

**RED FORK ENERGY LIMITED (SUBJECT TO DEED OF  
COMPANY ARRANGEMENT) (RECEIVERS AND MANAGERS  
APPOINTED)  
(TO BE RENAMED BROOKSIDE ENERGY LIMITED)  
ACN 108 787 720**

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**PROSPECTUS**

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For the offer of up to 2,500,000,000 Shares at \$0.001 per Share to raise up to \$2,500,000 (**Offer**).

The Offer includes:

- (a) a priority offer to Shareholders who hold Marketable Parcels of Shares to subscribe for four (4) Shares for every one (1) Share held as at the Record Date (**Priority Offer**);
- (b) a top up offer to Shareholders who hold less than a Marketable Parcel of Shares to subscribe for Shares to increase their shareholding to a Marketable Parcel of Shares (**Top Up Offer**); and
- (c) an offer to the public of that number of Shares that represents the difference between 2,500,000,000 and the number of Shares applied for by Shareholders under the Priority Offer and Top Up Offer (**Public Offer**).

**IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

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## 1. IMPORTANT INFORMATION

Below is important information in relation to the Priority Offer, Top Up Offer and Public Offer (together the **Offers**). Investors should read this document in its entirety and, if in doubt as to any of the matters set out in this Prospectus, should consult their professional advisers.

### 1.1 Summary of the Offers

Funds raised under this Prospectus will be used, among other purposes, to settle obligations to creditors with claims against the Company arising on or before 10 December 2014 (**Claims**) under the Company's Deed of Company Arrangement (**Creditors**) in relation to its ongoing voluntary administration (**DOCA**). The funds are intended to permit the DOCA to be effectuated and the Company to be recapitalised and able to once again trade as a going concern on the ASX.

The recapitalisation of the Company includes, prior to issuing Shares pursuant to this Prospectus, the consolidation of the Company's Shares on a 1 for 2 basis (**Consolidation**), for which Shareholder approval was obtained at a general meeting of Shareholders held on 5 June 2015 (**General Meeting**).

Pursuant to this Prospectus, the Company makes the following Offers for Shares to be issued on a post-Consolidation basis:

Offers	
<b>Priority Offer:</b>	<p>The Company offers Shares under this Prospectus to Shareholders of the Company with registered addresses in Australia registered as holding 500,000 or more Shares as at the Record Date (<b>Priority Offer Shareholders</b>).</p> <p>Priority Offer Shareholders will be entitled to apply for Shares under the Priority Offer on the basis of four (4) Shares for every one (1) Share held as at the Record Date (<b>Entitlement</b>). Priority Offer Shareholders will receive a personalised Application Form setting out their Entitlement.</p> <p>If any of the Shares available for Eligible Shareholders are not applied for by 5:00pm on the Priority Offer Closing Date, those Shares will form part of the Public Offer.</p>
<b>Top Up Offer:</b>	<p>The Company will offer Shares under this Prospectus to Shareholders of the Company with registered addresses in Australia registered as holding less than 500,000 Shares on the Record Date (<b>Top Up Shareholders</b>), to increase their holding to a value of at least \$500 (based on a Share price of \$0.001 per Share).</p> <p>Top Up Shareholders will be entitled to subscribe for that number of Shares required to increase the Top Up Shareholder's total shareholding in the Company to 500,000 Shares (<b>Entitlement</b>). Top Up Shareholders will receive a personalised Application Form setting out their Entitlement.</p> <p>If any of the Shares available for Top Up Shareholders are not applied for by 5:00pm on the Top Up Offer Closing Date, those</p>

	Shares will form part of the Public Offer.
<b>Public Offer</b>	An offer to the public of that number of Shares that represents the difference between 2,500,000,000 and the number of Shares applied for by Shareholders under the Priority Offer and Top Up Offer.

The rights attaching to the Shares offered pursuant to this Prospectus are set out in Section 8.

The purpose of this Prospectus is for the Company to make the Offers under Section 713 of the Corporations Act.

## 1.2 Summary of important dates\*

Events	Date
Priority Offer and Top Up Offer Record Date	5:00pm WST on 5 June 2015
Lodgement of Prospectus with the ASIC and release to ASX	8 June 2015
Opening Date for the Priority Offer, Top Up Offer and Public Offer	8 June 2015
Priority Offer and Top Up Offer Closing Date <sup>1</sup>	5:00pm WST on 19 June 2015
Issue date for Shares the subject of the Consolidation	19 June 2015
Public Offer Closing Date	29 June 2015
Issue of Shares on a post-Consolidation basis pursuant to the Prospectus and effectuation and termination of the DOCA	30 June 2015
Estimated date for Official Quotation of the Shares offered under this Prospectus and reinstatement of the Company to ASX (subject to ASX's discretion as to whether to reinstate the Company's securities to Official Quotation) <sup>1, 2</sup>	10 July 2015

\*The above dates are indicative only and may change without notice.

### Notes:

- <sup>1</sup> The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.
- <sup>2</sup> Please refer to Sections 1.6 and 7.3 of this Prospectus for details of ASX's reinstatement conditions.

### 1.3 Key investment risks

Prospective investors should read this Prospectus in its entirety before deciding whether to apply for Shares under this Prospectus. In particular, you should consider the risk factors set out in Section 9, which include the following key investment risks:

Risk area	Further details
<b>Risks associated with the DOCA:</b> Although at Completion the DOCA will be terminated and Creditor's Claims will lie against the Creditors' Trust rather than the Company, there remains a risk that Creditors may pursue claims against the Company, even in the absence of legal rights to do so. If that occurs, the Company's Board will take the course of action they consider to be in the best interests of Shareholders. The Company's Board is not currently aware of any such claims.	Section 9.2(a)
<b>Financial Reporting and AGM breach:</b> The Company has been under voluntary administration since 10 December 2014 and as at the date of this Prospectus is still under voluntary administration. As at the date of this Prospectus the Company has lodged its audited financial report for the year ended 31 December 2014 but is yet to hold an annual general meeting for 2014. The Company proposes to issue a notice of meeting to Shareholders for the 2014 annual general meeting, to be held following reinstatement of the Company's quoted securities to trading on the ASX. The Company cannot guarantee that ASIC will not take enforcement action against the Company in respect of its failure to hold an annual general meeting or to lodge its financial accounts for the year ended 31 December 2014 within the time periods required under the Corporations Act.	Section 9.2(b)
<b><u>Independent Auditor's Report</u></b>  Due to the Company not having had access to the records of its Wholly-Owned Subsidiaries in the period since the Company entered administration (10 December 2014), those accounts have not been audited in the Company's annual financial report for the period ended 31 December 2014 ( <b>Outstanding Accounts</b> ). Grant Thornton, the Company's appointed auditors, have therefore been unable to obtain all the information and explanations required in order to form an opinion on the consolidated financial report for the year ended 31 December 2014.  Grant Thornton have also stated that Outstanding Accounts have been prepared on a going concern basis and that the Directors have provided an update of their assessment of the Company's ability to pay its debts as and when they fall due however, Grant Thornton have been unable to assess the likelihood of success of the	Section 9.2(c)

Risk area	Further details
<p>initiative and as such are unable to form an opinion on this assessment.</p> <p>Although every reasonable effort has been made by the Directors to ascertain the true position of the Company as at 31 December 2014, there is a risk that these accounts may be inaccurate and that the Company's true financial position and performance as at the relevant dates set out above may be materially more adverse than displayed in those accounts. <b><u>Disclaimers of Opinion</u></b></p> <p>Grant Thornton has issued a 'disclaimer of opinion' on the Company's annual financial report for the period ending 31 December 2014. The 'disclaimer of auditor's opinion' was due to their inability to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Company's Outstanding Accounts.</p> <p>Grant Thornton has also issued a 'disclaimer of opinion' in relation to the Company's remuneration report for the year ended 31 December 2014 (<b>Remuneration Report</b>). The 'disclaimer of auditor's opinion' was due to their inability to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Company's Remuneration Report.</p>	
<p><b>Reinstatement to ASX Quotation:</b> As at the date of this Prospectus the Company is suspended from ASX's Official List. The Company is seeking reinstatement to quotation on ASX's Official List, which is subject to ASX's discretion, and this Prospectus has partly been prepared for that purpose. Please refer to section 1.6 for further information in relation to the ASX reinstatement conditions.</p>	Section 9.2(d)
<p><b>Exploration and development risks:</b> The business of oil and gas exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors</p>	Section 9.2(e)
<p><b>Sovereign risks:</b> The Company's activities are subject to the risks associated with operating in Oklahoma in the USA.</p>	Section 9.2(f)
<p><b>Oil and gas price fluctuations:</b> The demand for, and price of, oil and natural gas is highly dependent on a variety of factors including international supply and demand, the level of consumer product demand and the price and availability of alternative fuels.</p>	Section 9.2(g)
<p><b>Key Personnel:</b> The responsibility of overseeing the day-to-day operations and the strategic management of the</p>	Section

