RED FORK ENERGY LIMITED

ABN 15 108 787 720

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11:00 am EDST

DATE: Tuesday, 30 November 2010

PLACE: The Westin Melbourne
205 Collin Street
Melbourne Victoria 3000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9200 4470.

CONTENTS

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Red Fork Energy Limited to which this Notice of Meeting relates to will be held, **11:00am EDST on Tuesday, 30 November 2010 at The Westin Melbourne, 205 Collins Street, Melbourne, Victoria 3000.**

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and either:

(a) send the proxy form by post to Red Fork Energy Limited, PO Box 1424, West Perth, Western Australia 6872; or

(b) send the proxy form by facsimile to the Company on facsimile number (08) 9200 4471.

so that it is received not later than 11:00am EDST on Sunday, 28 November 2010.

Proxy forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Red Fork Energy Limited will be held at The Westin Melbourne, **205 Collin Street, Victoria 3000 at 11:00am EDST on Tuesday, 30 November 2010.**

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 11:00am EDST, Sunday 28 November 2010.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

Reports and Accounts

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2010, together with the declaration of directors, the directors' report, the remuneration report and the auditor's report.

Resolution 1 – Adoption of Remuneration Report (Non-binding)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding ordinary resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the Company to adopt the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2010."

Resolution 2 – Re-election of Bruce Miller

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of clause 11.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Bruce Miller, being a Director, retires by rotation and, being eligible, is hereby re-elected as a Director."

Resolution 3 – Re-election of Steve Miller

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of clause 11.12 of the Constitution and for all other purposes, Steve Miller, being a Director appointed on 6 November 2009, retires and, being eligible, is hereby re-elected as a Director."

Resolution 4 – Approval of issue of Director Options to Mr Steve Miller

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to and conditional on the passing of Resolution 4, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 600,000 Director Options to Steve Miller (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Voting Exclusion: For the purposes of ASX Listing Rule 10.11 and section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 4 by Steve Miller and any of his associates. However the Company need not disregard a vote if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

DATED: 25 OCTOBER 2010
BY ORDER OF THE BOARD

COMPANY SECRETARY
RED FORK ENERGY LIMITED

Voting Exclusion Note

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at The Westin Melbourne, 205 Collin Street, Melbourne, Victoria 3000 at 11:00am EDST on Tuesday, 30 November 2010.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions in the Notice of Meeting.

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2010 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested by a Shareholder to do so, Shareholders may view the Company annual financial report on its website at www.redforkenergy.com.au.

RESOLUTION 1 – REMUNERATION REPORT (NON-BINDING RESOLUTION)

In accordance with Section 250R(2) of the Corporations Act, the Company must put a resolution to Shareholders that the remuneration report be adopted at the Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2010 and includes all of the information required by Section 300A of the Corporations Act, including:

(a) the board policy for determining, or in relation to, the nature and amount (or value, as appropriate) of remuneration of Directors, secretaries and senior managers of the Company;

(b) discussion of the relationship between such policy and the Company's performance; and

(c) the prescribed details in relation to the remuneration of each Director and certain executives.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

RESOLUTION 2 – RE-ELECTION OF MR BRUCE MILLER

Clause 11.3 of the Constitution provides that, at the annual general meeting in every year one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest one-third, and any other Director not in such one-third who has held office for 3 years or more (except the Managing Director), must retire from office. A retiring Director is eligible for re-election. The Directors to retire at any annual general meeting must be those who have been longest in office since their last election but, as between persons who became Directors on the same day, those to retire must (unless they otherwise agree among themselves) be determined by lot.

The Company currently has five Directors and accordingly one must retire.

Bruce Miller, the Director longest in office since his last election, retires by rotation and seeks re-election in accordance with clause 11.3 of the Constitution.

Bruce Miller has 25 years of geological experience, including well site supervision of over 400 wells in Oklahoma and Kansas, design and implementation of drilling programs and completions. His experience includes evaluation of both conventional and unconventional oil and gas prospects in Kansas, Oklahoma, Ohio and Texas. Bruce has also been involved in large CBM evaluation and development projects in Kansas and Oklahoma.

The Board (other than Bruce Miller) recommends the election of Bruce Miller.

