



red*emperor*
R E S O U R C E S N L

A NEW DIRECTION

March 2015



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The Company, its directors, officers and employees make no representation, warranty, (express or implied), or assurance as to the completeness or accuracy of forward looking statements.

The resource estimates in this presentation have been compiled by Otto Energy Ltd, the Operator of SC55, and reviewed by Mr James Jordan BSc (Hons), MSc and Dr Mark Pay BSc (Hons), MSc, PhD. Mr Jordan and Dr Pay have consented to the inclusion of such information in this presentation in the form and context in which it appears. Mr Jordan and Dr Pay are directors of Jordan & Pay Exploration Consultants Pty Ltd and have more than 20 years relevant resource estimation experience in the petroleum industry. Resources have been estimated in accordance with the SPE Petroleum Resources Management System (SPE PRMS) and conform to the ASX and AIM listing rules.

Red Emperor is not aware of any new information or data that materially affects the assumptions and technical parameters underpinning the estimates of resources.

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 exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

ABOUT RED EMPEROR

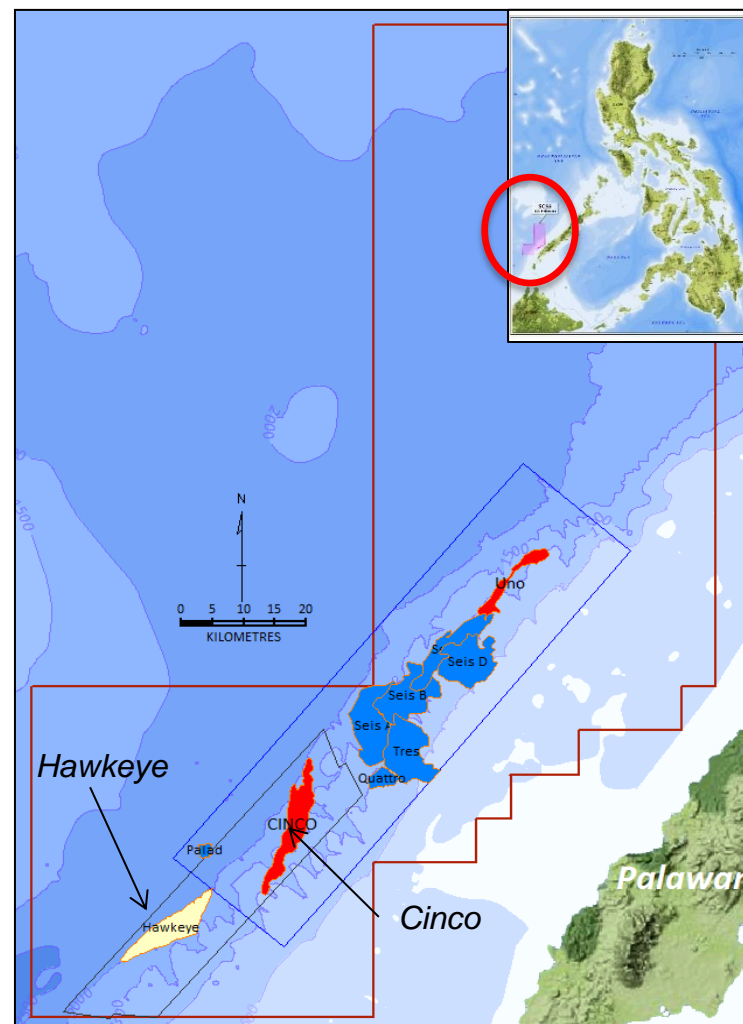
- **Dual Listed:** ASX/AIM
- **Current Share Price** (2nd March 2015):
 - ASX: \$0.042
 - AIM: £0.022
- **Current Issued Capital:** 332,792,776*
- **Market Cap:** A\$14m (£7m)
- **Cash:** A\$12m* (£6m)
- **Board of Directors:**
 - Greg Bandy (Managing Director)
 - Nathan Rayner (Non Executive)
 - Jason Bontempo (Non Executive)
- **Advisors:**
 - Brandon Hill Capital (UK Broker)
 - 708 Capital Pty Ltd (Australian Broker)
 - Grant Thornton (NOMAD)
 - Max Capital Pty Ltd (Corporate Advisor)
 - Jordan & Pay (Independent Exploration Consultants)



