



ASX Announcement
October 8, 2014

Red Fork Energy Limited
ACN 108 787 720

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Contact

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Website

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Directors

Michael Fry (Chairman)
David Prentice (Managing Director)
Bill Warnock (Non Exec. Director)
Larry Edwards (Non Exec. Director)
David Colwell (Non Exec. Director)

Executive Management

Chris Girouard (President & COO)
Kevin Humphrey (Chief Financial Officer)
Lee Francis (Exec. VP Operations)
Suzie Foreman (Company Secretary)

Listings

RFE.AX (Fully Paid Ordinary Shares)
RDFEY.OTCQX (1 ADR = 10 FPO's)

About Red Fork Energy

Red Fork Energy is an Australian domiciled publicly traded oil and gas producer and explorer, with assets and operations in Oklahoma.

The Company has positioned itself in one of the premier on-shore United States horizontal plays, with a large and prospective acreage position in the heart of the Mississippi Lime/Woodford oil and liquids rich gas play.

Re-financing Partner Selected

Red Fork Energy Limited (ASX:RFE, OTCQX:RDFEY, Red Fork or the Company) is pleased to announce an update on the Company's Strategic Review Process with the selection of a preferred re-financing partner for its existing debt facilities.

Strategic review

The structured process was commenced in May and included the evaluation of potential transactions at both the asset and corporate level. Petro Capital Securities, LLC (Petro Capital) was engaged as the Company's US advisor to facilitate the Company's asset monetization and re-financing marketing effort. Euroz Securities Limited was appointed as the Company's Australian advisor to evaluate potential transactions at the corporate level, and to provide an independent view on asset transactions requiring shareholder approval.

Petro Capital undertook an extensive marketing campaign in conjunction with the Company making presentations and holding discussions with prequalified interested parties in an effort to secure proposals from both asset buyers (strategic and financial) and pure debt and equity investment groups.

Preferred re-financing partner

Considerable interest was received on Red Fork and its assets, and the process resulted in the receipt of a number of asset sale and refinancing proposals. After an extensive evaluation and negotiation period the Company, in accordance with its advisors' recommendations, has selected a preferred re-financing partner.

Red Fork will now work with the preferred re-financing partner to endeavor to execute a term sheet and then to ultimately close a transaction for a new debt facility that would see the Company's existing senior secured loan repaid and additional working capital secured.

Working toward term sheet execution and close

As previously announced, the Company's existing credit agreement contains quarterly covenant reporting obligations, and it was in compliance with these covenants at 31 December 2013. The Company anticipated it would be in breach of certain covenants as of 31 March 2014 and 30 June 2014, and accordingly obtained waivers in respect of those anticipated breaches prior to each respective date. The most recent waiver obtained was effective until 30 September 2014.

The Company has notified the Administrative Agent for the existing credit agreement that it anticipates the delivery of its next quarterly financial statements (for the period ended 30 September 2014) will show that the requirements set forth in certain covenants will not be satisfied. These quarterly financial statements are due at the end of November 2014. Notwithstanding this, the Administrative Agent continues to work with the Company so that a term sheet for a new facility with the preferred re-financing partner can be executed and the new facility closed.

The Company will provide additional detail on the terms of this new facility and a revised development plan in due course.

-ENDS-

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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.