

18 July 2012

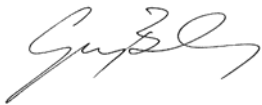
Manager of Company Announcements
ASX Limited
Level 8 Exchange Plaza
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PERTH WA 6000

By E-Lodgement

Shabeel North Drilling Update

Red Emperor Resources NL (ASX | AIM: RMP) is pleased to advise that the Shabeel North well currently being drilled in Puntland by joint venture partner and operator, Horn Petroleum Corp (TSX: HRN), is at a current depth of 1,967 meters and has penetrated a 50 meter gross section of upper Jesomma sands with oil shows. An open hole drill stem test is currently underway to determine if this zone is oil or water bearing and should be concluded within the next 24 to 48 hours. Regardless of the result of this test, the well will continue to drill to the base of the Jesomma sands to evaluate any additional lower Jesomma potential pay zones.

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 36,000km². Horn, the operator and 60% interest holder, has completed drilling the first well (Shabeel-1) in a two well program and has now spudded 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. Shabeel-1 will be flow tested following completion of Shabeel North.
- 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 conventional exploration wells 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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NON-EXECUTIVE DIRECTOR

Mr Stephen Brockhurst
NON-EXECUTIVE DIRECTOR

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