

ASX Announcement
September 14, 2010



Red Fork Energy Limited
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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)

Major Reserve Upgrade Following Independent Certification

- > Proved plus Probable (2P) Reserves increase to 143.1Bcfe
- > Proved, Probable plus Possible (3P) Reserves increase to 197.6Bcfe
- > Initial East Oklahoma gas Reserves (2P) stand at 78.4Bcf
- > East OK South acquisition delivers an initial US\$80 million in Proved plus Probable (2P) PV10 value

US-focused oil and gas exploration and production company Red Fork Energy Limited ("Red Fork" or the "Company") is very pleased to update the market on its reserve position as at June 30, 2010 following independent certification by petroleum engineers, Lee Keeling & Associates, Inc ("Lee Keeling").

This year the Company has again successfully increased its total reserve position with total proved, probable plus possible (3P) reserves increasing to 197.6 Billion cubic feet equivalent (Bcfe), up from 106.5Bcfe in the previous year.

Proved plus probable reserves (2P) increased to 143.1Bcfe (up from 72.8Bcfe in 2009), while proved reserves (1P) reached 79.9Bcfe (up from 22.4Bcfe in 2009).

Importantly, the Company has now confirmed an initial independently certified 2P reserve of 78.4Bcf for its shallow biogenic shale discovery at East Oklahoma.

The majority of this initial reserve increase can be attributed to the strategic EOK South acquisition which was successfully closed late last year.

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Red Fork acquired the EOK South assets (which included over 60,000 acres, extensive gas gathering, compression, processing, pipeline and sales infrastructure, existing gas production and a large drilling inventory) in November 2009. Based on this latest independent review, this acquisition has already delivered almost US\$80 million in proved and probable (2P) PV10 value.

The table below outlines the oil and gas reserves now attributable to Red Fork's three project areas as well as the Net Revenue and PV10 values attributable to these reserves.

| | 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 | 78.40 | 0.00 | 114.82 | 114.82 |
| West Tulsa | 0.89 | 2.70 | 20.50 | 1.39 | 3.70 | 31.51 | 1.74 | 14.81 | 49.53 |
| Osage | 1.20 | 9.20 | 33.24 | 1.20 | 9.20 | 33.24 | 1.20 | 9.20 | 33.24 |
| Total | 2.09 | 38.03 | 79.87 | 2.59 | 91.30 | 143.14 | 2.94 | 138.83 | 197.58 |

| | | | |
|-------------------------|--------|---------------|--------|
| Net Revenue A\$m | 251.80 | 495.77 | 696.98 |
| PV 10 A\$m | 89.93 | 158.70 | 204.50 |

Notes & Assumptions:

1. All of these reserves are from shale gas, conventional oil and gas and coal bed 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 Cherokee basin 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. Valuations are converted using 1 USD to 1.114 AUD.
5. Volumes presented are for Red Fork's 100% Working Interest in each of its projects.

Commenting on this announcement, Red Fork Managing Director, David Prentice, said, "We are very pleased and excited to again deliver a very significant increase in our independently certified reserves."

"We remain focused on our strategy of acquiring acreage in proven oil and gas provinces, with a focus on maintaining low finding, development and operating costs and unlocking value in large resource type plays as well as applying contemporary drilling and completion methods to conventional oil and gas zones."

"To date we have built a Company with a very significant acreage position of approximately 130,000 acres with substantial supporting pipeline and production infrastructure, significant 2P reserves as well as oil and gas production and revenue."

"This latest increase in reserves is a very pleasing next step in the development of our Company."

The independent certification of these reserves 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.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'D. Prentice', with a large circular flourish above the name.

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), 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.