

18 April 2012

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

By E-Lodgement

Market Update

Red Emperor Resources NL (ASX | AIM : RMP) is aware of negative statements and commentary being circulated in respect of progress with the Shabeel-1 well currently being drilled in Puntland by a joint venture between the Company, Horn Petroleum Corp (the operator of the well) and Range Resources Ltd (ASX: RRS | AIM: RRL). The Company wishes to confirm that the well has not yet reached depths targeting primary reservoir and refers investors to the drilling update released to the market on 12 April 2012.

The forward plan on the well is to drill ahead (currently at 2,953 metres) to the originally planned depth of 3800 metres to evaluate the primary and secondary reservoir targets (which to date have not been reached) in the Lower Cretaceous and Jurassic intervals equivalent to the main productive section seen in the analogous fields in Yemen. A testing program including the zones of interest seen to date and any deeper potential pay zones identified will be agreed with partners at that time. Upon completion of this well, the Joint Venture plans to move the rig to the Shabeel North location on which construction is nearing completion.

The Company will provide a more detailed update on the progress of drilling in Puntland in conjunction with its Joint Venture partners as the well progresses.

For and on behalf of the Board



Greg Bandy
Executive Director

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



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. The operator and 60% interest holder, Horn Petroleum Corp. (TSXV: HRN) has spud the first well in a two well programme in early 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 drilling of a 50 meter pilot hole in readiness for spudding following 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 undiscovered oil-in-place (on a mean 100% basis) with the first (Mukhiani-1) of two exploration wells having spudded in July 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.