

ASX Announcement August 6, 2012

Red Fork Energy Limited
ACN 108 787 720

Level 2, 79 Hay Street
Subiaco Western Australia 6008
PO Box 1424
West Perth WA 6872

Telephone +61 8 9200 4470
Facsimile +61 8 9200 4471

Contact

David Prentice
Managing Director
david.prentice@redforkenergy.com.au

Website

www.redforkenergy.com.au

Directors

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

Listings

RFE.AX (Fully Paid Ordinary Shares)
RDFEY.OTCQX (1 ADR = 10 FPO's)

Development Area 2 Mississippian Operations Progress Report

Oklahoma based (Australian Securities Exchange and OTCQX listed) oil and gas exploration and production company, Red Fork Energy Limited ("Red Fork" or the "Company") is pleased to provide the following update on operations from Development Area 2 in Noble and Payne Counties, Oklahoma.

McMurtry #1-21H Well

(Red Fork WI 62.2%)

This well has also now been transferred to the Company's production monitoring team. The Company is very pleased to report that the well has been producing uninterrupted since testing commenced. The well achieved a peak rate of 712 Boe per day (494 barrels of 38 plus gravity crude oil and 1,304,000 cubic feet of high BTU gas) and a 23-day average rate of 470 Boe per day.

McMurtry #1-22H Well

(Red Fork WI 59.2%)

This well is awaiting completion.

Bunch #1-19H Well

(Red Fork WI 94.9%)

This well is awaiting completion.

Tasman #1-15H Well

(Red Fork WI 92%¹)

The well is awaiting completion.

State #1-13H Well

(Red Fork WI 50%)

This well is drilling ahead at a measured depth of approximately 3,272 feet.

Continues...

State #1-16H Well

(Red Fork WI 56%¹)

This well is drilling ahead at a measured depth of approximately 5,280 feet.

Further updates will be provided as operations continue.

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

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.

¹ Red Fork's Working Interest (“WI”) is an estimate where final numbers are not available.

² Barrels of oil equivalent is calculated on a simple 6:1 conversion of gas to oil.

³ Liquids rich gas produced from Red Fork's Mississippian wells is typically 1,300 BTU or better.