

26 October 2018

SEPTEMBER 2018 QUARTERLY REPORTS

The Board of Red Emperor Resources NL (ASX/AIM: RMP) ("Red Emperor" or the "Company") provides the following commentary and Appendix 5B for the September 2018 Quarter.

Highlights

Alaska North Slope

- Executed formal "Definitive Agreements" to acquire and drill a significantly large oil prospect on the prolific Alaska North Slope
- Rig contract executed with Nordic-Calista Services
- Permitting process proceeding on schedule
- Prospect to be named "Winx" with drilling anticipated to commence 1Q2019

Philippines

- Awarded seismic data reprocessing and quantitative interpretation (QI) contract to DownUnder GeoSolutions

Alaska North Slope

During the quarter Red Emperor, along with 88 Energy Limited (ASX: 88E) ("88 Energy") and Otto Energy Limited (ASX: OEL) ("Otto") (collectively the "Consortium Partners"), executed formal "Definitive Agreements", including a Participation Agreement, with Great Bear Petroleum Ventures II LLC ("Great Bear") to acquire the majority of Great Bear's working interest in four leases on the western flank of the Alaska North Slope, specifically ADL#s 391718, 391719, 319720 & 391721; collectively the "Western Blocks". Refer to the ASX release of 30 July 2018 for further details.

The consortium operator, 88 Energy Limited (ASX/AIM: 88E) via its wholly owned subsidiary, Captivate Energy Alaska, Inc, executed a rig contract with Nordic-Calista Services for the drilling of the "Winx" Prospect, located on the Western Blocks, North Slope of Alaska.

Execution of the rig contract at this time allows for a steady and measured permitting process and provides ample time for all rig preparatory work to be completed prior to rig mobilisation and drilling in 1Q2019. A rig walkthrough is tentatively planned by the operator for the end of October. The permitting process is proceeding on schedule with the operator regularly interfacing with the appropriate regulatory bodies.

A joint Technical / Operating Committee Meeting was held by the consortium to discuss well planning, permitting, rig preparation and mobilisation. All aspects of the process are on schedule with drilling of the "Winx" prospect still anticipated to commence 1Q2019.

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.

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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ASX CODE | AIM CODE

RMP

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.

Philippines (SC 55)

Following the Operating Committee meeting held during the June Quarter 2018 a formal vote was taken ratifying the following for Block SC 55:

- 1) Palawan55 Exploration and Production Corporation as the operator for Block SC 55
- 2) The following participating interest for each company:

Company	Participating Interests
Palawan55 Exploration & Production Corporation (Operator)	37.5%
Century Red Pte. Ltd (Red Emperor Resources)	37.5%
Pryce Gases, Inc.	25.0%
Total	100%

- 3) The Work Program and Budget for the remainder of the moratorium Period

Following the completion of the evaluation of geophysical contractors during the previous Quarter, and recent approval of the Work Program and Budget, Palawan55 as operator awarded a seismic data reprocessing and quantitative interpretation (QI) contract to DownUnder GeoSolutions. This work is part of the ongoing effort by the Block SC 55 consortium to help further de-risk previously identified drill-ready targets, including the "Cinco" gas prospect which has a best estimate prospective resource of 1.6tcf recoverable gas, and identify new highly prospective leads while reducing overall uncertainty. By leveraging our extensive and robust data set we ensure that the consortium is on the strongest technical footing as it moves forward.

Other

The company still remains active in reviewing other opportunities and at the end of the Quarter had cash at bank of \$8m AUD. Refer to the attached Appendix 5B for further details.

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.

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.

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.

