REDFORK ENERGY

ASX Announcement
January 7, 2010

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Directors

Michael Fry (Chairman)
David Prentice (Managing Director)
Perry Gilstrap (Director Operations)
Bruce Miller (Director Resources)
Steve Miller (Non-Executive Director)

ASX Code

RFE (Fully Paid Ordinary Shares)

Gas Sales Established at West Tulsa

- First gas sales established through fully operational gathering and compression facilities at West Tulsa Project
- Gas production to compliment already profitable oil production
- 150,000 cubic feet per day of associated gas being produced from two primary oil producing wells
- Gas sold via a percentage of proceeds contract on both gas and plant liquids at approximately $7.00 per Mcfe
- Sales volumes set to increase as Pawnee prospect development continues

US-focused oil and gas exploration and production company Red Fork Energy Limited ("Red Fork" or "the Company") is pleased to announce that gas sales have been established at the Company's Pawnee Prospect at the 100% owned and operated West Tulsa Project.

Gas associated with the primary oil production at Pawnee has been directed to sales through the Company's now fully operational gathering, compression and tap facilities.

Sales have been established at the rate of approximately 150,000 cubic feet per day (from two wells) and gas is being sold to an established Oklahoma based midstream company via a percentage of proceeds contract. Red Fork will realize approximately US$7.00 Mcfe from the sale of gas and plant liquids.

The permanent gas gathering, compression and sales facilities the Company has built at Pawnee are capable of handling volumes of 500,000 cubic feet (without further expansion) and Red Fork expects to build on these initial volumes as the Pawnee Prospect is further developed with immediate increases from existing wells to be tied in this quarter.

Continues…..

Red Fork now has six production wells, one water disposal well and significant permanent oil (and now gas) production facilities established at Pawnee, and importantly the Company has already identified and tested a number of productive gas zones that will compliment the primary oil production at Pawnee.

Commenting on this announcement, Red Fork Managing Director David Prentice said “The establishment of sales of associated gas from oil wells at Pawnee is another important step in the development of this exciting project.

“We are looking forward to building on this initial production rate and see the investment in the gas gathering, compression and sales infrastructure at Pawnee as key to improving the economics of what is already very profitable oil production from this project.

“With continued success at Pawnee it is possible that revenue produced from this associated gas could fund a large percentage of our oil production costs, making this project extremely profitable for Red Fork.”

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.