

31 July 2013

Manager of Company Announcements
ASX Limited
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

By E-Lodgement

Quarterly Report for the Period Ending 30 June 2013

Issued Capital: **266M ***

ASX Code: **RMP**

Closing price: **A\$0.046***

* as at 30 June 2013

AIM Code: **RMP**

Closing Price: **£0.0312***

The Board of Red Emperor Resources NL (**Red Emperor** or the **Company**) is pleased to provide the following commentary and Appendix 5B for the period ending 30 June 2013.

Georgia Project

During the quarter Red Emperor's Joint Venture Partner and Operator, Strait Oil & Gas UK, advised that the processing and interpretation of a 200km 2D seismic program carried out by the Geophysical Institute of Israel ("GII") was completed and incorporated into a Geological Model.



BOARD & MANAGEMENT

Mr Greg Bandy
EXECUTIVE DIRECTOR

Mr Jason Bontempo
NON-EXECUTIVE DIRECTOR

Mr Stephen Brockhurst
NON-EXECUTIVE DIRECTOR

Ms Rebecca Sandford
Ms Shannon Robinson
JOINT COMPANY SECRETARY

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ASX CODE | AIM CODE
RMP



Results of the Geological Model, which also includes data from the Soviet period along with the seismic interpretation performed by RPS Energy in 2009, will hopefully enable the Joint Venture to confirm potential drilling locations in Block VIb that were highlighted as prospective from the initial survey in 2009, along with allowing the Joint Venture to update the reserve and resource potential across the two license areas.

Work has also commenced on evaluating the shale gas/oil potential that has been identified on approximately 3,000km² with geological mapping and modelling of this potential expected to be finalised in Q4 2013.

Coal Bed Methane Joint Venture

The Joint Venture Partners, together with the Georgian Industrial Group (GIG), are continuing to progress plans to commence a feasibility and technical study, which if positive, is expected to be followed by an initial three to four well pilot project targeting coal bed methane gas. During the quarter Red Emperor was advised that site planning for the CBM project had been finalised, with all plans and locations assessed, mapped and the initial well program agreed with GIG. Initial geological reports together with an economic model have been submitted to the Georgian government for approval.

Red Emperor is advised that subject to Government approvals, the implementation of the Project is scheduled for the beginning of Q4. It has been proposed to drill a total of four wells initially and connect the obtained gas to the local pipeline infrastructure.

Potential Farm-in Discussions

During the quarter JV Partner and Strait Oil & Gas' UK shareholder, Range Resources Limited, advised Red Emperor that it had received farm in / joint venture interest from a number of parties with respect to both the conventional and unconventional opportunities across the two licenses. Further updates will be provided as we are further advised.

Puntland Project

During the previous quarter, Red Emperor's JV partner and operator of its Puntland Project, Horn Petroleum Corp (TSXV: HRN), has been focused on making preparations for a seismic acquisition campaign in the Dharoor PSA, which will include a regional seismic reconnaissance grid in the previously unexplored eastern portion of the basin as well as prospect specific seismic to delineate a drilling candidate in the western portion of the basin, where an active petroleum system was confirmed by the recent drilling at the Shabeel-1 and Shabeel North-1 locations. The focus of the Dharoor seismic program will be to delineate new structural prospects for the upcoming drilling campaign.

As previously reported, based on the encouragement provided by these two Shabeel wells, the JV entered into the next exploration period in both the Nugaal and Dharoor Valley Production Sharing Contracts ("PSCs") which carry a commitment to drill one well on each block within an additional 3 year term. The current operational plan is to contract a seismic crew to acquire additional data in the Dharoor Valley block and to hold discussions with the Puntland Government to gain access regarding drill ready prospects in the Nugaal Valley block.



For and on behalf of the Board

Greg Bandy
Executive Director

Background

Red Emperor Resources NL (ASX: RMP | AIM: RMP) is a natural resources exploration company with interests in the frontier state of Puntland, Somalia and the Republic of Georgia.

In Puntland, Red Emperor holds a 20% working interest in two licences encompassing the highly prospective Dharoor and Nugaal valleys. These two exploration areas cover over 36,000km². Horn Petroleum, the operator and 60% interest holder, has completed a two well program with the JV having now entered the next phase of the two Production Sharing Contracts across both blocks.

