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

(TO BE RENAMED “BROOKSIDE ENERGY LIMITED”)

ACN 108 787 720

NOTICE OF GENERAL MEETING

TIME: 9:00am WST

DATE: 5 June 2015

PLACE: Suite 9, 330 Churchill Avenue, Subiaco, WA

The Deed Administrators have given their consent to convene the Meeting and to despatch this Notice of Meeting and the accompanying Explanatory Statement, but have taken no part in the preparation of these documents and express no opinion about any of their contents including but in no way limited to any statements regarding the Recapitalisation Proposal other than as set out in their report to the Company's Creditors dated 25 March 2015. The Deed Administrators make no recommendations about how Shareholders should vote on the resolutions contained in the Notice of Meeting and have not undertaken any due diligence in relation to the Recapitalisation Proposal. They have relied on discussions with Cicero Advisory Services Pty Ltd and its advisors. The Directors have prepared and take responsibility for these documents and have caused the despatch of this Notice of Meeting and the accompanying Explanatory Statement.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact Loren Jones on +61 6489 1600.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 9:00am on 5 June 2015 at:

Suite 9
330 Churchill Avenue
Subiaco WA 6008

YOUR VOTE IS IMPORTANT

The business of the Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on 30 May 2015.

VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

LETTER TO SHAREHOLDERS

Dear Shareholder

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 recommended by the administrators. 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.

In summary, the Recapitalisation Proposal involves the following.

- (a) The Company will consolidate its existing securities on a one (1) for two (2) basis, rounded down to the nearest whole number (**Consolidation**).
- (b) 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. It is proposed that this loan amount shall convert into 749,494,640 Shares in the Company (on a post-Consolidation basis) (**Cicero Shares**) subject to satisfaction of the conditions precedent contained in the DOCA.
- (c) The Company will issue a minimum of 1,500,000,000 Shares, and up to a maximum of 2,500,000,000 Shares, to be issued at a price of \$0.001 each to raise a minimum of \$1,500,000 and a maximum of \$2,500,000 (**Capital Raising**).
- (d) Of the funds raised from the issue of the Shares pursuant to the Capital Raising, Cicero will pay \$400,000 to the Deed Administrators who in turn will pay \$295,000 into the creditors' trust created in accordance with the DOCA (**Creditors' Trust**) and \$105,000 to Guggenheim Corporate Funding, LLC in full and final satisfaction of the Company's obligations to Guggenheim. The balance of the funds raised is intended to be applied as set out in Section 1.7 of the Explanatory Statement.
- (e) Miss Loren Anne Jones is proposed to be appointed to the board of directors of the Company immediately upon the Recapitalisation Resolutions being passed at the Meeting. Messrs William Warnock, Larry Edwards and David Colwell will resign from the Board prior to Completion of the DOCA. Messrs David Prentice and Michael Fry will remain on the Board.

- (f) Upon Completion of the DOCA in accordance with its terms:
- (i) the DOCA will terminate;
 - (ii) all admitted claims against the Company arising on or before 10 December 2014 (**Claims**) will be released and compromised with those creditors' with Claims (**Creditors**) instead entitled to rights in respect of the Creditors' Trust; and
 - (iii) the Company will retain its main business undertaking and will seek reinstatement to the ASX.

Completion of the DOCA is subject to a number of conditions, including obtaining necessary shareholder approvals. The Recapitalisation Resolutions proposed in the attached Notice will enable this condition of the DOCA to be completed.

If the Recapitalisation Resolutions are passed and the Recapitalisation Proposal completed, the Company will seek the reinstatement to trading of its Shares on ASX.

None of the Recapitalisation Resolutions required under the Recapitalisation Proposal and listed in the accompanying Notice of Meeting will take effect unless all of the Recapitalisation Resolutions are duly passed.

If any of those Recapitalisation Resolutions are not passed by Shareholders, the Company will have to seek a new recapitalisation proposal and, if unsuccessful, may be placed into liquidation (in which event no return to Shareholders is anticipated).

If the Recapitalisation Resolutions are passed but are not implemented, the trading suspension imposed by the ASX will remain in force and the Deed Administrators or Company's directors at that time will need to consider other alternatives.

I urge you to attend the Meeting, or, if you are unable to attend the Meeting personally, your proxy should be forwarded to the Company so as to be received by no later than the time and date specified on the Proxy Form.

The Recapitalisation Proposal maximises the chances of the Company continuing in existence and to provide a better return to the creditors and Shareholders of the Company than would result from the immediate winding up of the Company.

