

29 August 2018

ALASKA UPDATE - RIG CONTRACT EXECUTED

The Board of Red Emperor Resources NL (ASX/AIM: RMP) ("Red Emperor" or the "Company") is pleased to advise that consortium operator, 88 Energy Limited (ASX/AIM: 88E) via its wholly owned subsidiary, Captivate Energy Alaska, Inc, has executed a rig contract for the drilling of the "Winx" Prospect, located on the Western Blocks, North Slope of Alaska.

Highlights

- **Rig Contract Executed with Nordic-Calista Services**
- **Permitting process proceeding as anticipated**
- **Prospect to be named "Winx" with drilling on schedule to commence 1Q2019**

The rig contract was executed with Nordic-Calista Services utilising Rig 3, which is a single module, self-propelled drilling rig, capable of drilling to depths of 12,000' – 14,500'. The rig structure is fully winterised for Arctic Operations and the rig has previously been utilized for grassroots drilling, exploration, sidetracks and workovers on the North Slope.

The Winx Prospect is a 3D seismic defined oil prospect in the successful Nanushuk play fairway with a gross mean unrisked prospective resource of 400MMbbls (126MMbbls net to Red Emperor) and a geological chance of success in the range of 25-30%. Refer to the ASX release of 25 June 2018 for further details.

Cautionary Statement: The estimated quantities of petroleum that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Red Emperor's Managing Director, Greg Bandy, commented: *"Once again the consortium has shown its ability to move swiftly and efficiently with another important milestone achieved. 2019 is fast approaching and everything remains on track for drilling to commence on the large and exciting Winx prospect in early 2019."*

BOARD & MANAGEMENT

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MANAGING DIRECTOR

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NON-EXECUTIVE DIRECTOR

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ASX CODE | AIM CODE

RMP

About Nordic-Calista Services:

In 1985 Nordic Well Servicing formed a joint venture partnership with Calista Corporation and Nordic-Calista Services was created. Founded in 1972, Calista Corporation is the second largest of the 13 regional corporations formed under the Alaska Native Claims Settlement Act (ANCSA) of 1971. It is a business corporation formed under State and Federal laws, including the Settlement Act and its amendments. In the Shareholders' Yup'ik Eskimo language the name "Calista" translates to "Cali" which means work and "ista" which means someone or something which does.



Nordic-Calista Services is directed by its President, Ron Rowbotham, and Financial Director, James Albach. With over 40 years of oilfield experience, Ron is committed to providing the benefit of his extensive knowledge and experience to each and every customer. Based in Anchorage, Nordic-Calista Services' Operations Manager, Noel Therrien, has over 30 years of service with the company and offers 20 plus years of operations experience in the arctic.

For and on behalf of the Board



Greg Bandy
Managing Director

About Red Emperor Resources NL

Red Emperor Resources NL is an Australian natural resource exploration company listed on both the Australian Securities Exchange (ASX: RMP) and Alternative Investment Market (AIM: RMP). Red Emperor has oil and gas interests on the Alaska North Slope and in South East Asia.

Alaska

Red Emperor has executed Definitive Agreements with its consortium partners 88 Energy Limited and Otto Energy Limited that will see the Company participate in the drilling of a highly prospective Nanushuk oil trend exploration well on the Alaska North Slope in early 2019. The drill target is immediately adjacent to and a direct analogue of the Horseshoe-1/1A oil well drilled in 2017. Horseshoe is part of the billion-barrel plus Nanushuk oil play-fairway, one of the largest conventional oil fields discovered in the US in more than 30 years.