Risk area	Further details
Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.	9.2(h)
<b>Uncertainty of future profitability:</b> The Company has incurred losses and it is not possible to evaluate the future prospects based on past performance.	Section 9.2(i)
<b>Unforeseen expenditure risk:</b> Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus.	Section 9.2(j)
<b>Liquidity and price risks:</b> As the Company's Shares have been and are currently suspended from Official Quotation, there is currently no public market for the Company's Shares. The price of its Shares sought to be reinstated to ASX quotation is subject to uncertainty and there can be no assurance that an active market for the Company's Shares proposed to be reinstated to ASX quotation will develop or continue after the Offers.	Section 9.2(k)
<b>Economic Risks:</b> General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's development and future activities, as well as on its ability to fund those activities.	Section 9.3(a)
<b>Market conditions:</b> The market price of the Company's Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities.	Section 9.3(b)
<b>Security Investments:</b> Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the Shares regardless of the Company's performance.	Section 9.3(c)
<b>Future capital requirements:</b> Any failure by the Company to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.	Section 9.3(d)
<b>Laws, Government Policy and Approvals:</b> Existing laws, government regulations and policies and changes in the same may adversely affect the financial performance of the Company. The Company's capacity to carry out its operations may be affected by changes in government policy, which are beyond the Company's control.	Section 9.3(e)
<b>Other Projects:</b> The Company may look to complete	Section

Risk area	Further details
other investments and acquisitions in the future, the details of which are not known at the date of this Prospectus. Those acquisitions and investments will carry their own set of risks.	9.3(f)
<b>Investment speculative:</b> The risk factors referred to in this Prospectus, and others not specifically referred to in this Prospectus, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.	Section 9.4

## 1.4 Directors

The Company's Board comprises the following Directors.

### Michael Fry - Chairman

Michael Fry holds a Bachelor of Commerce degree from the University of Western Australia, is a Fellow of the Financial Services Institute of Australasia, and is a past member of the Australian Stock Exchange. Michael has extensive corporate and commercial experience, financial and capital market knowledge and a background in corporate treasury management. Michael is currently non-executive chairman of Norwest Energy Limited and Challenger Energy Limited.

### David Prentice - Executive Director

David Prentice has more than 25 years' experience in commercial management and business development within the natural resources sector, working for some of Australia's leading resource companies. This has included high-level commercial and operational roles with a number of publicly listed and unlisted resource companies. The last 10 years have seen David gather extensive experience (both corporate and operational) in the US on-shore oil and gas exploration and production sector with a particular focus on the mid-continent region.

### Loren Jones – Non-Executive Director

Miss Jones has worked in finance and administration roles with ASX listed companies, stock broking and corporate advisory services for the past 9 years. During this time she has gained invaluable experience in dealing with all aspects of corporate governance and administration, specialising in initial public offerings (**IPO**), project management and backdoor listings. Her strengths in corporate governance and compliance, transaction negotiation and management, merger and acquisition, IPO and private capital raising and business development have served several boards well.

Miss Jones is a Partner at and Company Secretary of corporate administration firm Cicero Corporate Services Pty Ltd and a Non-Executive Director of Red Fox Capital Pty Ltd. She also currently serves as the Company Secretary of ASX listed company VTX Holdings Limited (ASX: VTX) and Aphex Minerals Pty Ltd. Past Non-Executive Director and/or Company Secretarial positions include ZipTel Limited (ASX: ZIP), PhytoTech Medical Limited (ASX: PYL) and Jernigan Commodities Limited.



Miss Jones is a BIA Accredited Bookkeeper and a member of the Institute of Certified Bookkeepers, holds a Certificate IV Financial Services (Bookkeeping), has a Bachelor of Psychology from Curtin University and is currently completing her Graduate Diploma of Applied Corporate Governance with the Governance Institute of Australia

## 1.5 Director interests in Shares

Set out below are the relevant interests in securities of the Company, and the percentage security holdings following the Offers of the current Directors. None of the Directors intend on taking part in the Offers set out in this Prospectus.

Director	Shares	Shares (Fully diluted)	% Security Holding (Fully diluted) <sup>1</sup>
Mr Michael Fry	1,894,774	947,387	0.03%
Mr David Prentice	3,750,441	1,875,221	0.05%
Miss Loren Jones	-	-	-
<b>Total Directors:</b>	<b>5,645,215</b>	<b>2,822,608</b>	<b>0.08%</b>

1. The percentages assume that the maximum raising occurs under the Offers.

## 1.6 ASX reinstatement conditions

ASX has provided a list of conditions, which the Company must comply with in order for its Shares to likely be reinstated to Official Quotation on ASX. The key conditions are as follows:

- (a) Confirmation that the Company has satisfied each of its obligations pursuant to the DOCA, and accordingly the DOCA has been fully effectuated and the Company is not subject to any other forms of external administration, receivership or liquidation.
- (b) Confirmation that the Company retains its interest in the Leases and that they are in good-standing.
- (c) Shareholders approving all the resolutions considered at the General Meeting and the issue of all the securities approved by the shareholders.
- (d) Confirmation of completion of the Company's capital raising under this Prospectus and that, after payment of the costs of the capital raising and payments to the Deed Administrators to satisfy obligations under the DOCA, the Company can demonstrate to ASX that it will have a minimum of \$1,000,000 in cash, net of all liabilities, at the date of reinstatement, to satisfy ASX Listing Rule 12.2.

The Company anticipates being able to satisfy each of the above conditions soon after the close of the Offers.

## 1.7 Deed Administrators – no responsibility for contents of this Prospectus

The Deed Administrators have not been involved in the preparation of this Prospectus and have taken no part in the preparation of any documents and

express no opinion regarding the Recapitalisation Proposals, other than as set out in their report to the Company's Creditors dated 25 March 2015. To the maximum extent permitted by law, no representation, warranty or undertaking, express or implied is made and, to the maximum extent permitted by law, no responsibility or liability is accepted by the Deed Administrators as to the adequacy, accuracy, completeness or reasonableness of this Prospectus. To the maximum extent permitted by law, no responsibility for any errors or omissions from this Prospectus whether arising out of negligence or otherwise is accepted by the Deed Administrators.

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## 2. CORPORATE DIRECTORY

### Directors

Michael Fry (Chairman)  
David Prentice (Managing Director)  
Loren Jones (Non-Executive Director)

### Company Secretary

Loren Jones

### Auditor

Grant Thornton  
Level 1  
10 Kings Park Road  
WEST PERTH WA 6005

### Share Registry\*

Security Transfer Registrars  
770 Canning Highway  
Applecross WA 6153

Telephone: +61 8 9315 2333

### Registered Office

KordaMentha  
Level 10  
40 St Georges Terrace  
PERTH WA 6000

Telephone: + 61 8 6489 1600  
Facsimile: +61 8 6489 1601

Email: [admin@redforkenergy.com.au](mailto:admin@redforkenergy.com.au)  
Website: [www.redforkenergy.com.au](http://www.redforkenergy.com.au)

### Solicitors

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

\*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

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### 3. CHAIRMAN'S LETTER

Dear Investor

On 10 December 2014, Red Fork Energy Limited's (Subject to Deed of Company Arrangement) (Receivers and Managers Appointed) (**Company**) securities were suspended from quotation on the Australian Securities Exchange (**ASX**).

