

31 January 2014

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

By E-Lodgement

Quarterly Report for the Period Ending 31 December 2013

Issued Capital: **266M ***

ASX Code: **RMP**

Closing price: **A\$0.045***

AIM Code: **RMP**

Closing Price: **£0.0279***

* as at 31 December 2013

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 2013.

Georgia Project

During the quarter joint venture partner, Range Resources Limited (Range) and Operator, Strait Oil & Gas UK (Strait) completed an extensive review of all geological data and finalised a program to proceed with the development of blocks VIa and VIb.

Red Emperor was advised that the State Agency for the Regulation of Oil and Gas agreed to the proposed timetable for a drilling campaign with the final work program passed by the Coordination Committee of the National Oil Corporation. This program involved the tenders for drilling rigs as well as the procurement of all associated well services and equipment, which is expected to be finalized by March 2014.

Red Emperor's JV partners have also advised that drilling permits are expected to be obtained in Q2 2014 and after construction of the well sites the Joint Venture expected to be in a position to start drilling in H2 2014. Initial targets will be for oil and gas but it is anticipated that it will be necessary to hydrofrack the structures which lie in the Upper Bathonian section. The operator has also advised they will be determining the CBM potential of the reservoir. Red Emperor remains free carried for the next exploration well to be drilled within either block, thus considerably reducing its expenditure on this proposed program.

The drill program has necessitated a revision of the PSA extending the drilling timetable into 2015.

As previously announced, the Joint Venture continues to advance discussions with potential farm-in and purchase participants. In the meantime the JV remains committed to progressing and meeting the commitments on the licenses.

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

REGISTERED OFFICE

Ground Floor
1 Havelock Street
West Perth WA 6005

POSTAL ADDRESS

PO Box 1440
West Perth WA 6872

CONTACT DETAILS

Tel: +61 8 9488 5220
Fax: +61 8 9324 2400

WEBSITE

www.redemperorresources.com

SHARE REGISTRY

Computershare
Level 2
45 St Georges Terrace
Perth WA 6000
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



Puntland Project

Whilst there was little on-ground activity carried out by the Joint Venture in Puntland over the quarter, a number of key initiatives have been outlined by Red Emperor's partner and operator, Horn Petroleum (TSXV: HRN) with some preliminary work expected to commence in Q1, 2014. This work will include field research and reconnaissance across both sites, face-to-face liaison with key stakeholders and updated security assessments of both blocks (and potential drilling sites).

As well as this proposed deployment, the Joint Venture was last week represented by Horn Petroleum COO, Mark Dingley, at the Presidential Inauguration of Puntland's newly elected fifth President, Dr Abdiweli Ali Gas. Dr Gas - who studied at several US universities, including Harvard - defeated the incumbent Abdirahman Farole by one vote in the recently held election. Mr Farole accepted defeat, saying the peaceful election was a model for the rest of Somalia.

Red Emperor would like to publicly thank former President Farole for his time in office that saw the first oil exploration wells drilled in Puntland in over 20 years. We look forward to a strong relationship with the new President and government, which will hopefully see more incident free exploration in Puntland over the coming years as well as commercial success.

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.

Competent Person

Subject to the Caveat above regarding the ARI report: All of the technical information, including information in relation to reserves and resources that is contained in this document has been reviewed internally by the Company's technical consultant, Mr Alexander Parks. Mr Parks is a Petroleum Engineer who is a suitably qualified person with over 15 years' experience in assessing hydrocarbon reserves and has reviewed the release and consents to the inclusion of the technical information.



ASX Additional Information for Quarterly Report to 31 December 2013

	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 DECEMBER 2013

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	(87)	(559)
(b) development	-	-
(c) production	-	-
(d) administration	(294)	(585)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	100	216
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	48	48
Net Operating Cash Flows	(233)	(880)
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)	(233)	(880)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(233)	(880)
	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	(233)	(880)
1.20	Cash at beginning of quarter/year to date	11,330	11,977
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	11,097	11,097

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	55
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	55
---	----

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	11,097	11,330
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other – Term Deposit	-	-
Total: cash at end of quarter (item 1.22)	11,097	11,330

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

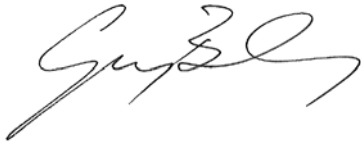
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	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
31 January 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.

== == == == ==