ASX Announcement
August 20, 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)

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.

Red Fork currently has two rigs operating in Development Area 2, with a third rig to commence operations in September 2012.

State #1-13H Well
(Red Fork WI 50%)

This well is drilling ahead at a measured depth of approximately 5,479 feet.

State #1-16H Well
(Red Fork WI 56%)

This well is drilling ahead at a measured depth of approximately 7,133 feet.

Tasman #1-15H Well
(Red Fork WI 92%)

Permanent production facilities have been set on location and tied to the Company's existing produced water and gas gathering infrastructure. Equipment is now being moved on location for the commencement of reservoir stimulation operations, which are expected to commence toward the end of this week.

McMurtry #1-22H Well
(Red Fork WI 59.2%)

This well is awaiting completion.

Continues…

Bunch #1-19H Well
(Red Fork WI 94.9%)

This well is awaiting completion.

Warburton #1-23H Well

This well is expected to spud in September 2012.

Mawson #1-3H Well

This well is expected to spud in September 2012.

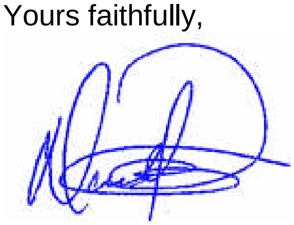
The following table details the status of wells drilled across the Company's Big River Mississippian development areas to date.

Well Name	RFE WI [1]	Status	Peak Rate (Boe/d) [2]	30-Day (Boe/d)	Dev. Area
Tahara #1-28H	100.0%	Producing	283	139	1
Abunda #1-21H	100.0%	Testing [3]	N/A	N/A	1
McMurtry #1-21H	62.2%	Testing	712	470[4]	2
Blair #1-24H	92.7%	Producing	400	273[5]	2
McMurtry #1-22H	59.2%	Awaiting Completion			2
Bunch #1-19H	94.9%	Awaiting Completion			2
Tasman #1-15H	92.0%	Awaiting Completion			2
State #1-16H	56.0%	Drilling			2
State #1-13H	50.0%	Drilling			2
Warburton #1-23H	TBA	Set to spud			2
Mawson #1-3H	TBA	Set to Spud			2

Notes:
1. Red Forks Working Interest
2. The equivalent barrels production rate has been calculated on a simple 6:1 ratio
3. Well is still testing
4. 23-day average rate
5. 21-day average rate – this well is temporarily shut-in as drilling operations (*State #1-13* well) are underway on this dual location.

Further updates will be provided as operations continue.

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.

[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.