*Includes placement shares and funds from A\$2.13m capital raising announced 2nd March

NEW INVESTMENT

- Red Emperor to earn a **15% working interest** in offshore Philippines Block, SC55, and the upcoming **Hawkeye-1** exploration well that will test the significant hydrocarbon potential of the Southern Palawan Basin.
- Hawkeye-1** is expected to be **drilled early in Q3 2015** targeting a structure assessed to contain **in excess of 100MMbbls** of Best Estimate Prospective Resources (~**15 MMbbls net to RMP**).
- The Hawkeye prospect is covered by **extensive and high quality 3D seismic** which indicates the strong chance of a gas cap sitting above a **sizeable oil leg (>100m)**.
- Independent report from *Jordan & Pay Exploration Consultants* has described the prospect as a **“robust, attractive exploration target with a good geological chance of success (32%)”**.
- A further drill ready gas target (**Cinco**) also exists within Block SC55, assessed by the Operator to have Gross Best Estimate Prospective Resources of **1.6Tcf** of recoverable gas.

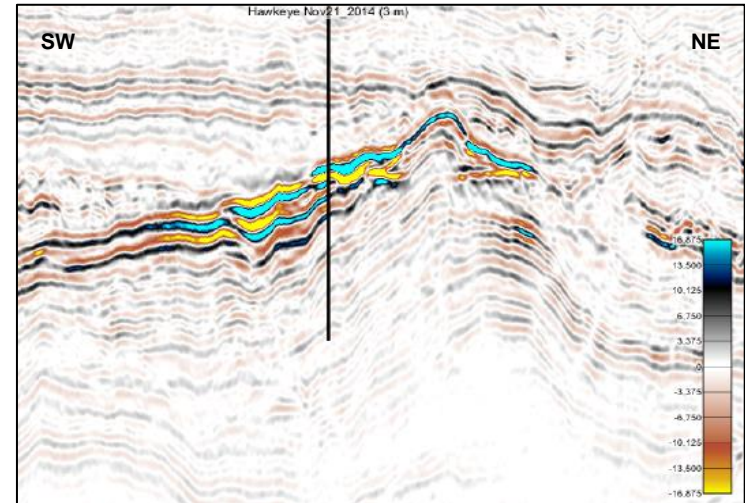


SC55 Offshore Palawan Island, Philippines

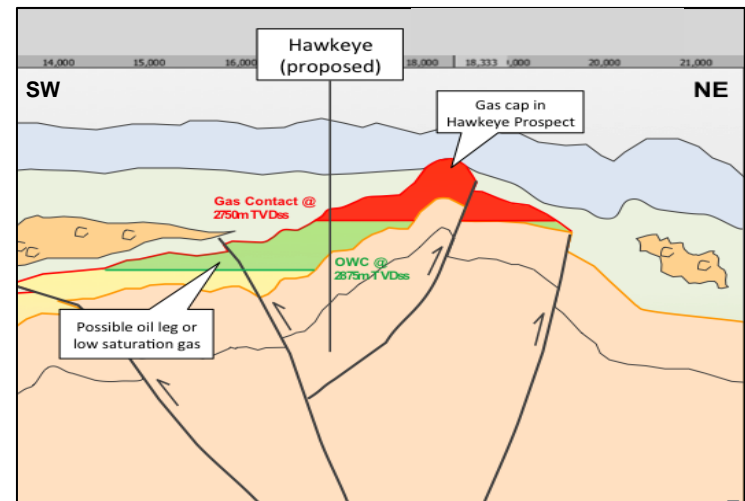
INVESTMENT HIGHLIGHTS

- Red Emperor is earning its **15% interest** in Block SC55 from Otto Energy Ltd (ASX: OEL) by participating in the drilling of the Hawkeye-1 well in early **Q3 2015**.
- Red Emperor to **pay no back costs** associated with the block (in excess of US\$30m) and no promote on well costs (i.e. **RMP will spend 15% to earn 15%**).
- Red Emperor is **fully funded** to participate in the well with its current cash reserves.
- Red Emperor's **well cost exposure capped at US\$5.625m***
- The Operator (Otto Energy) have been active in the Philippines since 2005, having successfully Operated the Galoc Oil Field prior to selling their 33% interest for US\$108m this year.
- Philippines has **favorable fiscal terms** which will see Red Emperor benefiting from previous expenditure in the block.
- Otto Energy has entered into a **Letter of Intent with Maersk** to secure the Maersk Venturer ultra-deepwater drillship to drill the Hawkeye-1 exploration well.

* Red Emperor to pay US\$2m success fee to fund an appraisal well upon an oil discovery at Hawkeye-1



