activities on the Permits. The Company is also required to obtain the consent of the relevant Minister for activities on certain Permit areas.
- (i) The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company. It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.
- (j) Climate change is a risk the Company has considered, particularly related to its operations in the petroleum industry. The climate change risks particularly attributable to the Company include:
- The emergence of new or expanded regulations associated with the transition to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
 - Climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and long-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

The above list of risks, uncertainties and other factors is not exhaustive.

Environmental Issues

The Group's operations are subject to various environmental regulations. The majority of the Company's activities involve low level disturbance associated with its programs. As at the date of this report the group complies fully with all such regulations.

Health

The Company continued to monitor and comply with the preventive measures and controls authorities require business to apply.

Safety

There were no significant incidents or injuries during the year and at 31 December 2025, the year to date performance for Minor Injuries, Medical Treatment Injuries and Lost Time Injuries was zero.

Environment

There were no significant incidents or environmental events during the period and the Company continues to collaborate with local landholders to ensure the Company's exploration work programs have minimal impact on agri-business activities and rehabilitation is completed to a high standard.

Community

In preparation for undertaking work activities there has been extensive landholder or landowner consultation and coordination meetings. During work programs there is regular communication with landholders to ensure company activities have a minimal impact on agri-business activities.

Information on Directors and Secretaries

Robert Annells – Non-Executive Chairman

Mr Annells has over 30 years experience with public upstream oil and gas companies. He is a former member of the Australian Stock Exchange with over 40 years of experience in the Securities Industry, and is also a qualified accountant. His experience includes Managing Director of Securities firms Credit Lyonnais and subsequent directorship of Daiwa Securities Ltd. He was Chairman of Lakes Oil Ltd for in excess of 30 years, founding Director of Gippsland Offshore Petroleum and founding Chairman of Greenerth Energy Ltd. Mr Annells was appointed Chairman on 8 February 2021.

Current Directorships:
 Nil

Other Directorships within the last three years:
 Nil

Andrew Knox – Managing Director – B.Comm, CA, CPA, FAICD

Mr Knox has over 40 years of experience in the upstream oil and gas sector. He has worked extensively throughout Australasia, Southeast Asia and North America with several entities predominantly in oil and gas and has been a director of several public resource companies. Mr Knox was appointed Director on 6 July 2018.

Current Directorships:
 Rimfire Pacific Mining NL

Other Directorships within the last three years:
 Nil

Adrien Wing – Non Executive Director and Joint Company Secretary, B.Acc, CPA

Mr Wing is a Certified Practising Accountant. He practised in the audit and corporate advisory divisions of a chartered accounting firm before working with a number of public companies listed on the Australian Securities Exchange as a corporate/accounting consultant and company secretary. Mr Wing was appointed Company Secretary on 3 February 2011 and Non-Executive Director on 7 March 2014. Mr Wing resigned as a Director on 22 March 2016 and was re-appointed on 15 December 2016.

Current Directorships:
 Cleo Diagnostics Limited
 New Age Exploration Limited
 Riedel Resources Limited
 Megado Minerals Limited

Other Directorships within the last three years:
 Sparc Technologies Limited (resigned 13 March 2025)
 Mitre Mining Corporation Limited (resigned 9 March 2023)

Pauline Moffatt – Joint Company Secretary, B.Comm, GAICD, FGIA ICSA

Ms Moffatt is a graduate of the Australian Institute of Company Directors (GAICD) and a fellow GIA ICSA of the Governance Institute of Australia. Ms Moffatt has a wealth of experience, providing specialised accounting and company secretary services to public companies for over 20 years. Ms Moffatt was appointed Joint Company Secretary on 15 January 2019.

Meetings of Directors

The number of meetings held by the Company's directors during the year and the number of meetings attended by each director were:

Director	Board meetings held	Board meetings attended
Robert Annells	9	9
Adrien Wing	9	9
Andrew Knox	9	9

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Securities held and controlled by Directors

As at the date of this report, the interests of Directors in securities of the Company were as follows:

Holder	Ordinary Shares	Performance Rights
Robert Annells	20,625,000	100,000,000
Andrew Knox	255,500,000	175,000,000
Adrien Wing	78,240,111	100,000,000
Total	354,365,111	375,000,000

Performance Rights and incentives granted to directors

Performance Rights were issued to directors following shareholder approval and others on 10 June 2021 (Mr Andrew Knox 175,000,000, Mr Robert Annells 100,000,000 and Mr Adrien Wing 100,000,000). The Performance Rights issued were subject to the following vesting conditions:

- The Company achieving a market capitalisation of equal to or greater than \$100 million for 5 consecutive trading days within 5 years; and
- The recipient remaining continuously employed or engaged up to the date of satisfaction of the market capitalisation vesting condition.

These Performance Rights are being expensed over the 5-year term up to the expiry date.

Shares under option

There are currently no options on issue.

Dividends Paid or Recommended

No dividend was paid or declared during the period and the Directors do not recommend the payment of a dividend.

Events Subsequent to Balance Date

On 31 March 2026, the Company announced that it had received firm commitments to raise \$1.0 million (before costs) through a placement of new fully paid ordinary shares. The placement comprises the issue of 1,000,000,000 fully paid ordinary shares at an issue price of \$0.001 per share and will be completed in two tranches, with the second tranche of \$0.2 million subject to shareholder approval.

Funds raised from the placement are intended to be applied towards participation in drilling activities within the Innamincka Dome, South Australia and for general working capital purposes.

The directors are currently planning to undertake a non-renounceable rights issue to raise up to approximately A\$4.2 million (before costs). Two (2) new shares under the Rights Issue will be offered for every three (3) shares held on the record date by eligible shareholders (being shareholders with a registered address in Australia, New Zealand or the United Kingdom at the record date) at an issue price of \$0.001 per share.

No other matters or circumstances have arisen since 31 December 2025 that have significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future years.

Likely developments

The group will focus on the producing of and the exploration for economic deposits of oil and gas. It is the intention of the Board to continue the strategy of acquiring an oil and gas portfolio.

