

## ASX Announcement

April 2, 2012

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### Website

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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)

## Red Fork Energy Mississippian Operations Progress Report

Oklahoma based (Australian Securities Exchange 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 across its 73,000 acre holding in the Mississippian play in Oklahoma.

Activity across the Company's first two development areas is increasing rapidly, with the Jerry Scott #5 rig operating continuously in Development Area 2 (Noble County) and the inventory of drilling locations and wells set for completion growing. In addition, the Company's mid-stream affiliate East OK Pipeline LLC is expanding the scale and capacity of the supporting produced-water and gas-gathering infrastructure to meet this increased development activity.

### Development Area 2 (Noble County, Oklahoma)

#### Blair #1-24H Well

The Blair#1-24H, operated by Red Fork, is currently drilling ahead at 4,500 feet building curve and preparing to run the 7" intermediate string. This well will be drilled to a vertical depth of approximately 4,900 feet, with an estimated further 4,500 feet of lateral to be drilled in the Mississippi Lime formation to an approximate total measured depth of 9,400 feet. The Company is very pleased with the productivity being achieved with this rig on this well.

#### McMurtry #1-21H Well

This well was successfully drilled to a total measured depth of 9,833 feet, with approximately 4,437 feet of lateral drilled in the Mississippi Lime formation. The well was subsequently logged and production casing has been run and cemented. The well is currently shut-in awaiting completion and infrastructure.

Continues....

## Infrastructure

Construction work to build out the balance of the required infrastructure to support the Company's first development area in Noble County is well advanced. Right of way is being cleared and gas-gathering and produced-water disposal pipelines are being laid to Red Fork's existing permitted disposal facilities and gas sales tap. This infrastructure when complete will support up to 16 horizontal production wells and an additional 32 in-fill development locations based on 640 acre spacing (see attached).

## Forward Program

Immediately following the completion of drilling operations on the Blair #1-24H well, the Jerry Scott #5 rig will be skidded to spud the State #1-13H well from this dual location. In addition and as outlined above, the Jerry Scott #5 rig will operate continuously in Development Area 2 for the balance of calendar 2012. A second Jerry Scott rig has also now been secured and this rig will move in to spud the McMurtry 1-22H well shortly. Completion operations (perforation and reservoir stimulation) are expected to be undertaken on the McMurtry #1-21H, Blair #1-24H and the State #1-13H wells during the June 2012 quarter.

## **Development Area 1 (Pawnee County, Oklahoma)**

### Abunda #1-24H Well

This well has now been completed for production. Perforation and fracture stimulation operations were successfully completed and the isolation plugs have now been drilled out ahead of the commencement of production testing. An electric submersible pump (ESP) has been installed and the well is now testing. To date we have recovered approximately 9,000 barrels of the 40,000 barrels of load water injected during the reservoir stimulation process. Importantly, we are already seeing shows of oil and gas. Further updates will be provided as the load water is recovered and the well cleans up.

### Tahara #1-28H Well

The Company is very pleased with the performance of this well. The well is producing to sales and after almost four months of continuous production, the well is performing in line with the current industry average type curve for the play (adjusted for its lower gas to oil ratio). The well is producing approximately 80% crude oil and the balance liquids rich (high BTU) gas.

## Infrastructure

The Company's existing production facilities in this field will support up to 9 horizontal production wells and an additional 18 in-fill development locations based on 640 acre spacing (see attached).

## Forward Program

Production testing will continue on the Abunda 1-24H well, with oil and gas delivered to sales through existing infrastructure. An initial production rate will be declared when the load water has been recovered and the well has stabilized (expected to occur be within the next 30 to 60 days).

### **Development Area's 3 & 4 (Pawnee, Payne and Noble Counties, Oklahoma)**

Work to establish the next two development areas has commenced with permitting and contracting for 3D seismic underway. In addition, initial planning and site review work is underway for the permitting and construction of produced-water and gas-gathering infrastructure for these two new development areas.

