



# Annual General Meeting 2010

The Westin Hotel

Melbourne, Tuesday 30<sup>th</sup> November 2010



# Forward Looking Statements...

This presentation contains forward looking statements that are subject to risk factors associated with the oil and gas business. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to; exploration and appraisal drilling, operating and production results, estimates of resources and reserves, competition, environmental risks, legislative risks, access to capital, project delay or advancement, approvals, cost estimates, price fluctuations and demand. Investors should undertake their own analysis and seek advice from their professional advisor before deciding to invest in Red Fork Energy Limited.

## Reserve Certification

The independent certification of the reserves outlined in this presentation was undertaken by Lee Keeling & Associates, Inc (Lee Keeling). Lee Keeling are engaged each year by the Company to review and prepare a report on the Company's oil and gas reserves. Lee Keeling are petroleum consultants based in the United States with offices in Tulsa and Houston. Lee Keeling provide specific engineering services to the oil and gas industry, and consults on all aspects of petroleum geology and engineering for both domestic and international projects and companies. Lee Keeling have consented to the release of this reserves information.

# FY2009/2010 Milestones...

- ✓ Revenue up 189% to A\$3.01m
- ✓ Gross Profit up 132% to A\$1.24m
- ✓ Net Assets up 79% to A\$46.25m
- ✓ 1P Reserves reach 79.9Bcfe (up from 22.4Bcfe in 2009)
- ✓ 2P Reserves reach 143.1Bcfe (up from 72.8Bcfe in 2009)
- ✓ 3P Reserves reach 197.6Bcfe (up from 106.5Bcfe in 2009)

# 2010 Reserve Certification

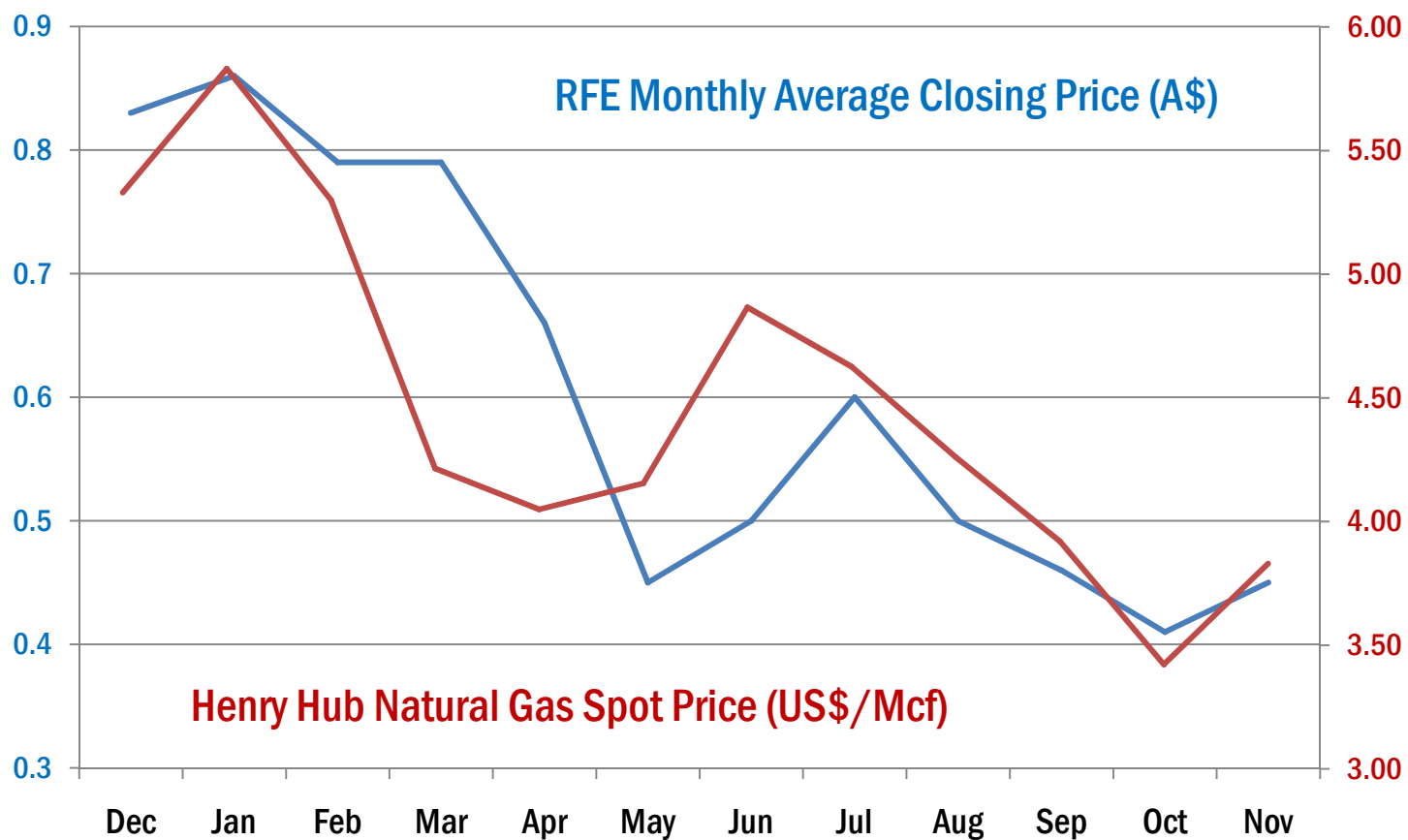
	Proved (1P)			Proved plus Probable (2P)			Proved, Probable plus Possible (3P)		
	Mmbo	Bcf	Bcfe	Mmbo	Bcf	Bcfe	Mmbo	Bcf	Bcfe
East Oklahoma	0.00	26.14	26.14	0.00	78.40	<b>78.40</b>	0.00	114.82	114.82
West Tulsa	0.89	2.70	20.50	1.39	3.70	<b>31.51</b>	1.74	14.81	49.53
Osage	1.20	9.20	33.24	1.20	9.20	<b>33.24</b>	1.20	9.20	33.24
<b>Total</b>	<b>2.09</b>	<b>38.03</b>	<b>79.87</b>	<b>2.59</b>	<b>91.30</b>	<b>143.14</b>	<b>2.94</b>	<b>138.83</b>	<b>197.58</b>