I encourage you to consider the attached documentation carefully and to exercise your vote in favour of the Recapitalisation Resolutions proposed for approval at the forthcoming Meeting. It is very important that you participate in the decision which could be crucial for the future of your investment in the Company.

The Deed Administrators have given their consent to convene the Meeting and to despatch this Explanatory Statement and the accompanying Notice of Meeting, but have taken no part in the preparation of these documents and express no opinion about any of their contents including but in no way limited to any statements regarding the Recapitalisation Proposal. The Deed Administrators make no recommendations about how Shareholders should vote on the resolutions contained in the Notice of Meeting and have not undertaken any due diligence in relation to the Recapitalisation Proposal. The Directors have prepared and taken responsibility for these documents and have caused the despatch of this Explanatory Statement and the accompanying Notice of Meeting.

Yours faithfully

MICHAEL FRY
CHAIRMAN

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to all other Recapitalisation Resolutions being passed, pursuant to section 254H of the Corporations Act, the Company's Constitution and for all other purposes, the issued capital of the Company be consolidated on the basis that every 2 (two) Shares be consolidated into 1 (one) Share and, where this Consolidation results in a fraction of a Share being held, the Company be authorised to round that fraction down to the nearest whole Share."

2. RESOLUTION 2 – ISSUE OF SHARES – CAPITAL RAISING

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to all other Recapitalisation Resolutions being passed, for the purpose of ASX Listing Rules 7.1 and for all other purposes, approval is given for the Company to issue up to 2,500,000,000 Shares at an issue price of \$0.001 each on a post-Consolidation basis and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: : The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – ISSUE OF SHARES – CICERO ADVISORY SERVICES PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 749,494,640 Shares to Cicero Advisory Services Pty Ltd (or its nominees) on a post-Consolidation basis on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – ELECTION OF DIRECTOR – LOREN ANNE JONES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to all other Recapitalisation Resolutions being passed, for all purposes, Miss Loren Anne Jones, having been nominated and given her consent to act, be elected as a director of the Company with immediate effect."

5. RESOLUTION 5 – CHANGE OF COMPANY NAME

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, subject to all other Recapitalisation Resolutions being passed, for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to Brookside Energy Limited."

DATED: 6 MAY 2015

BY ORDER OF THE BOARD

**MICHAEL FRY
CHAIRMAN**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

The Deed Administrators have given their consent to convene the Meeting and to despatch this Explanatory Statement and the accompanying Notice of Meeting, but have taken no part in the preparation of these documents and express no opinion about any of their contents including but in no way limited to any statements regarding the Recapitalisation Proposal. The Deed Administrators make no recommendations about how Shareholders should vote on the resolutions contained in the Notice of Meeting and have not undertaken any due diligence in relation to the Recapitalisation Proposal. The Directors have prepared and taken responsibility for these documents and have caused the despatch of this Explanatory Statement and the accompanying Notice of Meeting.

If all of the Recapitalisation Resolutions are passed and the proposed re-structuring set out in the DOCA is completed, the Company will be in a position to seek the reinstatement of its Shares to official quotation on ASX. This reinstatement is, of course, subject to the discretion of ASX.

If Shareholders reject the proposed recapitalisation, the Company may be placed into liquidation. In this circumstance, it is likely that there would be no return to Shareholders.

1. OVERVIEW

1.1 Recapitalisation proposals

A recapitalisation proposal typically involves an injection of new cash (by way of issuing new securities) into a company that is either in financial distress or has been placed into voluntary administration.

In the ordinary course, the entity in question will retain some or all of its assets and seek reinstatement to trading following completion of a recapitalisation proposal.

That is what is proposed by the Recapitalisation Resolutions set out in this Notice of Meeting. The background on the Company and an overview of the DOCA is set out in the balance of this Section.

1.2 Background

Red Fork 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.

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

On 10 December 2014, the Company's securities were suspended from quotation on the (**ASX**) and the Directors of the Company resolved to place the Company in voluntary administration.

On 1 April 2015, at a meeting of creditors of the Company, the creditors of the Company resolved that the Company execute the DOCA which, amongst other things, sets out the Recapitalisation Proposal for the Company.

