

3 June 2011

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

By E-Lodgement

Red Emperor Corporate Update

Highlights

- Execution of formal agreements to acquire a 20% interest in the Georgian Project
- Exploration program underway on the Georgian Project with the first exploration well scheduled to spud in June 2011
- Exploration program underway on the Puntland Project (Dharoor Valley) with the first exploration well scheduled to spud in Q3 2011

Red Emperor Resources NL (ASX: RMP) advises that the Company intends to seek shareholder approval to change its activities from that of a resource company to a mineral exploration and hydrocarbon exploration company. The change of activity follows the Company's recent farm-ins to the announced Puntland and Georgian Projects.

1. Background

In June 2010 the Company entered into an agreement to acquire up to a 20% interest in two licences encompassing the highly prospective Dharoor and Nugaal valleys in Puntland, Somalia ("Puntland Projects") subject to the satisfaction of certain conditions. The Company elected to earn a 20% interest in each of the Puntland Projects and received ministerial consent to the farm-in in January 2011.

In January 2011 the Company entered into an agreement to acquire a 20% interest in two onshore oil and gas blocks in the Republic of Georgia ("Georgian Project") subject to the satisfaction of certain conditions. In May 2011 the Company entered into formal agreements in respect of the earn-in of a 20% working interest in the Georgian Project.

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.

BOARD & MANAGEMENT

Mr Greg Bandy
EXECUTIVE DIRECTOR

Mr Jason Bontempo
NON-EXECUTIVE DIRECTOR

Mr Stephen Brockhurst
NON-EXECUTIVE DIRECTOR

Ms Shannon Robinson
COMPANY SECRETARY

REGISTERED OFFICE

945 Wellington Street
West Perth WA 6005

POSTAL ADDRESS

PO Box 1263
West Perth WA 6872

CONTACT DETAILS

Tel: +61 8 9322 7600
Fax: +61 8 9322 7602

WEBSITE

www.red-emperor.com.au

SHARE REGISTRY

Computershare
Level 2
45 St Georges Terrace
Perth WA 6000
Tel: 1300 555 159

ASX CODE

RMP

AIM CODE

RMP



2. Summary of the Puntland Project

The Puntland Projects consist of 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.

Puntland Project	Summary of Oil In-Place Estimates (Gross Best Estimate (MMBbl))
Dharoor Valley	5.8
Nugaal Valley	14.1

A summary of the history of the Puntland Projects is set out below as announced to ASX on 16 June 2010.

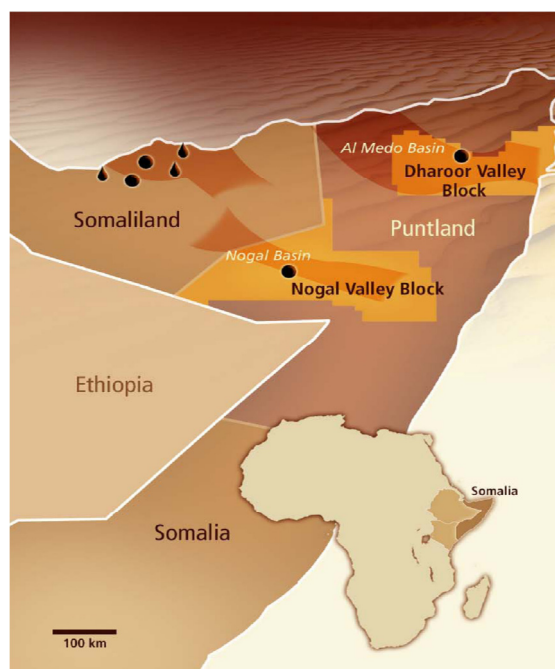
Dharoor and Nugaal Valleys

In 2006 the Puntland Government granted Range Resources Ltd (ASX: RRS) ("Range") certain mineral and hydrocarbon rights which included the highly prospective Nugaal and Dharoor exploration blocks. In 2007 Range brought in partner Africa Oil Corp. (TSXV: AOI) ("Africa Oil") to finance and help to develop the Nugaal and Dharoor oil prospects. Africa Oil operates the licences covered by the production sharing agreements in respect of the two blocks.

Prior to Red Emperor's farm-in, the joint venture invested significant funds on seismic acquisition and interpretive works designed to identify the most prospective drill targets in both the Nugaal and Dharoor exploration blocks. The targets identified are the subject of the current exploration program.