Remuneration Report (audited)

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporation Act 2001.

This report outlines the remuneration arrangements in place for Directors and executives of Red Sky Energy Limited. This report has been set out under the following main headings:

- A. Principles Used to Determine the Nature and Amount of Remuneration
- B. Service Agreements
- C. Details of Remuneration
- D. Key Management Personnel Equity Holdings
- E. Share-based Compensation
- F. Other Transactions with Key Management Personnel
- G. Additional Information

A. Principles Used to Determine the Nature and Amount of Remuneration

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and Executive Officers. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives, and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage/alignment of executive compensation
- Transparency
- Capital management

The Board policy is to remunerate Non-executive Directors at fair market rates for comparable companies for the relevant time, commitment and responsibilities. The board determines payments to the non-executive Directors and reviews their remuneration annually based on market practice, duties and accountability. The maximum amount of fees that can be paid to Non-executive Directors is subject to approval by shareholders at the Annual General Meeting. The maximum amount approved is \$250,000. Fees for non-executive Directors are not linked to the performance of the Group. However, to align Director's interests with shareholder interests the Directors are encouraged to hold shares in the Company and may be issued with additional securities as deemed appropriate.

The Board believes that the remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate for aligning Director and executive objectives with shareholder and business objectives. The board will continually develop new practices which are appropriate to the Company's size and stage of development.

Executive Officers are those directly accountable for the operational management and strategic direction of the Company and the Group. All contracts with Directors and executives may be terminated by either party with three months notice.

At the Red Sky Limited 2024 Annual General Meeting held on 21 May 2025, a second 'strike' was received on the remuneration report of Directors after greater than 25% of votes were cast against the resolution to adopt the remuneration report. The Board considers the nature and amount of remuneration provided to key management personnel is appropriate given the level of Company activity.

Fixed remuneration

Fixed remuneration consists of a base remuneration package, which includes Directors' fees (in the case of Directors), salaries, consulting fees and employer contributions to superannuation funds.

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B. Service Agreements

The directors and key management personnel during the current year included:

Directors

Mr Robert Annells – Non-Executive Chairman

- Director fees set at \$85,000 per annum inclusive of superannuation.

Mr Andrew Knox – Managing Director

- Director salary set at \$468,000 per annum plus superannuation.
- In addition to annual reviews, Mr Knox's base salary may increase to \$624,000 per annum plus superannuation upon the Company's EBITDA exceeding \$6,000 per day for 90 consecutive days (average).
- The Company may terminate Mr Knox's salary by giving not less than 6 months written notice, or upon payment of 6 months' base salary in lieu of notice.

Mr Adrien Wing – Non-Executive Director and Company Secretary

- Director fees set at \$60,000 per annum.
- The company has an agreement with Northern Star Nominees Pty Ltd (a related party of Mr Wing) for company secretarial services at a rate of \$5,775 per month.

Performance Rights were issued to directors following shareholder approval and others on 10 June 2021 (Mr Andrew Knox 175,000,000, Mr Robert Annells 100,000,000 and Mr Adrien Wing 100,000,000, Employees 50,000,000 (currently reduced to 25,000,000 due to employee resignation) and Consultants 50,000,000). The Performance Rights issued were subject to the following vesting conditions:

- The Company achieving a market capitalisation of equal to or greater than \$100 million for 5 consecutive trading days within 5 years; and
- The recipient remaining continuously employed or engaged up to the date of satisfaction of the market capitalisation vesting condition.

These Performance Rights are being expensed over the 5-year term up to the expiry date.

C. Details of Remuneration

The key management personnel of Red Sky Energy Limited during the years ended 31 December 2025 and 2024 included all directors mentioned above. There are no other executives of the Company which are required to be disclosed.

Remuneration packages contain the following key elements:

- Primary benefits – salary and consulting fees;
- Equity – share options, performance rights and other equity securities; and
- Other benefits.

Nature and amount of remuneration:

2025	Short-term employee benefits			Post - employe nt benefits	Other long-term benefits	Equity Performance related		Total \$
	Director Fees/Salary \$	Company secretarial, or other benefits \$	Leave Accruals \$	Super- annuation \$	Leave accruals \$	Performance Rights \$	Performance Based %	
Directors								
R Annells	76,063	-	-	8,937	-	130,452	60.5%	215,452
A Knox	468,000	3,044	-	54,990	7,800	228,290	30.0%	762,124
A Wing	60,000	69,300	-	-	-	130,452	50.2%	259,752
TOTAL	604,063	72,344	-	63,927	7,800	489,194		1,237,328

2024	Short-term employee benefits			Post - employe nt benefits	Other long-term benefits	Equity Performance related		Total \$
	Director Fees/Salary \$	Company secretarial, or other benefits \$	Leave Accruals \$	Super- annuation \$	Leave accruals \$	Performance Rights \$	Performance Based %	
Directors								
R Annells	73,627	-	-	8,290	-	130,452	61.4%	212,369
A Knox	432,667	3,127	45,310	48,898	26,807	228,290	29.1%	785,099
A Wing	59,000	69,025	-	-	-	130,452	50.5%	258,477
TOTAL	565,294	72,152	45,310	57,188	26,807	489,194		1,255,945

D. Key Management Personnel Equity Holdings

As at 31 December 2025, the interests of the Directors in shares, options and performance rights of the Company were:

Ordinary Shares

Holder	Balance at beginning of the year	Initial Interest	Achievement of Milestone	Net change other *	Final Interest	Balance at end of the year
Robert Annells	20,625,000	-	-	-	-	20,625,000
Andrew Knox	255,500,000	-	-	-	-	255,500,000
Adrien Wing	78,240,111	-	-	-	-	78,240,111

* Net change other includes shares acquired or disposed of during the year.

