

29 JUNE 2011

Manager of Company Announcements
ASX Limited
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By E-Lodgement

GEORGIAN DRILLING UPDATE

Red Emperor Resources NL (ASX: RMP | AIM: RMP) is pleased to provide the following update on activities in Georgia with respect to the drilling of its first exploration well.

The exploration drilling rig and associated equipment that will be used for the Company's two well exploration program arrived at the port of Poti in Georgia recently and is now on site being erected with a scheduled spudding date of early July. A total of 40-50 personnel will be conducting the drilling program on a 24 hour basis.

This Mukhiani well is targeting the Vani 3 prospect which has a best estimate of oil in place in excess of +115mbbls (with 23MMbbls attributable to Red Emperor's 20% interest). This prospect was also the subject of the geochemical helium survey completed by Actual Geology earlier this year with the results identifying a positive presence of helium anomalies across the prospect that indicate the presence of a working hydrocarbon system.

The Mukhiani well is targeting a depth of approximately 3,500m and is expected to reach target depth within 45-55 days, and is the first of a two well highly prospective exploration drilling program to be completed by the Company this year.



Figure 1 & 2 – unloading of equipment at the Port of Poti, Georgia

BOARD & MANAGEMENT

Mr Greg Bandy
EXECUTIVE DIRECTOR

Mr Jason Bontempo
NON-EXECUTIVE DIRECTOR

Mr Stephen Brockhurst
NON-EXECUTIVE DIRECTOR

Ms Shannon Robinson
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ASX CODE
RMP

AIM CODE
RMP



Figure 3 – Edeco Drilling Rig



Figure 4 & 5 – Mukhiani well site and casing

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'Greg Bandy'.

Greg Bandy
Executive Director



Background

Red Emperor Resources NL (ASX: RMP) is a natural resources exploration company with interests in the frontier state of Puntland, Somalia, the Republic of Georgia and Western Australia.

- In Puntland, Red Emperor holds a 20% working interest in two licences encompassing the highly prospective Dharoor and Nugaal valleys in 2011. These two exploration areas cover nearly 40,000km² and have independently been assessed to potentially contain over 19.9 billion barrels of oil in-place. Red Emperor's joint venture partner and PSA operator Africa Oil Corp. (TSXV: AOI) has signed a letter of intent with a drilling subcontractor and expects the first well to be drilled in Dharoor in Q3, 2011.
- In the Republic of Georgia, Red Emperor has a 20% working interest in onshore blocks VIa and VIb, covering approx. 6,500km². Partner Range Resources Ltd (ASX: RRS; AIM: RRL) last year funded a 410km 2D seismic program with independent consultants RPS Energy identifying 68 potential structures containing an estimated 2.045 billion barrels of oil-in-place (on a mean 100% basis). Mobilisation has commenced with the first exploration well due to spud July 2011.
- The Company also has a 25% interest in the Jillewarra Project free carried until bankable feasibility study, which is a copper and gold project in Western Australia.