

25 October 2016

## QUARTERLY REPORTS FOR THE PERIOD ENDING 30 SEPTEMBER 2016

|                             |                      |                               |
|-----------------------------|----------------------|-------------------------------|
| Issued Capital: <b>425M</b> | ASX Code: <b>RMP</b> | Closing price: <b>A\$0.02</b> |
|                             | AIM Code: <b>RMP</b> | Closing Price: <b>£0.013</b>  |

The Board of Red Emperor Resources NL (“**Red Emperor**” or the “**Company**”) provides the following commentary and Appendix 5B for the period ending 30 September 2016.

### Philippines (SC 55)

During the quarter, all relevant documentation for the transfer of Otto Energy Limited’s (ASX: OEL “Otto”) equity interest in Block SC 55 was prepared by Otto, approved by the Joint Venture and has now been submitted to the Philippines Department of Energy (DoE) for final approval. Once ratified by the DoE, Red Emperor’s equity interest will increase from 15% to 37.5%.

In June this year, the DoE formally granted a two-year moratorium, until 23 December 2017, on required work activity under Service Contract 55. During the moratorium period, the JV will conduct specialised geophysical studies in the area surrounding the Hawkeye Prospect, which encountered gas shows when it was drilled last year. Although the Hawkeye well did not encounter gas in commercial quantities, it proved the presence of an active petroleum system in the contract area that hosts the “Cinco Prospect” as well as several other leads.

### Georgia

Sale negotiations continue with at least one interested party for the purchase of Block VIa. Red Emperor is not involved in the negotiations, although remains a 20% shareholder of Strait Oil and Gas Ltd which currently holds the Production Sharing Contract across Block VIa.

### Corporate

The Board is currently reviewing a number of opportunities, both at specific asset level as well as at a corporate level and believes it is well placed to advance these discussions further during the current quarter.

For and on behalf of the Board



**Greg Bandy**  
Managing Director

#### BOARD & MANAGEMENT

Mr Greg Bandy  
MANAGING DIRECTOR

Mr Nathan Rayner  
NON-EXECUTIVE DIRECTOR

Mr Jason Bontempo  
NON-EXECUTIVE DIRECTOR

Mr Aaron Bertolatti  
COMPANY SECRETARY

#### REGISTERED OFFICE

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#### POSTAL ADDRESS

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West Perth WA 6872

#### CONTACT DETAILS

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#### WEBSITE

[redemperorresources.com](http://redemperorresources.com)

#### SHARE REGISTRY

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#### UK BROKER

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

#### AUSTRALIAN BROKER

708 Capital Pty Ltd  
Level 9, 25 Bligh Street  
Sydney NSW 2000  
Tel: +61 2 9112 2500

ASX CODE | AIM CODE  
RMP

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

RED EMPEROR RESOURCES NL

### ABN

99 124 734 961

### Quarter ended ("current quarter")

30 September 2016

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date<br>(3 months)<br>\$A'000 |
|-----------------------------------------------------------|----------------------------|---------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                            |                                       |
| 1.1 Receipts from customers                               | -                          | -                                     |
| 1.2 Payments for                                          |                            |                                       |
| (a) exploration & evaluation                              | -                          | -                                     |
| (b) development                                           | -                          | -                                     |
| (c) production                                            | -                          | -                                     |
| (d) staff costs                                           | -                          | -                                     |
| (e) administration and corporate costs                    | (279)                      | (279)                                 |
| 1.3 Dividends received (see note 3)                       | -                          | -                                     |
| 1.4 Interest received                                     | 44                         | 44                                    |
| 1.5 Interest and other costs of finance paid              | -                          | -                                     |
| 1.6 Income taxes paid                                     | -                          | -                                     |
| 1.7 Research and development refunds                      | -                          | -                                     |
| 1.8 Other (provide details if material)                   | -                          | -                                     |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(235)</b>               | <b>(235)</b>                          |

|                                                |   |   |
|------------------------------------------------|---|---|
| <b>2. Cash flows from investing activities</b> |   |   |
| 2.1 Payments to acquire:                       |   |   |
| (a) property, plant and equipment              | - | - |
| (b) tenements (see item 10)                    | - | - |
| (c) investments                                | - | - |
| (d) other non-current assets                   | - | - |

| Consolidated statement of cash flows |                                                       | Current quarter<br>\$A'000 | Year to date<br>(3 months)<br>\$A'000 |
|--------------------------------------|-------------------------------------------------------|----------------------------|---------------------------------------|
| 2.2                                  | Proceeds from the disposal of:                        |                            |                                       |
|                                      | (a) property, plant and equipment                     | -                          | -                                     |
|                                      | (b) tenements (see item 10)                           | -                          | -                                     |
|                                      | (c) investments                                       | -                          | -                                     |
|                                      | (d) other non-current assets                          | -                          | -                                     |
| 2.3                                  | Cash flows from loans to other entities               | -                          | -                                     |
| 2.4                                  | Dividends received (see note 3)                       | -                          | -                                     |
| 2.5                                  | Other (provide details if material)                   | -                          | -                                     |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b> | <b>-</b>                   | <b>-</b>                              |