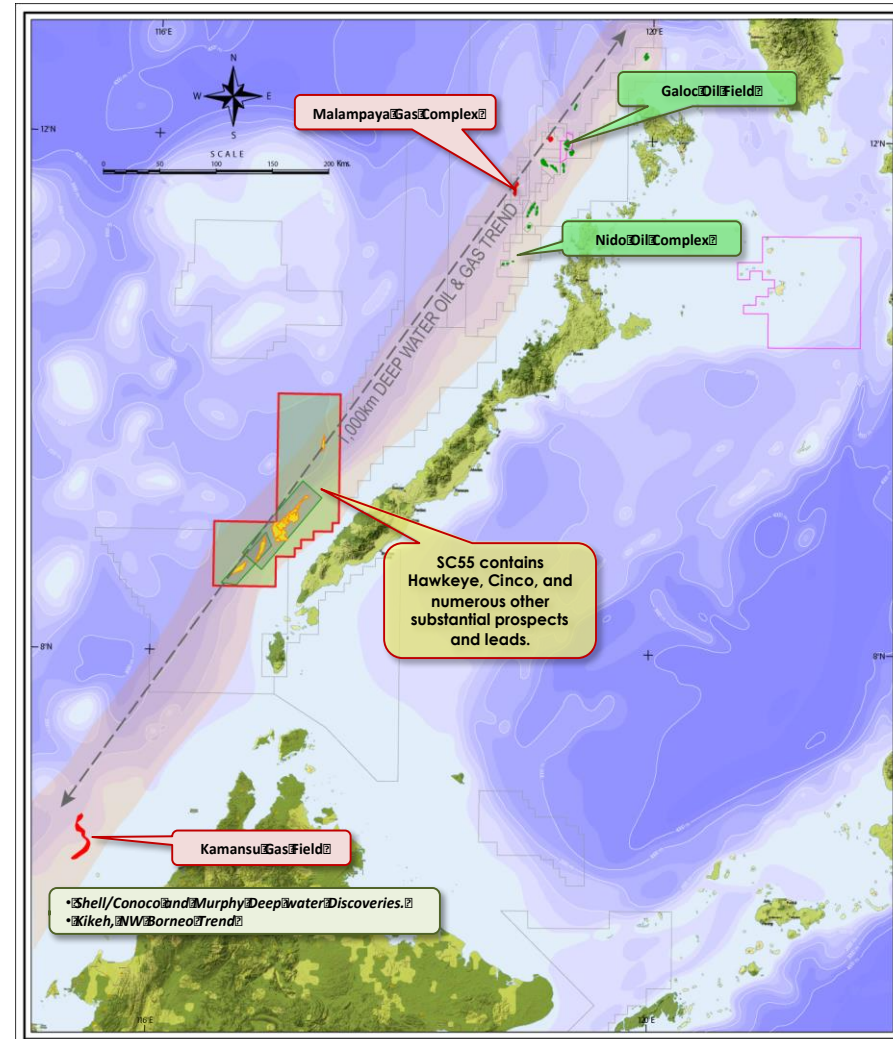
Hawkeye PSTM Far Stack



Cross Section of the Hawkeye Prospect

GOOD NEIGHBOURHOOD

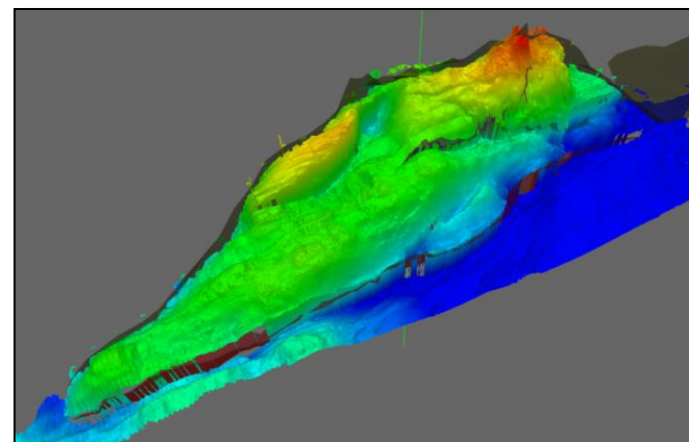
- Service Contract 55 (SC55) is located in the southwest Palawan Basin and covers an area of 9,880km².
- SC55 is a deep-water block in the middle of a proven regional oil and gas fairway stretching from Borneo to the northern Philippines and throughout the South China Sea
- Over 1 billion barrels oil-in-place (plus large amounts of gas) have been discovered in NW Palawan.
- The southern offshore area of Palawan is under-explored with very few exploration wells drilled, and none in the deep water.