1.3 Deed of Company Arrangement

A summary of the Deed of Company Arrangement (**DOCA**) 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 and receiving an audit report on its financial accounts for its financial year ended 31 December 2014 on or prior to the Due Date;
 - (iii) on or prior to the due date, the removal of any of the Directors of Red Fork 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;
 - (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. Following execution of the DOCA, the Company executed a number of documents that, when completed, will result in:
 - (i) 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;
 - (ii) The Company transferring its interest in RF USA, Prairie Gas Gathering LLC and EastOK Pipeline LLC (**Wholly Owned Subsidiaries**) to Guggenheim (or its nominee);
 - (iii) 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 the events in subparagraph (e)(iii) occur.

- (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.
- (e) At Completion of the DOCA (which is anticipated to be five Business Days after the date upon which the last of the Conditions in the DOCA are satisfied or waived):
 - (i) the Company must:
 - (A) complete the Consolidation (if not already completed in accordance with the applicable ASX timetable);
 - (B) the Company, as beneficial owner, shall transfer, assign, convey and set over the assets of the Company (other than the RFE Business) to the Deed Administrators in their capacities as Trustees of the Creditors' Trust, to be held for and on behalf of the Creditors on the terms of the Creditors' Trust Deed (**Trust Deed**);
 - (C) issue the Shares under Capital Raising
 - (D) issue the Cicero Shares to Cicero;
 - (E) retain sufficient assets to enable the Company's Shares to become reinstated to trading on ASX;
 - (F) unless already undertaken, procure that any Directors, other than David Prentice and Michael Fry and the company secretary resign with effect from Completion, and must provide the Company an acknowledgement that they do not have any claims (for loss of office, remuneration or otherwise) against the Company;
 - (ii) the Creditors must release the Company from all Claims and will be instead entitled to rights against the Creditors' Trust in accordance with the Trust Deed; and
 - (iii) subject being paid the Guggenheim Sum, Guggenheim will release the Company from its obligations under the Parent Guarantee Agreement, retire the Receivers and Managers and provide the relevant releases to discharge its PPSA security interests.
- (f) Following effectuation of the DOCA, Cicero is to be reimbursed by the Company out of the proceeds of the Capital Raising in respect of all costs and expenses incurred by Cicero in satisfying certain conditions of the DOCA, preparation of this Notice of Meeting and assistance in preparing one or more draft prospectuses.
- (g) At Completion, the Deed Administrators must do each of the following:

- (i) take all necessary steps for the DOCA to be terminated in accordance with the terms of the DOCA; and
- (ii) deliver to the Company all documents and information of the Company in the possession and control of the Deed Administrators (and deliver various other items and information to the Company).

1.4 Capital Raising

The Company intends to make an offer of up to 2,500,000,000 Shares, and a minimum of 1,500,000,000 Shares, at an issue price of \$0.001 per Share pursuant to a prospectus (**Capital Raising**).

The Capital Raising will include a priority offer to existing Shareholders of the Company who hold marketable parcels of Shares to subscribe for Shares on the basis of 4 (four) Shares for every 1 (one) Share held at the eligibility date (**Shareholder Priority Placement**). The Capital Raising will also include an offer to those Shareholders holding less than a marketable parcel of Shares to top up their shareholding to a marketable parcel.

The Company will make an application to ASX for its Shares to be reinstated to trading on the official list of ASX.

The purpose of the capital raising is to:

- (a) fund the Company's on-going operations;
- (b) repay Guggenheim the Guggenheim Sum;
- (c) provide funds to develop the Company's existing business;
- (d) provide funds for the acquisition and development of other investments, as identified by the Company; and
- (e) meet the administration costs of the Company and the expenses of the recapitalisation of the Company.

Resolution 2 seeks Shareholder approval for the Capital Raising.

1.5 Cicero Loan

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.

Resolution 3 seeks Shareholder approval for issue of the Cicero Shares to Cicero (or its nominee) by the Company.

1.6 Indicative timetable

Set out in the table below is the expected timing for completion of the Recapitalisation Proposal, subject to compliance with all regulatory requirements.

