

31 October 2011

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

By E-Lodgement

Georgian Drilling Update

Red Emperor Resources NL (ASX: RMP | AIM: RMP) along with its joint venture partners Strait Oil and Gas UK Ltd and Range Resources Limited (ASX: RRS | AIM: RRL) advises that following the completion of the Vertical Seismic Profiling ("VSP") on the Mukhiani Well, the Company commenced to flow test two zones of interest whilst waiting for VSP interpretation results.

The first test (open hole flow test) at 720m – 768m did not flow as of this morning GMT. The second test (perforation formation flow test at 330 – 370m) will now be undertaken.

The Company will provide an update as to the VSP interpretation results and second flow test next week based on current schedules.

The VSP interpretation results will confirm whether or not the current zone of hard rock that the well has reached is basement rock or a volcanic overthrust. This current depth is significantly shallower than the initially planned total depth (of approximately 3,500 m) to the primary objective based on surface seismic interpretation. If the VSP interpretation confirms the rock encountered is indeed basement, drilling will not continue with preparations to commence for the drilling of the second exploration well, the Kursebi 2, while if it indicates it is a volcanic overthrust, a decision will be made whether to proceed drilling after reassessing the likely lithography and target potential.

For and on behalf of the Board



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 licenses encompassing the highly prospective Dharoor and Nugaal valleys. These two exploration areas cover over 36,000km² and have independently been assessed to potentially contain a combined 19 billion barrels of oil in-place. Red Emperor's joint venture partner and PSA operator Africa Oil Corp. (TSXV: AOI) has signed a contract with drilling company Sakson Drilling and Oil Services and well as all related third party contracts and expects the first well to be drilled in Dharoor in Q4, 2011.*
- *In the Republic of Georgia, Red Emperor has a 20% working interest in onshore blocks VIa and VIb, covering approx. 6,500km². Joint Venture partner Range Resources Limited (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). Two wells are to be drilled this year as part of the proposed drill program.*
- *The Company also has a 25% interest in the Jillewarra Project, a copper and gold project in Western Australia. This interest is free carried through until bankable feasibility study.*

BOARD & MANAGEMENT

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Mr Jason Bontempo
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