

ASX Announcement
September 14, 2011



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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)

Progress Report *Tahara #1-28H* Well Pawnee County, Oklahoma

- ✓ Successfully reached target depth of 8,139 feet with approximately 4,200 feet of lateral drilled within the target Mississippi formation
- ✓ Mud logs and samples have confirmed good shows of oil and gas in several zones across the full length of the lateral
- ✓ Full suite of open hole logs to be run ahead of operations to set production casing for completion and testing

Oklahoma based (Australian Securities Exchange listed) oil and gas exploration and production company, Red Fork Energy Limited ("Red Fork" or the "Company") advises that as of 7.00am Central Time on September 12, 2011 the *Tahara #1-28H* successfully reached its target depth of 8,139 feet.

Approximately 4,200 feet of lateral was successfully drilled in the Mississippi formation, with mud logs and samples confirming several good shows of oil and gas throughout the length of the lateral. Shows of oil were observed in cuttings across some broad zones within the lateral, with numerous gas readings above background also recorded, again over broad zones within the lateral section.

Entry of the lateral in the Mississippi section was determined by open hole log evaluation of wells that penetrated the Mississippi in the immediate area. Production history from vertical Mississippi wells indicates that both the Mississippi Solid and the Mississippi Chat are productive. Based on log evaluation and available production data, the lateral was positioned approximately in the middle of the section. Sample examination indicates that the lateral encountered interbedded limestone and chert beds.

Importantly the Company was able to successfully drill the full designed lateral length without any operational or technical difficulties.

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The lateral section of the well will now be prepared for open hole logging activities (full suite of Schlumberger logs). Immediately following this, operations to hang and cement the production liner will commence.

Finally the well will be shut-in awaiting completion operations, which will include perforation of the casing and a multi-stage fracture stimulation program.

Commenting on this release, Red Fork Managing Director, David Prentice, said, “We are very pleased that our operations team and preferred contractors have been able to deliver our first long Mississippian lateral without encountering any operational or technical difficulties. We are also excited that the well bore has encountered oil and gas in broad zones within the Mississippi formation in several zones across the length of the lateral and we look forward to providing further updates as completion operations get underway”.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'David Prentice', with a large circular flourish at the end.

David Prentice
Managing Director

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.