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Performance Rights

Holder	Balance at beginning of the year	Granted as compensation	Rights vested	Rights lapsed	Final Interest	Balance at end of the year
Robert Annells	100,000,000	-	-	-	-	100,000,000
Andrew Knox	175,000,000	-	-	-	-	175,000,000
Adrien Wing	100,000,000	-	-	-	-	100,000,000

E. Share-based Compensation

Other than the above Performance Rights granted as compensation, there was no share-based compensation granted to key management personnel.

F. Related party transactions with key management personnel

There were no loans to/from related parties during the year.

G. Additional information

Principles used to determine the nature and amount of remuneration: relationship between remuneration and Company performance.

In considering the Company's performance and its effect on shareholder wealth, the Board has regard to a broad range of factors, some of which are financial and others of which relate to the progress on the Company's projects, results and progress of exploration and development activities, joint venture agreements, etc.

The Board also gives consideration to the Company's result and cash consumption for the year. It does not utilise earnings per share as a performance measure or contemplate payment of any dividends in the short to medium term given that all efforts are currently being expended to build the business and establish self-sustaining revenue streams.

The earnings of the Group for the five years to 31 December 2025 are summarised below:

	2021	2022	2023	2024	2025
	\$	\$	\$	\$	\$
Revenue and other income	28,415	45,608	472,506	3,000,488	2,201,545
Net profit/(loss) before tax	(1,512,352)	(1,675,163)	(1,559,814)	272,410	(461,516)
Net profit/(loss) after tax	(1,512,352)	(1,675,163)	(1,559,814)	272,410	(461,516)

The factors that are considered to affect total shareholders return (TSR) are summarised below:

	2021	2022	2023	2024	2025
Share price at start of year (\$)	0.002	0.008	0.005	0.005	0.011
Share price at end of year (\$)	0.008	0.005	0.005	0.011	0.003
Basic earnings/(loss) per share (cents per share)	(0.03)	(0.03)	(0.03)	0.01	(0.01)
Diluted earnings/(loss) per share (cents per share)	(0.03)	(0.03)	(0.03)	0.01	(0.01)

END OF AUDITED REMUNERATION REPORT

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company maintained an insurance policy which indemnifies the Directors and Officers of Red Sky Energy Limited in respect of any liability incurred in connection with the performance of their duties as Directors or Officers of the Company. The Company's insurers have prohibited disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the court under section 237 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

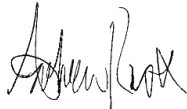
There were no non-audit services provided during the year.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires the consolidated entity's auditor, RSM Australia Partners to provide the directors with a written Independence Declaration in relation to their audit of the financial report for the year ended 31 December 2025. The written Auditor's Independence Declaration is attached at page 26 and forms part of this Director's Report.

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.



Andrew Knox
Managing Director

31 March 2026

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the annual financial report of Red Sky Energy Limited for the financial year ended 31 December 2025, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



R J MORILLO MALDONADO

Partner

Melbourne, Victoria

Dated: 31 March 2026

THE POWER OF BEING UNDERSTOOD

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	Group	
		2025 \$	2024 \$
Sales revenue	5	2,117,508	2,896,956
Other income	5	84,037	103,532
Costs of sales		(984,582)	(845,138)
Administration and travel expenses		(466,868)	(481,919)
Employee entitlements		(458,109)	(662,623)
Employee entitlements – share based payments		(521,805)	(521,805)
Legal fees		(50,246)	(12,714)
Corporate advisory and investor relations		(94,756)	(93,117)
Exploration costs expensed		(9,018)	(25,588)
Depreciation	10	(50,718)	(52,032)
Amortisation of oil and gas assets	12	(26,959)	(33,142)
Profit/(loss) from continuing operations before income tax		(461,516)	272,410
Income tax expense/benefit	7	-	-
Net profit/(loss) for the year		(461,516)	272,410
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Foreign currency translation		-	-
Total comprehensive profit/(loss) for the year, net of tax		(461,516)	272,410
Basic and diluted profit/(loss) per share – overall (cents per share)	17	(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 to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	Group	
		2025 \$	2024 \$
Current Assets			
Cash and cash equivalents	8	1,705,786	2,964,776
Trade and other receivables	9	536,352	262,739
Prepayments		79,869	98,319
Total current assets		2,322,007	3,325,834
Non-Current Assets			
Plant and equipment	10	96,581	147,299
Other financial assets – security deposits		908,315	824,633
Exploration and evaluation assets	11	5,934,535	4,261,607
Oil and gas assets	12	1,010,131	50,215
Total Non-Current Assets		7,949,562	5,283,754
Total Assets		10,271,569	8,609,588
Current Liabilities			
Trade and other payables	13	1,722,706	298,512
Provisions – employee entitlements	14	234,697	162,608
Total Current Liabilities		1,957,403	461,120
Non-Current Liabilities			
Provisions - rehabilitation	14	883,682	800,000
Provisions – employee entitlements	14	26,187	69,684
Total Non-Current Liabilities		909,869	869,684
Total Liabilities		2,867,272	1,330,804
Net Assets		7,404,297	7,278,784
Equity			
Issued share capital	15	50,628,088	50,628,088
Reserves	16	3,021,224	2,434,195
Accumulated losses		(46,245,015)	(45,783,499)
Total Equity		7,404,297	7,278,784

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

CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 31 December 2025

	Notes	Group	
		2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,189,924	3,192,872
Payments to suppliers and employees (inclusive of GST)		(1,882,899)	(2,365,841)
Interest received		98,000	97,254
Net cash provided by/(used in) operating activities	18	405,025	924,285
Cash flows from investing activities			
Exploration and evaluation expenditure		(1,580,333)	(629,572)
Payments for security deposits		(83,682)	-
Net cash used in investing activities		(1,664,015)	(629,572)
Net increase/(decrease) in cash and cash equivalents		(1,258,990)	294,713
Cash and cash equivalents at the beginning of the financial year		2,964,776	2,670,063
Cash and cash equivalents at the end of the financial year	8	1,705,786	2,964,776