On 10 December 2014, the Directors of the Company resolved to place the Company in voluntary administration and appointed Messrs Martin Jones, Darren Weaver and Benjamin Johnson of Ferrier Hodgson as joint and several administrators of the Company. Following appointment of the administrators, the powers of the Company's officers (including Directors) were suspended and the administrators assumed control of the Company's business, property and affairs.

On 1 April 2015, at a meeting of creditors of the Company, the creditors of the Company resolved that the Company execute a deed of company arrangement (**DOCA**) between the Company, the administrators and Cicero Advisory Services Pty Ltd. The DOCA was subsequently executed on 2 April 2015. Under the terms of the DOCA, the administrators were appointed as deed administrators of the DOCA (**Deed Administrators**).

The DOCA includes a proposal for the reconstruction and recapitalisation of the Company (**Recapitalisation Proposal**).

The ASX has advised that the Company will not need to re-comply with Chapters 1 and 2 of the ASX Listing Rules as a result of the Recapitalisation Proposal.

This Prospectus contains two offers to existing Shareholders of the Company. If you are a Shareholder who holds a Marketable Parcel of Shares (being 500,000 or more Shares), you are invited to subscribe for four (4) new Shares for every one (1) Share you hold as at the Record Date. This is the Priority Offer.

If you are a Shareholder holding less than a Marketable Parcel of Shares (being less than 500,000 Shares), you are invited to subscribe for that number of Shares that would increase your holding to a Marketable Parcel. This is the Top Up Offer.

The Public Offer consists of an offer to the public of that number of Shares that represents the difference between 2,500,000,000 and the number of Shares applied for by Shareholders under the Priority Offer and Top Up Offer. On satisfaction of ASX's reinstatement conditions, including completion of the Offers set out in this Prospectus, the Company will apply for its Shares to be re-instated to trading on ASX. Refer to Sections 1.6 and 7.3 for a summary of the ASX reinstatement conditions which, to the extent still outstanding, the Company proposes to attend to following the completion of the Offers.

Please read the Prospectus carefully before applying for any Shares.

Yours sincerely

**MICHAEL FRY**  
**CHAIRMAN**

**RED FORK ENERGY LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)**  
**(RECEIVERS AND MANAGERS APPOINTED)**

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#### **4. IMPORTANT NOTES**

This Prospectus is dated 8 June 2015 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would not be lawful to make such an offer.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

##### **4.1 Electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at [www.redforkenergy.com.au](http://www.redforkenergy.com.au). Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

## **4.2 Application Forms**

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form for any reason, including from a person if it has reason to believe that when that person was given access to the Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus.

## **4.3 Forward-looking statements**

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5 of this Prospectus.

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## 5. DETAILS OF THE OFFERS

### 5.1 The Offers

By this Prospectus, the Company offers for subscription up to 2,500,000,000 Shares, on a post-Consolidation basis, at \$0.001 per Share to raise up to \$2,500,000.

The Offers comprise:

- (a) a Priority Offer to Shareholders with registered addresses in Australia who hold a Marketable Parcel of Shares as at the Record Date;
- (b) a Top Up Offer to Shareholders with registered addresses in Australia who hold less than a Marketable Parcel of Shares as at the Record Date; and
- (c) a Public Offer which is open to all other investors.

Further information regarding the Priority Offer, Top Up Offer and Public Offer are set out in Sections 5.2, 5.3 and 5.4 of this Prospectus.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. Rights and liabilities attaching to the Shares are summarised in Section 8 of this Prospectus.

The purpose of the Offers and the intended use of funds raised are set out in Section 6.1 of this Prospectus.

### 5.2 Priority Offer

The Company offers Shares under this Prospectus to Shareholders of the Company with registered addresses in Australia registered as holding 500,000 or more Shares as at the Record Date (**Priority Offer Shareholders**).

Priority Offer Shareholders will be entitled to apply for Shares under the Priority Offer on the basis of four (4) Shares for every one (1) Share held as at the Record Date (**Entitlement**). Priority Offer Shareholders will receive a personalised Application Form setting out their Entitlement.

If any of the Shares available for Eligible Shareholders are not applied for by 5:00pm on the Priority Offer Closing Date, those Shares will form part of the Public Offer.

The Company will accept all Applications from Priority Offer Shareholders up to their Entitlement. To the extent that subscriptions from Priority Offer Shareholders exceed their Entitlement, the Directors will treat such Applications for excess Shares as Applications for Shares under the Public Offer.

### 5.3 Top Up Offer

The Company will offer Shares under this Prospectus to Shareholders of the Company with registered addresses in Australia registered as holding less than 500,000 Shares on the Record Date (**Top Up Shareholders**), to increase their holding to a value of at least \$500 (based on a Share price of \$0.001 per Share).

Top Up Shareholders will be entitled to subscribe for that number of Shares required to increase the Top Up Shareholder's total shareholding in the

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Company to 500,000 Shares (**Entitlement**). Top Up Shareholders will receive a personalised Application Form setting out their Entitlement.

If any of the Shares available for Top Up Shareholders are not applied for by 5:00pm on the Top Up Offer Closing Date, those Shares will form part of the Public Offer.

The Company will accept all Applications from Top Up Shareholders up to their Entitlement. To the extent that subscriptions from Top Up Shareholders exceed their Entitlement, the Directors will treat such Applications for excess Shares as Applications for Shares under the Public Offer.

#### **5.4 Public Offer**

The Priority Offer and the Top Up Offer together constitute an offer of approximately 1,419,146,727 Shares.

The Public Offer is an offer to the public of that number of Shares that represents the difference between 2,500,000,000 and the number of Shares applied for under the Priority Offer and Top Up Offer.

Applicants should note that the Directors retain an overriding right to do any of the following at their discretion in relation to the Public Offer:

- (a) accept the Application in full;
- (b) accept the Application in respect of a lesser number of Shares than applied for; or
- (c) decline the Application.

#### **5.5 Offer of Cicero Shares**

In addition to the Priority Offer, Top Up Offer and Public Offer, the Company offers 749,494,640 Shares to Cicero (or its nominees) pursuant to this Prospectus (**Cicero Offer**).

Pursuant to the terms of the DOCA, Cicero paid the Company a \$50,000 loan upon execution of the DOCA (**Cicero Loan**). The Cicero Loan was advanced to provide critical working capital required to facilitate the recapitalisation and reinstatement process. The DOCA provides that the Cicero Loan shall convert into 749,494,640 Shares in the Company (on a post-Consolidation basis) (**Cicero Shares**) subject to satisfaction of the conditions contained in the DOCA. The Cicero Offer is a separate offer made pursuant to the Prospectus and a separate application form will be issued to Cicero to apply for the Cicero Shares.

The Company intends to issue the Cicero Shares to Cicero at the same time the Shares the subject of the Priority Offer, Top Up Offer and Public Offer are issued.

#### **5.6 Minimum subscription**

The minimum subscription in respect of the Offers is \$1,500,000. No Shares will be issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their application and be repaid their application monies.



## 5.7 Applications

- (a) Applications for Shares under the **Priority Offer** must be made using the green **Priority Offer Application Form**.
- (b) Applications for Shares under the **Top Up Offer** must be made using the pink **Top Up Offer Application Form**.
- (c) Applications for Shares under the **Public Offer** must be made using the blue **Public Offer Application Form**.

Payment for the Shares must be made in full at the issue price of \$0.001 per Share.

Applications under the **Priority Offer** may apply for all or part of their Entitlement by filling in the number of Shares they wish to accept in the space provided on the Priority Offer Application Form.

Applications under the **Top Up Offer** must be for the Top Up Shareholder's full Entitlement.

Applications under the **Public Offer** must be for a minimum of 500,000 Shares and thereafter in multiples of 500,000 Shares.