<b>Net Revenue US\$m</b>	226.00	<b>443.03</b>	623.65
<b>PV 10 US\$m</b>	80.73	<b>142.46</b>	183.57

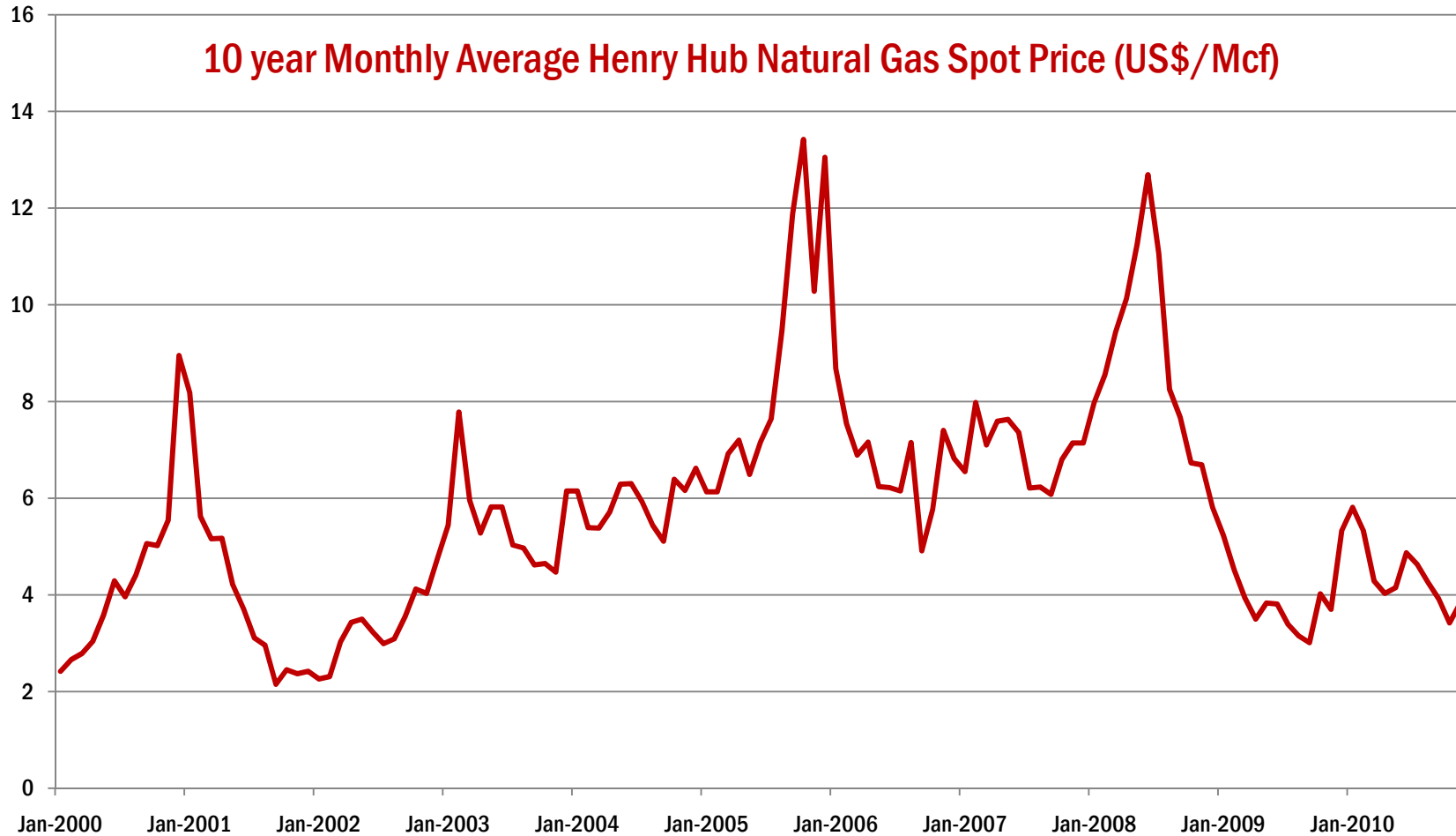
## Notes & Assumptions:

1. All of these reserves are from shale gas, conventional oil and gas and coal be methane accumulations, at depths ranging from 400 to 5,000 feet. The producing zones range in age from Pennsylvanian to Cambrian and are located in the Arkoma and Cherokee basins of Oklahoma in the United States.
2. The reserves are based on an oil price of US\$75.00 per bbl flat and a starting gas price of US\$5.20 per Mcf escalated to a maximum of US\$7.38 per Mcf for the life of each well.
3. Bcfe is presented on a revenue equivalent basis using the NYMEX spot price for oil and the Henry Hub spot price for gas as at September 11, 2010.
4. Volumes presented are for Red Fork's 100% Working Interest in each of its projects.

# A difficult year for Shareholders...



# Gas price outlook...



# What have we done to ensure we can continue to grow even in this environment...

- ✓ East Oklahoma Project reserve growth and development plan
- ✓ Path to grow reserves defined with independent certifying engineers
- ✓ Grow production, refine drilling and completion techniques and drive costs lower
- ✓ Actively manage our acreage position to maintain dominance in the discovery area

# Huge rewards for getting it right in the Shales...

- ✓ Royal Dutch Shell acquired East West Resources for \$4.7 billion
- ✓ Atlas Energy \$1.7 billion JV with India's Reliance Industries
- ✓ Exco Resources \$950 million JV with BG Group
- ✓ Reliance Industries \$1.3 billion JV with Pioneer Natural Resources
- ✓ Kohlberg Kravis & Co. \$400 million JV with Hilcorp Energy
- ✓ Exxon acquired XTO Energy for \$41 billion
- ✓ Chesapeake Energy \$2.25 billion JV French major Total SA
- ✓ Consol Energy acquired Dominion Resources for \$3.5 billion
- ✓ Anadarko Petroleum \$1.4 billion JV with Mitsui



# Growth even in this environment...

- ✓ **Maintain flexibility in our other project areas with a focus on liquids**
- ✓ **Oil and natural gas with condensate at Pawnee (West Tulsa)**
- ✓ **Thirty six (3P) development locations identified within the Pawnee prospect**
- ✓ **Sixteen of these locations classified as Proved Undeveloped (1P)**

# Flexibility remains a key part of our strategy...

- ✓ Establishing three revenue streams (oil, natural gas and natural gas liquids/condensate)
- ✓ Importance of our mid-stream business which provides us with a strong competitive advantage in our areas of operation.

# Emergence of important “liquids rich” plays...

- ✓ Near term focus of the majors shifts toward unconventional liquids-rich plays
- ✓ Leasing and developing large positions in Granite Wash, Mississippian and Niobrara liquids plays.
- ✓ Taking horizontal drilling and completion techniques refined in the shales and applying them to these plays

# Red Fork Energy...

Meeting the challenges and taking advantage of the opportunities

Red Fork Energy is an Oklahoma based shale gas and oil exploration and production company that is listed on the Australian Stock Exchange

## RFE at a glance

Shares on Issue : 139.0 million  
Unlisted Options : 18.0 million (various strikes)  
Share Price : \$0.45 (26/11/2010)  
Market Cap : ~A\$71 million  
Shareholders : ~1,600  
Top 20 Holding : ~63%  
Cash : ~A\$4.9 million (30/09/2010)  
2P reserves : ~143Bcfe (30/06/2010)  
Debt : Nil

1. Company making upside to be unlocked in East OK Shale assets
2. Track record for growth – reserves and revenue
3. Three revenue streams – oil, gas and NGL's
4. Very experienced local management team

# Thank you...