	Indicative Timing*
Lodgement of prospectus for the Shareholder Priority Placement	12 May 2015
Offers open for the Shareholder Priority Placement	12 May 2015
General Meeting of Shareholders ASX notified whether Shareholders' approval has been granted for the Resolutions	5 June 2015
Offers close for the Shareholder Priority Placement	5 June 2015
Date that would ordinarily be the last day for trading in pre-Consolidation securities	9 June 2015
Date that securities would ordinarily commence trading on a deferred settlement (post-Consolidation) basis**	10 June 2015
Last day to register transfers on a pre-Consolidation basis (although the Company is anticipated to remain suspended at this stage)	12 June 2015
First day for the Company to send notice to each security holder of the change in their details of holdings First day for the Company to register securities on a post-Consolidation basis First day for issue of new holding statements and certificates	15 June 2015
Issue date – deferred settlement market ends** Last day for the Company to send notice to each security holder of the change in their details of holdings Last day to send new holding statements	19 June 2015
Normal T+3 trading anticipated to commence on a post-Consolidation basis and commencement of trading of Shares, including the Cicero Shares and Capital Raising Shares, on ASX (subject to ASX agreeing to reinstate the Company's Shares to quotation).	22 June 2015
Completion of the DOCA, including issue of Cicero Shares, Capital Raising Shares and effectuation and termination of the DOCA	23 June 2015

* The Directors reserve the right to change the above indicative timetable without requiring any disclosure to Shareholders. The above table is indicative only.

** As the Company's securities are anticipated to be suspended from trading, deferred settlement trading will not occur.

1.7 Use of Funds

An indicative two year expenditure budget for the funds raised is set out below:

Total funds raised	Minimum subscription \$1,550,000*	Full subscription \$2,550,000**
Cost of recapitalisation process	\$90,000	\$90,000
Payment to Creditors' Trust***	\$400,000	\$400,000
Review and development of existing business	\$325,000	\$1,090,000
General and administrative costs	\$289,000	\$289,000
Director and executive fees	\$372,000	\$372,000
Working capital	\$74,000	\$309,000
Total	\$1,550,000	\$2,550,000

*Based on a minimum subscription under the Capital Raising of \$1,500,000 plus the \$50,000 Cicero Loan already paid to the Company.

**Based on the maximum subscription under the Capital Raising of \$2,500,000 plus the \$50,000 Cicero Loan already paid to the Company.

***Payment to be made to the Trustee of the creditors' Trust Deed created pursuant to the terms of the DOCA.

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

1.8 Pro-forma capital structure

The estimated proposed capital structure post Completion (assuming all Recapitalisation Resolutions are approved, the Capital Raising is fully subscribed and the issue of the Cicero Shares is as follows.

Event	Shares
Currently on issue	501,051,719
Post-Consolidation (1:2)	250,525,860
Capital Raising	2,500,000,000
Cicero Shares	749,494,640
Total	3,500,020,500

1.9 Proposed Director – Miss Loren Anne Jones

Pursuant to the DOCA, at or prior to Completion the current Directors and company secretary of the Company, other than David Prentice and Michael Fry, will resign and Miss Loren Anne Jones and, a new company secretary will be appointed to Red Fork.

Set out below is a summary of the background and experience of the Proposed Director.

Miss Loren Anne Jones
Director

Miss Jones has worked in finance and back office 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.

1.10 Business plan and strategy

(a) Summary

Under the DOCA, Red Fork 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.

(b) Leases

Red Fork 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.

(c) **Business Plan**

Red Fork 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. To this end, the Company has retained a leasehold interest in certain exploration acreage in Payne County, Oklahoma.

Post the successful recapitalisation and reinstatement, 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.

Review & Development Budget	Minimum subscription \$1,550,000*	Full subscription \$2,550,000**
Data Review, Target Generation & Exploration	\$200,000	\$740,000
Data Acquisition	\$25,000	\$250,000
Land & Leasing costs	\$15,000	\$15,000
Travel & Accommodation costs	\$85,000	\$85,000
Total	\$325,000	\$1,090,000

*Based on a minimum subscription under the Capital Raising of \$1,500,000 and including the \$50,000 Cicero Loan.

**Based on the maximum subscription under the Capital Raising of \$2,500,000 plus the \$50,000 Cicero Loan already paid to the Company.

(d) **Other opportunities**

In addition to the exploration acreage set out above, the continuing management team 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.

1.11 Reinstatement to official quotation

The Company is already admitted to the official list of ASX, however, trading in the Company's Shares was suspended on 10 December 2014. Following Completion, the Company will apply to ASX for reinstatement to trading of its Shares on ASX.

Reinstatement to trading is at the discretion of ASX and will be subject to compliance with ASX and Corporations Act regulatory requirements. The Company will seek reinstatement to trading to occur soon after Settlement, subject to ASX's discretion and compliance with all conditions it applies to the Company's reinstatement.

1.12 Effect of the Recapitalisation Proposal and the DOCA

For the purposes of this Explanatory Statement, the following information is provided for consideration by the existing Shareholders.

