

30 April 2014

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

By E-Lodgement

Quarterly Report for the Period Ending 31 March 2014

Issued Capital: **266M** *

ASX Code: **RMP**

Closing price: **A\$0.055***

* as at 31 March 2014

AIM Code: **RMP**

Closing Price: **£0.0278***

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 March 2014.

Georgia Project

During the quarter, the Operator, Strait Oil & Gas UK (Strait) continued to advance discussions with potential farm-in partners and buy out parties in order to advance its exploration and development programmes in Georgia or, alternatively, create value for its shareholders via a partial or full divestment of the licences.

In the event that a farm-in partner is secured, agreement has been reached with the State Agency for a well to be drilled in Block VI(b) during the second half of 2014 and the PSA amended accordingly.

The Operator's discussions with potential farm-in partners and purchasers have advanced significantly during the March quarter, with Strait advising that an outcome to these discussions is likely to occur in the June quarter.

Puntland Project

During the quarter Red Emperor's joint venture partner and operator, Horn Petroleum Corporation (TSXV: HRN) re-commenced some preliminary groundwork in Puntland. This preliminary work included field research and reconnaissance across both sites as well as a review of the operating environment. The results of which are encouraging in terms of local grass-roots support for operations and the ability to get work done. At the same time it gave the operator a chance to meet the new President. Mark Dingley the COO of Horn Petroleum said; *"The transition of President Abdiwelli's government has been smooth and as such meetings with him have been positive. The leadership of the PPMA has remained unchanged allowing for continuity in the management of the PSA's."*

BOARD & MANAGEMENT

Mr Greg Bandy
EXECUTIVE DIRECTOR

Mr Jason Bontempo
NON-EXECUTIVE DIRECTOR

Mr Stephen Brockhurst
NON-EXECUTIVE DIRECTOR

Ms Rebecca Sandford
Ms Sara Kelly
JOINT COMPANY SECRETARY

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ASX CODE | AIM CODE

RMP



The political situation still remains complex, however, characterised at the highest level by continued discussion regarding the application of the Somali federal system. The issue of the contested territory of Nugaal continues to be a significant challenge for Somaliland and Puntland and has a direct impact on the joint venture's ability to access the Nugaal Block. Efforts are focused on making preparations for a seismic acquisition campaign in the Dharoor Valley area 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 drilling of the Shabeel-1 and Shabeel North-1 wells.

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 Petroleum, the operator and 60% interest holder, has completed a two well program with the JV having now entered the next phase of the two Production Sharing Contracts across both blocks.

In the Republic of Georgia, Red Emperor has a 20% working interest in onshore blocks VIa and VIb, covering approximately 6,500km². After the drilling of the first conventional well in July 2011 (Mukhiani-1) the JV began evaluating the large unconventional CBM potential of the area, as it is seen to be relatively low risk and has the potential to contribute cash flow to fund further exploration if successful. A strategic review has also been commissioned to identify potential drilling locations in Block VIb that were highlighted as prospective from the initial survey in 2009 as well as allowing the Joint Venture to update the reserve and resource potential across the two license areas.



ASX Additional Information for Quarterly Report to 31 March 2014

	Tenement Reference	Location	Working Interest at Beginning of Quarter	Acquired/ Disposed	Working Interest at End of Quarter
Oil & Gas Beneficial percentage interests held in farm-in or farm- out agreement					
	Block VIa	Republic of Georgia	20%	N/A	20%
	Block VIb	Republic of Georgia	20%	N/A	20%
	Dharoor Block	Puntland	20%	N/A	20%
	Nugaal Block	Puntland	20%	N/A	20%

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 MARCH 2014

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	(228)	(787)
(b) development	-	-
(c) production	-	-
(d) administration	(186)	(771)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	109	325
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	48
Net Operating Cash Flows	(305)	(1,185)
Cash flows related to investing activities		
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	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Proceeds from underwriting	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(305)	(1,185)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(305)	(1,185)
	Cash flows related to financing activities		
1.14	Proceeds from placement		
1.15	Proceeds from option exercise	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Costs associated with issue of shares	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(305)	(1,185)
1.20	Cash at beginning of quarter/year to date	11,097	11,977
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	10,792	10,792

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	43
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	43
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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

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

Appendix 5B

Mining exploration entity quarterly report

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	200
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	400

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	10,792	11,097
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other – Term Deposit	-	-
Total: cash at end of quarter (item 1.22)	10,792	11,097

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	N/A	See additional information appendix.	
6.2	Interests in mining tenements acquired or increased	N/A	See additional information appendix.	

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

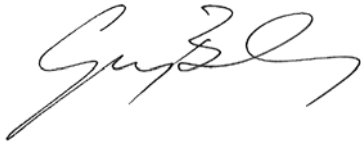
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil			
7.3 *Ordinary securities	266,234,221	266,234,221	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil Nil			
7.5 *Convertible debt securities (description)	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil Nil			
7.7 Options (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 Debentures (totals only)	Nil	Nil		
7.12 Unsecured notes (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
30 April 2014

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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