

23 July 2012

Manager of Company Announcements  
ASX Limited  
Level 8 Exchange Plaza  
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*By E-Lodgement*

### Shabeel North Drilling Update

Red Emperor Resources NL (ASX: RMP | AIM: RMP) provides the following update on the Shabeel North well in Puntland, Somalia which is being drilled by operator Horn Petroleum Corp. ("Horn").

An open hole Drill Stem Test (DST) was conducted over a 50 metre gross interval (between 1,910m – 1,960m) which contained several sands in the upper portion of the primary Jesomma Formation which had oil shows. The test recovered fresh water (1200 ppm Cl-) without any traces of oil. The current plan is to drill ahead to the originally planned depth of approximately 2400 metres which will penetrate the remaining section of Jesomma sands at which point the entire section will be evaluated by electrical logging to determine if further testing is warranted.

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 36,000km<sup>2</sup>. Horn Petroleum, the operator and 60% interest holder, has completed drilling the first well (Shabeel-1) in a two well program and is currently drilling the second well (Shabeel North). Target Depth for Shabeel North is 2,400m with the primary target being Upper Cretaceous Jesomma sands, which had good oil and gas shows and 12 – 20m of potential net pay in the Shabeel-1 well 3.5 kilometers to the south.
- In the Republic of Georgia, Red Emperor has a 20% working interest in onshore blocks VIa and VIb, covering approx. 6,500km<sup>2</sup>. 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 of two conventional exploration wells (Mukhiani-1) having spudded in July 2011. The Joint Venture is now focussing on a revised development strategy that will target low-cost, shallow appraisal drilling of the contingent resources around the Tkibuli-Shaori ("Tkibuli") coal deposit, which straddles the central sections of the two blocks.

#### BOARD & MANAGEMENT

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Mr Stephen Brockhurst  
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