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

Consolidated	2024			
	Issued Capital	Accumulated Losses	Reserves	Total (Deficiency)/Equity
Balance at beginning of year	50,328,088	(46,055,909)	2,147,166	6,419,345
Loss for the year	-	272,410	-	272,410
Other comprehensive loss for the year	-	-	-	-
Total comprehensive loss for the year	-	272,410	-	272,410
Transactions with equity holders in their capacity as equity holders				
Share based payments - Performance Rights	-	-	587,029	587,029
Performance rights shares issued	300,000	-	(300,000)	-
	300,000	-	287,029	587,029
Balance at the end of the year	50,628,088	(45,783,499)	2,434,195	7,278,784

Consolidated	2025			
	Issued Capital	Accumulated Losses	Reserves	Total Equity
Balance at beginning of year	50,628,088	(45,783,499)	2,434,195	7,278,784
Profit/(Loss) for the year	-	(461,516)	-	(461,516)
Other comprehensive loss for the year	-	-	-	-
Total comprehensive loss for the year	-	(461,516)	-	(461,516)
Transactions with equity holders in their capacity as equity holders				
Share based payments - Performance Rights	-	-	587,029	587,029
Performance rights shares issued	-	-	-	-
	-	-	587,029	587,029
Balance at the end of the year	50,628,088	(46,245,015)	3,021,224	7,404,297

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

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the year presented, unless otherwise stated. The financial report includes separate financial statements for Red Sky Energy Limited as an individual entity and the consolidated entity consisting of Red Sky Energy Limited and its subsidiaries.

(a) Basis of Preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards and Interpretations and the *Corporations Act 2001*. Red Sky Energy Limited and its subsidiaries (the Group) is a for-profit entity for the purpose of preparing the financial statements.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated. The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(i) Compliance with IFRSs

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (AIFRSs). Compliance with AIFRSs ensures that the financial report of the Group complies with International Financial Reporting Standards (IFRSs).

(ii) Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies (refer note 3).

(iii) Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the recognition and settlement of liabilities in the normal course of business. During the year ended 31 December 2025, the consolidated entity incurred a loss of \$461,516 (2024: profit of \$272,410) and had net cash outflow from operating and investing activities of \$1,258,990 (2024: net inflow of \$294,713). As at that date the consolidated entity had net current assets of \$364,604 and net assets of \$7,404,297.

The Directors have reviewed management's cash flow forecast for the next 12 months after signing this financial report and believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report. The Director's conclusion on this matter considers the Consolidated entity's ability and capacity to seek additional funding through capital raising on the ASX, should this be required.

(b) Parent Entity Information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 25.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION

(c) Principles of Consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Red Sky Energy Limited ("Company" or "parent entity") as at 31 December 2025 and the results of all subsidiaries for the year then ended. Red Sky Energy Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Inter-Company transactions, balances and recognised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Red Sky Energy Limited.

(ii) Joint arrangements

Under AASB 11 *Joint Arrangements*, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and concluded that the correct classification is 'joint operations'.

The proportionate interests in the assets, liabilities, income and expenditure of joint operations have been incorporated in the financial statements under the appropriate headings.

Red Sky Angola Limited owns a 35% participating interest in Block 6/24, offshore Angola, in the Kwanza Basin.

(d) Segment reporting

The Group currently operates in the oil and gas industry. Refer to Note 4 for details.

(e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of gas and liquids is recognised at the point of sale (Sales point ex the gate at Moomba for the Innamincka project), which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

(f) Foreign currency translation

The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity. The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION

(g) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for doubtful debts. Trade receivables are due for settlement between thirty (30) and ninety (90) days from the date of recognition.

(h) Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Computer equipment	3 years
Motor vehicles	8 years
Plant and equipment	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

(i) Exploration, evaluation and development expenditure

Exploration, evaluation and development expenditure incurred is either written off as incurred or accumulated in respect of each identifiable area of interest. Costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure. Proceeds from the sale of exploration permits or recoupment of exploration costs from farm-in arrangements are credited against exploration costs previously capitalised. Any excess of the proceeds over costs recouped are accounted for as a gain on disposal.

(j) Oil and Gas assets

Capitalised oil and gas development costs include expenditures incurred to develop new oil or gas fields or to expand the capacity of a field and to maintain production. Development costs also include costs transferred from exploration and evaluation phase once production commences in the area of interest.

Amortisation of oil and gas development costs is computed by the units of production basis over the estimated proved and probable reserves. Proved and probable oil and gas reserves reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known fields. These reserves are amortised from the date on which production commences. The amortisation is calculated from recoverable proven and probable reserves.

Restoration costs expected to be incurred are provided for as part of the development phase that give rise to the need for restoration.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year, which remain unpaid at year end. The amounts are unsecured and are usually paid within 60 days of recognition. They are recognised at fair value on initial recognition and subsequently at amortised cost.

(l) Contributed Equity

Issued and paid-up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction, net of tax, of the share proceeds received.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION

(m) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary share and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(o) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date, when it is probable that settlement will be required, and they are capable of being measured reliably. The calculation of employee benefits includes all relevant on-costs and is calculated as follows at the reporting date.

(i) Wages and Salaries, Annual Leave and Long Service Leave

Provisions made in respect of employee benefits are measured based on an assessment of the existing benefits to determine the appropriate classification under the definition of short term and long-term benefits, placing emphasis on when the benefit is expected to be settled. Short-term benefits provisions that are expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Long-term benefits are not expected to be wholly settled within 12 months and consequently are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date to estimate the future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

Regardless of the expected timing of settlement, provisions made in respect of employee benefits are classified as a current liability unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability. Provisions made for annual leave and unconditional long service leave are classified as a current liability where the employee has a present entitlement to the benefit. A non-current liability would include long service leave entitlements accrued for employees with less than 10 years of continuous service who do not yet have a present entitlement.

