

7 September 2009
ASX Release

Update: Russian Potash Project

The Directors advise that in relation to the proposed acquisition of a controlling interest in a Russian potash project, details of which were announced to ASX on 20 May 2009, the Company has been advised by its Russian partners that the acquisition date is facing a delay of several months due to system rules recently granted final approval and implemented by the Russian Judicial Ministry.

At this stage the Directors believe the acquisition will take place in the first quarter of 2010. Accordingly, pursuant to the terms of the standby loan facility established to fund the proposed acquisition, the Company will return funds already raised, with the intention of re-establishing the facility early in 2010 upon obtaining advice of a firm acquisition date. The Company has been extremely pleased with the response to its capital raising efforts with a substantial amount of the facility being filled.

The Company remains confident of acquiring the project under the commercial terms as detailed in previous announcements and firmly believes in the outlook for the future of the potash and fertiliser industries.

Due to commercial sensitivities, the vendor has requested that the Company not release any further information to the public with regards to the project and the resource prior to the completion of the acquisition.

For further information please visit the Company's website www.red-emperor.com

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