

## ASX Announcement

October 29, 2009

Red Fork Energy Limited  
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### Website

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

### Directors

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

### ASX Code

RFE (Fully Paid Ordinary Shares)

## Strategic Acquisition Positions Red Fork to Dominate East Oklahoma Gas Discovery

- Total holdings at East Oklahoma increase by 125% to 110,000 acres
- Immediate production boost from existing wells with sales and production infrastructure in place
- Fast tracks the development of the East Oklahoma discovery by at least 2 years
- In excess of 80 production and pre-production wells acquired
- Inventory of potential well locations increases to in excess of 1,400 in large scale gas discovery
- Acquisition expected to significantly increase total gas reserves at East Oklahoma
- Red Fork now set to have three production centers in East Oklahoma

US-focused oil and gas exploration and production company Red Fork Energy Limited ("Red Fork" or "the Company") is very pleased to announce that it has successfully closed the acquisition announced to the ASX on October 13, 2009.

Red Fork has acquired a 100% Working Interest (80% Net Revenue or greater) in approximately 63,000 acres located in the area immediately south of its existing East Oklahoma project (EOK Central) in the United States.

The acquisition positions Red Fork as the dominant acreage holder in the East Oklahoma gas discovery area, with more than 110,000 acres held in an area stretching from Wagoner County in the south, north to the Kansas border.

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This new project (EOK South) is serviced by extensive gas sales and transportation infrastructure and it fast tracks the execution of the Company's development of the discovery by at least 2 years with immediate cash flow from existing wells, enormous potential from already drilled and tested pre-production wells and a large inventory of new potential drillable locations.

The new project includes a large number of existing production and pre-production wells (in excess of 80 wells). It already houses significant infrastructure, including an extensive gas gathering and water disposal system, operational central treating and compression facilities as well as approximately 25 miles of large diameter gas transportation pipe which delivers gas to the spot market.

EOK South is currently producing at the rate of approximately 1,000,000 cubic feet of gas per day lifting the Company's current total daily production rate to approximately 3,000,000 cubic feet of gas equivalent, generating annual gross revenue of approximately US\$5 million per annum at the current spot price.

Importantly, the Company expects to rapidly and significantly increase production from EOK South through a program aimed at improving the efficiency of existing wells and bringing already drilled and tested wells on line. This program of work will commence immediately.

The acquisition also adds to the Company's already large inventory of potential drilling locations, taking the total to in excess of 1,400 potential locations (based on ultimate development of the acreage on 80 acres spacing's).

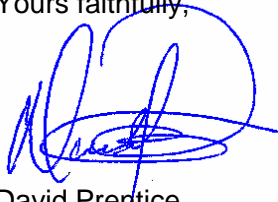
The Company's reserves of natural gas at East Oklahoma will also be significantly boosted through this acquisition and the Company will immediately commission its independent reserve engineers Lee Keeling & Associates to prepare a report on the current and potential reserves for this new project. This report is expected to be completed by the end of the March 2010 quarter.

The Company is very pleased to have acquired these assets at this point in the price cycle for natural gas. These assets are of enormous strategic value to Red Fork, adding a second fully operational production centre, a second access point to the gas market (at the spot price) as well as an extensive inventory of pipeline, gas gathering and production equipment. Importantly, Red Fork expects to be able to use some of this excess inventory to complete the construction of its treatment and compression facilities at its existing 100% owned EOK Central project.

The acquisition of the EOK South project positions Red Fork with three production centers in the East Oklahoma discovery area. The first, currently under construction at the Company's EOK Central project (where the Company has drilled, cased and cemented six wells, established key infrastructure and is currently constructing treatment and compression facilities to deliver gas into its 100% tap into a gas sales line; the second at EOK South (where sales have already been established); and the third in EOK North (where the Company is participating in a joint venture where drilling is set to commence).

Red Fork Managing Director David Prentice commented “We have a clear strategy to take advantage of our dominant position in the large scale gas discovery in East Oklahoma. This latest acquisition will have an immediate effect on our production capacity and will significantly boost our inventory of potential drilling locations. The Company has already developed an intimate knowledge of the discovery area and we are continuing to refine our drilling and completion techniques to ensure that we can maximize the productive capability of the shallow biogenic shale whilst keeping development and production costs as low as possible. We have an extremely valuable asset base from which to ramp up production and drilling activity in the short term and for the foreseeable future.”

Yours faithfully,

A handwritten signature in blue ink, appearing to be 'D. Prentice', written over a circular blue scribble.

David Prentice  
Managing Director

## 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 (~110,000 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.