ASX Announcement

July 30, 2009

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Directors

Michael Fry (Chairman)
David Prentice (Managing Director)
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ASX Code

RFE (Fully Paid Ordinary Shares)

Success with East Oklahoma Step-out Drilling

- First two step-out wells deliver a show of gas on drilling and have log characteristics consistent with previously drilled and successfully tested wells

- The wells successfully reach target depth and have been prepared for completion and production testing

- Wells located approximately 1.25 miles North of existing wells and infrastructure on 640 acre spacing units

- Two wells successfully drilled and prepared for production testing in four days at a cost of US$34,000

- On track to achieve gas to sales by the end of calendar 2009

US-focused oil and gas exploration and production company Red Fork Energy Limited ("Red Fork" or the "Company") is pleased to announce that the first two wells in the current phase of drilling and development at the Company's 100% owned and operated East Oklahoma project have successfully reached target depth and have been cased and cemented in preparation for completion and production testing.

These are step-out wells that are located approximately 1.25 miles north of the first four wells drilled at East Oklahoma and the gas tap, compressor station site and water disposal well.

Importantly, both wells (the *Couch #1-34* and *True #1-33* wells) intersected the target shale at the expected depth (approximately 600 feet to the top of shale), with log characteristics consistent with the previously drilled (and successfully tested) wells and both wells exhibited a show of gas in the shale on drilling with no unusual drilling conditions encountered.

It took just four days to drill and prepare these two wells for completion and production testing, and total costs to date (including location preparation, drilling, casing and cementing) are approximately US$34,000 (or US17,000 per well).

As previously announced the Company expects to maintain continuous drilling, completion and production testing at East Oklahoma over the next five months, with the next two wells to be drilled in mid August and we remain on track to achieve first gas sales by the end of calendar 2009.

Yours faithfully,

David Prentice
Managing Director

About Red Fork Energy Limited

Red Fork Energy Limited is an Australian publicly listed company developing oil and gas assets in Oklahoma, United States. The Company currently owns and operates three projects, East Oklahoma (~50,000 acres), West Tulsa (~15,000 acres) and Osage (~5,000 acres). These assets provide proven producing oil and gas fields as well as highly prospective exploration acreage for future growth. Red Fork is well advanced in achieving its goal of becoming an independent exploration and production company through the commercialization of the coal bed methane, shale gas and conventional oil and gas resources located within its landholdings.

Forward Looking Statements

This announcement contains "forward-looking statements". Such forward-looking statements include, without limitation: estimates of future earnings, the sensitivity of earnings to oil & gas prices and foreign exchange rate movements; estimates of future oil & gas production and sales; estimates of future cash flows, the sensitivity of cash flows to oil & gas prices and foreign exchange rate movements; statements regarding future debt repayments; estimates of future capital expenditures; estimates of reserves and statements regarding future exploration results and the replacement of reserves; and where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to oil and gas price volatility, currency fluctuations, increased production costs and variances in reserves or recovery rates from those assumed in the company's plans, as well as political and operational risks in the countries and states in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company's Annual Reports, as well as the Company's other filings. The Company does not undertake any obligation to release publicly any revisions to any "forward looking statement" to reflect events or circumstances after the date of this release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.