

ASX Announcement

October 13, 2009

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Directors

Michael Fry (Chairman)
David Prentice (Managing Director)
Perry Gilstrap (Director Operations)
Bruce Miller (Director Resources)

ASX Code

RFE (Fully Paid Ordinary Shares)

Red Fork Set to Acquire Large Gas Production Project in Oklahoma

US-focused oil and gas exploration and production company Red Fork Energy Limited ("Red Fork" or "the Company") is very pleased to announce that it has entered into an agreement to acquire a large natural gas producing project in Oklahoma, in the United States.

The Company will acquire the assets from an Oklahoma based operator under the terms of a Purchase and Sale Agreement ("the Agreement") that was executed in Tulsa, Oklahoma on October 9, 2009. The agreement is subject to final due diligence and successful closing, which is scheduled to take place on November 2, 2009.

The assets to be acquired under the Agreement are very complimentary to Red Fork's existing projects and are seen as strategically important as the Company continues to grow its portfolio of high quality assets, oil and gas reserves and revenue.

Under the Agreement, Red Fork will acquire a 100% Working Interest (80% Net Revenue or greater) in approximately 60,000 acres. The project includes a large number of existing production and pre-production wells (in excess of 80 wells) as well as significant infrastructure, including an extensive gas gathering and water disposal system, operational central treating and compression facilities and approximately 25 miles of large diameter gas transportation pipe which delivers gas to the spot market.

This new project is expected to deliver an immediate material increase in Red Fork's gas production and revenue and will significantly increase the Company's inventory of drilling locations as well as its gas reserves.

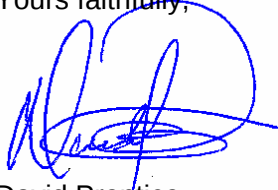
Post closing of the Agreement, Red Fork will be in a position to provide more detail on the production and revenue profile for this new project as well as its intended development plan and likely positive impact on the Company's existing plans and forecasts.

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Under the terms of the Agreement, Red Fork has paid into escrow an initial deposit of US\$1,150,000 with the balance to be paid at closing. The Company has recently increased its cash position in order to take advantage of strategic acquisition opportunities such as this and this new acquisition will be funded in its entirety from Red Fork's existing working capital. Post this acquisition, the Company will continue to remain debt free with cash reserves of approximately A\$16,000,000 and rapidly developing interest from private equity funds.

With activities in 10 counties in Oklahoma, Red Fork continues to seek out acquisition opportunities while expanding and developing its existing projects. The Company looks forward to providing updates in relation to this acquisition and its other extensive development activities including their impact on the Company's overall asset base, reserve position, development plans, production and revenue.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'David Prentice', with a large circular flourish at the end.

David Prentice
Managing Director

About Red Fork Energy Limited

Red Fork Energy Limited is an Australian publicly listed company developing oil and gas assets in Oklahoma, United States. The Company currently owns and operates three projects, East Oklahoma (~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.