Completed Application Forms and accompanying cheques must be mailed or delivered to the Company's Share Registry, as follows:

Security Transfer Registrars  
770 Canning Highway  
APPLECROSS WA 6153

Cheques should be made payable to **"Red Fork Energy Limited (Subject to Deed of Company Arrangement) (Receivers and Managers Appointed) – Share Offer Account"** and crossed "Not Negotiable".

Completed Application Forms must be at the above address by no later than the relevant Closing Date.

Electronic payments should be made according to the instructions set out on the Application Form.

**Applicants should ensure they include their reference details, as per their Application Form, if paying funds electronically.**

Electronic payments must be received by the Company by 1:00pm (WST) on the applicable Closing Date. You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted electronically are received by 1:00pm (WST) on the Priority Offer Closing Date or the Public Offer Closing Date (as the context permits).

The Priority Offer, Top Up Offer and the Public Offer may each be closed at an earlier date, and time, at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Priority Offer, Top Up Offer and the Public Offer or accept late Applications.

## **5.8 ASX listing**

Application will be made within 7 days after the date of this Prospectus to ASX for permission for the Shares issued pursuant to this Prospectus to be listed for Official Quotation by ASX.

In the event that ASX does not grant permission for the Official Quotation of the Shares within 3 months after the date of issue of this Prospectus (or such period as is varied by the ASIC), none of the Shares offered by this Prospectus will be allotted or issued and the Company will repay all application moneys within the time period set out under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities offered pursuant to this Prospectus.

## **5.9 Issue of Shares**

The issue of Shares offered by this Prospectus will take place after the Consolidation and as soon as practicable after the Closing Date of the Public Offer

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the allottees of all the Shares in their sole discretion other than ensuring that all Eligible Shareholders who make an Application for their Entitlement under the Priority Offer or Top Up Offer (as applicable) will receive their Entitlement. The Directors reserve the right to reject any application under the Public Offer or to allocate any applicant under the Public Offer fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

## **5.10 Applicants outside Australia**

The Priority Offer and Top Up Offer made pursuant to this Prospectus do not, and are not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia.

The Public Offer made pursuant to this Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of the Public Offer in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the allotment and issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

#### **5.11 Not underwritten**

The Offer is not underwritten.

#### **5.12 Taxation**

The Company does not propose to give any taxation advice and neither the Company, its Directors nor its officers accept any responsibility or liability for any taxation consequence to Applicants. Applicants should consult their own professional tax advisers in regard to taxation implications of the Offers.

#### **5.13 Enquiries**

Any questions concerning the Offers should be directed to Loren Jones, Company Secretary, on +61 8 6489 1600.

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## 6. PURPOSE AND EFFECT OF THE OFFERS

### 6.1 Purpose of the Offers

The purpose of the Offers is to raise up to \$2,500,000 (before expenses of the Offers). Funds raised under this Prospectus will be used, among other purposes, to settle obligations to Creditors with Claims under the DOCA and are intended to permit the DOCA to be effectuated and the Company to be recapitalised and able to once again trade as a going concern on the ASX.

The proceeds of the Offers are planned to be used in accordance with the table set out below as an indicative two year budget:

Item	Proceeds of the Offers	Minimum Subscription <sup>1</sup> (\$)	%	Full Subscription <sup>2</sup> (\$)	%
1.	Payment to Creditors' Trust <sup>3</sup>	400,000	25.81	400,000	15.69
2.	Review and development of existing business	530,000	34.19	995,000	39.02
3.	Expenses of the Offers <sup>4</sup>	90,000	5.81	160,000	6.27
4.	General and administrative costs	80,000	5.16	100,000	3.92
5.	Director and executive fees	372,000	24.00	372,000	14.59
6.	Working capital	78,000	5.03	523,000	20.51
	<b>Total</b>	<b>1,550,000</b>	<b>100</b>	<b>2,550,000</b>	<b>100</b>

#### Notes:

1. Based on a minimum subscription under the Offer of \$1,500,000 plus the \$50,000 Cicero Loan already paid to the Company.
2. Based on the maximum subscription under the Offer of \$2,500,000 plus the \$50,000 Cicero Loan already paid to the Company.
3. Payment to be made to the Trustees of the Trust Deed created pursuant to the terms of the DOCA.
4. Refer to Section 10.7 of this Prospectus for further details relating to the estimated expenses of the Offers.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve the above objectives. In the event that less than the full subscription is raised, the proposed use of funds will be scaled back as follows: firstly from working capital, then general and administrative costs and finally director and executive fees.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the

manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

## 6.2 Effect of the Offers

The principal effect of the Offers (assuming the Offers are fully subscribed) and the issue of the Cicero Shares in accordance with section 5.6 will be to:

- (a) increase the cash reserves by \$1,990,000 (after deducting the estimated expenses of the Offers) immediately after completion of the Offers and before estimated expenses of the Recapitalisation Proposal and the Offers; and
- (b) increase the number of Shares on issue from 250,525,860 (post-Consolidation) to 3,500,020,500 Shares.

## 6.3 Pro-forma balance sheet

Set out below is:

- (a) an audited statement of financial position of the Company as at 31 December 2014 with an Australian dollar to US exchange rate of 0.8202 (based on the exchange rate spot rate on 31 December 2014); and
- (b) a pro-forma statement of financial position of the Company as at 31 December 2014, incorporating the effect of the Offers, the Consolidation and the effectuation of the DOCA.

	31 Dec 2014 Audited AUD	31 Dec 2014 Pro-forma Unaudited Minimum Subscription	31 Dec 2014 Pro-forma Unaudited Minimum Subscription
<b>CURRENT ASSETS</b>			
Cash <sup>1, 2, 3</sup>	-	1,460,000	2,390,000
Other current assets	47,624	47,624	47,624
<b>TOTAL CURRENT ASSETS</b>	<b>47,624</b>	<b>1,507,624</b>	<b>2,437,624</b>
<b>NON-CURRENT ASSETS</b>			
Other non-current assets	4,149	4,149	4,149
<b>TOTAL NON-CURRENT ASSETS</b>	<b>4,149</b>	<b>4,149</b>	<b>4,149</b>
<b>TOTAL ASSETS</b>	<b>51,773</b>	<b>1,511,773</b>	<b>2,441,773</b>
<b>CURRENT LIABILITIES</b>			
Creditors and other payables <sup>4</sup>	817,738	NIL	NIL
Other Liabilities (Creditors Trust) <sup>5</sup>	-	400,000	400,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>817,738</b>	<b>400,000</b>	<b>400,000</b>
<b>TOTAL LIABILITIES</b>	<b>817,738</b>	<b>400,000</b>	<b>400,000</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>(765,965)</b>	<b>1,111,773</b>	<b>2,041,773</b>

	31 Dec 2014 Audited AUD	31 Dec 2014 Pro-forma Unaudited Minimum Subscription	31 Dec 2014 Pro-forma Unaudited Minimum Subscription
<b>EQUITY</b>			
Share capital	253,597,544	255,057,544	255,057,544
Reserves	-	-	-
Retained loss	(254,363,510)	(253,945,772)	(253,945,772)
<b>TOTAL EQUITY</b>	<b>(765,965)</b>	<b>1,111,773</b>	<b>2,041,773</b>

1. Assuming the issue of a minimum of 1,500,000,000 Shares pursuant to the Capital Raising at an issue price of \$0.001 per Share to raise a minimum of \$1,500,000 and the issue of a maximum of 2,500,000,000 Shares pursuant to the Capital Raising an issue price of \$0.001 per Share to raise a maximum of \$2,500,000.
2. Estimated Capital Raising expenses of \$90,000 assuming a minimum Capital Raising of \$1,500,000 and \$160,000 assuming a maximum Capital Raising of \$2,500,000 (refer to Section 10.7 of this Prospectus for further details relating to the estimated expenses of the Offers).
3. Loan of \$50,000 to be paid by Cicero to the Company upon execution of the DOCA (refer to Section 5.5 of this Prospectus for further details relating to the Cicero Loan).
4. Following the effectuation of the DOCA, Creditors' Claims against the Company were transferred to the Creditors' Trust. The reduction in the Short Term Provisions reflects the impact of this action.
5. Payment to be made to the Trustees of the Trust Deed created pursuant to the terms of the DOCA (refer to Section 7.2 of this Prospectus for further details relating to the DOCA).

