
**Red Emperor Resources NL
ABN 99 124 734 961**

Notice of Annual General Meeting

TIME: 10:00am (WST)

DATE: Wednesday, 24 November 2010

PLACE: Grange Consulting, 945 Wellington Street, West Perth, Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9322 7600.

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Time and Place of Meeting and How To Vote

Venue

The Annual General Meeting of Shareholders of Red Emperor Resources NL which this Notice of Meeting relates to will be held on **24 November 2010** at **10:00am** (WST) at:

Grange Consulting
945 Wellington Street
West Perth WA

Your Vote Is Important

The business of the Annual General Meeting affects your shareholding and your vote is important.

Voting in Person

To vote in person, attend the Annual General Meeting on the date and at the place set out above. The meeting will commence at **10:00am** (WST).

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Meeting as soon as possible and either:

- (a) send the proxy form by post to the Company, care of Grange Consulting, PO Box 1263, West Perth, Western Australia, 6872; or
- (b) deliver the proxy form to the Company, at Grange Consulting, 945 Wellington Street, West Perth, Western Australia, 6005; or
- (c) send the proxy form by facsimile to the Company on facsimile number INT + 61 8 9322 7602,

so that it is received not later than **10:00am** (WST) on **22 November 2010**.

Proxy forms received later than this time will be invalid.

Notice of Meeting

Notice is given that the Annual General Meeting of Shareholders of Red Emperor Resources NL will be held at Grange Consulting, 945 Wellington Street, West Perth, Western Australia at **10:00am** (WST) on 24 November 2010 (**Annual General Meeting**).

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company as at 10:00am on 22 November 2010.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the glossary or in the Explanatory Statement.

Agenda

The Explanatory Statement to this Notice of Meeting describes the matters to be considered at the Annual General Meeting.

Adoption of Annual Financial Report

To receive the Annual Financial Report, including Directors' declaration and accompanying reports of the Directors and auditors for the financial year ending 30 June 2010.

Non-binding Business

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given to the adoption of the Remuneration Report as contained in the Company’s Annual Report for the year ended 30 June 2010.”

Short Explanation: The Corporations Act provides that a resolution that the remuneration report be adopted must be put to vote at a listed company’s annual general meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company.

Ordinary Business

Resolution 2 – Re-election of Mr Kent Hunter

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“To elect Mr Kent Hunter as a director of the Company who retires by rotation pursuant to the Constitution of the Company and being eligible offers himself for re-election.”

Short Explanation: in accordance with ASX Listing Rule 14.4 (rotation of directors) and the Company’s Constitution, one third of the Directors must retire by rotation at every Annual General Meeting. Accordingly, Mr Hunter retires by rotation and being eligible for re-election, offers himself for re-election at the Meeting.

Resolution 3 – Re-election of Mr Gregory Bandy

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That Mr Gregory Bandy, having been appointed as a Director prior to the date of this meeting, who retires in accordance with the Constitution and, being eligible, be re-appointed as a director of the Company with immediate effect.”

Short Explanation: In accordance with ASX Listing Rule 14.4, a director of the Company appointed to fill a casual vacancy or as an addition to the Board may not hold office (without re-election) past the next Annual General Meeting following their appointment. Further, in accordance with the Constitution, any Director appointed by the Board holds office only until conclusion of the next General Meeting and is eligible for re-election. Accordingly, Mr Bandy retires and being eligible for re-election, offers himself for re-election at the Meeting.

Resolution 4 – Approval of Share Placement

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue Shares raising a total of up to \$10,000,000 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 – Appointment of Auditor


To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purposes of section 327B of the Corporations Act and for all other purposes, BDO Audit (WA) Pty Ltd (ABN 79 112 284 787), having been nominated by a shareholder and consented in writing to act in the capacity of auditor, be appointed as auditor of the Company.”

Short Explanation: A member of the Company has nominated BDO Audit (WA) Pty Ltd to be the Company’s auditor. A copy of the nomination letter is attached to this Notice.

Dated this 19th day of October 2010

By order of the Board



Gregory Bandy
Managing Director

Notes:

- (1) A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
- (2) For the purposes of the Corporations Regulations, the Directors have set a snapshot date to determine the identity of those entitled to attend and vote at the Meeting. The snapshot date is **10:00am (WST) on 22 November 2010**. Accordingly, transactions registered after this time will be disregarded in determining entitlements to attend and vote at the meeting.

Enquiries

Shareholders are invited to contact the Company Secretary, Ms Shannon Caporn on (08) 9322 7600 if they have any queries in respect of the matters set out in these documents.

Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

Ordinary Business of the Annual General Meeting

1. General Information

This Explanatory Statement has been prepared for the Shareholders in connection with the Annual General Meeting of the Company to be held on 24 November 2010.

The purpose of this Explanatory Statement is to provide Shareholders with information that the Board believes to be material to Shareholders in deciding whether or not to approve the above resolutions detailed in the Notice.

