

31 January 2013

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

*By E-Lodgement*

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## Quarterly Report for the Period Ending 31 December 2012

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Issued Capital: **266M** \*

ASX Code: **RMP**

Closing price: **A\$0.05\***

AIM Code: **RMP**

Closing Price: **£0.0343\***

\* as at 31 December 2012

The Board of Red Emperor Resources NL (**Red Emperor** or the **Company**) is pleased to provide the following commentary and Appendix 5B for the period ending 31 December 2012.

### Puntland Projects

During the quarter Red Emperor's JV partner and operator of its Puntland Project, Horn Petroleum Corp (TSXV: HRN), demobilized the drilling rig and associated equipment and completed restoration of both drilling locations.

Efforts are now focused on making preparations for a seismic acquisition campaign in the Dharoor PSA which will include a regional seismic reconnaissance grid in the previously unexplored eastern portion of the basin as well as prospect specific seismic to delineate a drilling candidate in the western portion of the basin where an active petroleum system was confirmed by the recent drilling at the Shabeel-1 and Shabeel North-1 locations. The focus of the Dharoor seismic program will be to delineate new structural prospects for the upcoming drilling campaign.

Based on the encouragement provided by these two Shabeel wells, the Operator (Horn Petroleum Corporation) and its partners, Range Resources and Red Emperor, have entered into the next exploration period in both the Nugaal and Dharoor Valley Production Sharing Contracts ("PSCs") which carry a commitment to drill one well on each block within an additional 3 year term. The current operational plan would be to contract a seismic crew to acquire additional data in the Dharoor Valley block and to hold discussions with the Puntland Government to gain access regarding drill ready prospects in the Nugaal Valley block.

Now the Joint Venture has formally entered into next phase of the Dharoor and Nugaal Valley Production Sharing Agreements ("PSAs"), it is important to note that Red Emperor has earned its 20% interest in the two projects and remains fully funded for the current program.

### 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

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### SHARE REGISTRY

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Tel: 1300 555 159

### NOMINATED ADVISER & UK BROKER

Fox Davies Capital Limited  
1 Tudor Street  
London EC4Y 0AH  
Tel: +44 (0) 203 463 5010

### ASX CODE | AIM CODE

RMP



## Georgia Project

During the quarter the Joint Venture announced the completion of the acquisition of a 200km 2D seismic program. The majority of this recent seismic was acquired over Block VIb to firm up leads identified in the previous 410km 2D seismic program and tie to two gas wells, which were drilled and suspended in Soviet times.

Two lines were also acquired over the site of the Mukhiani well, the first exploration well drilled in Block VIa. Red Emperor has been advised that processing is under way and results of the interpretation is expected to be completed in Q1 2013, with the joint venture confident that it will then have assembled the requisite amount of seismic and geological information to enable the JV to identify revised drillable targets and attract potential farm in partners if desired.

The JV continues to work towards the development of the CBM and conventional potential around the Tkibuli-Shaori Coal Field ("Tkibuli"). The Georgian Industrial Group ("GIG") has made available a significant amount of information including a detailed geological model based on 339 wells drilled in the region, many of which vented methane. The Joint Venture is looking to finalise agreements with GIG for the development of Tkibuli in the current quarter with the potential for third party financing being available to fund a pilot production program. It is envisaged that following completion of the current technical and economic analysis, between three and four pilot production well locations will be identified with drilling expected to commence in 2H 2013.

## Corporate

During the quarter the Company held its Annual General Meeting and all resolutions were passed on a show of hands.

For and on behalf of the Board

**Greg Bandy**  
Executive Director

## Appendix 5B

### Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

RED EMPEROR RESOURCES NL

ABN

99 124 734 961

Quarter ended ("current quarter")

31 DECEMBER 2012

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$'000	Year to date \$'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(1,831)	(6,956)
(b) development		
(c) production		
(d) administration	(367)	(661)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	207	245
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	2	2
<b>Net Operating Cash Flows</b>	<b>(1,989)</b>	<b>(7,370)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) investments	-	-
1.9 Proceeds from:		
(a) prospects	-	-
(b) equity investments	-	-
(c) investments asset acquisition escrow acc	-	982
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Proceeds from underwriting	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>982</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,989)</b>	<b>(6,388)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,989)	(6,388)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from placement		
1.15	Proceeds from option exercise	-	2,250
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Costs associated with issue of shares	-	(135)
	<b>Net financing cash flows</b>	-	<b>2,115</b>
	<b>Net increase (decrease) in cash held</b>	<b>(1,989)</b>	<b>(4,273)</b>
1.20	Cash at beginning of quarter/year to date	15,760	18,044
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>13,771</b>	<b>13,771</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.2	Aggregate amount of payments to the parties included in item 1.2	51
1.2	Aggregate amount of loans to the parties included in item 1.10	Nil

1.2 Explanation necessary for an understanding of the transactions

Payments of Directors Fees and Remuneration	51
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**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil
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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil
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## Appendix 5B

### Mining exploration entity quarterly report

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#### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	-
3.2 Credit standby arrangements	Nil	-

#### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	-
4.3 Production	-
4.4 Administration	200
<b>Total</b>	<b>700</b>

#### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	13,771	15,760
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other – Term Deposit	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>13,771</b>	<b>15,760</b>

#### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil	None	
6.2	Interests in mining tenements acquired or increased	Nil	None	

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

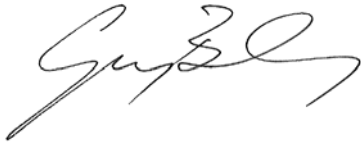
*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> (description)	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil			
7.3 <b>*Ordinary securities</b>	266,234,221 7,500,000	266,234,221	- \$0.0001	- \$0.0001
7.4 Changes during quarter (a) Increases through issues  (b) Decreases through returns of capital, buy-backs	Nil  Nil			
7.5 <b>*Convertible debt securities</b> (description)	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil Nil			
7.7 <b>Options</b> (description and conversion factor)	594,324 5,920,000 5,166,565 1,170,000	- - - -	\$0.17 & £0.11 \$0.265 & £0.18 £0.305 £0.32	
7.8 Issued during quarter	Nil	-		
7.9 Exercised during quarter	Nil	-		
7.10 Expired during quarter	Nil	-		
7.11 <b>Debentures</b> (totals only)	Nil	Nil		
7.12 <b>Unsecured notes</b> (totals only)	Nil	Nil		

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



**GREG BANDY**  
Executive Director  
31 January 2013

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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