

23 January 2012

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

By E-Lodgement

Georgia Update – Site Construction Underway

Red Emperor Resources NL (ASX: RMP | AIM: RMP) ("**Red Emperor**" or "**the Company**") would like to announce the following updates with respect to its Georgian operations.

The Company is pleased to announce that site construction has commenced in readiness for the spudding of the Company's second exploration well in Georgia - the Namakhvani well which is the Kursebi 6 Prospect. Targeted spudding date is early to mid February 2012 with a target depth of circa 3,500m.

Given the unexpected geological sequences encountered with the first well, Red Emperor's joint venture partner, Range Resources Limited (ASX: RRS | AIM: RRL) has engaged new independent technical consultants, NTD Energy, to perform a fresh review of all of the seismic and geological data across the top 3 Kursebi prospects previously identified. The Kursebi 6 prospect was identified as the most robust prospect with a more clearly defined structure and indications of a significantly thicker Jurassic section, increasing chances of encountering more reservoir and mature source rocks.

Below are the estimates of undiscovered stock tank oil initially in place (STOIP) for the prospect.

	STOIP (Mmbbls)			
	P90	P50	P10	Mean
K-6 Prospect – 100%	32.2	84.8	185.8	99.2
Attributable to Red Emperor – 20%	6.44	16.96	37.16	19.84

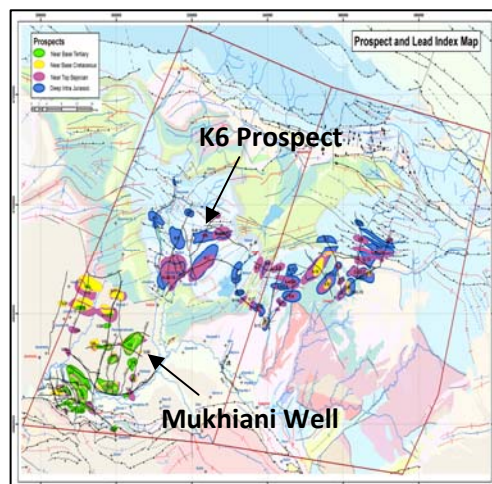


Figure 2: Georgia Blocks Via and V1b

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

REGISTERED OFFICE
 Ground Floor
 1 Havelock Street
 West Perth WA 6005

POSTAL ADDRESS
 PO Box 1440
 West Perth WA 6872

CONTACT DETAILS
 Tel: +61 8 9488 5220
 Fax: +61 8 9324 2400

WEBSITE
www.redemperorresources.com
SHARE REGISTRY
 Computershare
 Level 2
 45 St Georges Terrace
 Perth WA 6000
 Tel: 1300 555 159

NOMINATED ADVISER
 Cairn Financial Advisers LLP
 61 Cheapside
 London EC2V 6AX
 Tel: +44 (0) 207 148 7900
 Fax: +44 (0) 207 148 7909

ASX CODE
 RMP

AIM CODE
 RMP



NTD Energy will assist in the management of the Company's drilling program for the Namakhvani well along with the supervision of the proposed 2D seismic program on block VIb. NTD Energy will also assist the Company promoting and developing the unconventional (shale) plays that may exist across the two licence areas through the introduction of farm-in partners.

The Company will provide regular updates as to the progress of the drilling of the second exploration well.

For and on behalf of the Board

Greg Bandy
Executive Director

Background

Red Emperor Resources NL (ASX: 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. The first well in a two well programme spudded with drilling also commenced on the second well in January 2012 targeting 300mmbbls and 375mmbbls of best estimate Prospective Resources (100% basis). Site construction has commenced on the second well with the setting of the 30 inch surface casing and the drilling of a 50 meter pilot hole in readiness for spudding following the completion of the first well.
- In the Republic of Georgia, Red Emperor has a 20% working interest in onshore blocks VIa and VIb, covering approx. 6,500km². Joint Venture partner Range Resources Limited (ASX: RRS | AIM: RRL) previously funded a 410km 2D seismic program with independent consultants RPS Energy identifying 68 potential structures containing an estimated 2.045 billion barrels of oil-in-place (on a mean 100% basis) with the first (Mukhiani-1) of two exploration wells having spudded in July in 2011. Re-interpreted seismic supported by the Mukhiani-1 vertical seismic profiling has identified new fault and stratigraphic trapping potential with the possibility of a side track well to be drilled post additional seismic in 2H 2012.