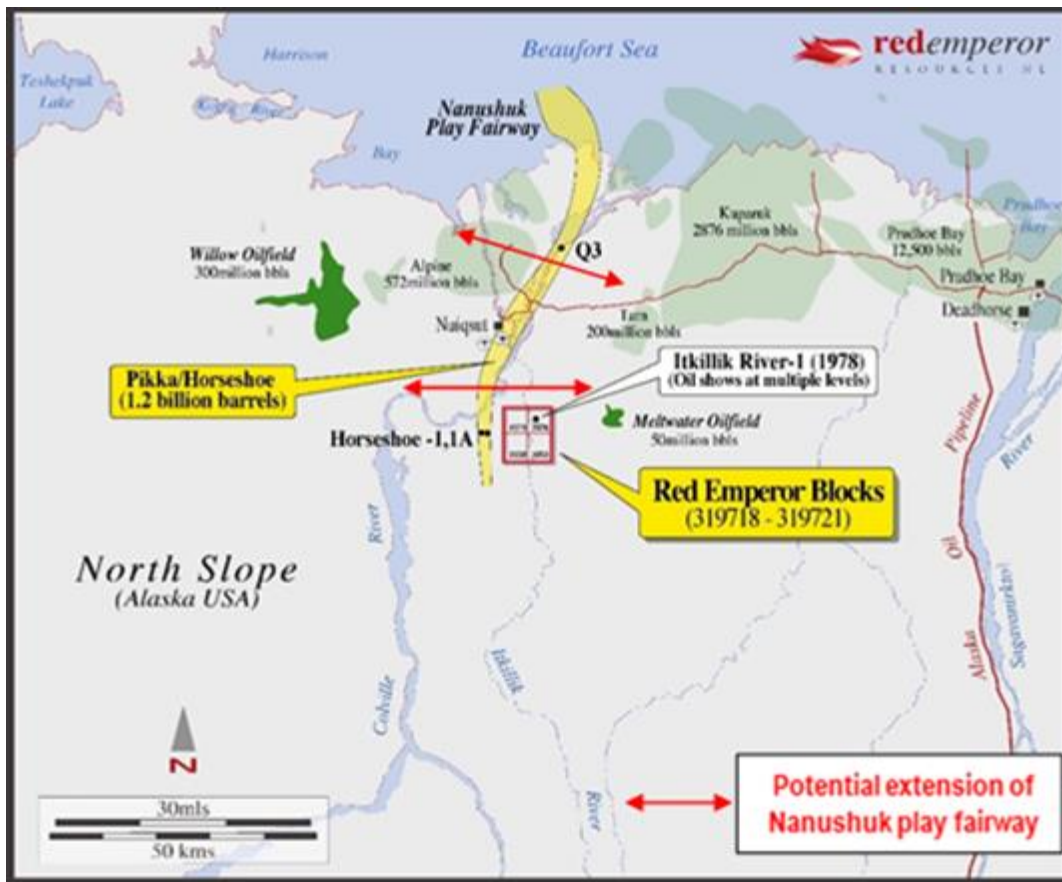


Figure 1. Alaska North Slope (Source: Modified from Otto Energy)

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 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.

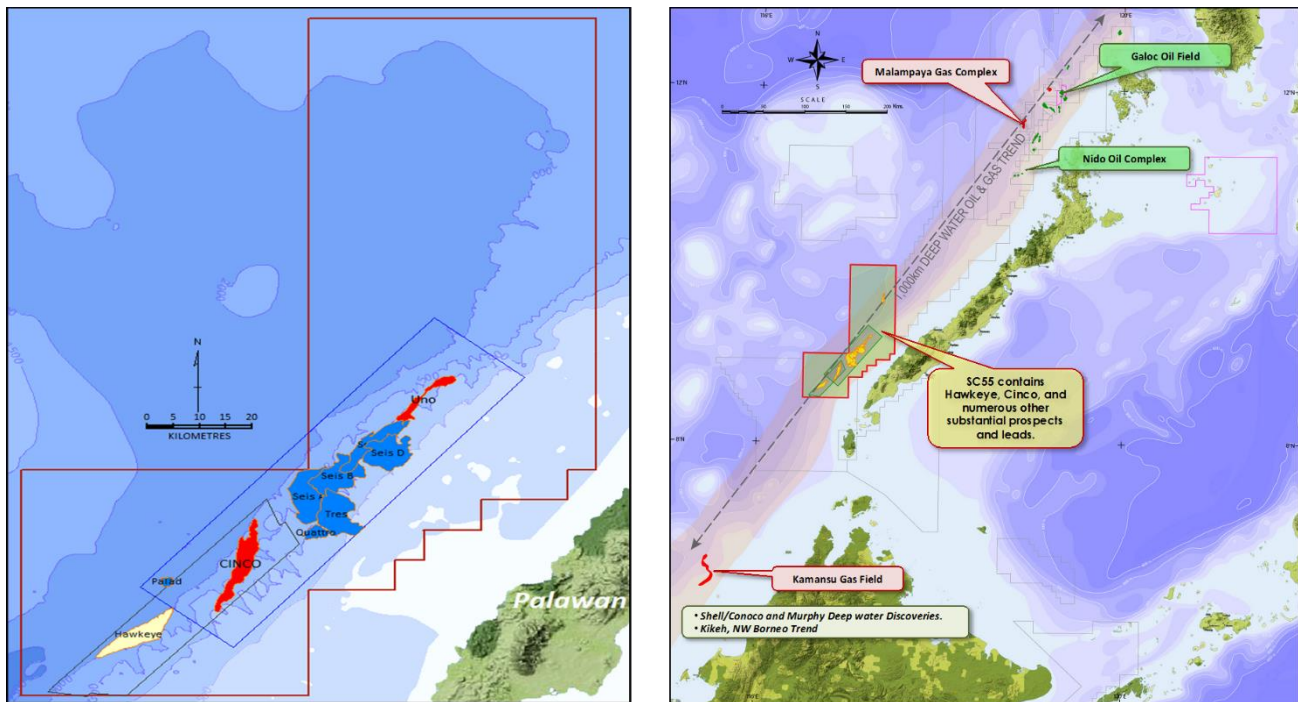


Figure 2. SC55 located in the southwest Palawan Basin, Philippines

Red Emperor's Tenements

Tenement	Location	Area	Structure
Alaska			
Western Blocks	North Slope, Alaska	92 km ²	31.5%
Philippines			
SC55	Palawan Basin, Philippines	9,880 km ²	37.5%

km² – Kilometres squared

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 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(583)	(583)
(b) development	-	-
(c) production	-	-
(d) staff costs	(75)	(75)
(e) administration and corporate costs	(314)	(314)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	31	31
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)		
- Payment of bond deposit (State of Alaska)	(1,455)	(1,455)
1.9 Net cash from / (used in) operating activities	(2,396)	(2,396)

2. Cash flows from investing activities		
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 \$A'000	Year to date (3 months) \$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)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
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)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	10,344	10,344
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,396)	(2,396)
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	40	40
4.6	Cash and cash equivalents at end of period	7,988	7,988

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	7,988	10,344
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,988	10,344

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	140
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	

Payment of Directors Fees and Remuneration - \$78k
Payment of accrued FY2018 Directors Fees and Remuneration - \$62k

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

N/A

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	424
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	244
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	668

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
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	Western Blocks - North Slope, Alaska ADL 391718 ADL 391719 ADL 391720 ADL 391721	Lease	-	31.5%

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: 26 October 2018

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.