(ii) Accumulated superannuation contribution plans

Obligations for contributions to accumulated superannuation contribution plans are recognised as an expense as incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION

(p) Share Based Payments

The Group may at times provide benefits to employees (including directors) and consultants of the Group in the form of share-based payment transactions, whereby employees and consultants render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees and consultants is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black & Scholes or Monte-Carlo simulation methods. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity over the year in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(q) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(r) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised:

- Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future extent that it is probable that the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION

(r) Income Tax (continued)

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

(s) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(t) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise receivables, payables, cash and short-term deposits. The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The Group does not speculate in the trading of derivative instruments. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Ageing analysis of and monitoring of receivables are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below. Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 1 to the financial statements.

Risk Exposures and Responses

Market Risk

Interest rate risk

The Group's exposure to risks of changes in market interest rates relates primarily to the Group's cash balances. The Group constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. As the Group has no interest-bearing borrowings its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits.

At reporting date, the Group had the following financial assets exposed to variable interest rates not designated in cash flow hedges:

	Group	
	2025	2024
	\$	\$
Security deposits	24,633	24,633
Cash and cash equivalents (interest-bearing accounts)	1,705,786	2,964,776
Net exposure	1,730,419	2,989,409

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. At the reporting date, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity relating to financial assets of the Group would have been affected as follows:

Judgments of reasonably possible movements:		
Post tax profit – higher / (lower)		
+ 0.5%	8,652	14,947
- 0.5%	(8,652)	(14,947)
Equity – higher / (lower)		
+ 0.5%	8,652	14,947
- 0.5%	(8,652)	(14,947)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. FINANCIAL RISK MANAGEMENT

Commodity Price and Foreign Currency Risk

The Group's exposure to commodity price is minimal at present.

Foreign currency risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured, monitored and managed using cash flow forecasting. The consolidated entity does not enter into any hedging contracts. The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date was minimal.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The financial liabilities the Group had at reporting date were trade payables incurred in the normal course of the business. Trade payables were non-interest bearing and were due within the normal 30-60 days terms of creditor payments.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Group						
	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	5+ years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$	\$	\$
As at 31 December 2025							
Non-interest bearing							
Trade and other payables	1,722,706	-	-	-	-	1,722,706	1,722,706
As at 31 December 2024							
Non-interest bearing							
Trade and other payables	298,512	-	-	-	-	298,512	298,512

Credit risk

Credit risk arises from the financial assets of the Group, which comprise deposits with banks, security deposits and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. The carrying amount of financial assets included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to those assets. The Group does not hold any credit derivatives to offset its credit exposure.

The Group trades mainly with recognised, credit worthy third parties and as such collateral is not requested nor is it the Group's policy to securities its trade and other receivables. Receivable balances are monitored on an ongoing basis with the result that the Group does not have a significant exposure to bad debts.

There are no other significant concentrations of credit risk within the Group.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. FINANCIAL RISK MANAGEMENT

Capital Management Risk

Management controls the capital of the Group in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure, debt levels and share and option issues.

There have been no changes in the strategy adopted by management to control capital of the Group since the prior year.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and oil and gas assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(ii) Exploration expenditure

Exploration expenditure that does not form part of the cash generating units assessed for impairment has been carried forward on the basis that exploration and evaluation activities have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing. In the event that significant operations cease and/or economically recoverable reserves are not assessed as being present, this expenditure will be expensed to the Income Statement.

(iii) Rehabilitation provision

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or used in production. The consolidated entity's production and exploration activities are subject to various laws and regulations governing the protection of the environment. The consolidated entity recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of field estimates and discount rates could affect the carrying amount of this provision.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(iv) Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

(v) Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. SEGMENT REPORTING

The Group operated predominantly as a resource explorer and gas producer with the view to identify attractive oil and gas deposits of sufficient scale to provide sustainable returns to shareholders.

The directors do not believe that there are any reportable segments that meet the requirements of Accounting Standard AASB 8 *Segment Reporting*, on the basis that the chief operating decision maker, being the Board of Directors, review geological results and other qualitative measures as a basis for decision making. Financial results are reviewed on a consolidated group basis.

Types of products and services

The Group currently has significant revenue from gas and liquids sales.

Major customers

Sales during the year were to Origin Energy Limited \$1,785,254 and Santos Limited \$332,254.

Geographical areas

The Group's production and exploration assets were located in Australia during the year ended 31 December 2025.

5. REVENUE AND OTHER INCOME

	Group	
	2025	2024
	\$	\$
<i>Sales revenue</i>		
Sales of gas and liquids	2,117,508	2,896,956
Total	2,117,508	2,896,956

All revenue is earned in Australia and recognised at a point in time.

	2025	2024
	\$	\$
<i>Other income</i>		
Interest income calculated using the effective interest method	84,037	103,532
Total	84,037	103,532

6. EXPENSES

	Group	
	2025	2024
	\$	\$
Loss from continuing operations before income tax has been determined after including payroll related expenses as follows:		
Directors and employee superannuation (i)	27,397	39,885
Directors and employee leave entitlements	28,592	99,861

(i) A portion of director salaries were capitalised to the exploration and evaluation assets during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

7. INCOME TAX

	Group	
	2025	2024
	\$	\$

The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax benefit in the financial statements as follows:

	2025	2024
Profit/(loss) before tax	(461,516)	272,410
Income tax (benefit)/expense calculated at 25% (2024: 25%)	(115,379)	68,103
Effect of expenses that are not deductible in determining taxable profit	148,311	150,331
Prior years tax losses recognised	(32,932)	(218,434)
Temporary differences and tax losses in the current year for which no deferred tax asset has been brought to account	-	-
Income tax benefit	-	-

Deferred tax assets:

Deferred tax assets not brought to account arising from temporary differences and tax losses, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(r) occur:

	2025	2024
	7,896,169	7,824,791

8. CASH AND CASH EQUIVALENTS

	Group	
	2025	2024
	\$	\$
Cash at bank	1,705,786	2,964,776

9. TRADE AND OTHER RECEIVABLES

	Group	
	2025	2024
	\$	\$
Current		
Trade debtors	353,430	171,429
Accrued income	181,307	75,732
Other receivables	1,615	15,578
Total	536,352	262,739

