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26 October 2005

The Directors
Red Fork Energy Limited
Level 25, Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Sirs

We have been requested to provide an update on the impact on the Company's financial statements of the adoption of Australian Equivalents to International Financial Reporting Standards (AIFRS). We understand that this update is required by the Australian Stock Exchange (ASX).

Section 8 of the Company's prospectus details the areas of AIFRS which the Company believes may potentially impact the Company's financial statements. The Company has stated that it is not expected that there will be any significant impact on the Company's financial statements on the adoption of AIFRS.

By way of update, and consistent with our Independent Accountant's Report included in the Company's prospectus, we confirm that nothing has come to our attention which causes us to believe that there will be any significant impact on the Company's financial statements on the adoption of AIFRS.

Yours sincerely
HLB MANN JUDD

A handwritten signature in black ink, appearing to read 'Lucio Di Giallonardo'.

LUCIO DI GIALONARDO
Partner

Encl.

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