#### 6.4 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming the Offers are fully subscribed is set out below.

##### Shares

	Number
Shares currently on issue	501,051,719
Post-Consolidation (1:2)	250,525,860
Shares offered pursuant to the Offers	2,500,000,000
Shares to be issued to Cicero in consideration for the Cicero Loan	749,494,640
<b>Total Shares on issue after completion of the DOCA<sup>3</sup></b>	<b>3,500,020,500</b>

##### Options

The Company does not have any options on issue.

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## 7. COMPANY OVERVIEW

### 7.1 Background

The Company was incorporated on 20 April 2004 as Providence West Limited. On 2 September 2005, Providence West Limited changed its name to Red Fork Energy Limited and was subsequently listed on the Australian Securities Exchange (**ASX**) on 31 October 2005. Red Fork trades under the ASX code "RFE" and is headquartered in Perth.

The Company is currently engaged in oil and gas exploration and production in the mid-continent region (Oklahoma) of the United States.

### 7.2 Deed of Company Arrangement

A summary of the Deed of Company Arrangement is set out below.

- (a) Completion of the DOCA is subject to the following outstanding conditions:
  - (i) Shareholders approving the Recapitalisation Resolutions on or prior to the Due Date (being 30 June 2015 unless otherwise agreed between the Deed Administrators and Cicero);
  - (ii) on or prior to the Due Date, the Company filing its outstanding taxation return;
  - (iii) on or prior to the Due Date, the removal of any of the Directors of the Company by the Deed Administrators as requested by Cicero;
  - (iv) on or prior to the Due Date, Cicero preparing a prospectus, lodging the prospectus with the ASIC and Cicero procuring applications under the prospectus (together with appropriate subscription proceeds) as required to satisfy the capital raising the subject of Resolution 2 of the Company's Notice of Meeting;
  - (v) the Creditors' Trust Deed being executed and delivered to the Company; and
  - (vi) payment of the Guggenheim Sum.(collectively, the **Conditions**).
- (b) The DOCA will terminate if the Conditions are not satisfied or waived by the Due Date.
- (c) The DOCA includes specific terms addressing how the assets of the Company, currently subject to Guggenheim Corporate LLC's (who appointed Receivers and Managers over assets and undertakings of RFE in December 2014) security, will be dealt with. Contemporaneously with the execution of the DOCA, the Company executed a number of documents that:
  - (i) have resulted in:

- (A) the Company transferring its interest in RF USA, Prairie Gas Gathering LLC and EastOK Pipeline LLC (**Wholly Owned Subsidiaries**) to Guggenheim (or its nominee); and
- (B) RF USA (as assignor) assigning to the Company all of its right, title and interest in the Leases, together with all of RF USA's right, title and interest in and to which will be held by the Company subject to Guggenheim's security interest until Guggenheim has been paid the Guggenheim Sum and Guggenheim has released the Company from its obligations under the Parent Guarantee Agreement, retired the Receivers and Managers and provided the relevant releases to discharge its PPSA security interests; and
- (ii) on Completion of the DOCA will result in the Company forgiving, releasing, waiving or otherwise extinguishing Red Fork (USA) Investments Inc's (**RF USA**) obligation to pay the Company all unsecured intercompany indebtedness owing by RF USA to the Company.
- (d) Upon completion of the Capital Raising and certain Conditions, Cicero will pay \$400,000 from the funds raised to the Deed Administrators who in turn will pay \$295,000 into the Creditors' Trust and \$105,000 to Guggenheim in full and final satisfaction of the Company's obligations to Guggenheim.

### 7.3 Administration overview

On 10 December 2014, the Company's securities were suspended from quotation on the Australian Securities Exchange (**ASX**).

On 10 December 2014, the Directors of the Company resolved to place the Company in voluntary administration and appointed Messrs Martin Jones, Darren Weaver and Benjamin Johnson of Ferrier Hodgson as joint and several administrators of the Company. Following appointment of the administrators, the powers of the Company's officers (including Directors) were suspended and the administrators assumed control of the Company's business, property and affairs.

On 1 April 2015, at a meeting of creditors of the Company, the creditors of the Company resolved that the Company execute the DOCA between the Company, the administrators and Cicero Advisory Services Pty Ltd. The DOCA was subsequently executed on 2 April 2015. Under the terms of the DOCA, the administrators were appointed as deed administrators of the DOCA. Subject to the successful raising of the required funds under this Prospectus, and on satisfaction of certain other conditions summarised in Section 1.6 and below, the Company anticipates it is likely that the suspension of trading on the Company's shares will be lifted.

ASX has provided a list of conditions, which the Company must comply with in order for its Shares to likely be reinstated to Official Quotation on ASX. In addition to the key conditions set out in Section 1.6, the following conditions must be satisfied:

- (a) Confirmation that the Company's secured creditors have released and discharged any security granted to them by the Company and there



are no outstanding security interests over the Leases and that the Company's secured creditors have no further interest in the Leases and the other leases in which the Company has an interest including no rights of repossession or the right to exercise its power of sale.

- (b) The Company demonstrating compliance with ASX Listing Rules 12.1 to 12.4 inclusive, to the satisfaction of the ASX, as set out below:
  - (i) the Company's business objectives satisfy the requirements of ASX Listing Rule 12.1.
  - (ii) The Company demonstrating to the satisfaction of ASX that it has commitments to spend at least 50% of its cash held at the date of reinstatement on the core business.
  - (iii) The Company's level of shareholder spread will satisfy the requirements of ASX Listing Rule 12.4 if there are at least 300 holders each holding at least \$500 worth of fully paid ordinary shares.
- (c) Confirmation the securities to be issued pursuant to the recapitalisation have been issued, and despatch of each of the following has occurred:
  - (i) In relation to all holdings on the CHESS subregister, a notice from the Company under ASX Settlement Operating Rule 8.9.1.
  - (ii) In relation to all other holdings, issuer sponsored holding statements.
  - (iii) Any refund money.
- (d) Lodgement of all outstanding Appendices 3B with ASX for issues of new securities.
- (e) Reinstatement of the Company's CHESS sub-register.
- (f) Provision of the following documents, in a form suitable for release to the market:
  - (i) A statement setting out the names of the 20 largest holders of each class of securities to be quoted, including the number and percentage of each class of securities held by those holders.
  - (ii) A distribution schedule of the numbers of holders in each class of security to be quoted, setting out the number of holders in the following categories:
    - 1 - 1,000
    - 1,001 - 5,000
    - 5,001 - 10,000
    - 10,001 - 100,000
    - 100,001 and over
  - (iii) A statement outlining the Company's capital structure.
  - (iv) An updated pro forma balance sheet based on actual funds raised.

- (v) An updated statement of commitments based on actual funds raised, such that at least 50% of cash on the pro-forma balance sheet is applied to specific commitments consistent with the company's Business Objectives.
  - (vi) A consolidated activities report setting out the proposed business strategy for the Company (including an update on the status of the Company's assets and the current activities with respect thereto).
  - (vii) A copy of the Company's business plan (or a comprehensive summary to be include in the prospectus).
  - (viii) A statement confirming the Company is in compliance with the listing rules, and in particular, ASX Listing Rule3.1.
  - (ix) A notice detailing the Company's registered office and contact details in this regard.
  - (x) A statement advising the names of the Company's directors and company secretary following the recapitalisation of the Company.
  - (xi) A statement disclosing the extent to which the Company has followed the recommendations set by the ASX Corporate Governance Council. If the Company has not followed all of the recommendations, the Company must identify those recommendations that have not been followed and give its reasons for not following them.
- (g) Confirmation of the responsible person for communication with ASX for the purposes of ASX Listing Rule12.6.
  - (h) Lodgment of any outstanding financial reports (including any quarterly reports), if any, for the period since the Company's securities were suspended and any other outstanding documents required by ASX Listing Rule17.5.
  - (i) Lodgment of Initial Director's Interest Notices (Appendix 3X) for the proposed Director.
  - (j) Payment of any other ASX fees applicable and outstanding.
  - (k) Provision of any other information required or requested by ASX.

