

27 February 2012

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

By E-Lodgement

Issue of Equity

Highlights

- Placing to raise £6.925 million (approximately A\$10 million)
- Placing provides additional funding to progress the current exploration programs in Puntland and Georgia, business development opportunities and working capital
- Puntland Shabeel-1 well already at a depth of 1,230 metres and Georgia Namakhvani well expected to spud in mid April 2012

Red Emperor Resources NL (ASX | AIM: RMP), the oil and gas exploration company with interests in Puntland and Georgia, is pleased to announce a placing, through Fox-Davies Capital Limited and Old Park Lane Capital plc in the UK and Max Capital Pty Ltd in Australia of 38,472,204 new ordinary shares at 18 pence per share (the "Placing Shares"), raising £6.925 million before expenses (the "Placing"). The Placing Shares will rank pari passu in all respects with existing ordinary shares in the Company.

The Placing comprises of two tranches; the First Tranche being 16,194,013 new ordinary shares and the Second Tranche being 22,278,191 new ordinary shares. The Company reserves the right to place up to an additional 7,000,000 new ordinary shares as over subscriptions to Australian shareholders to the Second Tranche. It is expected that admission to trading on AIM will become effective for the First Tranche on or about 1 March 2012. Application has today been made for admission of the First Tranche Placing Shares to trading on AIM.

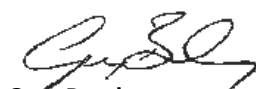
The Second Tranche is subject to shareholder approval at a forthcoming Extraordinary General Meeting. The Notice for this meeting is expected to be published shortly. It is expected that admission will become effective for the Second Tranche on or about 2 April 2012.

The funds raised under the Placing will be used to progress the Company's exploration drilling activities in Puntland and Georgia, business development opportunities and working capital.

Following admission of the First Tranche, the Company will have 205,845,393 ordinary shares on issue. The Company holds no shares in treasury and each share carries one vote. This figure may be used by shareholders in the Company as the denominator for calculations by which they will determine if they are required to notify their interest in, or a change to their interest, under the Disclosure and Transparency Rules.

This announcement has the effect of lifting the trading halt.

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 Rebecca Sandford
Ms Shannon Robinson
JOINT COMPANY SECRETARY

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ASX CODE

RMP

AIM CODE

RMP



Background

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

- 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 36,000km². The operator and 60% interest holder, Horn Petroleum Corp. (TSXV: HRN) has spud the first well in a two well programme in early 2012 targeting 300mmbbls and 375mmbbls of best estimate Prospective Resources (100% basis). Site construction has commenced on the second well with the setting of the 30 inch surface casing and drilling of a 50 meter pilot hole in readiness for spudding following completion of the first well.
- 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) previously funded a 410km 2D seismic program with independent consultants RPS Energy identifying 68 potential structures containing an estimated 2.045 billion barrels of undiscovered oil-in-place (on a mean 100% basis) with the first (Mukhiani-1) of two exploration wells having spudded in July 2011. Re-interpreted seismic supported by the Mukhiani-1 vertical seismic profiling has identified new fault and stratigraphic trapping potential with the possibility of a side track well to be drilled post additional seismic in 2H 2012.