

18 August 2011

Manager of Company Announcements  
ASX Limited  
Level 8 Exchange Plaza  
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*By E-Lodgement*

## **Puntland Drilling Contract Signed – Drilling Set for Q4, 2011**

### **Highlights:**

- **Africa Oil signs landmark contracts for a drilling rig and third party services to drill 1st well in Puntland in over 20 years**
- **Mobilization of required personnel and equipment to begin**
- **First drill target, Shabeel-1, to spud in Q4, 2011**

Red Emperor Resources NL (ASX/AIM: RMP) is pleased to announce that its joint venture partner and Puntland PSA operator, Africa Oil Corp (TSXV: AOI) has signed a landmark contract with Sakson Drilling and Oil Services who will provide a 1,500 horse-power, top drive drilling rig to drill two highly anticipated exploration wells in the frontier state of Puntland, Somalia.

The majority of the drilling-related third party service contracts have been entered into with the mobilization of required personnel and equipment to commence which will allow for the spudding of the first well during the fourth quarter of this year.

Drilling locations have been selected over two robust prospects each targeting gross best estimate oil in place of circa 900 million barrels. The first prospect, Shabeel-1, is targeting in excess of 300 million recoverable barrels of oil. Red Emperor has an option to participate in the second well.

The Puntland Government and Dharoor Valley communities have assured they will assist and support the joint venture to allow the project to move forward safely and expeditiously.

Africa Oil will hold its interest in the Puntland Projects through its shareholding in Horn Petroleum, who recently completed a \$41m capital raising.

Red Emperor's Executive Director Greg Bandy commented, "We are delighted that our JV partner has signed a drilling rig contract and associated contracts and we look forward to drilling the first exploration wells in Puntland in over 20 years."

For and on behalf of the Board



**Greg Bandy**  
Executive Director

### **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



## Background

Red Emperor Resources NL (ASX/AIM: 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. These two exploration areas cover over 36,000km<sup>2</sup> 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 a drilling company Sakson Drilling and Oil Services 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. 6,500km<sup>2</sup>. 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,