## **7.4 Leases**

The Company has retained a leasehold interest in 465 gross acres (approximately 282 net acres) in Section 11, of Township 19 North, Range 4 East, in Payne County, Oklahoma. The Leases are located in a part of northern Oklahoma with a long history of hydrocarbon production from the Cherokee Platform east of the Anadarko Basin and north of the Arkoma Basin. The region is very well located with access to pipeline, processing and refining capacity as well as experienced service companies providing exploration, drilling and production expertise.

## 7.5 Proposed business plan and strategy

The Company will continue to pursue its main business undertaking of oil and gas exploration and production in the mid-continent region (Oklahoma) of the United States. Accordingly, on completion of the DOCA, the Company will continue with the development of its oil and gas leases in Payne County, Oklahoma. After reinstatement, the Company will be operating in the same industry sector as it was when its shares were trading on the ASX before it was suspended due to the appointment of voluntary administrators.

Post the successful recapitalisation and re-listing, the Company will direct its attention to exploration for oil and gas within the Payne acreage. This will include detailed review of available geological and seismic data as well as the review of historical drill logs for any drilling (vertical) that may have been conducted in the area.

It is expected that this work will generate a number of potential drilling targets (shallow vertical targets as well as deeper horizontal unconventional targets) that can be tested through drilling.

Post the target identification stage, the Company will consider options for funding the drill testing of all or some of the targets identified. This drilling could be sole funded or funded via a farm-out structure.

In addition to this work, the Company will look to leverage off the experience of its Directors and its extensive network of experienced consultants and service companies to identify other opportunities for oil and gas exploration and development in the mid-continent region of the United States.

The following table outlines the estimated two year review and development budget.

<b>Review &amp; Development Budget</b>	<b>Minimum subscription</b>	<b>Maximum subscription</b>
Data Review, Target Generation & Exploration	350,000	\$815,000
Data Acquisition	\$60,000	\$60,000
Land & Leasing costs	\$35,000	\$35,000
Travel & Accommodation costs	\$85,000	\$85,000
<b>Total</b>	<b>\$530,000</b>	<b>\$995,000</b>

The expenditure budget is indicative only for planning purposes and may change following further review and assessment of the Red Fork business by the directors. As with any business, the exact application of these funds is likely to develop and evolve over time.

## 7.6 Board and Management

Mr Michael Fry and Mr David Prentice will remain Directors of the Company, with Mr Fry as Chairman and Mr Prentice as Managing Director. At the Company's General Meeting, Miss Loren Jones was appointed as a Non-Executive Director; Loren also acts as company secretary.

The Company will also have access to the services of certain previous United States based key management personnel and consultants (Chief Operating Officer, Executive VP Operations and Chief Financial Officer) as well as previous United States based non-executive Directors. The Board will consider the appointment of additional full time staff and consultants as the scale of exploration and development operations increases.

## **7.7 Other opportunities**

In addition to the Leases, the Board will actively seek out complementary and non-complementary assets, investments and businesses in the oil and gas sector that will generate additional Shareholder value.

The Company will look to leverage off the experience of its Directors and its extensive network of experienced consultants and service companies to identify other opportunities for oil and gas exploration and development in the mid-continent region of the United States.

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## **8. RIGHTS AND LIABILITIES ATTACHING TO SHARES**

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### **8.1 General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

### **8.2 Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a)** each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b)** on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c)** on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

### **8.3 Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

#### **8.4 Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

#### **8.5 Shareholder liability**

As the Shares offered under the Prospectus are fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

#### **8.6 Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

#### **8.7 Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

#### **8.8 Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

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## **9. RISK FACTORS**

### **9.1 General**

The Shares offered under this Prospectus should be considered speculative because of the nature of the Company's business. The future profitability of the Company will be dependent on the successful commercial exploitation of its business and operations.

There are numerous risk factors involved in the Offers. The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential investors should examine the contents of this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for the Shares.

Factors which may affect the Company's financial position, prospects and the price of its listed securities include the specific risk factors and the general risk factors set out below.

### **9.2 Specific risks**

#### **(a) Risks associated with the DOCA**

Although at Completion the DOCA will be terminated and Creditor's Claims will lie against the Creditors' Trust rather than the Company, there remains a risk that Creditors may pursue claims against the Company, even in the absence of legal rights to do so. If that occurs, the Company's Board will take the course of action they consider to be in the best interests of Shareholders. The Company's Board is not currently aware of any such claims.

#### **(b) Financial reporting and AGM breach**

The Company has been under voluntary administration since 10 December 2014 and as at the date of this Prospectus is still under voluntary administration. As at the date of this Prospectus the Company has now lodged its audited financial report for the year ended 31 December 2014 but is yet to hold an annual general meeting for 2014. The Company is proposes to issue a notice of meeting to Shareholders for the 2014 annual general meeting, to be held following reinstatement of the Company's quoted securities to trading on the ASX.

The Company cannot guarantee that ASIC will not take enforcement action against the Company in respect of its failure to hold an annual general meeting or to lodge its financial accounts for the year ended 31 December 2014 within the time periods required under the Corporations Act.

#### **(c) Auditor's opinion**

##### **Independent Auditor's Report**

Due to the Company not having had access to the records of its Wholly-Owned Subsidiaries in the period since the Company entered administration (10 December 2014), those accounts have not been audited in the Company's annual financial report for the period ended 31 December 2014 (**Outstanding Accounts**). Grant Thornton, the

Company's appointed auditors, have therefore been unable to obtain all the information and explanations required in order to form an opinion on the consolidated financial report for the year ended 31 December 2014.

Grant Thornton have also stated that Outstanding Accounts have been prepared on a going concern basis and that the Directors have provided an update of their assessment of the Company's ability to pay its debts as and when they fall due however, Grant Thornton have been unable to assess the likelihood of success of the initiative and as such are unable to form an opinion on this assessment.

Although every reasonable effort has been made by the Directors to ascertain the true position of the Company as at 31 December 2014, there is a risk that these accounts may be inaccurate and that the Company's true financial position and performance as at the relevant dates set out above may be materially more adverse than displayed in those accounts.

### **Disclaimers of Opinion**

Grant Thornton has issued a 'disclaimer of opinion' on the Company's annual financial report for the period ending 31 December 2014. The 'disclaimer of auditor's opinion' was due to their inability to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Company's Outstanding Accounts.

Grant Thornton has also issued a 'disclaimer of opinion' in relation to the Company's Remuneration Report. The 'disclaimer of auditor's opinion' was due to their inability to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Company's Remuneration Report.

#### **(d) Reinstatement to ASX Quotation**

As at the date of this Prospectus the Company is suspended from ASX's Official List. The Company is seeking reinstatement to quotation on ASX's Official List, which is subject to ASX's discretion, and this Prospectus has partly been prepared for that purpose. Please refer to Sections 1.6 and 7.3 for further information in relation to the ASX reinstatement conditions.

#### **(e) Exploration and Development Risks**

The business of oil and gas exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to interests;



- (v) obtaining consents and approvals necessary for the conduct of oil and gas exploration, development and production;
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and establishment of production facilities. Factors including costs, actual hydrocarbons and formations, flow consistency and reliability and commodity prices affect successful project development and operations.

Drilling activities carry risk as such activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of drill rigs or other equipment. In addition, drilling and operations include reservoir risk such as the presence of shale laminations in the otherwise homogeneous sandstone porosity.

Industry operating risks include fire, explosions, unanticipated reservoir problems which may affect field production performance, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown, blow outs, pipe failures and environmental hazards such as accidental spills or leakage of liquids, gas leaks, ruptures, discharges of toxic gases or geological uncertainty (such as lack of sufficient sub-surface data from correlative well logs and/or formation core analyses). The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit of oil or gas. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

(f) **Sovereign risks**

The Company's key projects are located in Oklahoma in the United States of America. Possible sovereign risks associated with operating in the USA include, without limitation, changes in the terms of legislation affecting oil and gas exploration and production, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its Shares.

