REDFORK ENERGY

ASX Announcement

December 21, 2009

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David Prentice (Managing Director)
Perry Gilstrap (Director Operations)
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Steve Miller (Non Executive Director)

ASX Code

RFE (Fully Paid Ordinary Shares)

Drilling Underway at West Tulsa

US-focused oil and gas exploration and production company Red Fork Energy Limited ("Red Fork" or the "Company") is pleased to announce that the next well in the development of the Company's 100% owned and operated West Tulsa project has spudded.

The *Mobius #1-28 Well* was spudded at 12:30am (Central United States time) on December 17, 2009.

This well (a 40 acre offset to the *Fuss #3-33 Well*, which is currently being completed in the Red Fork Sand zone) will be drilled to approximately 4,000 feet with the primary target the Wilcox Sand formation. All other potential hydrocarbon bearing zones will be sampled and logged prior to production testing.

This is the 7th well to be drilled by the Company in the West Tulsa project area.

With this well completed for production, the Company will have a total of six production wells in this part of its West Tulsa project. Importantly this development is supported by extensive permanent production facilities.

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 (~110,000 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.