|             |                                                                             |          |          |
|-------------|-----------------------------------------------------------------------------|----------|----------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>                                 |          |          |
| 3.1         | Proceeds from issues of shares                                              | -        | -        |
| 3.2         | Proceeds from issue of convertible notes                                    | -        | -        |
| 3.3         | Proceeds from exercise of share options                                     | -        | -        |
| 3.4         | Transaction costs related to issues of shares, convertible notes or options | -        | -        |
| 3.5         | Proceeds from borrowings                                                    | -        | -        |
| 3.6         | Repayment of borrowings                                                     | -        | -        |
| 3.7         | Transaction costs related to loans and borrowings                           | -        | -        |
| 3.8         | Dividends paid                                                              | -        | -        |
| 3.9         | Other (provide details if material)                                         | -        | -        |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                       | <b>-</b> | <b>-</b> |

|            |                                                                              |               |               |
|------------|------------------------------------------------------------------------------|---------------|---------------|
| <b>4.</b>  | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |               |               |
| 4.1        | Cash and cash equivalents at beginning of period                             | 11,715        | 11,715        |
| 4.2        | Net cash from / (used in) operating activities (item 1.9 above)              | (235)         | (235)         |
| 4.3        | Net cash from / (used in) investing activities (item 2.6 above)              | -             | -             |
| 4.4        | Net cash from / (used in) financing activities (item 3.10 above)             | -             | -             |
| 4.5        | Effect of movement in exchange rates on cash held                            | (95)          | (95)          |
| <b>4.6</b> | <b>Cash and cash equivalents at end of period</b>                            | <b>11,385</b> | <b>11,385</b> |

| 5. <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|
| 5.1    Bank balances                                                                                                                                                           | 11,385                     | 11,716                      |
| 5.2    Call deposits                                                                                                                                                           | -                          | -                           |
| 5.3    Bank overdrafts                                                                                                                                                         | -                          | -                           |
| 5.4    Other (provide details)                                                                                                                                                 | -                          | -                           |
| <b>5.5    Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>                                                                                        | <b>11,385</b>              | <b>11,716</b>               |

**6.    Payments to directors of the entity and their associates**

- 6.1    Aggregate amount of payments to these parties included in item 1.2
- 6.2    Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3    Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

| Current quarter<br>\$A'000 |
|----------------------------|
| 65                         |
| -                          |

Payment of Directors Fees and Remuneration - \$65k

**7.    Payments to related entities of the entity and their associates**

- 7.1    Aggregate amount of payments to these parties included in item 1.2
- 7.2    Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3    Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

| Current quarter<br>\$A'000 |
|----------------------------|
| -                          |
| -                          |

N/A

## Mining exploration entity and oil and gas exploration entity quarterly report

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

|     |                                                                                                                                                                                                                                                                                        | <b>Total facility amount<br/>at quarter end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------|
| 8.1 | Loan facilities                                                                                                                                                                                                                                                                        | -                                                           | -                                                  |
| 8.2 | Credit standby arrangements                                                                                                                                                                                                                                                            | -                                                           | -                                                  |
| 8.3 | Other (please specify)                                                                                                                                                                                                                                                                 | -                                                           | -                                                  |
| 8.4 | Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. |                                                             |                                                    |

N/A

| <b>9. Estimated cash outflows for next quarter</b> | <b>\$A'000</b> |
|----------------------------------------------------|----------------|
| 9.1 Exploration and evaluation                     | -              |
| 9.2 Development                                    | -              |
| 9.3 Production                                     | -              |
| 9.4 Staff costs                                    | -              |
| 9.5 Administration and corporate costs             | 200,000        |
| 9.6 Other (provide details if material)            | -              |
| <b>9.7 Total estimated cash outflows</b>           | <b>200,000</b> |

| <b>10. Changes in tenements<br/>(items 2.1(b) and 2.2(b) above)</b>                        | <b>Tenement<br/>reference<br/>and<br/>location</b> | <b>Nature of interest</b> | <b>Interest at<br/>beginning<br/>of quarter</b> | <b>Interest<br/>at end of<br/>quarter</b> |
|--------------------------------------------------------------------------------------------|----------------------------------------------------|---------------------------|-------------------------------------------------|-------------------------------------------|
| 10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | N/A                                                |                           |                                                 |                                           |
| 10.2 Interests in mining tenements and petroleum tenements acquired or increased           | N/A                                                |                           |                                                 |                                           |

### **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

Date: 25 October 2016

Print name: Aaron Bertolatti

### **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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.