This Explanatory Statement is an important document and should be read carefully in full by all Shareholders. If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

2. Resolution 1 – Remuneration Report (Non-binding Resolution)

In accordance with section 250R(2) of the Corporations Act, the Company must put a resolution that the Remuneration Report as set out in the Directors' Report be adopted to vote at the Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

3. Resolution 2 – Re-election of Mr Kent Hunter

In accordance with ASX Listing Rule 14.4, no director of the Company may hold office (without re-election) past the longer of 3 years and the third Annual General Meeting following their appointment. Further, in accordance with the Company's Constitution, at every Annual General Meeting, one third of the Directors for the time being must retire from office and are eligible for re-election.

Accordingly, Mr Hunter retires by rotation and being eligible, offers himself for re-election.

Mr Hunter is a Chartered Accountant with over 16 years' corporate and company secretarial experience. He has been involved in the listing of over 20 companies on ASX in the past 9 years. He has experience in capital raisings, ASX compliance and regulatory requirements and is currently also a director of Cazaly Resources Limited and Cauldron Energy Limited and is company secretary of two other ASX listed entities. Mr Hunter has been a Director of the Company since 2 April 2007.

4. Resolution 3 – Re-election of Mr Gregory Bandy

In accordance with ASX Listing Rule 14.4, a director of the Company appointed to fill a casual vacancy or as an addition to the Board may not hold office (without re-election) past the next Annual General Meeting following their appointment. Further, in accordance with the Constitution, any Director appointed by the Board holds office only until conclusion of the next General Meeting and is eligible for re-election. Accordingly, Mr Bandy retires and being eligible for re-election, offers himself for re-election at the Meeting.

Mr Bandy is a senior advisor at Patersons Securities. He has over ten years experience with capital markets and currently holds an executive board position with Empire Beer Group. He brings with him an intimate knowledge of equities and corporate transactions as well as an array of opportunities to Red Emperor. Mr Bandy was appointed as Managing Director of the Company effective 1 August 2010.

5. Resolution 4 – Approval of Share Placement

5.1 General

Resolution 4 seeks Shareholder approval for the allotment and issue of Shares raising a total of up to \$10,000,000.

None of the subscribers pursuant to this issue will be related parties of the Company.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 4 will be to allow the Directors to issue the Shares pursuant to the Share Placement during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Share Placement:

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$10,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be not less than 80% of the average market price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;
- (d) the Shares will be allotted and issued to sophisticated investors identified by Max Capital Pty Ltd (in their capacity as corporate advisors to the Company). These persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Share Placement towards expenditure commitments for existing projects, including its participating interest for drilling costs in the Puntland projects and general working capital.

6. Resolution 5 – Appointment of Auditor

Bentleys Audit & Corporate (WA) Pty Ltd (**Bentleys**) has resigned as the auditor of the Company effective as at the close of the Annual General Meeting.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a shareholder for BDO Audit (WA) Pty Ltd (ABN 79 112 284 787) (**BDO**) to be appointed as the Company's auditor. Under section 328B(3) of the Corporations Act, a copy of this nomination:

- (a) has been sent to BDO;
- (b) has been sent to Bentleys; and
- (c) is attached to this notice.

BDO has given its written consent to act as the Company's auditor subject to shareholder approval of this Resolution56.

If Resolution 5 is passed, the appointment of BDO as the Company's auditor will take effect at the close of this Annual General Meeting.

Responsibility for Information

The information concerning the Company contained in this Explanatory Statement, including information as to the views and recommendations of the Directors has been prepared by the Company and is the responsibility of the Company.

The Explanatory Statement does not take into account the individual investment objectives, financial situation and particular needs of individual Shareholders. If you are in doubt as to what you should do, you should consult your legal, financial or professional advisor prior to voting.

Glossary

In this Explanatory Statement, the following terms have the following unless the context otherwise requires:

Annexure means an annexure to this Explanatory Statement.

ASIC means Australian Securities Investment Commission.

ASX means ASX Limited ABN 98 008 624 691.

ASX Listing Rules or Listing Rules means the listing rules of ASX.

Board means the board of Directors of the company.

Chairman means the Chairman of the Company.

Company means Red Emperor Resources NL ABN 99 124 734 961.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act* 2001 (Cth).

Director means a director of the Company.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

**Nomination from a shareholder for the appointment of
BDO Audit (WA) Pty Ltd ABN 79 112 284 787
as Auditor the subject of Resolution 5**

19 October 2010

Ms Shannon Caporn
The Company Secretary
Red Emperor Resources NL
945 Wellington Street
West Perth WA 6005

Dear Shannon

Nomination of BDO Audit (WA) Pty Ltd as Auditor of Red Emperor Resources NL

We, Max Capital Pty Ltd, being a shareholder of Red Emperor Resources NL, hereby nominate BDO Audit (WA) Pty Ltd of 38 Station Street, Subiaco, Western Australia, 6008 for appointment as auditor of Red Emperor Resources NL at its 2010 Annual General Meeting.

I consent to the distribution of a copy of this notice of nomination as an annexure to the Notice of Meeting and Explanatory Statement for the 2010 Annual General Meeting of Red Emperor Resources NL as required by section 328B(3) of the *Corporations Act 2001* (Cth).

Yours sincerely



Anthony King
Director
Max Capital Pty Ltd