The Company's Shares were last able to be traded on ASX prior to the suspension on 10 December 2014. Prior ASX share trading prices for the Company are not considered a reliable basis to assess the new Shares.

The advantages of passing the Recapitalisation Resolutions and subsequent Completion include:

- (a) a cash injection of up to approximately \$2,550,000 into the Company;
- (b) the Company's ability to seek reinstatement to trading of its Shares on ASX is enhanced. By obtaining reinstatement to trading of the Company's Shares, the Shareholders are offered potential liquidity to sell their post-Consolidation shareholdings on ASX; and
- (c) to provide Shareholders with the opportunity to maintain an exposure to potential future growth of the Company that may come from its involvement in oil and gas exploration and production in the mid-continent region of the United States.

The principal disadvantage to Shareholders is that their existing shareholdings will be diluted following the Consolidation on a one (1) for two (2) basis, the issue of the Capital Raising Shares and the issue of the Cicero Shares pursuant to Resolutions 1, 2 and 3. However, this must be balanced with the fact that their existing shareholdings currently have nil value and the fact that, should the DOCA not complete, the Company could be placed into liquidation. Following Completion, their reduced shareholdings would have value based on the cash raised by the Company and the return to liquidity subject to successful reinstatement to trading on ASX.

2. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

2.1 Background

Resolution 1 seeks Shareholder approval to consolidate the number of Shares on issue on a one (1) for two (2) basis (**Consolidation**).

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company going forward when the Company seeks to obtain re-quotations of its Shares on ASX, should Shareholder approval be obtained for all of the Recapitalisation Resolutions.

The Deed Administrators intend to implement the Consolidation prior to the completion of the DOCA if Shareholders approve all the Recapitalisation Resolutions.

Resolution 1 is subject to the other Recapitalisation Resolutions being approved by Shareholders.

2.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

2.3 Fractional entitlements

Not all security holders will hold that number of Shares which can be evenly divided by 2. Where a fractional entitlement occurs, the Company will round that fraction down to the nearest whole Share.

2.4 Taxation

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, security holders are advised to seek their own tax advice on the effect of the Consolidation and none of the Company, Cicero nor the Deed Administrators (nor any of their advisers) accepts any responsibility for the individual taxation implications arising from the Consolidation.

2.5 Holding statements

From the date of the Consolidation all holding statements for previously quoted Shares will cease to have any effect, except as evidence of entitlement to a certain number of Shares on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Shares proposed to be quoted to be issued to holders of those securities.

It is the responsibility of each security holder to check the number of Shares held prior to disposal.

2.6 Effect on capital structure

The estimated effect which the Consolidation will have on the capital structure of the Company is set out in the table in Section 1.8.

2.7 Indicative timetable

If Resolution 1 is passed, the Consolidation of capital will take effect in accordance with the timetable as set out in Appendix 7A (paragraph 5) of the ASX Listing Rules, indicative timing for which is set out at Section 1.6.

3. RESOLUTION 2 – ISSUE OF SHARES – CAPITAL RAISING

3.1 General

Resolution 2 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 in order to issue up to 2,500,000,000 Shares at an issue price of \$0.001 per Share.

Pursuant to the DOCA, it is intended that the Company raise a minimum of \$1,500,000 pursuant to the Capital Raising. The Company is seeking Shareholder approval to raise up to a maximum of \$2,500,000 under the Capital Raising.

The Capital Raising will include a priority offer to existing Shareholders of the Company who hold marketable parcels of Shares to subscribe for Shares on the basis of 4 (four) Shares for every 1 (one) Share held at the eligibility date (**Shareholder Priority Placement**). The Capital Raising will also include an offer to those Shareholders holding less than a marketable parcel of Shares to top up their shareholding to a marketable parcel.

The Company has engaged Cicero to manage the Capital Raising. The Company will pay Cicero a fee equal to 6% of funds raised under the Capital Raising. Cicero may pass on some of these fees to brokers that assist with raising funds under the Capital Raising.

Resolution 2 is subject to the other Recapitalisation Resolutions being approved by Shareholders.

3.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 3 will be to allow the Company to issue the Shares pursuant to the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

3.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Shares:

- (a) the maximum number of Shares to be issued under the Capital Raising is 2,500,000,000;
- (b) the Shares are anticipated to be issued upon Completion and in any event, will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue of the Shares will occur on the same date;
- (c) the issue price will be \$0.001 per Share;
- (d) the Shares will be issued to applicants for the Shares under the Shareholder Priority Placement. None of these subscribers are related parties of the Company;

- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Capital Raising as described in Section 1.7 of this Explanatory Statement.

