

8 January 2019

Red Emperor Resources NL

PLACING TO RAISE AUD5.0M

The Board of Red Emperor Resources NL (ASX/AIM: RMP) ("RMP", "Red Emperor" or the "Company"), is pleased to announce an oversubscribed placing to certain new and existing institutional and sophisticated investors, via its UK Broker, Brandon Hill Capital, and its Australian Broker and Corporate Adviser, 708 Capital Pty Ltd and Max Capital respectively, of 100,000,000 new ordinary shares of no par value each in the capital of the Company (the "Placing Shares") at an issue price of 2.8 pence (AUD0.05) per share to raise £2.8 million (approximately AUD5.0m) before expenses (the "Placing").

The Placing utilises the Company's existing share capital authorities and is conditional on admission of the Placing Shares to trading on AIM. Following admission, the Placing Shares will represent, in aggregate, approximately 19.04% of the Company's enlarged issued share capital.

The net proceeds from the Placing will be used to augment the Company's general working capital and provide contingency, as the Company prepares for the upcoming drilling of the Winx-1 exploration well and potential appraisal activities in the Alaska North Slope, where the Company has a 31.5% working interest. The Winx prospect is a 3D seismic defined conventional oil prospect in the successful Nanushuk play fairway with a gross mean un-risked prospective resource of 400 million barrels ("MMbbls") (126MMbbls net to Red Emperor) and is adjacent to the Horseshoe 1/1A discovery well drilled by the Armstrong/Repsol JV in 2017. Refer to the Company's announcement of 25 June 2018 for further details.

Cautionary Statement: 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.

In addition, the Company has agreed to issue, in aggregate, 6,000,000 warrants to its abovementioned brokers and corporate adviser, exercisable at a price of 2.8 pence (AUD0.05) per new ordinary share, for a period of 36 months from their date of issue.

Application to trading

Application will be made for quotation of the Placing Shares on the Australian Securities Exchange, and to the London Stock Exchange plc for admission of the Placing Shares to trading on AIM ("Admission"). It is expected that Admission will become effective and that dealings in the Placing Shares will commence on AIM at 8.00 a.m. on or around 14 January 2019. The Placing Shares will be fully paid and will rank *pari passu* in all respects with the Company's existing ordinary shares.

BOARD & MANAGEMENT

Mr Greg Bandy
MANAGING DIRECTOR

Mr Jason Bontempo
NON-EXECUTIVE DIRECTOR

Mr Aaron Bertolatti
DIRECTOR & COMPANY
SECRETARY

Mr Gracjan Lambert
CHIEF EXECUTIVE OFFICER

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AUSTRALIAN BROKER

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ASX CODE | AIM CODE

RMP

The Placing Shares and warrants will be issued using the Company's 25% placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A. 42,529,278 new shares will be issued under the LR7.1A placement capacity and the remaining 57,470,722 new shares and 6,000,000 warrants will be issued under the LR7.1 placement capacity. Following Admission, the total issued ordinary share capital of the Company will comprise 525,292,776 ordinary shares.

Red Emperor's Managing Director, Greg Bandy, today commented:

"The interest shown in this placement was overwhelming and extremely encouraging. The book was heavily oversubscribed and the Company wishes to thank all new and existing shareholders for their continued support. We look forward with great anticipation to what is a potentially transformational exploration campaign next month."

For further information, please visit www.redemperorresources.com or contact:

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This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

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 the AIM Market (AIM: RMP). Red Emperor has oil and gas interests on the Alaska North Slope and in South East Asia.

Alaska

Red Emperor has entered into 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 third party 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.

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 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.

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 exercises its option to acquire a further 10% working interest

Philippines

Red Emperor also holds an equity interest of 37.5% of Block SC55, which is located in the southwest Palawan Basin. SC55 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 USD25m exploration well (Hawkeye-1) within the block in 2015 and contributed in excess of AUD5m towards drilling costs. Over USD50m 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 1.6 trillion cubic feet ("tcf") recoverable gas.

Prospective Resources Reporting Notes

The Company announced the prospective resources estimate for the Western Blocks in its announcement titled “Red Emperor to acquire interest in large oil prospect in prolific Alaska North Slope” made 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 announcement is effective as at 30 April 2018. (ii) The prospective resources information in this announcement 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 announcement 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 announcement has been estimated and prepared using the deterministic method. (v) The prospective resources information in this announcement 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 announcement 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 announcement, 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 above) upon completion of the transaction. (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.