Puntland

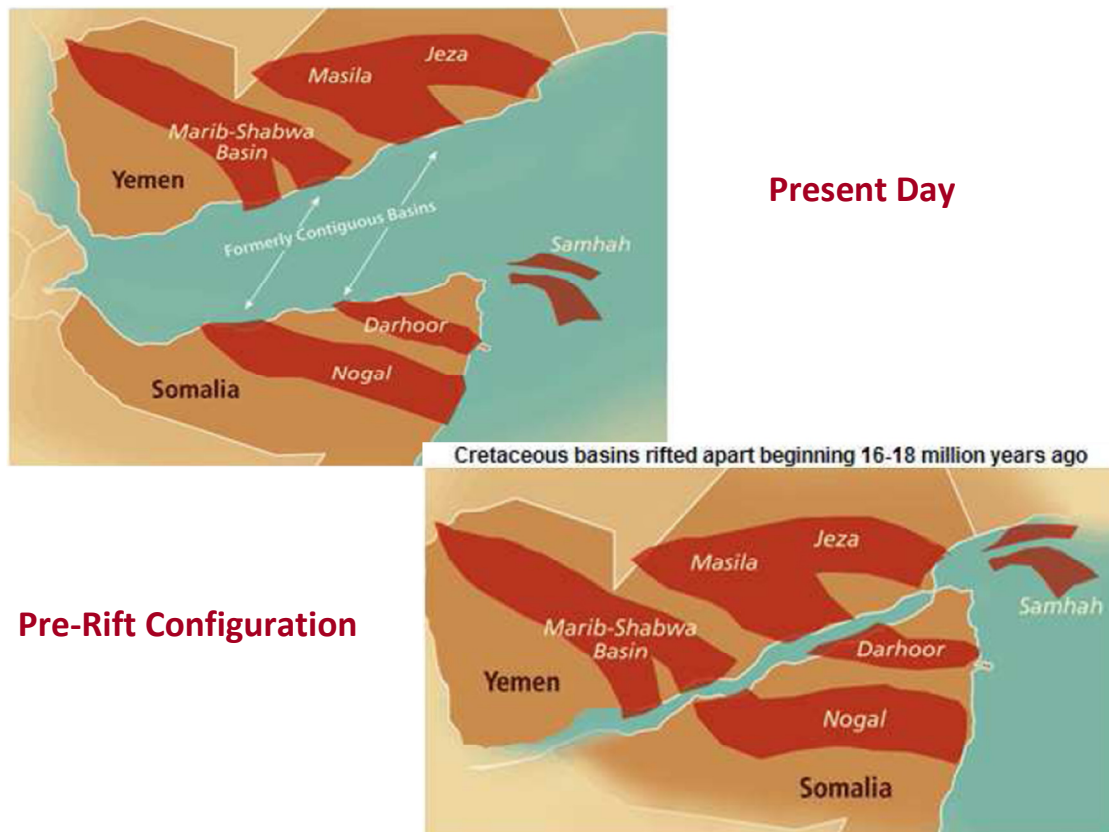
Somalia is situated in the most north-eastern part of Africa, known as 'the Horn of Africa'. The Democratic State of Puntland is located in the north-eastern sector of Somalia and covers approximately 212,000km².





Somalia, and in particular Puntland, remain one of the last under-explored countries that have high potential for vast reserves of hydrocarbons. During the late 1980's the state was divided into a number of concessions for oil exploration. Significant exploration was undertaken but this effectively ceased due to political instability that arose in 1991.

The rationale concerning prospectivity in Puntland is based on the proposition that the Cretaceous and Jurassic age Nugaal and Dharoor basins in Puntland are extensions of the prolific producing Marib-Shawba and Sayun-Masila Basins in Yemen. It is believed these basins were contiguous before the Gulf of Aden opened and therefore the prospects and plays are likely similar to those in Yemen.



The legal structure of Puntland consists of the judiciary, legislative (house of representatives) and the executive (the president and his nominated council of ministries) branches of government. They have had two peaceful elections in the past 5 years with the current President, Abdirahman Mohamud Farole (a former PhD candidate in the history department at La Trobe University in Melbourne) fully supportive of the development of the natural assets believed to exist in abundance both on and off the shores of Puntland.

Exploration Program Currently Underway

As announced to ASX on 13 May 2011 Red Emperor's joint venture partner and PSA operator, Africa Oil, has signed a letter of intent with a drilling subcontractor and expects the first well to be drilled in Dharoor in Q3, 2011.

3. Summary of the Georgian Project

The Georgian Project consists of two onshore oil and gas blocks in the Republic of Georgia covering approximately 6,500km², block VIa and block VIb. The blocks have been independently assessed to contain 68 potential structures with an estimated 2.045 billion barrels of oil-in-place.



Exploration Program Currently Underway

As announced on to ASX 4 May 2011, rig mobilisation has commenced with site preparation near completion and spudding confirmed for June 2011. The Mukhiani Well is targeting the Vani 3 prospect which has the following potential STOIIP:

Vani 3 Prospect – STOIIP* (MMbbls)			
P90	P50	P10	Mean
41.7	92.7	178.2	115.2

*STOIIP shown here assumes that the Vani 3 Prospect contains 3 stacked reservoirs based on current stratigraphic understanding. Any given well may encounter 1, 2, or 3 such potential reservoirs depending on the degree of relative uplift and/or erosion at any given Prospect location.

The recently completed geochemical helium survey undertaken by joint venture partner Range Resources Ltd confirmed the suitability of the first drill location with oil exploration and development prospectivity complementing the earlier seismic work completed on the target.

4. Re-compliance with Chapters 1 and 2 of the ASX Listing Rules

The Company is required to re-comply with Chapters 1 and 2 of the ASX Listing Rules as a result of changing the nature and scale of its activities. This involves obtaining shareholder approval and also meeting the new listing requirements as if the Company were undergoing a new initial public offer.

As part of this process, the Company will be:

- (a) seeking shareholder approval to undertake a capital raising of up to \$1,000,000 pursuant to a prospectus; and
- (b) issuing a full form prospectus in relation to the Capital Raising ("Prospectus").



5. Indicative Timetable

Event	Date
Dispatch of Notice of Meeting in relation to Capital Raising	17 June 2011
Lodgment of Prospectus at ASIC	4 July 2011
General Meeting to approve the change of activities and other matters	18 July 2011
Suspension of the Company's securities from trading on ASX at the opening of trading	18 July 2011
Issue of Shares under the Capital Raising	18 July 2011
Trading in securities reinstated by ASX (subject to satisfaction of Chapters 1 and 2 of the ASX Listing Rules). ¹	22 July 2011

Note:

1. Trading in securities will only be reinstated by ASX after the Company has complied with Chapters 1 and 2 of the ASX Listing Rules. The Company will endeavor to minimize the period of suspension as much as possible.
2. The above timetable is indicative only and may be varied in consultation with the ASX.

Full details of the proposed Capital Raising and the Notice of Meeting will be forwarded to shareholders in due course.

For and on behalf of the Board

Greg Bandy
Executive Director