

ASX Announcement  
January 11, 2012



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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)

## Progress Report *McMurtry #1-21H* Well Noble County, Oklahoma

Oklahoma based (Australian Securities Exchange listed) oil and gas exploration and production company, Red Fork Energy Limited ("Red Fork" or the "Company") advises that as of January 11, 2012 the *McMurtry #1-21H* was drilling ahead in the lateral at a measured depth of 5,410 feet. Previous operations saw 7" casing successfully run and cemented to a measured depth of 5,400 feet. In addition wire-line logging of the vertical section through to the casing point was completed.

The lateral is being drilled in the Mississippi Lime formation.

Importantly, mud logs and analysis of samples highlighted a good show of oil in the upper part of the Mississippi Lime formation as the well bore cut this section prior to making the turn for the lateral.

This Red Fork operated well will be drilled to a targeted measured depth of approximately 10,000 feet, with an estimated 4,600 feet of lateral drilled in the Mississippi Lime formation.

This well is being drilled from a location in Noble County as a horizontal Mississippian test

The Company will provide further updates as drilling operations progress.

Yours faithfully

David Prentice  
Managing Director

## 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.