Yours faithfully

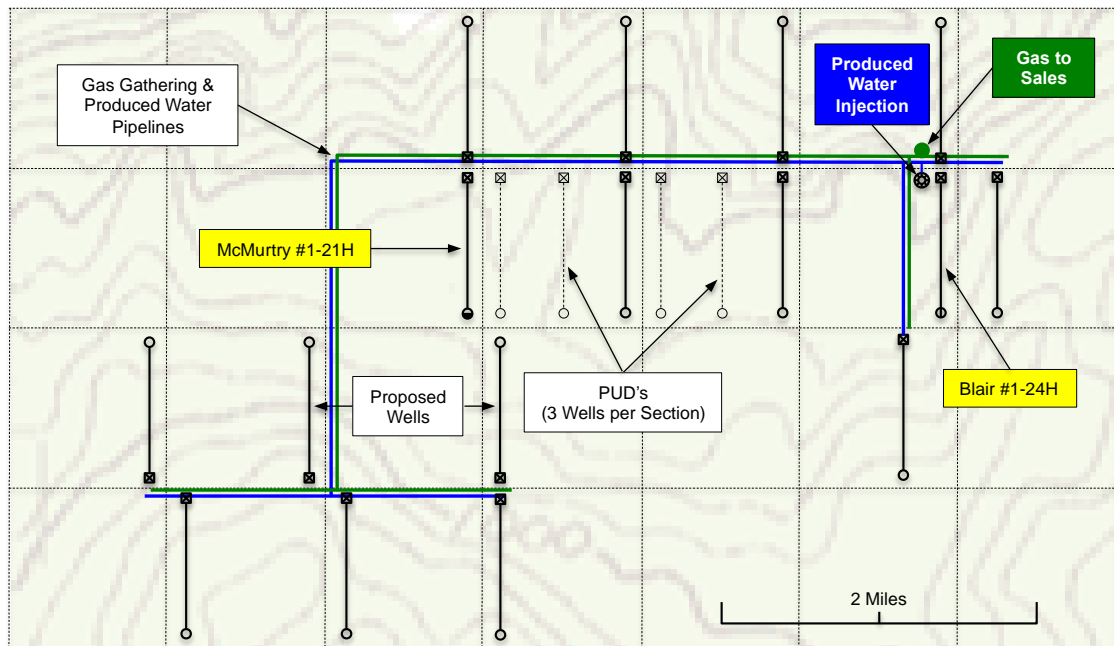


David Prentice  
Managing Director

### **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.

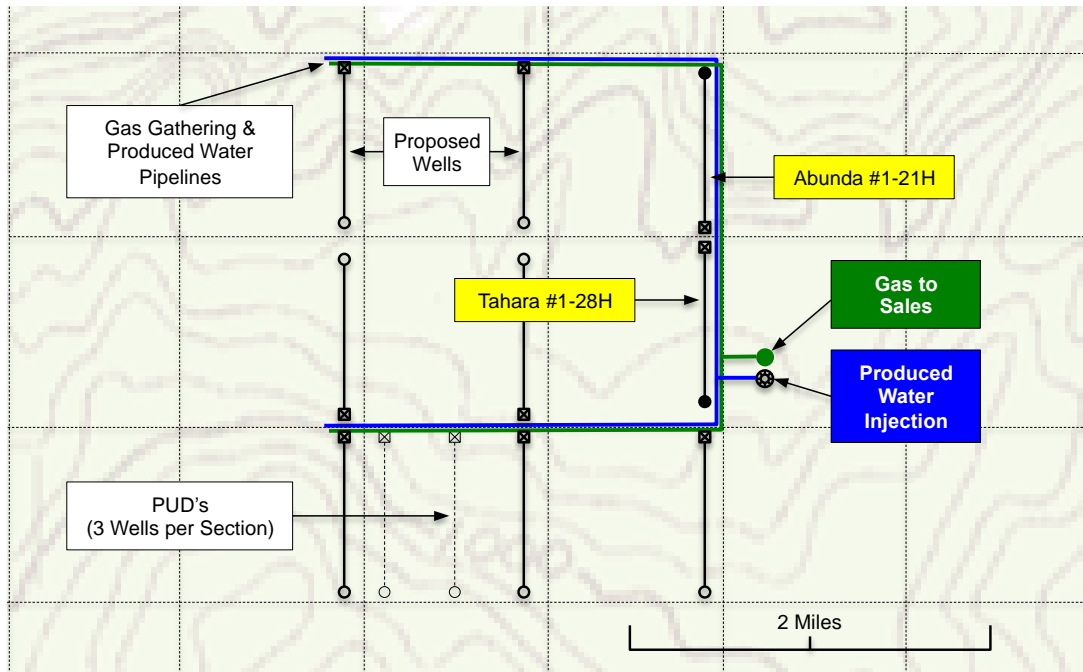
Development Area 2 (Noble County, Oklahoma)  
~10,000 acres (48 locations based on 640 acre spacing)



Pipeline Construction (Noble County, Oklahoma)



Development Area 1 (Pawnee County, Oklahoma)  
~4,500 acres (27 locations based on 640 acre spacing)



Reservoir Stimulation – Abunda #1-21H (Pawnee County, Oklahoma)