4. RESOLUTION 3 – ISSUE OF SHARES TO CICERO ADVISORY SERVICES PTY LTD

4.1 General

Resolution 3 seeks Shareholder approval for the issue of up to 749,494,640 Shares to Cicero (or its nominees) on a post-Consolidation basis in repayment of the \$50,000 loan paid to the Company on the execution date of the DOCA.

A summary of ASX Listing Rule 7.1 is set out in Section 3.2 above.

The effect of Resolution 3 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

The Shares to be issued pursuant to this Resolution 3 will be issued to entities nominated by Cicero such that no individual Shareholder will hold more than 20% of the Shares on issue.

Resolution 3 is subject to the other Recapitalisation Resolutions being approved by Shareholders.

4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 749,494,640;
- (b) the Shares are anticipated to be issued upon Completion and, in any event, will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the deemed issue price of the Cicero Shares will be \$0.000066 per Share;
- (d) the Shares will be issued to Cicero (or its nominees). Neither Cicero or its nominees are related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company will use the funds loaned by Cicero to provide working capital required to facilitate the recapitalization and reinstatement process in accordance with the DOCA.

5. RESOLUTION 4 – ELECTION OF DIRECTOR – LOREN ANNE JONES

Pursuant to the DOCA, at or prior to Completion the current Directors and company secretary of the Company, other than David Prentice and Michael Fry, will resign and Miss Loren Anne Jones and a new company secretary will be appointed to Red Fork.

Resolution 4 seeks approval for the election of Miss Jones as a director with immediate effect if the Recapitalisation Resolutions are approved by Shareholders.

Refer to Section 1.9 of the Explanatory Statement for a summary of the background and experience of the Proposed Director.

Resolution 4 is subject to the other Recapitalisation Resolutions being approved by Shareholders.

6. RESOLUTION 5 – CHANGE OF COMPANY NAME

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 5 seeks the approval of Shareholders for the Company to change its name to Brookside Energy Limited.

If Resolution 5 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company and if Resolution 5 is passed (along with all other Recapitalisation Resolutions), the Company will lodge a copy of the special resolution with ASIC following the Meeting in order to effect the change.

The Board proposes this change to better align the name of the Company with the proposed future operations of the Company.

GLOSSARY

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means a day on which banks are open for business in Perth, excluding a Saturday, Sunday or public holiday.

Capital Raising means the issue of up to 2,500,000,000 Shares at an issue price of \$0.001 per Share to raise up to \$2,500,000 the subject of Resolution 2.

Capital Raising Shares means the Shares to be issued pursuant to the Capital Raising.

Chair means the chair of the Meeting.

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

Company or Red Fork 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.

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

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Creditors has the meaning given in the letter to Shareholders forming part of this Notice.

Creditors' Trust means the trust fund which is to be established to hold the \$400,000 payment to be received following completion of the Capital Raising 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 current directors of the Company, being Messrs David Prentice and Michael Fry.

DOCA means the Deed of Company Arrangement between the Company, the Deed Administrators and Cicero.

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

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or Meeting means the meeting convened by the Notice.

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.

Notice or **Notice of Meeting** means this notice of meeting including the letter to Shareholders, Explanatory Statement, Schedules and the Proxy Form.

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).

Proposed Director means Miss Loren Anne Jones.

Proxy Form means the proxy form accompanying the Notice.

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

Recapitalisation Resolutions means Resolutions 1 to 5 inclusive.

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

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

RF USA means Red Fork (USA) Investments Inc.

Section means a section of the Explanatory Statement unless otherwise specified.

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

Shareholder means a holder of a Share.

Shareholder Priority Placement has the meaning given in Section 1.4.

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

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

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.

PROXY FORM

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

GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 9:00am, on 5 June 2015 at Suite 9, 330 Churchill Avenue, Subiaco, WA and at any adjournment thereof.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issue of Shares – Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Shares – Cicero Advisory Services Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Director –Loren Anne Jones	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

**Consent for contact by e-mail
in relation to this Proxy Form:**

YES ☐ NO ☐

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Red Fork Energy Limited, c/- Cicero Advisory Services, PO Box 866, Subiaco WA 6904; or
 - (b) facsimile to +61 8 6489 1601; or
 - (c) email to the Company at loren@cicerocorporate.com.au,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.