There is no expected credit losses or bad debt provision.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

10. PLANT AND EQUIPMENT

	Group	
	2025 \$	2024 \$
Non-Current		
Plant and equipment	278,710	278,710
Less: Accumulated depreciation	(182,129)	(131,411)
	96,581	147,299
Reconciliations of movements:		
Opening balance	147,299	199,331
Additions	-	-
Depreciation expense	(50,718)	(52,032)
Closing Balance	96,581	147,299

11. EXPLORATION AND EVALUATION ASSETS

	Group	
	2025 \$	2024 \$
Opening balance	4,261,607	3,632,035
Additions	1,672,928	629,572
	5,934,535	4,261,607

12. OIL AND GAS ASSETS

	Group	
	2025 \$	2024 \$
Opening balance	50,215	83,357
Additions	986,875	-
Amortisation of oil and gas assets	(26,959)	(33,142)
	1,010,131	50,215

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025

13. TRADE AND OTHER PAYABLES

	Group	
	2025	2024
	\$	\$
Trade creditors	154,585	55,760
Accrued expenses	1,531,682	224,324
Other payables	36,439	18,428
	1,722,706	298,512

14. PROVISIONS

	Group	
	2025	2024
	\$	\$
Current		
Annual leave entitlements	168,773	162,608
Long service leave entitlements	65,924	-
	234,697	162,608
Non-Current		
Long service leave entitlements	26,187	69,684
Rehabilitation	883,682	800,000
	909,869	869,684
Reconciliation of movement in Rehabilitation provision:		
Opening balance	800,000	800,000
Additions	83,682	-
Closing balance	883,682	800,000

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

15. ISSUED CAPITAL

(a) Share Capital

	Group	
	2025	2024
	\$	\$
5,422,227,197 fully paid ordinary shares (31 December 2024: 5,422,227,197)	50,628,088	50,628,088

On 9 February 2024, 120,000,000 shares valued at \$300,000 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 year.

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value, and the company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options

No Options were issued during the year:

(c) Performance Rights

The following table sets out the movements in Performance Rights during the year:

Grant Date	Expiry Date	Fair Value per Right (cents)	Amount expensed during 2025 \$	Recipients	Number on issue at beginning of the year	Vested during the year	Number on issue at year end
10/6/2021	9/6/2026	0.70	587,029	Directors, Employees and Consultants	450,000,000	-	450,000,000
Total			587,029		450,000,000	-	450,000,000

Performance Rights were issued to directors following shareholder approval and others on 10 June 2021 (Mr Andrew Knox 175,000,000, Mr Robert Annells 100,000,000 and Mr Adrien Wing 100,000,000, Employees 50,000,000 (currently reduced to 25,000,000 due to employee resignation) and Consultants 50,000,000). The Performance Rights issued were subject to the following vesting conditions:

- The Company achieving a market capitalisation of equal to or greater than \$100 million for 5 consecutive trading days within 5 years; and
- The recipient remaining continuously employed or engaged up to the date of satisfaction of the market capitalisation vesting condition.

These Performance Rights are being expensed over the 5-year term up to the expiry date.

The fair value of the Performance Rights granted was estimated using a trinomial model taking into account the terms and conditions upon which the Performance Rights were granted. The model inputs used an expected volatility of 81%, risk free rate of 0.7%, and a share price at the grant date of 0.8 cents.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

16. RESERVES

	Group	
	2025 \$	2024 \$
Share based payments reserve	3,016,477	2,429,448
Foreign currency translation reserve	4,747	4,747
	3,021,224	2,434,195
Opening balance	2,434,195	2,147,166
Movements during the year:		
Performance rights shares issued	-	(300,000)
Share based payments – performance rights	587,029	587,029
	3,021,224	2,434,195

Nature and purpose of reserves:

Share based payments reserve records the value of options and performance rights issued which have been taken to expenses.

Foreign currency translation reserve recognises exchange differences arising from translation of the financial statements of foreign operations to Australian dollars.

17. EARNINGS PER SHARE

	Group	
	2025 \$	2024 \$
Net profit/(loss)	(461,516)	272,410
Calculation of basic and dilutive EPS – continued operations (cents)	(0.01)	0.01
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	Number 5,422,227,197	Number 5,409,440,312
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS (i)	Number 5,422,227,197	Number 5,859,440,312

- (i) 450,000,000 performance rights over ordinary shares are not included in the calculation of diluted earnings per share because they are anti-dilutive for the year ended 31 December 2025. These performance rights could potentially dilute basic earnings per share in the future.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025

18. CASH FLOW INFORMATION

Reconciliation of cash flow from operations with profit/(loss) from continuing operations after income tax:

	GROUP	
	2025 \$	2024 \$
Profit/(loss) after income tax	(461,516)	272,410
Non-cash flows in loss:		
Share based payments	587,029	587,029
Depreciation	50,718	52,032
Amortisation of oil and gas assets	26,959	33,142
Changes in assets and liabilities:		
(Decrease)/increase in trade creditors and accruals	428,406	(315,171)
Increase in provisions	28,592	99,861
(Increase)/decrease in trade and other receivables	(273,613)	14,001
Decrease in inventories	-	181,983
(Increase)/decrease in prepayments	18,450	(1,002)
Cash flows provided by operating activities	405,025	924,285

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

19. RELATED PARTY TRANSACTIONS

(a) Parent entity

Red Sky Energy Ltd is the parent entity.

(b) Key management personnel

Disclosures in relation to key management personnel are set out in Note 20 and the Remuneration Report in the Directors' Report.

(c) Transactions with related parties

Directors and officers, or their personally related entities, did not provide any services other than as disclosed in the Remuneration Report.

(d) Loans to/from related parties

None.

