

19 July 2018

To: Australian Securities Exchange

Cleansing Statement

Notice Pursuant to Section 708A(5)(e) of the Corporations Act

Red Sky Energy Limited (the Company) gives notice under section 708A(5)(e) of the Corporations Act 2001 (Cth) as follows:

- (a) On 18 July 2018, the Company issued 150,000,000 full ordinary paid shares in the Company at an issue price of \$0.004 (0.4 cents) per share.
- (b) Of the 150,000,000 shares issued, 89,127,209 were issued under Listing Rule 7.1 and 60,872,791 shares were issued under ASX Listing Rule 7.1A.
- (b) The shares were issued without disclosure to the investor under Part 6D.2 of the Corporations Act.
- (c) As at the date of this notice the Company has complied with:
 - the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - Section 674 of the Corporation Act.
- (d) As at the date of this notice there is no excluded information required to be disclosed under section 708A(6)(e) of the Corporations Act.

Information under ASX Listing Rule 3.10.5A

The Company provides the following information in accordance with ASX Listing Rule 3.10.5A in relation to the shares issued under ASX Listing Rule 7.1A:

- (a) Dilution to existing holders of ordinary shares as a result of the issue made under ASX Listing Rule 7.1A:

The percentage of the Company's issued capital represented by the issue under ASX Listing Rule 7.1A is 8.02% (on a post-issue basis). 60,872,791 of the placement shares were issued under 7.1A. The holders of ordinary shares before the issue under ASX Listing Rule 7.1A hold 91.98% of the issued capital following the issue under of Listing Rule 7.1A.

The above does not take into account the dilutive impact of any further issues of shares as previously announced, including but not limited to shares proposed to be issued under tranche 2 of the Placement (which are conditional upon shareholder approval) or under the entitlement offer. The proposed share issues as previously announced will not involve the Company issuing shares from its 10% capacity under Listing Rule 7.1A.

- (b) The Company conducted the placement rather than a pro-rata issue or other type of issue in which existing security holders would have been eligible to participate as it was considered a more efficient and expedient manner to raise capital given the Company's circumstances. The Company also proposed conducting an entitlement offer as announced on 10 July 2018 to offer shares to eligible shareholders at the same issue price as shares under the Placement.
- (c) There was no underwriting.
- (d) A fee of up to 6% may be payable on the Placement.

For and on behalf of Red Sky Energy Ltd

A handwritten signature in black ink, appearing to read 'Adrien Wing', with a stylized flourish underneath.

Adrien Wing
Company Secretary