

ASX Announcement  
January 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)

#### ASX Code

RFE (Fully Paid Ordinary Shares)

## Production Report *Tahara #1-28H* Well Pawnee County, Oklahoma

Oklahoma based (Australian Securities Exchange listed) oil and gas exploration and production company, Red Fork Energy Limited ("Red Fork" or the "Company") is very pleased to provide the following further update on production testing operations at the *Tahara #1-28H* well (Red Fork 100% Working Interest), in Pawnee County Oklahoma.

As of January 19, 2012 the well is continuing to clean up as the fluid level is lowered. The rate of pumping is being monitored continuously and the rate at which the fluid level is lowered is being carefully controlled to ensure optimum reservoir management and recoveries.

The well continues to produce by pumping through tubing via the ESP and intermittent flow through the casing on 16/64<sup>th</sup> inch choke. There is currently approximately 2,000 feet of fluid above the ESP and the calculated bottom hole pressure is 1,023 PSI.

During this period of initial testing, while production is intermittent and has not yet stabilized, the well has continued to produce to sales with a 30-day peak rate of 304 barrels of oil equivalent per day recorded (80% crude oil).

Importantly, the high fluid level and bottom hole pressure (which would support a calculated open flow rate significantly higher than this 30 day peak rate) indicate that as the fluid level is lowered production rates (both oil and high BTU gas) would normally increase.

Notwithstanding this further potential, using these early test results and based on the sales achieved during this testing period, the well is already on track to achieve a net 1 to 1 payout in approximately 8 months and support an EUR in the range of the play average.

Yours faithfully

David Prentice  
Managing Director

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## 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.

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