

12 April 2012

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

By E-Lodgement

Drilling Operations on Shabeel Well in Puntland, Somalia


Red Emperor Resources NL (ASX | AIM : RMP) is pleased to update the market on the drilling operations of the Shabeel well in Puntland, Somalia which is being drilled by joint venture partner and operator, Horn Petroleum Corp. ("Horn"). Red Emperor holds a 20% working interest in the Dharoor and the Nugaal Valley Production Sharing Agreement ("PSAs") along with partners Range Resources Limited (20%) and Horn (60%).

The Shabeel well is currently at a depth of 2703 meters and had just completed the setting of the 9 5/8" casing. The well drilled through primarily tight limestones and shales of Lower Tertiary to Upper Cretaceous age and encountered a 355 meter section of Upper Cretaceous sands and shales of the Tisje / Jesomma Formations at a depth of approximately 1660 meters. The sands in this interval exhibited both oil and gas shows and petrophysical analysis of downhole electrical logs indicates a potential pay zone of between 12 and 20 meters in the section. Attempts to sample formation fluids using a wireline formation tester were not successful and thus the zone will require cased hole testing to confirm whether they are oil bearing. At a depth of 2015 meters a thick section of tight limestones and shales was encountered extending to the present depth of 2703 meters which are believed to correspond to the Upper Cretaceous Gumburo Formation.

The forward plan on the well will be to drill ahead to the originally planned depth of 3800 meters to evaluate the primary and secondary reservoir targets 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 Company plans to move the rig to the Shabeel North location on which construction is nearing completion.

Red Emperor Managing Director Greg Bandy commented, *"We are very pleased with the progress of the drilling program and the results seen to date. Confirming an active petroleum system is particularly significant, especially given that we are yet to reach the primary objectives of the well. We look forward to updating the market as we get closer to target depth."*

For and on behalf of the Board



Greg Bandy
Executive Director

BOARD & MANAGEMENT

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NON-EXECUTIVE DIRECTOR

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ASX CODE

RMP

AIM CODE

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Background

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

- 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.