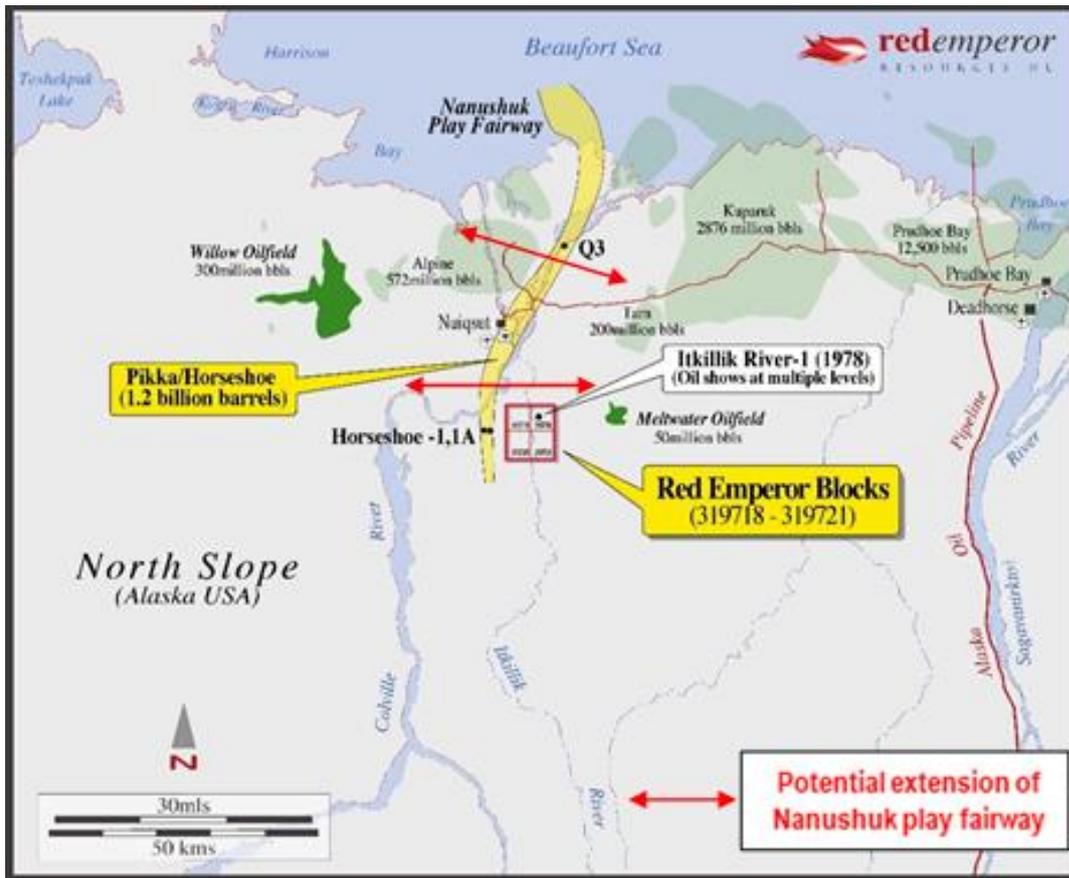


Figure 1: Alaska North Slope

Technical work on the Western Blocks has identified a gross best estimate prospective resource volume of 400 MMbbls (126 MMbbls net to RMP), and a geological chance of success of 25%-35%. The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The relevant interests in the Western Blocks under the commercial agreements (subject to standard regulatory approval by the State of Alaska) are as follows:

	Current Working Interest	Post Transaction			
		Working Interest (before back-in)	Paying Interest (before back-in)	Net Revenue Interest* (before back-in)	Working Interest*** (after back-in)
Red Emperor	-	31.5%	35%	26.25%	28%
88 Energy (Drilling Manager)	-	36.0%	40%	30.00%	32%
Otto Energy	10.8%	22.5%	25%	18.75%	20%
Great Bear Petroleum**	89.2%	10.0%	-	8.33%	20%
Alaskan State	-	-	-	16.67%	
	100.0%	100.0%	100.0%	100.0%	100%

* Government royalty of 16.67%

** Currently Operator of record on leases

*** "After back-in" interests reflect position if Great Bear exercise option to acquire further 10% working interest

Philippines

SC55 is located in the southwest Palawan Basin, covers an area of 9,880km² and was awarded to Otto Energy Investments Ltd (formerly NorAsian Energy Ltd) in 2005. It is a deep-water block in the middle of a proven regional oil and gas fairway that extends from the productive offshore Borneo region in the southwest to the offshore Philippine production assets northwest of Palawan.

Red Emperor participated in a USD \$25m exploration well (Hawkeye-1) within the block in 2015 and contributed in excess of AUD \$5m towards drilling costs. Over USD \$50m has been spent exploring SC55 to date and a number of drill-ready targets remain, including the "Cinco" gas prospect which has a best estimate prospective resource of 1.6tcf recoverable gas.

Prospective Resources Reporting Notes

The Company announced the prospective resources estimate for the Western Blocks in its announcement "Red Emperor to acquire interest in large oil prospect in prolific Alaska North Slope" on 25 June 2018. The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement, and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

(i) The prospective resources information in this document is effective as at 30 April 2018. (ii) The prospective resources information in this document has been estimated and is classified in accordance with SPE PRMS (Society of Petroleum Engineers Petroleum Resources Management System). (iii) The prospective resources information in this document is reported according to the Company's economic interest in each of the resources and net of royalties. (iv) The prospective resources information in this document has been estimated and prepared using the deterministic method. (v) The prospective resources information in this document has been estimated using a 6:1 BOE conversion ratio for gas to oil; 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency. (vi) The prospective resources information in this document has been estimated on the basis that products are sold on the spot market with delivery at the sales point on the production facilities (vii) Prospective resources are reported on a best estimate basis. (viii) For prospective resources, the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. (ix) In respect to the prospective resources referred to in this statement, Red Emperor's working interest in the four leases (ADL#s 391718, 391719, 319720 and 391721), totalling 22,711 acres all of which are located on the North Slope, Alaska, USA will be 31.5% (as set out in the table on page 2) upon completion of the transaction detailed in this ASX release. (x) The prospective resources have been estimated on the following basis: the best estimate prospective recoverable resource calculation was based on a consideration of offset well information and seismic expression; a combination of volumetric assessment and field analogues have been used to estimate the prospective resources; exploration drilling will be required to assess these resources. (xi) The chance of discovery is considered moderate as the prospective resources are near developed and undeveloped reserves and in a proven oil and gas producing province. There is a risk that exploration will not result in sufficient volumes of oil and/or gas for a commercial development. (xii) Prospective resources are un-risked and have not been adjusted for an associated chance of discovery and a chance of development.