- SC55 has the opportunity for multiple petroleum systems and offers the opportunity to enter this province to test the oil play concept in a relatively low risk prospect.
- Success at Hawkeye-1 would prove a working petroleum system in the area that would enhance the prospectivity of surrounding leads in the block that provide considerable upside.
- De-risking oil charge in the southern offshore Palawan could open up a significant exploration portfolio.



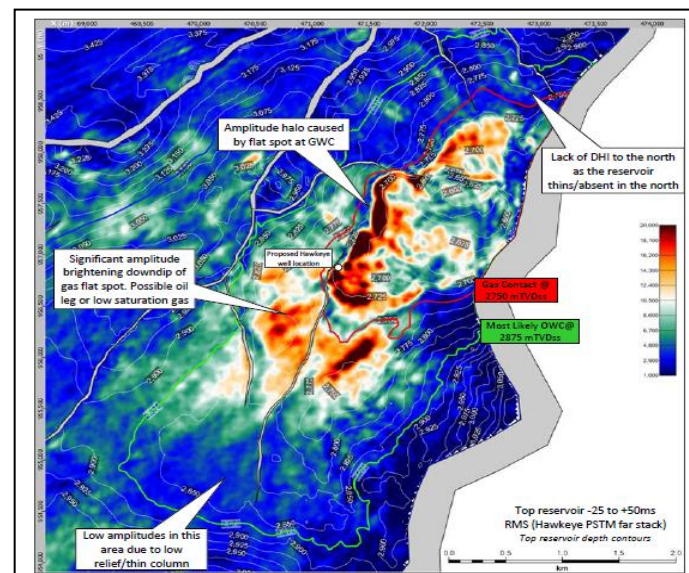
Proven Oil and Gas Fields to the North and South

