

ASX Announcement
March 29, 2010

Red Fork Energy Limited
ACN 108 787 720

Level 2, 79 Hay Street
Subiaco Western Australia 6008
PO Box 1424
West Perth WA 6872

Telephone +61 8 9200 4470
Facsimile +61 8 9200 4471

Contact

David Prentice
Managing Director
david.prentice@redforkenergy.com.au

Website

www.redforkenergy.com.au

Directors

Michael Fry (Chairman)
David Prentice (Managing Director)
Perry Gilstrap (Director Operations)
Bruce Miller (Director Resources)
Steve Miller (Non-Executive Director)

ASX Code

RFE (Fully Paid Ordinary Shares)



20 New Wells at EOK South

Highlights

- Total wells tied-in to sales to increase to 49
- Current production of 1MMcf/day to increase substantially with revenue reflected in September Quarter results
- Plant optimization program substantially complete generating significant cost savings
- Plant now capable of transporting 40MMcf/day and processing 4MMcf/day without upgrading
- Gathering system expanded with approximately 40km of new pipeline
- Development to continue in 20 well phases
- EASTOK set to expand its mid-stream business through marketing of through-put or stranded gas

Oklahoma based (ASX listed) oil and gas exploration and production company Red Fork Energy Limited ("Red Fork" or the "Company") is pleased to provide an update on progress at the recently acquired (100% owned and operated) East Oklahoma South Project (EOK South).

The Company assumed ownership and operations of the project in November 2009 and immediately established gas production at the rate of approximately 1,000,000 cubic feet of gas per day (1MMcf/day). This production level has been maintained and increased with less than a week of unscheduled downtime or production interruptions despite the severe weather conditions experienced in Oklahoma during December 2009 and January 2010.

Since the acquisition, the Company's immediate focus has been on a program of work to stabilize and where possible improve production from existing wells and to improve the efficiency and profitability of the Wagoner "A" processing and compression facilities. This program has been successful generating initial modest increases in production and significant operating cost savings through the replacement or "right sizing" of equipment in the compression and gas processing sections of the plant.

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The Wagoner "A" Station is now capable of transporting up to 40MMcf/day. Under the current configuration, it is capable of processing 4MMcf/day, with the capacity to upgrade to meet future requirements. The direct cost of processing at the 4MMcf/day rate is approximately US\$0.31 per Mcf.

The Company's wholly owned subsidiary and mid-stream company, EASTOK Pipeline, LLC (EASTOK) has also continued to expand the natural gas gathering and water disposal system at EOK South. A total of 19 miles (30.5 km) of gathering pipeline is under construction using three separate construction contractors. An additional 5.5 miles (9 km) is planned and will commence by mid-April as current projects are completed. Additional plant and system improvements are also underway to increase well production volumes, reduce costs and improve efficiencies of the system.

The expansion of the pipeline infrastructure by EASTOK will enable Red Fork to bring 20 new wells into production, bringing the total number of wells currently in production to 49. This will boost production from EOK South and this will be reflected in the September Quarter 2010 revenue numbers.

EASTOK has also been active in pursuing opportunities to expand its mid-stream business through the marketing of through-put or stranded gas from other operators in the immediate vicinity of the pipeline system. Successful contracting and connection of these prospects will allow EASTOK to further expand its system, increasing its footprint in the region, and provide increased cash flows from third party fees and payments. Importantly, the pipeline infrastructure and compression and processing facilities owned by EASTOK at EOK South provides the only access to the spot gas market in this part of the play.

In addition, this expanded infrastructure will provide Red Fork with the ability to proceed with its planned drilling program at EOK South, connecting its wells to sales quickly and economically. The Company will expand the EOK South project in phases of 20 wells and update the market at the completion of each phase.

Commenting on this announcement, Red Fork Managing Director said "EOK South was a well timed strategic acquisition by Red Fork because of its existing infrastructure, production and reserves in a proven gas play that we know very well. We set about re-establishing production and improving efficiencies which we have achieved in a very short time-frame. Now we are starting to capitalize on the growth opportunities by bringing on new wells to tie directly into sales. This growth will be reflected in future revenue numbers and we look forward to up-dating the market and our shareholders as we continue to develop and expand this very exciting project."

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 (~110,000 acres in total made up of three projects: East Oklahoma Central; East Oklahoma South and East Oklahoma North), 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.