

19 April 2018

 Manager of Company Announcements  
 ASX Limited  
 Level 8 Exchange Plaza  
 2 The Esplanade  
 PERTH WA 6000

Via E-Lodgement

---

## SUCCESSFUL TRANSFER OF PARTICIPATING INTERESTS UNDER SERVICE CONTRACT NO. 55 (SC55)

---

Issued Capital: <b>425M</b>	ASX Code: <b>RMP</b>	Closing price: <b>A\$0.023</b>
	AIM Code: <b>RMP</b>	Closing Price: <b>£0.0094</b>

The Board of Red Emperor Resources NL ("**Red Emperor**" or the "**Company**") is pleased to provide the following update with respect to **SC55**, offshore Palawan Basin in the Philippines.

This week the Company finally received official confirmation from the Philippine Department of Energy (**DoE**) ratifying the request for the transfer of participating interests in SC55 from Otto Energy Limited (ASX: OEL) (**Otto Energy**) to its partners, Century Red Pte. Ltd (a 100% owned subsidiary of Red Emperor), Palawan55 Exploration & Production Corporation (**Palawan55**) and Pryce Gases, Inc.

Red Emperor's equity interest in SC55 is now 37.5% (previously 15%) after the DoE found the partners to be "*Financially qualified to assume the proposed interests. Legally qualified to assume the participating interest from Otto Energy considering that they are existing petroleum companies operating either as operator and/or consortium members in petroleum service contracts; And technically qualified, as exemplified by the joint cooperation and completion of previous exploration activities, such as the drilled Hawkeye-1 well.*"

As a result, the participating interests in SC55 are as follows:

Company	Participating Interests
Palawan55 (Operator)	37.50%
Century Red Pte. Ltd (Red Emperor)	37.50%
Pryce Gases, Inc.	25.00%
<b>Total</b>	<b>100%</b>

It is also understood that Palawan55 will be the "**Operator**" of SC55 as endorsed by the other remaining partners.

Likewise, the timeline for the moratorium period and Sub-Phase (SP) 5 has now been revised to reflect the transfer of interest. It is understood that the minimum work program and budget for the moratorium period and SP 5 are unaffected by the transfer of interest, as shown below:

### 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

Level 1  
35 Richardson Street  
West Perth WA 6005

### POSTAL ADDRESS

PO Box 1440  
West Perth WA 6872

### CONTACT DETAILS

Tel: +61 8 9212 0102

### WEBSITE

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

### SHARE REGISTRY

Computershare  
Level 2  
45 St Georges Terrace  
Perth WA 6000  
Tel: 1300 555 159

### NOMINATED ADVISER

Grant Thornton UK LLP  
30 Finsbury Square  
London EC2P 2YU  
Tel: +44 (0) 207 383 5100

### UK BROKER

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

### AUSTRALIAN BROKER

708 Capital Pty Ltd  
Level 24, 25 Blich Street  
Sydney NSW 2000  
Tel: +61 2 9112 2500

### ASX CODE | AIM CODE

RMP



<b>Sub-Phase (SP)</b>	<b>Work Program and Budget (WP&amp;B)</b>
<b>Moratorium Period</b> (Date of approval of transfer until 13 months thereafter)	Conduct a Qualitative Interpretation (QI) study of the greater Hawkeye area, lithology and petrophysical modeling and a contingent program of AVO studies = US\$ 478,750
<b>SP 5</b> (date of end of moratorium period until 12 months thereafter)	Drill one (1) Ultra-deepwater well = US\$ <b>3,000,000.00</b>

As nominated "Operator" Palawan55 has suggested that the partners hold an Operating Committee Meeting to formalise their appointment as successor Operator, establish an Operating Committee and agree on related amendments to the JOA.

With respect to the committed work program, Palawan55 are currently conducting an inventory of the technical data that had been turned over by Otto Energy. They have also advised that they are engaging with consulting groups with respect to the programmed specialised geophysical studies in order to refine the budget.

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. Given the Hawkeye well discovered gas and a working petroleum system relatively close to Cinco, Red Emperor believes that SC55 remains a key asset for the Company to maintain exposure to.

For and on behalf of the Board

**Greg Bandy**  
**Managing Director**