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**QUARTERLY REPORTS  
FOR THE PERIOD ENDING 31 DECEMBER 2015**

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Issued Capital: <b>425M</b>	ASX Code: <b>RMP</b>	Closing price: <b>A\$0.020</b>
	AIM Code: <b>RMP</b>	Closing Price: <b>£0.01</b>

The Board of Red Emperor Resources NL (“Red Emperor” or the “Company”) provides the following commentary and Appendix 5B for the period ending 31 December 2015.

**Philippines (SC 55)**

Red Emperor advised during the December quarter that its Joint Venture partner and Operator, Otto Energy Limited (ASX: OEL) requested that a two-year moratorium be granted by the Philippines Department of Energy over SC 55. The JV fulfilled the work obligation under the current exploration Sub-Phase by drilling the Hawkeye-1 exploratory well in August 2015. Although the well did not encounter gas in commercial quantities, it proved the presence of an active petroleum system in the contract area, which hosts the “Cinco Prospect” as well as several other leads.

The consortium intends to undertake further technical studies during the moratorium period, including a Quantitative Interpretation (QI) Study. QI is a relatively recent geophysical technique that is designed to gain a better understanding of existing and potential petroleum reservoirs. The Joint Venture expects a response from the Department of Energy with respect to its moratorium request in Q1 2016.

Subsequent to the end of the quarter, Red Emperor was advised by Otto Energy of its intention to exit the Joint Venture as part of its strategy to focus on its North American assets. As a result, Red Emperor would have the option to either maintain its 15% participating interest in SC 55 or be assigned a percentage of Otto Energy’s interest on a pro-rata basis. In this instance, Red Emperor’s participating interest could be increased by up to 22.5% to 37.5%. Red Emperor is considering its options and will advise the market accordingly.

**Georgia**

Red Emperor, a 20% shareholder of Strait Oil and Gas Limited (Strait), a Gibraltarian company with a valid Production Sharing Contract (PSC) across Block VIa in the Republic of Georgia, continues to be advised of ongoing negotiations with a potential purchaser of the PSC. Red Emperor understands that delays in reaching agreement with the potential purchaser have been due to volatility in the oil and gas price and political instability in the region. Strait is still hopeful of a conclusion to the negotiations before the end of Q1 2016.

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

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**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, 01/05/2013

Name of entity

RED EMPEROR RESOURCES NL

ABN

99 124 734 961

Quarter ended ("current quarter")

31 December 2015

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	- - - (184)	(5,100) - - (598)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	62	126
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other: Refund of Hawkeye-1 well costs	398	426
<b>Net Operating Cash Flows</b>	<b>276</b>	<b>(5,146)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) investment in associate	- - -	- - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	276	(5,146)

+ See chapter 19 for defined terms.

## Appendix 5B

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

1.13	Total operating and investing cash flows (brought forward)	276	(5,146)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	5,600
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - fundraising costs	-	(388)
	<b>Net financing cash flows</b>	-	5,212
	<b>Net increase (decrease) in cash held</b>	276	66
1.20	Cash at beginning of quarter/year to date	12,118	12,494
1.21	Exchange rate adjustments to item 1.20	(143)	(309)
1.22	<b>Cash at end of quarter</b>	12,251	12,251

### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	69
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil
1.25	Explanation necessary for an understanding of the transactions	
	Payment of Directors fees and Remuneration	\$69k

### 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

n/a

- 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

n/a

+ See chapter 19 for defined terms.

### 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	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	-
4.4 Administration	200
<b>Total</b>	<b>200</b>

### 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	12,251	12,118
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>12,251</b>	<b>12,118</b>

### Changes in interests in mining tenements and petroleum tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6	Interests in mining tenements held	See Appendix 1 below	-	-
6.1	Interests in mining tenements tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements tenements acquired or increased	-	-	-

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas 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 <b>Preference securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	425,292,776	425,292,776		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> - Unlisted options	4,500,000 4,320,000	-	<u>Exercise Price</u> \$0.055 \$0.08	<u>Expiry Date</u> 31 December 2017 2 July 2018
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter - Unlisted options				
7.11 <b>Debentures</b> (totals only)				
7.12 <b>Unsecured notes</b> (totals only)				

+ 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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 28 January 2016

Print name: GREG BANDY  
Managing Director

## 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 and petroleum 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 or petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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.

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**Appendix 1 – Interests in mining tenements held**

Tenement Reference	Location	Working Interest at Beginning of Quarter	Acquired/ (Disposed)	Working Interest at End of Quarter
Block VIa	Republic of Georgia	20%	-	20%
Service Contract 55	Philippines	15%	-	15%

**Holder:** Oil & Gas Beneficial percentage interests held in farm-in or farm- out agreement.

**Mining tenements acquired and disposed during the December 2015 quarter:** Nil

**Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the December 2015 quarter:** Nil