

ASX Announcement

August 27, 2009

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

ASX Code

RFE (Fully Paid Ordinary Shares)

RED FORK TO DOUBLE EAST OKLAHOMA LAND HOLDINGS AND FAST TRACK WEST TULSA

- Red Fork commits to a significant expansion of land holdings at East Oklahoma
- Moves to establish a 4th production center
- Accelerate development activity at West Tulsa
- Funding secured to implement strategic growth and development strategy

Red Fork Energy Limited ("Red Fork" "RFE" or "the Company") is pleased to announce that it has committed to a significant expansion of its current land holdings within the exciting East Oklahoma gas discovery in the United States. This will add a fourth production center to the Company's existing three projects: "East Oklahoma", "West Tulsa" and "Osage".

Red Fork already owns and operates a 50,000 acre project at East Oklahoma, however by increasing its presence in an area immediately to the north of its existing project, the Company will have the ability to more than double its current acreage and its overall exposure to the large gas discovery in this proven and productive region.

In this part of the discovery area, the Company is participating in a Joint Venture with a Dallas based group of private oil and gas investors and Red Fork anticipates that 10 new wells will be drilled and tested in the area by the end of the 2009 calendar year.

Red Fork is carried for a 25% interest in these 10 wells through to completion as well as for an additional 60,000 acres in the Joint Venture project. Under the terms of the Joint Venture, Red Fork can increase its participation by contributing to the cost of acquiring and developing acreage. Red Fork is the operator of the project.

Red Fork believes this northern part of the discovery area where the Joint Venture operates is as prospective in terms of shale thickness and productive characteristics as the Company's existing project to the south where Red Fork has an aggressive drilling program underway, with 10 wells to be in production by the end of 2009.

In addition to Red Fork's existing 50,000 acre project and the Joint Venture project outlined above, the Company is pursuing further strategic acquisition opportunities at the Eastern Oklahoma gas discovery. The Company is committed to its strategy to utilize its competitive advantage to become the dominant operator at East Oklahoma having already established a strong acreage position and a thorough understanding of the unique characteristics of the discovery. Red Fork has much of the necessary infrastructure in place as well as the required technical and operational expertise to exploit the shallow biogenic shale gas at East Oklahoma and is able to move quickly with its development activities.

Red Fork considers this to be an appropriate time to take advantage of a low point in the natural gas price cycle to acquire strategically important assets and build its presence in the East Oklahoma discovery area.

West Tulsa

At Red Fork's 100% owned and operated West Tulsa oil producing project, the Company will accelerate the development of the successful Pawnee oil prospect with the goal of having 10 wells drilled by the end of this year.

Red Fork has already achieved significant progress at the project with four production wells successfully drilled and completed. Two of these wells are already in production and the Company is now planning a 20 well drilling program at the Pawnee prospect at West Tulsa, which has the potential to deliver large scale long term oil production generating significant revenue and profits.

Funding

Additional funding to undertake the above activities has been secured through a A\$24 million equity placement (20 million new ordinary shares in Red Fork at \$1.20 per share) that is subject to shareholder approval at a General Meeting of shareholders to be held on or about the 1st October, 2009. Chess Capital Partners Pty. Ltd. acted as lead manager to this placement.

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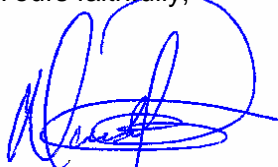
This injection of equity, combined with the Company's existing cash reserves and increasing production revenue will enable Red Fork to pursue its strategy to expand its East Oklahoma land holdings through strategic acquisitions and to accelerate the development at its West Tulsa project.

In concluding, Red Fork Managing Director David Prentice commented "This is a unique opportunity for an Australian listed and United States based exploration and production company to strengthen its already established position in the proven and lucrative oil and gas fields in Oklahoma. I have total confidence that the foundations that we have laid and the success that we have already achieved in the area will support our growth and development strategies.

"The fast tracking of our West Tulsa oil project is also very exciting with a plan to drill 10 wells before year end and we expect this project to deliver substantial and long term revenue for the Company.

"With a combination of existing cash reserves, increasing production revenue and the proceeds of this placement, Red Fork has a strong balance sheet with no debt and is very well positioned to build the business and achieve our growth strategy. We are moving quickly towards having four profitable production centers with access to significant development upside from here."

Yours faithfully,



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 (~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.