No assurance can be given regarding future stability in the USA or any other country in which the Company may, in the future, have an interest.

(g) **Oil and gas price fluctuations**

The demand for, and price of, oil and natural gas is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments.

International oil and gas prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Fluctuations in oil and gas prices and, in particular, a material decline in the price of oil or gas may have a material adverse effect on the Company's business, financial condition and results of operations.

(h) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(i) **Uncertainty of future profitability**

The Company has incurred losses and it is not possible to evaluate the future prospects based on past performance. Other factors that will determine the Company's financial results are its ability to manage its costs, to execute its development and growth strategies, economic conditions in the markets the Company operates, competitive factors and regulatory developments. The Directors cannot guarantee the future financial performance of the Company and consequently give no financial forecasts.

(j) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(k) **Liquidity and price risks**

As the Company's Shares have been and are currently suspended from Official Quotation, there is currently no public market for the Company's Shares. The price of its Shares sought to be reinstated to ASX quotation is subject to uncertainty and there can be no assurance that an active market for the Company's Shares proposed to be reinstated to ASX quotation will develop or continue after the Offers.

The price at which the Company's Shares trade on ASX after the proposed reinstatement to quotation by the ASX may be higher or lower than the prices paid under the Offers and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in raw material prices and exchange rates,

changes to government policy, legislation or regulation and other events or factors.

### **9.3 General risks**

#### **(a) Economic risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's development and future activities, as well as on its ability to fund those activities.

#### **(b) Market conditions**

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

#### **(c) Security investments**

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the Shares regardless of the Company's performance.

#### **(d) Future capital requirements**

The Company's ongoing activities will require substantial expenditure. There can be no guarantee that the funds raised through the Offers will be sufficient to successfully achieve all the objectives of the Company's overall two year business strategy. If the Company is unable to continue to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offers, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional fundraising on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

#### **(e) Laws, government policy and approvals**

Existing laws, government regulations and policies and changes in the same may adversely affect the financial performance of the Company. The Company's capacity to carry out its operations may be affected by changes in government policy, which are beyond the Company's control.

(f) **Other projects**

The Company may look to complete other investments and acquisitions in the future, the details of which are not known at the date of this Prospectus. Those acquisitions and investments will carry their own set of risks.

**9.4 Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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## **10. ADDITIONAL INFORMATION**

### **10.1 Continuous disclosure obligations**

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

The Company has been under voluntary administration since 10 December 2014 and as at the date of this Prospectus is still under voluntary administration. As at the date of this Prospectus the Company has lodged its audited financial report for the year ended 31 December 2014 but is yet to hold an annual general meeting or to lodge its financial accounts for the year ended 31 December 2014 within the time periods required under the Corporations Act. The Company is intending to arrange an annual general meeting for 2014 shortly. The Company cannot guarantee that ASIC will not take enforcement action against the Company in respect of its failure to hold an annual general meeting or to lodge its financial accounts for the year ended 31 December 2014 within the time periods required under the Corporations Act.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the

Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
- (i) the annual financial report most recently lodged by the Company with the ASIC;
  - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
  - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
01/06/2015	Cancellation of Performance Rights and LTI Rights
26/05/2015	Company Update
08/05/2015	Director Resignations
07/05/2015	Notice of General Meeting
01/05/2015	Company Update
10/12/2014	Suspension from Official Quotation
10/12/2014	Receivers and Managers Appointed
09/12/2014	Trading Halt
01/12/2014	Unlisted Options Expiry
21/11/2014	Ceasing to be a substantial holder - PPT
20/11/2014	Change in substantial holding – PPT
19/11/2014	Response to Price Query

13/11/2014	Response to Query
03/11/2014	Quarterly Activities and Cashflow Report
03/11/2014	Change of Registered Office
08/10/2014	Re-financing Partner Selected
06/10/2014	Trading Halt
15/09/2014	Half Year Accounts
05/09/2014	S&P DJ Indices Announces September Quarterly Rebalance
21/08/2014	2014 Mid-Year Reserves Report
31/07/2014	Quarterly Activities and Cashflow Report
01/07/2014	Expiry of 30 June 2014 Options
27/06/2014	Change in substantial holding – PPT
27/06/2014	Response to ASX Price and Volume Query
26/06/2014	Change in substantial holding
17/06/2014	Ceasing to be a substantial holder
13/06/2014	Becoming a substantial holder
23/05/2014	Results of Meeting
23/05/2014	Red Fork Energy AGM Update
09/05/2014	Appendix 3B – LTI Rights
07/05/2014	Appointment of US Advisor
01/05/2014	Quarterly Activities and Cashflow Report
23/04/2014	Notice of Annual General Meeting
10/04/2014	Ceasing to be a substantial holder
10/04/2014	Becoming a substantial holder
10/04/2014	Farm Out Agreement
08/04/2014	2014 Forward Development Program

ASX maintains files containing publicly available information for all listed

companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website [www.redforkenergy.com.au](http://www.redforkenergy.com.au).

## 10.2 Lead Manager Mandate

The Company has engaged Cicero to manage the Offers made under this Prospectus pursuant to a Lead Manager Mandate dated 20 May 2015 (**Mandate**).

The key terms and conditions of the Mandate are as follows:

- (a) Cicero will, on a best endeavours basis, facilitate the raising of sufficient funds with sufficient shareholder spread as required by ASX for completion of the Offers.
- (b) Cicero's services will consist of co-ordination and management of the Offers, including:
  - (i) undertaking pre-marketing in order to gain market intelligence and refine the Offers as required;
  - (ii) preparing for and accompanying the Company on a road show for the marketing of the Offer (if required);
  - (iii) managing and liaising with other intermediaries who are involved;
  - (iv) consultation with the Company on allocation of financial funding as necessary;
  - (v) managing the overall fund raising process; and
  - (vi) monitoring aftermarket support and taking action with the Company if necessary,(together, the **Services**).
- (c) In consideration for the Services, the Company will pay Cicero:
  - (i) a placement fee equal to 5% (excluding GST) of all funds raised under the Offers, payable in cash upon receipt of an invoice from Cicero; and
  - (ii) a management fee of 1% (excluding GST) of all funds raised under the Offer, payable in cash upon receipt of an invoice from Cicero.
- (d) Cicero is entitled to be reimbursed for all reasonable, out of pocket expenses incurred in relation to the provision of the services under the Mandate up to an aggregate of \$10,000. Additional out of pocket expenses are not reimbursable unless prior written consent of the Company is obtained, which is not to be unreasonably withheld.

## 10.3 Interests of Directors



Other than as set out in this Prospectus, no Director (or proposed Director) nor any organisation in which such a Director or proposed Director is a partner or director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offers of Securities pursuant to this Prospectus; or
- (c) the offers of Shares pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no benefits have been given or agreed to be given, to any Director or proposed Director or to any organisation in which any such Director or proposed Director is a partner or director, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company or the Offers.

The interest of the Directors and proposed Director in the securities of the Company as at the date of this Prospectus are set out in Section 1.5 above.

The Constitution provides that the remuneration of Directors (excluding salaries of executive Directors) will not be more than the aggregate fixed sum determined by Shareholders in general meeting. The current aggregate fixed sum permitted as remuneration of non-executive Directors has been set at an amount not to exceed \$500,000 per annum.

In addition, a Director may be paid fees or other amounts as the Directors determine where a Director performs extra services or make any special exertions on behalf of the Company or its business.

Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to current and proposed Directors for the past two financial years and for this financial year to 31 December 2015.

Director	July 2015 to Dec 2015	Jan 2015 to June 2015	Jan 2014 to Dec 2014	July 2013 to Dec 2013 <sup>1</sup>	July 2012 to June 2013
Mr Michael Fry	18,000	-	119,167	59,886	112,890
Mr David Prentice <sup>2</sup>	72,000	-	685,183	205,303	540,201
Miss Loren Jones	12,000	-	-	-	-

Notes:

- 1. In order to align the Company's reporting period with its US subsidiaries and with other peer group companies operating in the United States the Company released its Annual Financial Report for the six month transitional reporting period ending 31 December 2013.