(e) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

(f) Controlled entities

	Country of Incorporation	Ownership Interest	
		2025 %	2024 %
Red Sky NT Pty Ltd	Australia	100	100
Red Sky Killanoola Pty Ltd	Australia	100	100
Red Sky Gold Nugget LLC	United States	-	100
Red Sky Angola Limited	British Virgin Islands	95	95

20. KEY MANAGEMENT PERSONNEL DISCLOSURES

Details of the names and positions of key management personnel and their remuneration are provided in the remuneration report in the Directors' Report. Summary disclosures are as follows:

Key Management Personnel Compensation	Group	
	2025 \$	2024 \$
Short-term employee benefits	676,407	682,756
Post employment benefits	63,927	57,188
Other long-term benefits	7,800	26,807
Share-based payments	489,194	489,194
Total	1,237,328	1,255,945

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

21. INTERESTS IN JOINT OPERATIONS

The consolidated entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications. Information relating to joint operations that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 \$	2024 \$
Block 6/24	Angola	35%	35%

22. REMUNERATION OF AUDITORS

	Group	
	2025 \$	2024 \$
Amounts received or due and receivable by RSM Australia Partners for:		
Audit and audit review services	56,650	52,190

23. COMMITMENTS AND CONTINGENCIES

The consolidated entity has no commitments or contingencies.

24. EVENTS SUBSEQUENT TO BALANCE DATE

On 31 March 2026, the Company announced that it had received firm commitments to raise \$1.0 million (before costs) through a placement of new fully paid ordinary shares. The placement comprises the issue of 1,000,000,000 fully paid ordinary shares at an issue price of \$0.001 per share and will be completed in two tranches, with the second tranche of \$0.2 million subject to shareholder approval.

Funds raised from the placement are intended to be applied towards participation in drilling activities within the Innamincka Dome, South Australia and for general working capital purposes.

The directors are currently planning to undertake a non-renounceable rights issue to raise up to approximately A\$4.2 million (before costs). Two (2) new shares under the Rights Issue will be offered for every three (3) shares held on the record date by eligible shareholders (being shareholders with a registered address in Australia, New Zealand or the United Kingdom at the record date) at an issue price of \$0.001 per share.

No other matters or circumstances have arisen since 31 December 2025 that have significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future years.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

25. PARENT ENTITY DISCLOSURES

(a) Summary financial information

	Parent	
	2025	2024
	\$	\$
Financial Position		
Assets		
Current assets	1,787,271	3,078,673
Non-current assets	6,939,431	5,283,754
Total assets	8,726,702	8,362,427
Liabilities		
Current liabilities	417,725	414,620
Non-current liabilities	4,215,068	2,720,841
Total liabilities	4,632,793	3,135,461
Net assets	4,093,909	5,226,966
Equity		
Issued share capital	50,628,088	50,328,088
Reserves	3,021,224	2,729,448
Accumulated losses	(49,555,403)	(47,830,570)
Total equity	4,093,909	5,226,966
Financial Performance		
Loss for the year	(1,567,484)	(1,779,408)
Other comprehensive income	-	-
Total comprehensive income	(1,567,484)	(1,779,408)

(b) Guarantees

Red Sky Energy Limited has not entered into any guarantees in relation to the debts of its subsidiaries.

(c) Other Commitments and Contingencies

Red Sky Energy Limited has no commitments to acquire property, plant and equipment, and has no contingent liabilities.

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CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the year ended 31 December 2025

Name of entity	Country of Incorporation	Tax Residency	Equity holding % 2025	Equity holding % 2024
Red Sky Energy Ltd (Parent)	Australia	Australia	n/a	n/a
Red Sky Gold Nugget LLC	United States	Unites States	-	100
Red Sky NT Pty Ltd	Australia	Australia	100	100
Red Sky Killanoola Pty Ltd	Australia	Australia	100	100
Red Sky Angola Limited	British Virgin Islands	British Virgin Islands	95	95

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DIRECTORS' DECLARATION

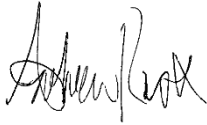
In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the consolidated entity disclosure statement on page 50 is true and correct; and
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the financial year ended on that date.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors:



Andrew Knox
Managing Director

Melbourne, Victoria
31 March 2026

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INDEPENDENT AUDITOR'S REPORT To the Members of Red Sky Energy Limited

Opinion

We have audited the financial report of Red Sky Energy Limited ('the Company') and its subsidiaries (together 'the Group'), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of Red Sky Energy Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit 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* (the Code) that are relevant to our audit of the 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 the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matters (continued)

Key Audit Matter	How our audit addressed this matter
Revenue Recognition Refer to Note 5 to the financial statements	
<p>During the year ended 31 December 2025, the Group earned revenue amounting to \$2,117,508 relating to the sale of gas and liquid commodities.</p> <p>We have assessed this to be a Key Audit Matter because it is the most significant account balance in the consolidated statement of profit or loss and other comprehensive income.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> Assessing whether the Group's revenue recognition policies were in compliance with Australian Accounting Standard <i>AASB 15 Revenue from Contracts with Customers</i>; Gathering and updating our understanding of the Group's revenue transaction cycle, including performing walkthrough testing; Obtaining third party confirmations from the most significant customer to confirm transactions occurred in the year; Testing a sample of revenue transactions to supporting documentation and ensuring these transactions were recognised in accordance with the Group's accounting policies; and Requesting and corroborating data to the production reports to ensure appropriate amount of revenue has been recognised for the year.
Carrying value of Exploration and Evaluation assets Refer to Note 11 to the financial statements	
<p>As at 31 December 2025, the carrying value of the Group's Exploration and evaluation assets amounted to \$5,934,535 (approx. 58% of the Group's total assets). We assessed this to be a Key Audit Matter because of the materiality of the balance and due to the significant management's judgment involved in assessing the carrying value in accordance with <i>AASB 6 Exploration for and Evaluation of Mineral Resources</i> ('AASB 6'), including:</p> <ul style="list-style-type: none"> Assessing whether the capitalised exploration expenditure meets the criteria of being capitalised in accordance with AASB 6; and Assessing whether any indicators of impairment are present, and if so, to quantify any impairment loss. 	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> Reviewing the Group's accounting policy and criteria recognition of capitalisation of exploration expenditure and assessed whether it is in line with AASB 6; Agreeing a sample of the additions to capitalised Exploration and evaluation asset during the year to supporting documentation, and ensuring that these meet the Group's accounting policy; Reviewing management's assessment of impairment indicators, including assessing the reasonableness of their conclusions; Ensuring that the right to tenure in the areas of interest was current through confirmation with the relevant government departments; and Assessing the reasonableness of the basis on which it was determined that exploration activities associated with the Innamincka mine have progressed to the point where the existence or otherwise of an economically recoverable mineral resource has been determined.

