

ASX Announcement

May 21, 2009



Red Fork Energy Limited
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Directors

Michael Fry (Chairman)
David Prentice (Managing Director)
Perry Gilstrap (Director Operations)
Bruce Miller (Director Resources)

ASX Code

RFE (Fully Paid Ordinary Shares)

A\$5,000,000 Placement for Rapidly Progressing Oklahoma Projects

US-focused oil and gas exploration and production company Red Fork Energy Limited ("Red Fork" or "the Company") is pleased to announce that it has agreed to place 10 million new fully paid ordinary shares at a price of A\$0.50 per share to raise A\$5,000,000 ("the Placement").

Strong demand was received from a range of overseas based institutional investors and existing shareholders resulting in the Placement being significantly oversubscribed and priced at a A\$0.01 discount to the volume weighted average price of Red Fork shares over the last 30 days.

Chess Capital Partners Pty Ltd acted as lead manager to the Placement.

No shareholder approval is required for the Placement which is permitted under the Company's 15% annual placement capacity.

The funds raised will be used for the continued development of Red Fork's 100% owned oil and gas projects in Oklahoma ("East Oklahoma", "West Tulsa" and "Osage") in the United States, including the escalated development of its exciting and fast moving 50,000 acre gas discovery at East Oklahoma.

Importantly, the funds raised will ensure that Red Fork will be able to fund ongoing development at all three of its oil and gas assets on a standalone basis and without the introduction of a joint venture partner. This will enable the Company to maintain its 100% ownership of all three projects leading into increased production revenues. Red Fork will continue to remain debt free with in excess of A\$8,000,000 available in working capital.

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Significant progress has been made on all three oil and gas projects and Red Fork anticipates that it will now be able to bring its largest project in East Oklahoma into production this calendar year. Red Fork recently upgraded the production capacity and reserve potential at East Oklahoma following successful gas flow testing where potential stabilized daily flow rates were upgraded to 300,000 cubic feet of gas per day per well. Red Fork expects to be able to drill in excess of 600 wells at East Oklahoma.

Red Fork Managing Director David Prentice commented “We have experienced an increasing level of interest the Company’s activities and the vast potential associated with our oil and gas assets in Oklahoma and we are delighted by the strong demand from institutions and existing shareholders in this Placement. It is an exciting time for Red Fork and its shareholders as we are moving rapidly towards having three profitable 100% owned production centers in Oklahoma.”

Yours faithfully,



David Prentice
Managing Director

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About Red Fork Energy Limited

Red Fork Energy Limited is an Australian publicly listed company developing oil and gas assets in Oklahoma, United States. The Company currently owns and operates three projects, East Oklahoma (~50,000 acres), West Tulsa (~15,000 acres) and Osage (~5,000 acres). These assets provide proven producing oil and gas fields as well as highly prospective exploration acreage for future growth. Red Fork is well advanced in achieving its goal of becoming an independent exploration and production company through the commercialization of the coal bed methane, shale gas and conventional oil and gas resources located within its landholdings.

Forward Looking Statements

This announcement contains “forward-looking statements”. Such forward-looking statements include, without limitation: estimates of future earnings, the sensitivity of earnings to oil & gas prices and foreign exchange rate movements; estimates of future oil & gas production and sales; estimates of future cash flows, the sensitivity of cash flows to oil & gas prices and foreign exchange rate movements; statements regarding future debt repayments; estimates of future capital expenditures; estimates of reserves and statements regarding future exploration results and the replacement of reserves; and where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to oil and gas price volatility, currency fluctuations, increased production costs and variances in reserves or recovery rates from those assumed in the company's plans, as well as political and operational risks in the countries and states in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company's Annual Reports, as well as the Company's other filings. The Company does not undertake any obligation to release publicly any revisions to any “forward looking statement” to reflect events or circumstances after the date of this release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.