2. The deemed value of performance rights has not been included in the total remuneration paid.

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers in certain circumstances

#### **10.4 Interests of experts and advisers**

Other than as set out below or elsewhere in this Prospectus, no expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within the 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the promotion or formation of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offers of Securities pursuant to this Prospectus; or
- (c) the offers of Shares pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no benefits have been given or agreed to be given, to any expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered by that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Offer.

Steinepreis Paganin has acted as the Australian solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$5,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$136,732 (excluding GST and disbursements) for legal services provided to the Company.

Cicero has acted as lead manager in relation to the Offer. The Company estimates it will pay Cicero \$150,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Cicero has not been paid any by the Company.

#### **10.5 Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company, but the Company notes it is subject to the DOCA, which is proposed to be effectuated at Settlement.

## 10.6 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Messrs Martin Jones, Darren Weaver and Benjamin Johnson of Ferrier Hodgson have given their written consent to being named as the Deed Administrators and trustees of the Creditors' Trust in this Prospectus and to the inclusion of statements relating to them contained in this Prospectus. Messrs Martin Jones, Darren Weaver and Benjamin Johnson have not withdrawn their consent prior to the lodgement of this Prospectus with the ASIC.

Grant Thornton has given its written consent to being named as the auditor of the Company in this Prospectus and to the inclusion of the audited balance sheet as at 31 December 2014. Grant Thornton has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Cicero has given its written consent to being named as the lead manager to the Offers and to the inclusion of statements relating to Cicero in this Prospectus. Cicero has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 10.7 Expenses of the Offers

The estimated expenses of the Offers, assuming minimum subscription, are as follows:

	\$
ASIC fees	2,290
ASX fees	6,135
Lead manager fees	75,000
Legal fees	5,000
Printing and distribution	1,000
Miscellaneous	575
<b>Total</b>	<b>90,000</b>

## 10.8 Market price of Shares

The Company's Shares were suspended from trading on 10 December 2014 and currently remain in suspension. The last closing price of Shares on ASX was \$0.006 on 8 December 2014.

The Directors note that trading price occurred prior to the Recapitalisation Proposal and proposed Consolidation and the Directors make no forecast of any future trading in the Company's Shares or potential future trading prices.

## **10.9 Electronic prospectus**

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## **10.10 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship**

The Company will not be issuing Share certificates. The Company will apply to ASX to participate in CHESS, for those investors in Shares who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing Share certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number (**HIN**) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to Shareholders in circumstances in which there have been any changes in their Share holding in the Company during the preceding month.

## **10.11 Privacy Act**

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your Shares in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application Forms for Shares, the Company may not be able to accept or process your Application Forms.

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**11. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

A handwritten signature in black ink, appearing to be 'MF', is written over a horizontal line.

**Michael Fry  
Chairman**

**For and on behalf of  
Red Fork Energy Limited (Subject to Deed of Company Arrangement) (Receivers  
and Managers Appointed)**

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## 12. GLOSSARY

**\$** means the lawful currency of the Commonwealth of Australia.

**Applicant** means a Shareholder or other party who applies for Shares pursuant to one of the Offers.

**Application Form** means Priority Offer Application Form, the Top Up Offer Application Form or the Public Offer Application Form as the case determines attached to or accompanying this Prospectus relating to the relevant Offer.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHESS.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Cicero** means Cicero Advisory Services Pty Ltd (ACN 166 321 393).

**Cicero Loan** means the \$50,000 loan paid by Cicero to the Company upon execution of the DOCA.

**Claims** means all admitted claims against the Company arising on or before 10 December 2014.

**Closing Date** means the Public Offer Closing Date or the Priority Offer and Top Up Offer Closing Date, as the context requires.

**Company** means Red Fork Energy Limited (Subject to Deed of Company Arrangement) (Receivers and Managers Appointed) (ACN 108 787 720).

**Completion** means completion occurring in accordance with clause 7 of the DOCA.

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Consolidation** means the proposed consolidation of the Company's Shares on a on a one (1) for two (2) basis.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Creditors** means those creditors of the Company with Claims.

**Creditors' Trust** means the trust fund which is to be established to hold the \$400,000 payment to be received following completion of the Offers under this Prospectus and any other monies or property on trust pursuant to the terms of the Trust Deed and the DOCA.

**Deed Administrators** means Martin Jones, Darren Weaver and Ben Johnson of Ferrier Hodgson.

**Directors** means the directors of the Company as at the date of this Prospectus.

**DOCA** means the Deed of Company Arrangement entered into by the Company on 2 April 2015.

**Due Date** means 30 June 2015 unless otherwise agreed in writing by the Deed Administrators and Cicero.

**Eligible Shareholder** means a person registered as the holder of Shares on the Record Date.

**General Meeting** means the general meeting of Shareholders held on 5 June 2015.

**Guggenheim** means Guggenheim Corporate Funding, LLC (a Delaware limited liability company) of 330 Madison Avenue, New York, New York 10017, USA.

**Guggenheim Sum** means the sum of \$105,000.

**Leases** means the Company's leasehold interest in 465 gross acres (approximately 282 net acres) in Section 11, of Township 19 North, Range 4 East, in Payne County, Oklahoma.

**Marketable Parcel** means a parcel of Shares worth not less than \$500 based on the closing price of the Company's Shares on the ASX as at the Record Date.

**Offers** means the offer to Shareholders and investors to apply for Shares as set out in Section 5 of this Prospectus, which incorporates the Priority Offer, the Top Up Offer and the Public Offer.

**Official Quotation** means official quotation on ASX.

**Option** means an option to acquire a Share.

**Parent Guarantee Agreement** means the Parent Guaranty Agreement dated 6 November 2013 between the Company (as Guarantor) and Guggenheim (as Administrative Agent, for the benefit of itself and certain other entities).

**PPSA** means the Personal Property Securities Act 2009 (Cth).

**Priority Offer** means the offer of Shares to Priority Shareholders on the terms set out in Section 5.2.

**Priority Offer and Top Up Offer Closing Date** means the closing date of the Priority Offer and Top Up Offer being 5.00pm WST 19 June 2015, subject to this date being extended, or the Priority Offer and Top Up Offer being closed early.

**Priority Offer Application Form** means the Priority Offer application form attached to or accompanying this Prospectus relating to the Priority Offer.

**Priority Shareholder** means a person registered as the holder of 500,000 or more Shares on the Record Date.

**Prospectus** means this prospectus.



**Public Offer** means the offer of any Shares remaining after allocation of the Priority Offer and Top Up Offer on the terms set out in Section 5.4.

**Public Offer Closing Date** means the closing date of the Public Offer being 5.00pm WST 29 June 2015, subject to this date being extended, or the Public Offer being closed early.

**Public Offer Application Form** means the Public Offer application form attached to or accompanying this Prospectus relating to the Public Offer.

**Recapitalisation Proposal** means the process set out in the DOCA pursuant to which the Company is proposed to be recapitalised.

**Receivers and Managers** means Clifford Rocke, Martin Madden and David Winterbottom of KordaMentha Pty Ltd.

**Record Date** means the record date for determining entitlements to participate in the Priority Offer and the Top Up Offer, being 5.00pm WST 5 June 2015.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Top Up Offer** means the offer of Shares to Top Up Shareholders on the terms set out in Section 5.3.

**Top Up Offer Application Form** means the Top Up Offer application form attached to or accompanying this Prospectus relating to the Top Up Offer.

**Top Up Shareholder** means a person registered as the holder of less than 500,000 Shares on the Record Date.

**Trustees** means the trustees appointed under the Trust Deed, being the Deed Administrators.

**Trust Deed** means the trust deed for the Creditors' Trust in the form contemplated by the DOCA.

**Wholly Owned Subsidiaries** means the wholly owned subsidiaries of the Company being, RF USA, Prairie Gas Gathering LLC and EastOK Pipeline LLC.

**WST** means Western Standard Time as observed in Perth, Western Australia.