In the Republic of Georgia, Red Emperor has a 20% working interest in onshore blocks VIa and VIb, covering approximately 6,500km². After the drilling of the first well in July 2011 Mukhiani -1 the JV has focused on evaluating the large unconventional CBM potential of the area, as it is seen to be relatively low risk and has the potential to contribute cash flow to fund further exploration if successful.

The Contingent Resource estimate quoted above of 400bcf of CBM gas at the Tkibuli project is sourced from the publically available report by Advanced Resources International's ("ARI") prepared in 2009: *CMM and CBM development in the Tkibuli-Shaori Region, Georgia*. Advanced Resources International, Inc., 2009. Prepared for GIG/Saknakhshiri and U.S. Trade and Development Agency. The report can be viewed at:
http://www.globalmethane.org/documents/toolsres_coal_overview_ch13.pdf

The Joint Venture technical consultants have not yet reviewed the details of ARI's resource estimate and the reliability of this estimate and its compliance with the SPE reporting guidelines or other standard is uncertain. Red Emperor and its JV partners will be seeking to confirm this resource estimate, and seek to define reserves, through its appraisal program and review of historical data during the next 12 months.

Competent Person

Subject to the Caveat above regarding the ARI report: All of the technical information, including information in relation to reserves and resources that is contained in this document has been reviewed internally by the Company's technical consultant, Mr Alexander Parks. Mr Parks is a Petroleum Engineer who is a suitably qualified person with over 15 years' experience in assessing hydrocarbon reserves and has reviewed the release and consents to the inclusion of the technical information.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

RED EMPEROR RESOURCES NL

ABN

99 124 734 961

Quarter ended ("current quarter")

30 JUNE 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(391)	(8,514)
(b) development		
(c) production		
(d) administration	(318)	(1,185)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	166	524
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	6	11
Net Operating Cash Flows	(537)	(9,164)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) investments	-	-
1.9 Proceeds from:		
(a) prospects	-	-
(b) equity investments	-	-
(c) investments asset acquisition escrow acc	-	982
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Proceeds from underwriting	-	-
Net investing cash flows	-	982
1.13 Total operating and investing cash flows (carried forward)	(537)	(8,182)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(537)	(8,182)
	Cash flows related to financing activities		
1.14	Proceeds from placement		
1.15	Proceeds from option exercise	-	2,250
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Costs associated with issue of shares	-	(135)
	Net financing cash flows	-	2,115
	Net increase (decrease) in cash held	(537)	(6,067)
1.20	Cash at beginning of quarter/year to date	12,514	18,044
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	11,977	11,977

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.2 Aggregate amount of payments to the parties included in item 1.2	43
1.2 Aggregate amount of loans to the parties included in item 1.10	Nil

1.2 Explanation necessary for an understanding of the transactions

Payments of Directors Fees and Remuneration	43
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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Appendix 5B

Mining exploration entity quarterly report

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	-
3.2 Credit standby arrangements	Nil	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	400

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	11,977	12,514
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other – Term Deposit	-	-
Total: cash at end of quarter (item 1.22)	11,977	12,514

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	None		
6.2	Interests in mining tenements acquired or increased	None		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

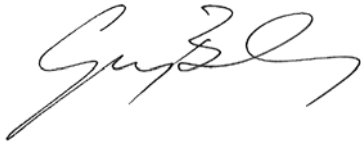
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil			
7.3 *Ordinary securities	266,234,221	266,234,221	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil Nil			
7.5 *Convertible debt securities (description)	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil Nil			
7.7 Options (description and conversion factor)	594,324 5,920,000 5,166,565 1,170,000	- - - -	\$0.17 & £0.11 \$0.265 & £0.18 £0.305 £0.32	
7.8 Issued during quarter	Nil	-		
7.9 Exercised during quarter	Nil	-		
7.10 Expired during quarter	Nil	-		
7.11 Debentures (totals only)	Nil	Nil		
7.12 Unsecured notes (totals only)	Nil	Nil		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



GREG BANDY
Executive Director
31 July 2013

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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