RESOLUTION 3 – RE-ELECTION OF MR STEVE MILLER

Clause 11.11 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Clause 11.12 of the Constitution provides that any Director appointed under clause 11.11 of the Constitution holds office until the next annual general meeting of the Company and is then eligible for re-election.

Steve Miller, will retire in accordance with clause 11.12 of the Constitution and being eligible seeks re-election.

Steve Miller is the President of Orion Exploration LLC ("Orion"), a privately held independent oil and gas company which is headquartered in Tulsa, Oklahoma and specialises in directional and horizontal drilling. Steve has extensive experience in corporate management of oil and gas exploration and production companies. Steve has served on the board of a number of Oklahoma corporations. His experience includes responsibility for overseeing areas of finance, reserve reporting, gas marketing and stock holder relations. Project generation and joint venture negotiations are also a strong area of experience.

The Board (other than Steve Miller) recommends the election of Steve Miller.

RESOLUTION 4 – APPROVAL OF ISSUE OF DIRECTOR OPTIONS TO STEVE MILLER

Background

Resolution 4 seeks Shareholder approval for the issue of 600,000 Director Options to Steve Miller (or his nominee) on the terms and conditions set out in Schedule 1. Steve Miller is a Non-Executive director of the Company.

The issue of the Directors Options pursuant to Resolution 4 is subject to the re-election of Steve Miller as a Director pursuant to Resolution 3.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The grant of the Director Options to the Steve Miller requires the Company to obtain Shareholder approval as Steve Miller is a Director and is therefore a related party of the Company.

The Board of Directors have resolved that the issue of the Director Options constitutes reasonable remuneration in accordance with Section 211 of the Corporations Act. Accordingly, shareholder approval is not sought for the grant of the Director Options to Steve Miller under Chapter 2E.

However, it is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 does not apply in the current circumstances. Accordingly, Shareholder approval is sought for the purposes of ASX Listing Rule 10.11 to the grant of Director Options to Steve Miller.

ASX Listing Rule 10.11

If Resolution 4 is passed, Director Options will be issued to Steve Miller, who is a related party of the Company. Accordingly, approval for the issue of Director Options is required pursuant to ASX Listing Rule 10.11.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 4:

(a) the related party is Steve Miller and is a related party by virtue of being a Director;

(a) the maximum number of Director Options to be issued by the Company is 600,000 to Steve Miller;

(b) the Director Options will be issued not later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that allotment will occur on one date;

(c) the Director Options will be issued for no cash consideration;

(d) the Director Options will be issued on the terms and conditions set out in Schedule 1;

(e) no funds will be raised from the issue of the Director Options as the purpose of the issue is to give Steve Miller an incentive to provide dedicated and ongoing services to the Company.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to Steve Miller as approval is being obtained under ASX Listing Rule 10.11. Shareholders should note that the issue of securities to Steve Miller will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

SCHEDULE 1 – TERMS AND CONDTIONS OF DIRECTOR OPTIONS

1. Each Option entitles the holder to acquire one fully paid ordinary share in the Company.

2. Subject to paragraph 3. Below, the Options may be exercised at any time until 30 April 2016. Each Option may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of one dollar (A$1.00) per Option exercised. The Options will lapse at 5.00pm WST on the date of expiration, being 30 April 2016.

3. An Option Holder may exercise some only of that person's Options, which does not affect that holder's right to exercise the remainder of their Options by the deadline in paragraph (2) above, after the occurrence of a milestone event, being Red Fork Energy Limited achieving gross production of 2.75 MMcfe per day for 3 consecutive months and establishing net reserves (undiscounted) of 15 BCFE.

4. The Options may be transferred by an instrument (duly stamped where necessary) in the form commonly used for transfer of Options at any time until the date of expiration. This right is subject to any restrictions on the transfer of an Option that may be imposed by ASX in circumstances where the Company is listed on ASX.

5. The Options shall not entitle the Optionholders to participate in new issues of securities. However, the Optionholder shall be given notice of any proposed pro rata issue to be made available to shareholders at least nine (9) Business Days prior to and inclusive of the record date of that issue (to determine entitlements to the issue) to enable them to exercise the Options in order to participate in the issue.

