

RED FORK ENERGY LIMITED

(SUBJECT TO DEED OF COMPANY ARRANGEMENT)
(RECEIVERS AND MANAGERS APPOINTED)
(TO BE RENAMED BROOKSIDE ENERGY LIMITED)

ACN 108 787 720

26 May 2015

Dear Shareholder

RED FORK ENERGY LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT) (RECEIVER AND MANAGER APPOINTED) (The Company)

The Company provides the following update:

Deed of Company Arrangement

At a reconvened second meeting of the creditors of the Company held on 1 April 2015, creditors passed a resolution requiring the Company to execute a Deed of Company Arrangement (**DOCA**) as proposed by Cicero Advisory Services Pty Ltd.

Following execution of the DOCA, the Company executed a number of documents that resulted in the Company transferring its interest in Red Fork USA Investments, Inc., Prairie Gas Gathering LLC and EastOK Pipeline LLC to Guggenheim Corporate Funding, LLC. (**Guggenheim**) (or its nominee) the Company's major secured creditor. This transfer included the Company's leasehold and production acreage (Big River and East Oklahoma Projects etc.) as well as the associated gas processing and gathering infrastructure and its water disposal facilities. Guggenheim has agreed to release its security in respect of the Company as part of the recapitalisation process, subject to the terms of the DOCA.

The Company has retained a leasehold interest in 465 gross acres (approximately 282 net acres) in Section 11, of Township 19 North, Range 4 East, in Payne County, Oklahoma. The Leases are located in a part of northern Oklahoma with a long history of hydrocarbon production from the Cherokee Platform east of the Anadarko Basin and north of the Arkoma Basin. The region is very well located with access to pipeline, processing and refining capacity as well as experienced service companies providing exploration, drilling and production expertise.

Subject to its successful recapitalisation and reinstatement, the Company intends to direct its attention to exploration for oil and gas within the Payne acreage. This will include detailed review of available geological and seismic data as well as the review of historical drill logs for any drilling (vertical) that may have been conducted in the area.

Recapitalisation Proposal - Shareholders Meeting / Capital Raising

The Deed Administrators have provided their consent for the Directors to convene an extraordinary general meeting of shareholders and to issue one or more prospectuses for the purposes of satisfying the Shareholder Condition and conducting the Company's capital raising described in the DOCA in accordance with the Act and the constitution of the Company.

In this regard, the Company has convened a General Meeting of Shareholders to be held on 5 June 2015. The Notice of Meeting with respect of this meeting has been dispatched to Shareholders and is available for review on the Company's website. Details of the proposed reconstruction and recapitalisation are summarised in the Notice of Meeting. It is important to note that completion of the DOCA is subject to a number of conditions, including obtaining Shareholder approval for the Recapitalisation Resolutions as set out in the Notice of Meeting.

RED FORK ENERGY LIMITED

(SUBJECT TO DEED OF COMPANY ARRANGEMENT)
(RECEIVERS AND MANAGERS APPOINTED)
(TO BE RENAMED BROOKSIDE ENERGY LIMITED)

ACN 108 787 720

The Company is in the process of preparing a Prospectus for the capital raising proposed under the reconstruction and recapitalisation proposal detailed in the Notice of Meeting. The Company expects to lodge the Prospectus with ASIC and ASX shortly. In summary the Prospectus is for the offer of up to 2,500,000,000 Shares at \$0.001 per Share to raise up to \$2,500,000 (the **Offer**). The Offer includes:

- a. a Priority Offer to Shareholders who hold Marketable Parcels of Shares to subscribe for four (4) Shares for every one (1) Share held as at the Record Date.
- b. A Top Up Offer to Shareholders who hold less than a Marketable Parcel of Shares to subscribe for Shares to increase their shareholding to a Marketable Parcel of Shares.
- c. A Public Offer of that number of Shares that represents the difference between 2,500,000,000 and the number of Shares applied for by Shareholders under the Priority Offer and the Top Up Offer.

The Company has engaged Cicero Advisory Services Pty Ltd (ACN 166 321 393) (corporate authorised representative No. 449190 of ACNS Capital Markets Pty Ltd T/A Alto Capital (ACN 088 503 208) AFSL No. 279099) as Lead Manager to the Offer.

Yours faithfully,



Michael Fry
Chairman