THE PROSPECT

- The Hawkeye flat spot creates an amplitude halo on all datasets at the gas contact at 2,750m TVDs on PSTM data
- Bright amplitudes down dip of the flat spot are consistent with structural contours on the structure's western side.
- Modelling concludes that these deeper amplitudes probably results from either an oil leg beneath the gas cap, or low saturation gas caused by leakage
- Lack of DHI to the north is due to reservoir thinning
- Low amplitude to the south are likely due to the low relief and thin column in this part of the structure



Top Reservoir Depth Structure Map



Seismic Response Conforming to Structure

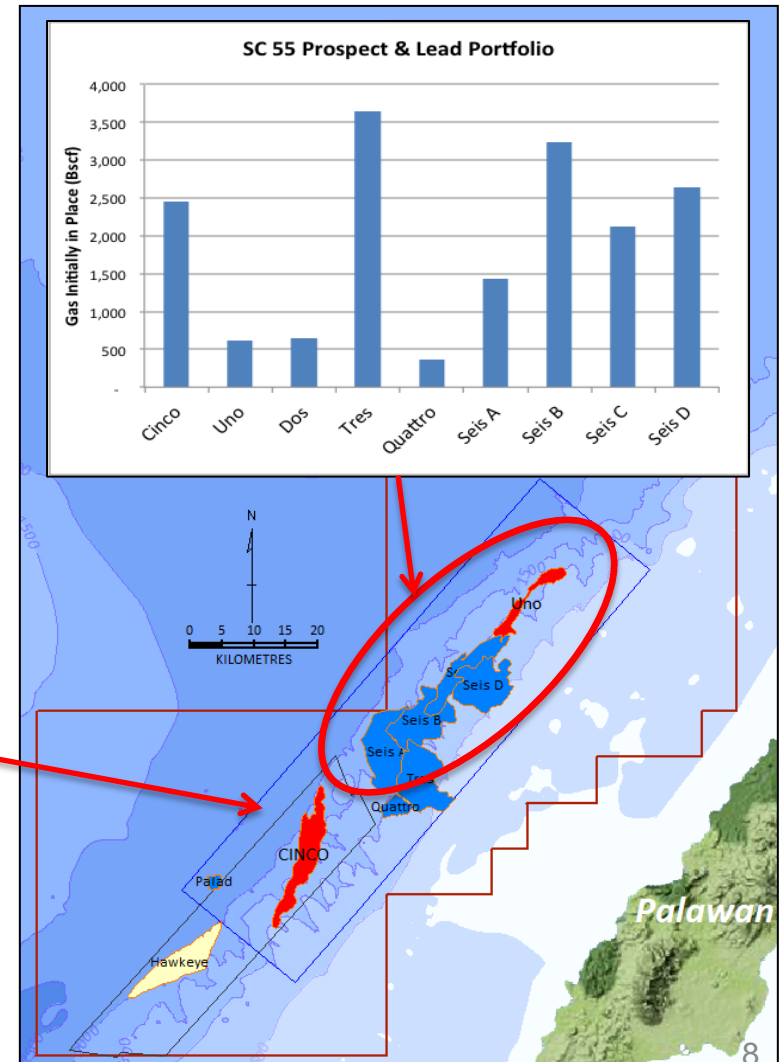
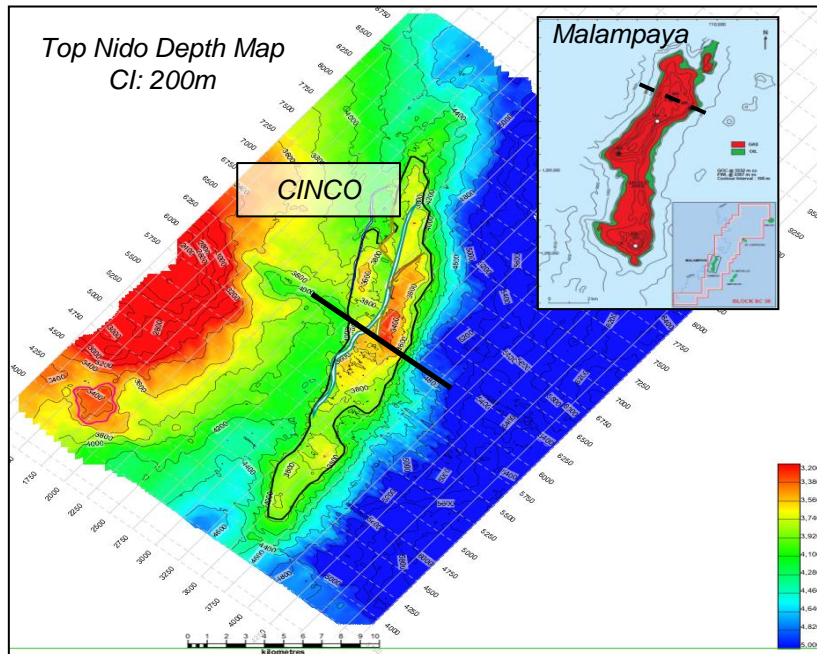
PROSPECTIVE RESOURCES*		
(MMbbls)	STOIIP	Recoverable
Low Estimate	87	19
Best Estimate	484	112
High Estimate	1,539	401