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2025; but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*,

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 24 of the annual report for the year ended 31 December 2025.

In our opinion, the Remuneration Report of Red Sky Energy Limited for the year ended 31 December 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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

RSM AUSTRALIA PARTNERS

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

R J MORILLO MALDONADO

Partner

Melbourne, Victoria
Dated: 31 March 2026

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SHAREHOLDER INFORMATION

TWENTY LARGEST SHAREHOLDERS

SHAREHOLDERS (Fully Paid Ordinary) 20 March 2026

	NUMBER OF SHARES	Percentage
MR GEORGE SPIROS PAPACONSTANTINOS	569,702,357	10.51
ABACUS ENTERPRISES PTY LTD	255,067,222	4.70
MR LUKE CARLO ROSSI	208,767,545	3.85
CITICORP NOMINEES PTY LIMITED	121,226,521	2.24
MR MICHAEL HOUGH	90,300,000	1.67
MR BRETT PARTRIDGE & MRS CHRISTINE JOANNE PARTRIDGE <PARTRIDGE FAMILY S/F A/C>	79,367,227	1.46
MR BRETT PARTRIDGE & MRS CHRISTINE JOANNE PARTRIDGE	75,388,331	1.39
FINLAYSON INVESTMENTS PTY LTD<FINLAYSON SUPER FUND A/C>	70,822,114	1.31
NORTHERN STAR NOMINEES PTY LTD	66,646,111	1.23
MR GREGORY JAMES SERATO	48,050,000	0.89
SELLICKS BEACH PTY LTD	45,000,000	0.83
MR DARREN RAYMOND WATSON <THE WATSON INVESTMENT A/C>	41,000,000	0.76
MR CRAIG GRAEME CHAPMAN <NAMPAC DISCRETIONARY A/C>	40,000,000	0.74
PARTRIDGE & CLEVEN PTY LTD <PARTRIDGE FAMILY A/C>	35,645,300	0.66
BNP PARIBAS NOMS PTY LTD	31,929,609	0.59
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	30,228,391	0.56
BIT NOMINEES PTY LTD <BOURNE FAMILY A/C>	30,000,000	0.55
INVIA CUSTODIAN PTY LIMITED <GILL FAMILY SUPER FUND A/C>	27,904,281	0.51
MR WILLIAM ROBERT LODWICK	26,000,000	0.48
MR ANDRE HACOPIAN	25,833,333	0.48
TOP 20 SHAREHOLDERS	1,918,878,342	35.39
TOTAL ISSUED SHARES	5,422,227,197	100.00

Distribution schedule of the number of fully paid ordinary shareholders in each class of equity security as at 20 March 2026.

By Class	Holder of Ordinary shares	Number of Ordinary shares	Percentage
1 – 1,000	580	271,600	0.00
1,001 - 5,000	547	1,380,396	0.03
5,001 – 10,000	170	1,327,124	0.02
10,001 – 100,000	1,382	84,367,005	1.56
100,001 and over	2,695	5,334,881,072	98.39
Totals	5,374	5,422,227,197	100.00

ADDITIONAL SHAREHOLDER INFORMATION

A. CORPORATE GOVERNANCE

Refer to the Company's Corporate Governance Statement at www.redskyenergy.com.au

B. SHAREHOLDING

1. Substantial Shareholders

George Spiros Papaconstantinos	569,702,357 shares	10.51% voting power
--------------------------------	--------------------	---------------------

There are no other substantial shareholders recorded.

2. Unquoted Securities

There are no unlisted Options present.

3. Number of holders in each class of equity securities and the voting rights attached.

At the general meeting, every ROG shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and on a poll, one vote for each share (which is fully paid). There are 5,374 holders of fully paid ordinary shares.

4. Marketable parcel

There were 327 Shareholders with less than a marketable parcel as at 20 March 2026.

C. EXPLORATION PROJECTS

1. Australian interests

Project		Interest owned %
Innamincka Dome, South Australia	PRL 14	20.00
Innamincka Dome, South Australia	PRL 17	20.00
Innamincka Dome, South Australia	PRL 18	20.00
Innamincka Dome, South Australia	PRL 180	20.00
Innamincka Dome, South Australia	PRL 181	20.00
Innamincka Dome, South Australia	PRL 182	20.00
Killanoola, South Australia	PRL 13	100.00

2. Angola interests

Project		Interest owned %
Kwanza Basin	Block 6/24	35.00

D. OTHER DETAILS

1. **Company Secretaries**

Mr Adrien Wing
Ms Pauline Moffatt

2. **Address and telephone details of the entity's registered and administrative office**

The address and telephone details of the registered and administrative office:

Level 2, 480 Collins Street
Melbourne VIC 3000

Telephone: + (61) 03 9614 0600
Facsimile: + (61) 03 9614 0550

3. **Address and telephone details of the office at which a register of securities is kept**

The address and telephone number of the office at which a registry of securities is kept:

XCEND
Level 2, 477 Pitt St
Haymarket NSW 2000

Telephone: +61 (2) 7208-8033

4. **Stock exchange on which the Company's securities are quoted**

The Company's listed equity securities are quoted on the Australian Stock Exchange.

5. **Restricted Securities**

The Company has no restricted securities on issue.

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