6. Shares issued on the exercise of Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys. Shares allotted pursuant to the exercise of an Option will rank equally with the then issued ordinary shares of the Company in all respects. If the Company is listed on ASX it will, pursuant to the exercise of an Option, apply to ASX for Quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the Listing Rules.

7. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.

8. If there is a bonus issue to shareholders, the number of shares over which the Option is exercisable may be increased by the number of shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

9. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced in accordance with Listing Rule 6.22.2.

GLOSSARY

2010 Annual Report means the Company's annual report for the year ended 30 June 2010, which can be downloaded from the Company's website at www.redforkenergy.com.au

Annual General Meeting or **Meeting** means the meeting convened by this Notice.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited or the Australian Securities Exchange, as the context requires.

ASX Listing Rules or **Listing Rules** means the official Listing Rules of ASX.

Bcfe means billion cubic feet equivalent, determined using a given ratio of Mcf of natural gas to one barrel of crude oil, condensate or natural gas liquids.

Board means the Board of Directors of the Company.

Business Day means Monday to Friday inclusive, except New Years Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares not a business day.

Company or **Red Fork** means Red Fork Energy Limited (ABN 15 108 787 720).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the current directors of the Company.

Director Option means an Option granted pursuant to Resolution 4 with the terms and conditions set out in Schedule 1.

EDST means Eastern Daylight Savings Time.

Explanatory Statement means the explanatory statement to this Notice.

Meeting means the meeting convened by the Notice.

Mcf means thousand cubic feet of natural gas.

MMcfe means million cubic feet of gas equivalent, determined using the ratio of 6 Mcf of natural gas to 1 barrel of crude oil, condensate or natural gas liquids.

Net Reserves means the estimated quantities of crude oil, natural gas, and natural gas liquids, net to the Company which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form. **Option** means an option to acquire a Share on the terms set out in this Notice.

Optionholder means a holder of an Option or Director Option as the context requires.

Proxy Form means the proxy form accompanying this Notice.

Remuneration Report means that section of the Directors' Report under the heading "Remuneration Report" set out in the 2010 Annual Report.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

PROXY FORM

APPOINTMENT OF PROXY
RED FORK ENERGY LIMITED
ABN 15 108 787 720

ANNUAL GENERAL MEETING

I/We

of

being a member of Red Fork Energy Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

OR ☐ the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting to be held at 11:00 am (EDST), on Tuesday, 30 November 2010 at The Westin Melbourne, 205 Collin Street, Melbourne, Victoria 3000, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

☐ If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolutions 1 to 4** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 1 to 4 and that votes cast by the Chair of the Annual General Meeting for Resolutions 1 to 4 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 1 to 4 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1 to 4.

OR

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	☐	☐	☐
Resolution 2	Re-election of Mr Bruce Miller	☐	☐	☐
Resolution 3	Re-election of Mr Steve Miller	☐	☐	☐
Resolution 4	Approval of Director Options to Steve Miller	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

Signature of Member(s): **Date:** ____________________

Individual or Member 1	**Member 2**	**Member 3**
Sole Director/Company Secretary	**Director**	**Director/Company Secretary**

Contact Name: ____________________________________ **Contact Ph (daytime):** ____________________________

RED FORK ENERGY LIMITED
ABN 15 108 787 720

Instructions for Completing 'Appointment of Proxy' Form

1. (**Appointing a Proxy**): A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.

2. (**Direction to Vote**): A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.

3. (**Signing Instructions**):

   - (**Individual**): Where the holding is in one name, the member must sign.

   - (**Joint Holding**): Where the holding is in more than one name, all of the members should sign.

   - (**Power of Attorney**): If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

   - (**Companies**): Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

4. (**Attending the Meeting**): Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.

5. (**Return of Proxy Form**): To vote by proxy, please complete and sign the proxy form enclosed and either:

   a) send the proxy form by post to Red Fork Energy Limited, PO Box 1424, West Perth, Western Australia 6872; or

   b) send the proxy form by facsimile to the Company on facsimile number (08) 9200 4471,

   so that it is received not later than 11:00am EDST on Sunday, 28 November 2010.

   Proxy forms received later than this time will be invalid.