

29 April 2011

Manager of Company Announcements
Australian Securities Exchange
Level 6, 20 Bridge Street
Sydney NSW 2000

By E-Lodgement

QUARTERLY REPORT

Period Ended 31 March 2011

MARCH 2011 QUARTER – HIGHLIGHTS

- Ministerial approval to 20% farm-in to Puntland Projects
- Agreement to acquire 20% interest in Georgia Project
- Capital raising of \$11.8 million

CORPORATE

During the quarter the Company completed a capital raising by way of placement to raise \$10 million. In addition the Company raised \$1.8 million by way of a prospectus offer to Range Resources Limited Shareholders. The Company also commenced the dual listing process on AIM in London and anticipates listing on AIM to occur in May/June 2011. Subsequent to the end of the quarter, the Company moved its share register to Computershare Investor Services Pty Ltd.

PUNTLAND PROJECTS

During the quarter the Puntland government formally approved the Company's farm-in of a 20% interest in the Dharoor Valley Project and the Nugaal Valley Project in Puntland, Somalia and the extension of the production sharing agreements (PSA's) until January 2012.

GEORGIA PROJECT

The Company entered into a heads of agreement to acquire a 20% working interest in 2 oil and gas blocks in the Republic of Georgia. The Company anticipates entering into formal sale agreements in the coming days. During the quarter the results of a surface helium survey were released by the joint venture partner Range Resources Limited (ASX: RRS, AIM: RRL) (refer announcement dated 8 February 2011). The survey identified priority zones which are most likely to contain potentially productive systems. These productive zones have been identified at the Mukhiani and Kursebi areas which are suitable for exploration and if successful, development drilling. Exploration drilling is expected to commence in the current quarter.

JILLEWARRA PROJECT

During the quarter the results of the geochemical sampling program were released by the joint venture partner (refer announcement dated 15 March 2011). The program identified a number gold and base metal anomalies which will be subject to further infill and extensional soil sampling.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

RED EMPEROR RESOURCES NL

ABN

99 124 734 961

Quarter ended ("current quarter")

31 MARCH 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(506)	(515)
(b) development	-	-
(c) production	-	-
(d) administration	(280)	(856)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	76	86
1.5 Interest and other costs of finance paid	(5)	(9)
1.6 Income taxes paid	-	-
1.7 Other Receipts (refunds)	-	-
2.7 Other	-	-
Net Operating Cash Flows	(715)	(1,294)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(15)	(24)
(c) investments- asset acquisition	-	(2,207)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	482	815
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Proceeds from underwriting	-	-
Net investing cash flows	467	(1,416)
1.13 Total operating and investing cash flows (carried forward)	(248)	(2,710)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(248)	(2,710)
	Cash flows related to financing activities		
1.14	Proceeds from placement	11,800	14,600
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Costs associated with issue of shares	(707)	(888)
	Net financing cash flows	11,093	13,712
	Net increase (decrease) in cash held	10,845	11,002
1.20	Cash at beginning of quarter/year to date	217	60
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	11,062	11,062

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1 Aggregate amount of payments to the parties included in item 1.2	30
1 Aggregate amount of loans to the parties included in item 1.10	Nil

- 1 Explanation necessary for an understanding of the transactions

Payments of Directors Fees and Remuneration	30

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Appendix 5B Mining exploration entity quarterly report

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	-
3.2 Credit standby arrangements	Nil	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	-
4.3 Production	-
4.4 Administration	60
Total	560

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	11,062	217
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other – Term Deposit	-	-
Total: cash at end of quarter (item 1.22)	11,062	217

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil	None	
6.2	Interests in mining tenements acquired or increased	Nil	None	

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference *securities <i>(description)</i>	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil			
7.3 *Ordinary securities	137,616,114	137,616,114		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	50,000,000 9,000,000 Nil	50,000,000 9,000,000	\$0.20 \$0.20	\$0.20 \$0.20
7.5 *Convertible debt securities <i>(description)</i>	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil Nil			
7.7 Options <i>(description and conversion factor)</i>	Nil	Nil		
7.8 Issued during quarter	Nil	Nil		
7.9 Exercised during quarter	Nil	Nil		
7.10 Expired during quarter	Nil	Nil		
7.11 Debentures <i>(totals only)</i>	Nil	Nil		
7.12 Unsecured notes <i>(totals only)</i>	Nil	Nil		
Performance Based Shares	Nil	Nil		
Changes during quarter (a) Increases	Nil	Nil		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



GREG BANDY
Managing Director
29 April 2011

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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