

ASX Announcement

December 10, 2009

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)

ASX Code

RFE (Fully Paid Ordinary Shares)

New Discovery at West Tulsa

- Initial test results identify new productive zone at Pawnee at the West Tulsa project
- Encouraging results from a zone within the Simpson Series Sands
- Good shows of high BTU gas and some associated oil production
- Opportunity to boost reserves and production at West Tulsa
- West Tulsa oil and gas production set to increase as two new wells are brought on line

US-focused oil and gas exploration and production company Red Fork Energy Limited ("Red Fork" or "the Company") is pleased to announce successful initial production test results from a new zone at the Pawnee Prospect at West Tulsa.

Testing of a zone within the Simpson Series Sands in the *Rosier #2-27 well* has delivered some encouraging results.

Initial tests have delivered good shows of very high quality gas in the 1200/1300 BTU range with some associated oil production, with good bottom hole pressure and a high gas to oil ratio. The zone was fracture stimulated and produced through perforations via a submersible pump. Production testing is ongoing.

This new zone is below the Red Fork Sand (where the Company has already established oil and gas production and significant 2P reserves).

Red Fork is encouraged by the discovery of this new zone at Pawnee. The results of this initial test in this well will continue to be evaluated and the Company expects that commercial production will be established in this zone within the field, adding significantly to the projects reserves and production profile.

With initial work on this zone in this well finished, the focus will now return to establishing production in the Red Fork sand zone in wells already drilled that are not yet in production. The Red Fork sand zone has been logged in this well (the *Rosier #2-27 well*) and the *Fuss #3-33 well* and both of these wells will now be completed in the Red Fork sand and brought on line.

Commenting on this announcement, Red Fork Managing Director David Prentice said “We are very pleased to have added to the reserve potential and productive capacity of West Tulsa with this new discovery.

“We now have a total of five production wells at West Tulsa supported by extensive permanent production facilities and drilling is about to recommence.

“The discovery of this new zone is a further boost to what is already a very exciting project for Red Fork.”

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

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.