PROSPECT DETAILS	
Water Depth	1,690m
Top of Structure:	~2,750m BSL
Closure:	Up to 50km ²
Relief:	Up to 500m
Oil Column:	Up to 100m

* Source: Otto Energy

FURTHER UPSIDE

- The Cinco Prospect is drill ready with a Best Estimate Prospective Resource of 1.6 Tcf recoverable gas.
- Along trend from Cinco are 8 further prospects and leads that have been identified by the Operator.
- These prospects have a combined, unrisks estimated STOIIP of ~1.5 billion bbls, or if gas filled, Best Estimate Prospective Resource of over 11 Tcf.



- Red Emperor continues to hold 20% interests in two (2) separate Joint Ventures, each of which have the potential to be company making in their own right.
- In the Republic of Georgia, Red Emperor is a 20% shareholder of Strait Oil & Gas (Strait), who in turn is the owner of two onshore Production Sharing Contracts (PSCs) covering some 6,500km².
- Red Emperor is to be carried through the next exploration phase (an exploration well) by its Georgian partner, Range Resources Limited, who is currently negotiating with third parties to reduce their financial exposure associated with the drilling of the well.
- After its carry obligations have been met, Red Emperor will reassess its own expenditure commitments.
- In Puntland, Red Emperor holds a 20% working interest in two licences encompassing the highly prospective Dharoor and Nugaal valleys.
- Expenditure in Puntland has been reduced to a negligible amount while the political situation stabilises, with the JV hopeful of re-entering this highly sought after exploration region.

- Red Emperor is participating in a farm-in deal to earn a 15% working interest in Block SC55, which is assessed to potentially contain **over 2bn barrels of oil in place or 11 Tcf of gross recoverable gas**.
- The first well, **Hawkeye-1**, is to be **drilled in early Q3 2015 targeting in excess of 100MMbbls**.
- **Attractive farmin terms – well cap of US\$5.625m** to protect downside and Red Emperor able to take advantage of sunk cost pool in excess of US\$30m.
- Otto Energy has entered into a **Letter of Intent with Maersk** to secure the Maersk Venturer ultra-deepwater drillship to drill the Hawkeye-1 exploration well. All required **long lead items have now been procured** and stored in yards in Labuan, Malaysia.
- Red Emperor is **fully funded** with **A\$12m cash in bank**.
- After extensive review of many potential projects, the Red Emperor Board has taken advantage of a depressed oil market that has seen drill rig rates halve and farm-in promotes reduce significantly. Having assessed the robustness of the Hawkeye prospect, and considerable upside in a success case, the Board believe the transaction provides a compelling investment opportunity for Red Emperor and its shareholders.